

**CITY OF COLUMBUS, MINNESOTA**

**ANNUAL FINANCIAL REPORT**

December 31, 2021

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**CITY OF COLUMBUS, MINNESOTA**  
**TABLE OF CONTENTS**

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	<b>Reference</b>	<b>Page #</b>
<b>I. INTRODUCTORY SECTION</b>		
Elected and Appointed Officials		3
<b>II. FINANCIAL SECTION</b>		
Independent Auditor's Report		7
Management's Discussion and Analysis		11
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	21
Statement of Activities	Statement 2	22
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 4	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	Statement 5	28
Statement of Net Position - Proprietary Funds	Statement 6	29
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	Statement 7	30
Statement of Cash Flows - Proprietary Funds	Statement 8	31
Notes to Financial Statements		33
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 9	62
Schedule of Proportionate Share of Net Pension Liability - General Employees Retirement Fund	Statement 10	65
Schedule of Pension Contributions - General Employees Retirement Fund	Statement 11	66
Notes to RSI		67
Combining and Individual Fund Financial Statements and Schedules:		
General Fund:		
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	Statement 12	71

**CITY OF COLUMBUS, MINNESOTA**  
**TABLE OF CONTENTS**

---

	<u>Reference</u>	<u>Page #</u>
Combining Balance Sheet - Nonmajor Governmental Funds	Statement 13	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	Statement 14	73
Subcombining Balance Sheet - Nonmajor Special Revenue Funds	Statement 15	74
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds	Statement 16	76
Subcombining Balance Sheet - Nonmajor Debt Service Funds	Statement 17	78
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Debt Service Funds	Statement 18	79
Subcombining Balance Sheet - Nonmajor Capital Project Funds	Statement 19	80
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capital Project Funds	Statement 20	82
Special Revenue Funds:		
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:		
Economic Development Authority	Statement 21	84
EDA HRA Levy	Statement 22	85
Sunrise River WMO Fund	Statement 23	86

## I. INTRODUCTORY SECTION

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**ELECTED OFFICIALS**

	<u>Term Expires</u>
Mayor: Jesse Preiner	December 31, 2022
Councilmembers: Sue Wagamon	December 31, 2024
Janet Hegland	December 31, 2022
Robert Busch	December 31, 2024
Shelly Logren	December 31, 2022

**APPOINTED OFFICIALS**

City Administrator	Elizabeth Mursko
Deputy Treasurer	Bill Werner
Building Official	MnSpec (Contract)
Engineer	Bolton & Menk
Attorney	Larkin, Hoffman, Daly & Lindgren

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## II. FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Columbus, Minnesota

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbus, Minnesota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Columbus, Minnesota's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbus, Minnesota, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Columbus, Minnesota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Report on Summarized Comparative Information***

We have previously audited the City of Columbus, Minnesota's 2020 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated August 4, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Columbus, Minnesota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Columbus, Minnesota's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Columbus, Minnesota's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, and the schedules of pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Columbus, Minnesota's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2022 on our consideration of the City of Columbus, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Columbus, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Columbus, Minnesota's internal control over financial reporting and compliance.

*Redpath and Company, Ltd.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

September 15, 2022

## MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the City of Columbus, Minnesota (the City), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$31,506,100 (net position). The components of net position are as follows:

Net investment in capital assets	\$22,785,108
Restricted for debt service	2,180,532
Restricted for economic development	100,000
Restricted for other purposes	305,895
Unrestricted	6,134,565

- At the end of the current fiscal year, the governmental fund balance was \$15,220,243, an increase of \$419,874 from prior year. The increase is primarily due to selling land during 2021 and the accumulation of unspent funds in the Hornsby Street South project fund.
- The City had total long-term debt outstanding of \$12,932,928 at the end of the current fiscal year. Included in this amount are the G.O. Tax Abatement bonds of 2015A which have an outstanding balance of \$3,945,000. The bonds will be refunded on February 1, 2023 with funds currently held in escrow.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or

## Management's Discussion and Analysis

decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (example uncollected taxes and earned but unused vacation leave).

The government-wide financial statements are statements 1 and 2 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains nine individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Minnesota Investment Fund, Bonds of 2018A Fund, Bonds of 2012A- Refunding Portion Fund, G.O. Tax Abatement Bond Fund, Public Utilities Project Fund, Hornsby St. South Paving Project Fund, EDA Quad 35 Project Fund and the EDA Quad Interfund Loan Fund which are considered to be major funds.

The City adopts an annual appropriated budget for its General Fund and the Economic Development Authority, EDA HRA Levy, and Sunrise River WMO Special Revenue Funds.

## Management's Discussion and Analysis

Budgetary comparison statements have been provided for these funds to demonstrate compliance with budget.

The basic governmental fund financial statements are statements 3 through 5 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow statement 8 of this report.

**Other information.** Combining and individual fund financial statements and schedules are presented as statements 12 through 23 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$31,506,100 at the close of the most recent fiscal year.

A substantial portion of the City's net position (\$22,785,108) reflects its net investment in capital assets (e.g. roads) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis

**CITY OF COLUMBUS, MINNESOTA'S NET POSITION**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$20,366,406	\$20,497,083	\$913,105	\$449,919	\$21,279,511	\$20,947,002
Capital assets	14,890,031	11,584,330	9,697,852	9,581,666	24,587,883	21,165,996
Total assets	<u>\$35,256,437</u>	<u>\$32,081,413</u>	<u>\$10,610,957</u>	<u>\$10,031,585</u>	<u>\$45,867,394</u>	<u>\$42,112,998</u>
Total deferred outflows of resources	<u>\$273,730</u>	<u>\$95,886</u>	<u>\$0</u>	<u>\$0</u>	<u>\$273,730</u>	<u>\$95,886</u>
Long-term liabilities outstanding	\$13,355,617	\$13,657,058	\$ -	\$ -	\$13,355,617	\$13,657,058
Other liabilities	941,460	947,306	8,022	10,604	949,482	957,910
Total liabilities	<u>\$14,297,077</u>	<u>\$14,604,364</u>	<u>\$8,022</u>	<u>\$10,604</u>	<u>\$14,305,099</u>	<u>\$14,614,968</u>
Total deferred inflows of resources	<u>\$329,925</u>	<u>\$20,872</u>	<u>\$0</u>	<u>\$0</u>	<u>\$329,925</u>	<u>\$20,872</u>
Net position:						
Net investment in capital assets	\$13,087,256	\$10,538,087	\$9,697,852	\$9,581,666	\$22,785,108	\$20,119,753
Restricted for debt service	2,180,532	2,066,507	-	-	2,180,532	2,066,507
Restricted for economic development	100,000	100,000	-	-	100,000	100,000
Restricted for other purposes	305,895	60,556	-	-	305,895	60,556
Unrestricted	5,229,482	4,786,913	905,083	439,315	6,134,565	5,226,228
Total net position	<u>\$20,903,165</u>	<u>\$17,552,063</u>	<u>\$10,602,935</u>	<u>\$10,020,981</u>	<u>\$31,506,100</u>	<u>\$27,573,044</u>

## Management's Discussion and Analysis

### Governmental Activities

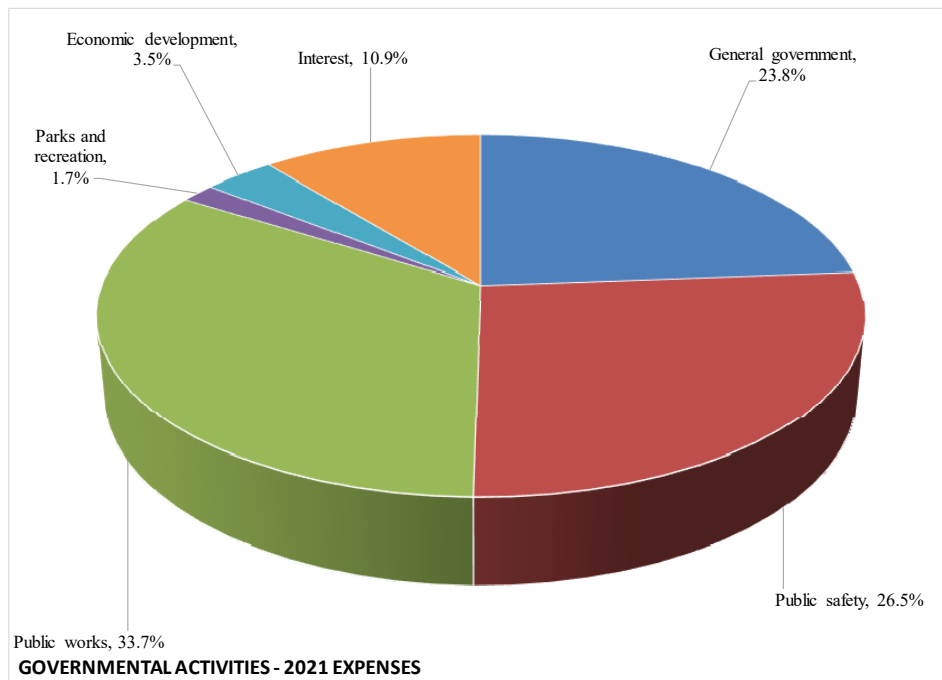
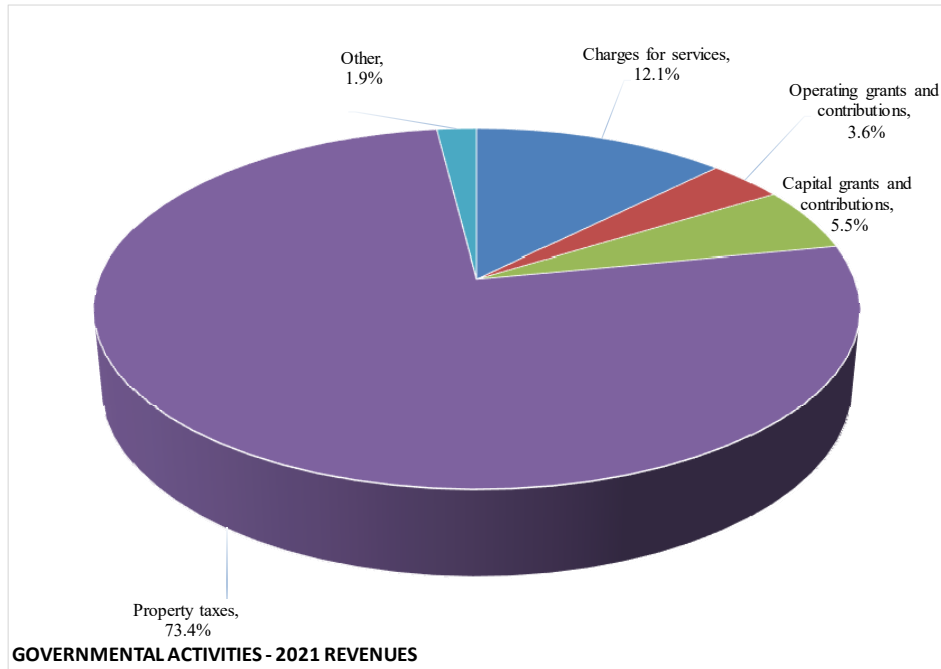
Governmental activities resulted in an increase of the City's net position by \$1,518,587 while Business-Type activities resulted in an increase of the City's net position by \$197,372. The details of the change are as follows:

#### **City of Columbus, Minnesota's Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Program revenues:						
Charges for services	\$599,322	\$358,483	\$596,793	\$209,665	\$1,196,115	\$568,148
Operating grants and contributions	179,431	1,143,524	-	-	179,431	1,143,524
Capital grants and contributions	271,401	929,848	-	-	271,401	929,848
General revenues:						
Property taxes	3,623,426	3,457,175	-	-	3,623,426	3,457,175
Tax increment collections	93,619	6,839	-	-	93,619	6,839
Grants and contributions not restricted to programs	5,914	6,330	-	262	5,914	6,592
Unrestricted investment earnings	(5,064)	2,921	70	-	(4,994)	2,921
Gain on sale of assets	171,446	-	-	-	171,446	-
Total revenues	<u>4,939,495</u>	<u>5,905,120</u>	<u>596,863</u>	<u>209,927</u>	<u>5,536,358</u>	<u>6,115,047</u>
Expenses:						
General government	813,224	797,465	-	-	813,224	797,465
Public safety	904,966	1,017,826	-	-	904,966	1,017,826
Public works	1,153,298	1,580,571	-	-	1,153,298	1,580,571
Parks and recreation	58,405	61,989	-	-	58,405	61,989
Economic development	118,569	38,927	-	-	118,569	38,927
Water	-	-	198,219	190,281	198,219	190,281
Sewer	-	-	201,272	154,823	201,272	154,823
Interest and fees on long-term debt	372,446	388,083	-	-	372,446	388,083
Total expenses	<u>3,420,908</u>	<u>3,884,861</u>	<u>399,491</u>	<u>345,104</u>	<u>3,820,399</u>	<u>4,229,965</u>
Increase (decrease) in net position before transfers	<u>1,518,587</u>	<u>2,020,259</u>	<u>197,372</u>	<u>(135,177)</u>	<u>1,715,959</u>	<u>1,885,082</u>
Transfers	<u>0</u>	<u>(62,236)</u>	<u>0</u>	<u>62,236</u>	<u>-</u>	<u>-</u>
Change in net position	<u>1,518,587</u>	<u>1,958,023</u>	<u>197,372</u>	<u>(72,941)</u>	<u>1,715,959</u>	<u>1,885,082</u>
Net position - January 1, as previously reported	17,552,063	15,594,040	10,020,981	10,093,922	27,573,044	25,687,962
Prior period adjustment	1,832,515	-	384,582	-	2,217,097	-
Net position - January 1, as restated	<u>19,384,578</u>	<u>15,594,040</u>	<u>10,405,563</u>	<u>10,093,922</u>	<u>29,790,141</u>	<u>25,687,962</u>

## Management's Discussion and Analysis

Below are specific graphs which provide comparisons of the governmental activities revenues and expenditures:



## Management's Discussion and Analysis

### **Financial Analysis of the Government's Funds**

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,220,243. Of this amount, \$3,323,926 was unassigned.

The fund balance of the General Fund increased by \$23,395 in 2021.

### **Budgetary Highlights**

**General Fund.** The City budgeted for a decrease of \$62,800 in fund balance while the actual increase was \$23,395. Revenues and transfers in were over budget by \$301,314 while expenditures and transfers out were over budget by \$215,119.

### **Capital Asset and Debt Administration**

**Capital Assets.** The City's net investment in capital assets as of December 31, 2021 amounted to \$24,587,883. Detail of the capital assets is as follows:

#### **City of Columbus, Minnesota's Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land and easements	\$5,505,028	\$571,002	\$481,014	\$32,800	\$5,986,042	\$603,802
Buildings	1,393,652	1,510,930	282,972	-	1,676,624	1,510,930
Infrastructure	5,286,354	7,496,126	8,933,866	9,548,866	14,220,220	17,044,992
Vehicles and equipment	911,108	1,013,078	-	-	911,108	1,013,078
Construction in progress	1,793,889	993,194	-	-	1,793,889	993,194
	<u>\$14,890,031</u>	<u>\$11,584,330</u>	<u>\$9,697,852</u>	<u>\$9,581,666</u>	<u>\$24,587,883</u>	<u>\$21,165,996</u>

Additional information on the City's capital assets can be found in Note 5.

## Management's Discussion and Analysis

**Long-term debt.** At the end of the current fiscal year, the City had long-term debt outstanding of \$12,932,928, a decrease of \$149,725 from 2020. During 2021, the City issued \$1,485,000 of G.O. Street Reconstruction and Refunding bonds and made principal payments on previously issued bonds in the amount of \$1,555,000.

During 2021, Moody's Investors Service assigned an Aa3 rating to the City's general obligation debt.

### City of Columbus, Minnesota's Outstanding Debt

	<u>2021</u>	<u>2020</u>
General Obligation Bonds	\$12,149,000	\$12,219,000
Loan payable	631,518	747,382
Unamortized bond premiums	152,410	116,271

Additional information of the City's long-term debt can be found in Note 6.

**Requests for information.** This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Columbus, City Administrator, 16319 Kettle River Boulevard, Columbus, Minnesota 55025.

## **BASIC FINANCIAL STATEMENTS**

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CITY OF COLUMBUS, MINNESOTA  
STATEMENT OF NET POSITION  
December 31, 2021

Statement 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$9,584,763	\$797,304	\$10,382,067
Cash and investments with escrow	3,696,646	-	3,696,646
Accrued interest receivable	38,068	-	38,068
Accounts receivable - net	110,275	49,563	159,838
Due from other governments	14,344	-	14,344
Property taxes receivable	180,402	-	180,402
Special assessments receivable	3,657,987	-	3,657,987
Loan receivable	631,518	-	631,518
Connection charges receivable	-	66,238	66,238
Land held for resale	2,452,403	-	2,452,403
<b>Capital assets (net of accumulated depreciation):</b>			
Land	5,505,028	212,086	5,717,114
Permanent easements	-	268,928	268,928
Buildings and building improvements	1,393,652	282,972	1,676,624
Infrastructure	5,286,354	8,933,866	14,220,220
Vehicles and equipment	911,108	-	911,108
Construction in progress	1,793,889	-	1,793,889
Total assets	<u>35,256,437</u>	<u>10,610,957</u>	<u>45,867,394</u>
Deferred outflows of resources related to pensions	<u>273,730</u>	<u>-</u>	<u>273,730</u>
<b>Liabilities:</b>			
Accounts payable	112,674	2,069	114,743
Due to other governments	441,984	5,953	447,937
Salaries payable	25,510	-	25,510
Unearned revenue	214,913	-	214,913
Accrued interest payable	141,379	-	141,379
Deposits payable	5,000	-	5,000
<b>Compensated absences payable:</b>			
Due within one year	18,232	-	18,232
Due in more than one year	45,739	-	45,739
<b>Bonds and loan payable:</b>			
Due within one year	1,058,786	-	1,058,786
Due in more than one year	11,874,142	-	11,874,142
<b>Net pension liability:</b>			
Due in more than one year	358,718	-	358,718
Total liabilities	<u>14,297,077</u>	<u>8,022</u>	<u>14,305,099</u>
Deferred inflows of resources related to pensions	<u>329,925</u>	<u>-</u>	<u>329,925</u>
<b>Net position:</b>			
Net investment in capital assets	13,087,256	9,697,852	22,785,108
<b>Restricted for:</b>			
Debt service	2,180,532	-	2,180,532
Economic development	100,000	-	100,000
Other purposes	305,895	-	305,895
Unrestricted	5,229,482	905,083	6,134,565
Total net position	<u>\$20,903,165</u>	<u>\$10,602,935</u>	<u>\$31,506,100</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBUS, MINNESOTA**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>
Primary government:	
Governmental activities:	
General government	\$813,224
Public safety	904,966
Public works	1,153,298
Parks and recreation	58,405
Economic development	118,569
Interest and fees on long-term debt	372,446
Total governmental activities	<u>3,420,908</u>
Business-type activities:	
Water	198,219
Sewer	201,272
Total business-type activities	<u>399,491</u>
Total primary government	<u><u>\$3,820,399</u></u>

The accompanying notes are an integral part of these financial statements.

Charges For Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government		
	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$56,507	\$16,240	\$ -	(\$740,477)	\$ -	(\$740,477)
378,280	56,934	-	(469,752)	-	(469,752)
6,960	100,117	271,401	(774,820)	-	(774,820)
67,323	3,961	-	12,879	-	12,879
90,252	2,179	-	(26,138)	-	(26,138)
-	-	-	(372,446)	-	(372,446)
<u>599,322</u>	<u>179,431</u>	<u>271,401</u>	<u>(2,370,754)</u>	<u>0</u>	<u>(2,370,754)</u>
473,158	-	-	-	274,939	274,939
123,635	-	-	-	(77,637)	(77,637)
<u>596,793</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>197,302</u>	<u>197,302</u>
<u>\$1,196,115</u>	<u>\$179,431</u>	<u>\$271,401</u>	<u>(2,370,754)</u>	<u>197,302</u>	<u>(2,173,452)</u>
General revenues:					
General property taxes			3,623,426	-	3,623,426
Tax increment collections			93,619	-	93,619
Grants and contributions not restricted to specific programs			5,914	-	5,914
Gain on the sale of assets			171,446	-	171,446
Unrestricted investment earnings			(5,064)	70	(4,994)
Total general revenues			<u>3,889,341</u>	<u>70</u>	<u>3,889,411</u>
Change in net position			<u>1,518,587</u>	<u>197,372</u>	<u>1,715,959</u>
Net position - January 1 - as previously reported			17,552,063	10,020,981	27,573,044
Prior period adjustment			1,832,515	384,582	2,217,097
Net position - January 1 - as restated			<u>19,384,578</u>	<u>10,405,563</u>	<u>29,790,141</u>
Net position - December 31			<u>\$20,903,165</u>	<u>\$10,602,935</u>	<u>\$31,506,100</u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLUMBUS, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2021  
With Comparative Totals For December 31, 2020

	General Fund	(210) Minnesota Investment Fund	(308) Bonds of 2018A	(350) Bonds of 2012A - Refunding Portion
<b>Assets</b>				
Cash and investments	\$5,145,384	\$111,514	\$704,771	\$277,388
Cash and investments with escrow agent	-	-	-	-
Accrued interest receivable	-	-	-	-
Accounts receivable - net	61,932	-	-	-
Due from other governments	12,634	-	-	-
Due from other funds	941,652	-	-	-
Property taxes receivable	146,084	-	15,504	-
Special assessments receivable	128,651	-	2,073,032	1,379,404
Land held for resale	-	-	-	-
Loan receivable	-	631,518	-	-
<b>Total assets</b>	<b>\$6,436,337</b>	<b>\$743,032</b>	<b>\$2,793,307</b>	<b>\$1,656,792</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable	\$79,595	\$ -	\$ -	\$ -
Due to other governments	430,502	11,482	-	-
Salaries payable	25,225	-	-	-
Deposits payable	5,000	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	214,913	-	-	-
<b>Total liabilities</b>	<b>755,235</b>	<b>11,482</b>	<b>0</b>	<b>0</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	204,841	631,518	2,058,916	1,375,109
<b>Fund balance:</b>				
Nonspendable	635,316	-	-	-
Restricted	-	100,000	734,391	281,683
Committed	575,367	32	-	-
Unassigned	4,265,578	-	-	-
<b>Total fund balance</b>	<b>5,476,261</b>	<b>100,032</b>	<b>734,391</b>	<b>281,683</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$6,436,337</b>	<b>\$743,032</b>	<b>\$2,793,307</b>	<b>\$1,656,792</b>

The accompanying notes are an integral part of these financial statements.

(360) G.O. Tax Abatement Bond Fund	(419) Public Utilities Project Fund	(423) Hornsby St South Paving Project Fund	(480) EDA Quad 35 Project Fund	(481) EDA Quad Interfund Loan Fund	Other Governmental Funds	Total Governmental Funds	
						2021	2020
\$1,736,884	\$ -	\$174,518	\$ -	\$ -	\$1,434,304	\$9,584,763	\$8,900,185
3,696,646	-	-	-	-	-	3,696,646	3,749,247
38,068	-	-	-	-	-	38,068	38,068
-	-	38,566	-	-	9,777	110,275	23,388
-	-	-	-	-	1,710	14,344	42,184
-	-	-	-	-	-	941,652	1,018,996
8,369	-	-	-	-	10,445	180,402	260,836
-	-	-	-	-	76,900	3,657,987	4,033,649
-	-	-	2,452,403	-	-	2,452,403	2,680,222
-	-	-	-	-	-	631,518	769,304
<u>\$5,479,967</u>	<u>\$0</u>	<u>\$213,084</u>	<u>\$2,452,403</u>	<u>\$0</u>	<u>\$1,533,136</u>	<u>\$21,308,058</u>	<u>\$21,516,079</u>
\$ -	\$ -	\$13,274	\$ -	\$ -	\$19,805	\$112,674	\$298,321
-	-	-	-	-	-	441,984	480,878
-	-	-	-	-	285	25,510	24,871
-	-	-	-	-	-	5,000	5,000
-	306,336	-	-	635,316	-	941,652	1,018,996
-	-	-	-	-	-	214,913	-
<u>0</u>	<u>306,336</u>	<u>13,274</u>	<u>0</u>	<u>635,316</u>	<u>20,090</u>	<u>1,741,733</u>	<u>1,828,066</u>
-	-	-	-	-	75,698	4,346,082	4,887,644
-	-	-	-	-	-	635,316	705,316
5,479,967	-	-	2,452,403	-	976,035	10,024,479	9,748,144
-	-	199,810	-	-	461,313	1,236,522	2,385,764
-	(306,336)	-	-	(635,316)	-	3,323,926	1,961,145
<u>5,479,967</u>	<u>(306,336)</u>	<u>199,810</u>	<u>2,452,403</u>	<u>(635,316)</u>	<u>1,437,348</u>	<u>15,220,243</u>	<u>14,800,369</u>
<u>\$5,479,967</u>	<u>\$0</u>	<u>\$213,084</u>	<u>\$2,452,403</u>	<u>\$0</u>	<u>\$1,533,136</u>	<u>\$21,308,058</u>	<u>\$21,516,079</u>
Fund balance reported above						\$15,220,243	
Amounts reported for governmental activities in the statement of net position are different because:							
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.						14,890,031	
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds						4,346,082	
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.						273,730	
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:							
Accrued interest payable						(141,379)	
Bonds payable and loan payable, including unamortized bond premium						(12,932,928)	
Compensated absences						(63,971)	
Net pension liability						(358,718)	
Deferred inflows of resources related to pensions are associated with liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.						(329,925)	
Net position of governmental activities (Statement 1)						<u>\$20,903,165</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBUS, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2021  
With Comparative Totals For the Year Ended December 31, 2020

	General Fund	(210) Minnesota Investment Fund	(308) Bonds of 2018A	(350) Bonds of 2012A - Refunding Portion
<b>Revenues:</b>				
General property taxes	\$2,438,928	\$ -	\$537,550	\$ -
Tax increment collections	-	-	-	-
Licenses and permits	372,553	-	-	-
Intergovernmental	126,168	-	-	-
Special assessments	140,282	-	171,629	327,984
Investment income	453	8	22	5
Contributions and donations	56,120	-	-	-
Hotel lodging taxes	-	-	-	-
Miscellaneous	79,545	137,786	-	-
Total revenues	<u>3,214,049</u>	<u>137,794</u>	<u>709,201</u>	<u>327,989</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	780,459	-	-	-
Public safety	865,571	-	-	-
Public works	710,272	-	-	-
Parks and recreation	50,677	-	-	-
Economic development	-	-	-	-
Capital outlay	220,675	-	-	-
Debt service	-	115,864	652,438	375,638
Fiscal and other charges	-	-	501	-
Total expenditures	<u>2,627,654</u>	<u>115,864</u>	<u>652,939</u>	<u>375,638</u>
Revenues over (under) expenditures	<u>586,395</u>	<u>21,930</u>	<u>56,262</u>	<u>(47,649)</u>
<b>Other financing sources (uses):</b>				
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Bond premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Gain on sale of land	-	-	-	-
Transfers in	87,000	-	-	-
Transfers out	(650,000)	-	-	-
Total other financing sources (uses)	<u>(563,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	23,395	21,930	56,262	(47,649)
Fund balance - January 1	<u>5,452,866</u>	<u>78,102</u>	<u>678,129</u>	<u>329,332</u>
Fund balance - December 31	<u>\$5,476,261</u>	<u>\$100,032</u>	<u>\$734,391</u>	<u>\$281,683</u>

The accompanying notes are an integral part of these financial statements.

(360) G.O. Tax Abatement Bond Fund	(419) Public Utilities Project Fund	(423) Hornsby St South Paving Project Fund	(480) EDA Quad 35 Project Fund	(481) EDA Quad Interfund Loan Fund	Other Governmental Funds	Total Governmental Funds	
						2021	2020
\$290,168	\$ -	\$ -	\$ -	\$ -	\$364,243	\$3,630,889	\$3,450,555
-	-	-	-	-	93,619	93,619	6,839
-	-	-	-	-	-	372,553	246,786
-	-	-	-	-	-	126,168	1,060,196
-	-	-	-	-	27,819	667,714	527,501
(5,494)	-	-	-	-	(58)	(5,064)	2,921
-	-	-	-	-	2,179	58,299	88,300
-	-	-	-	-	63,425	63,425	16,762
-	-	-	-	-	83,799	301,130	229,202
<u>284,674</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>635,026</u>	<u>5,308,733</u>	<u>5,629,062</u>
-	-	-	-	-	-	780,459	774,244
-	-	-	-	-	-	865,571	1,003,162
-	4,207	-	-	-	15,875	730,354	958,684
-	-	-	-	-	942	51,619	51,402
-	-	-	-	-	118,569	118,569	38,927
-	-	1,604,250	-	-	119,060	1,943,985	2,191,757
309,618	-	-	-	-	134,476	1,588,034	1,597,048
1,965	-	45,516	-	-	21,652	69,634	99,334
<u>311,583</u>	<u>4,207</u>	<u>1,649,766</u>	<u>0</u>	<u>0</u>	<u>410,574</u>	<u>6,148,225</u>	<u>6,714,558</u>
<u>(26,909)</u>	<u>(4,207)</u>	<u>(1,649,766)</u>	<u>0</u>	<u>0</u>	<u>224,452</u>	<u>(839,492)</u>	<u>(1,085,496)</u>
-	-	1,080,000	-	-	-	1,080,000	-
-	-	-	-	-	405,000	405,000	3,640,000
-	-	31,576	-	-	32,064	63,640	-
-	-	-	-	-	(410,000)	(410,000)	-
-	-	-	-	-	15,130	15,130	-
-	-	-	105,596	-	-	105,596	15,000
278,415	-	738,000	-	70,000	21,778	1,195,193	282,115
-	-	-	(348,415)	-	(196,778)	(1,195,193)	(282,115)
<u>278,415</u>	<u>0</u>	<u>1,849,576</u>	<u>(242,819)</u>	<u>70,000</u>	<u>(132,806)</u>	<u>1,259,366</u>	<u>3,655,000</u>
251,506	(4,207)	199,810	(242,819)	70,000	91,646	419,874	2,569,504
<u>5,228,461</u>	<u>(302,129)</u>	<u>-</u>	<u>2,695,222</u>	<u>(705,316)</u>	<u>1,345,702</u>	<u>14,800,369</u>	<u>12,230,865</u>
<u>\$5,479,967</u>	<u>(\$306,336)</u>	<u>\$199,810</u>	<u>\$2,452,403</u>	<u>(\$635,316)</u>	<u>\$1,437,348</u>	<u>\$15,220,243</u>	<u>\$14,800,369</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBUS, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2021

**Statement 5**

	<u>2021</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - total governmental funds (Statement 4)	\$419,874
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay capitalized	1,879,960
Depreciation expense	(457,494)
Gain on trade-in or disposal of capital assets	50,720
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in delinquent taxes	(7,463)
Change in special assessments	(396,313)
Change in loan receivable	(137,786)
The issuance of long-term debt (e.g. bonds) provides current financial resources for governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The amounts of these differences are:	
Issuance of long-term debt	(1,485,000)
Principal payments on long-term debt	1,670,864
Premium on new debt issuance	(63,640)
Amortization of bond premium/discount	27,501
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the statement of activities include the effects of the changes in these expense accruals as follows:	
Change in accrued interest payable	(3,143)
Change in compensated absences payable	6,816
Governmental funds report pension contributions as expenditures, however, pension expense is reported in the statement of activities. This is the amount by which pension expense differed from pension contributions:	
Pension contributions	\$42,992
Pension expense	(29,301)
Change in net position of governmental activities (Statement 2)	<u>\$1,518,587</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBUS, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2021

**Statement 6**

	<u>(602) Sewer Fund</u>	<u>(601) Water Fund</u>	<u>Total</u>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and investments	\$295,611	\$501,693	\$797,304
Accounts receivable - net	26,590	22,973	49,563
<b>Total current assets</b>	<u>322,201</u>	<u>524,666</u>	<u>846,867</u>
<b>Noncurrent assets:</b>			
Connection charges receivable	-	66,238	66,238
<b>Capital assets:</b>			
Land	-	212,086	212,086
Permanent easements	161,814	107,114	268,928
Buildings	-	1,179,052	1,179,052
Infrastructure	5,929,215	5,802,665	11,731,880
Less: accumulated depreciation	<u>(1,502,789)</u>	<u>(2,191,305)</u>	<u>(3,694,094)</u>
<b>Total capital assets</b>	<u>4,588,240</u>	<u>5,109,612</u>	<u>9,697,852</u>
<b>Total assets</b>	<u>4,910,441</u>	<u>5,700,516</u>	<u>10,610,957</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	398	1,671	2,069
Due to other governments	4,970	983	5,953
<b>Total current liabilities</b>	<u>5,368</u>	<u>2,654</u>	<u>8,022</u>
<b>Net position:</b>			
Net investment in capital assets	4,588,240	5,109,612	9,697,852
Unrestricted	316,833	588,250	905,083
<b>Total net position</b>	<u>\$4,905,073</u>	<u>\$5,697,862</u>	<u>\$10,602,935</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBUS, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2021

**Statement 7**

	<u>(602) Sewer Fund</u>	<u>(601) Water Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$95,037	\$122,979	\$218,016
Service availability charge	28,598	350,179	378,777
Total operating revenues	<u>123,635</u>	<u>473,158</u>	<u>596,793</u>
Operating expenses:			
Supplies	7,893	748	8,641
Other services and charges	69,706	52,748	122,454
Depreciation	123,673	144,723	268,396
Total operating expenses	<u>201,272</u>	<u>198,219</u>	<u>399,491</u>
Operating income (loss)	<u>(77,637)</u>	<u>274,939</u>	<u>197,302</u>
Nonoperating revenue:			
Investment income	<u>23</u>	<u>47</u>	<u>70</u>
Change in net position	<u>(77,614)</u>	<u>274,986</u>	<u>197,372</u>
Net position - January 1, as previously reported	4,616,704	5,404,277	10,020,981
Prior period adjustment	<u>365,983</u>	<u>18,599</u>	<u>384,582</u>
Net position - January 1, as restated	<u>4,982,687</u>	<u>5,422,876</u>	<u>10,405,563</u>
Net position - December 31	<u><u>\$4,905,073</u></u>	<u><u>\$5,697,862</u></u>	<u><u>\$10,602,935</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBUS, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For The Year Ended December 31, 2021

**Statement 8**

	<u>(602) Sewer Fund</u>	<u>(601) Water Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from customers and users	\$118,359	\$467,883	\$586,242
Payment to suppliers	(72,600)	(61,077)	(133,677)
Net cash flows provided by operating activities	<u>45,759</u>	<u>406,806</u>	<u>452,565</u>
Cash flows from investing activities:			
Investment income	<u>23</u>	<u>47</u>	<u>70</u>
Net increase in cash and cash equivalents	45,782	406,853	452,635
Cash and cash equivalents - January 1	<u>249,829</u>	<u>94,840</u>	<u>344,669</u>
Cash and cash equivalents - December 31	<u><u>\$295,611</u></u>	<u><u>\$501,693</u></u>	<u><u>\$797,304</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>(\$77,637)</u>	<u>\$274,939</u>	<u>\$197,302</u>
Adjustment to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	123,673	144,723	268,396
Changes in assets and liabilities:			
(Increase) decrease in receivables, connection charges receivable	(5,276)	(5,275)	(10,551)
Increase (decrease) in payables, due to other governments, and deposits payable	4,999	(7,581)	(2,582)
Total adjustments	<u>123,396</u>	<u>131,867</u>	<u>255,263</u>
Net cash provided by operating activities	<u><u>\$45,759</u></u>	<u><u>\$406,806</u></u>	<u><u>\$452,565</u></u>

The accompanying notes are an integral part of these financial statements.

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**Note 1**    **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Columbus, Minnesota (the City) was formed and operates pursuant to applicable Minnesota laws and statutes. The governing body consists of a mayor and four council members. All members are elected on a nonpartisan, at-large basis and serve on a part-time basis. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units by the Governmental Accounting Standards Board (GASB). The City's significant accounting policies are described below.

**A. FINANCIAL REPORTING ENTITY**

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City of Columbus, Minnesota (the primary government) and its component units. Generally, component units are legally separate organizations for which the officials of the primary government are financially accountable.

**COMPONENT UNITS**

The City has two component units, the Economic Development Authority (EDA) and the Housing and Redevelopment Authority (HRA). Both the EDA and HRA are considered component units because the City is in a relationship of financial benefit or burden with each of the entities and because management of the City has operational responsibilities for the EDA and HRA.

The EDA and HRA component units are presented using the blended method, meaning the financial position and results of operations are reported together with the City's governmental funds using the modified accrual basis of accounting. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Separate financial statements are not prepared for the EDA or HRA.

The EDA was created by the City to encourage the development of certain properties within the City. The EDA has seven members consisting of five council members, of which the mayor is president, and two at-large members. The City Administrator is the executive director. The EDA shall have all the rights, powers, duties, obligations, and limitations as set forth in Minnesota Statutes, Section 469.090 to 469.108. The HRA has seven Board members consisting of five council members and two at-large members and its activity is confined to the City.

**JOINT VENTURE**

The Forest Lake Area Joint Fire Board (the Board) was established in accordance with a Joint Powers Agreement entered into between the City of Columbus, Minnesota and the City of Forest Lake, Minnesota. The governing bodies of the two cities each appoint two of the four members of the Board. The Board was created for the public purpose of enabling Members to more effectively to consult and communicate on matters of mutual concern with respect to fire prevention and protection and rescue services, to provide representation for the individual Members with regard to the operation of the Fire Department, and to cooperate in other ways of mutual advantage.

The powers exercised by the Board include the power to approve or amend the operating budget of the Fire Department on an annual basis. The City of Forest Lake shall be responsible for the daily administration and management of the approved budget, including payroll and other expenses incurred in connection with its operation. Members shall pay their pro-rata share of these costs based on each Members' market valuation as a percentage of the total market valuation of all Members. Ownership

of individual capital equipment items exceeding \$25,000 is also based on the Members' pro-rata share. The City of Columbus, Minnesota's pro-rata share as of December 31, 2021 was 20.12%. Separate financial statements are not prepared for the Board.

## **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

## **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City does not have any fiduciary funds.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable

**CITY OF COLUMBUS, MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021

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due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Minnesota Investment Fund* accounts for all revenues and expenditures relating to the City's tax increment financing district.

The *Bonds of 2018A Fund* accounts for the debt service payments relating to the general improvement bonds of 2018A.

The *Bonds of 2012A Refunding Portion Debt Service Fund* accounts for the debt service payments relating to the bonds of 2012A.

The *G.O. Tax Abatement Bond Fund* accounts for the debt service payments relating to the 2015 G.O. Tax Abatement Bonds.

The *Public Utilities Project Fund* accounts for the bond proceeds and related expenses for the Southwest Area Sanitary Sewer and Watermain project that began in 2019.

The *Hornsby Street South Paving Project Fund* accounts for the capital expenditures and related financing sources of the Hornsby Street South paving project.

The *EDA Quad 35 Project Fund* accounts for the EDA's development activities.

The *EDA Quad Interfund Loan Fund* accounts for amounts due to the general fund, to be repaid from the proceeds of sales of land that are currently held for resale.

The City reports the following major proprietary funds:

The *Sewer Fund* accounts for the sewer service charges, which are used to finance the sanitary sewer system operating expenses.

The *Water Fund* accounts for the water service charges, which are used to finance the water system operating expenses.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2021

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the water and sewer proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. BUDGETS**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General and Special Revenue Funds with the exception of the Charitable Gambling Fund and the EDA Tourism Fund. Budgeted expenditure appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is, at present, not considered necessary to assure effective budgetary control or to facilitate effective cash management.

**E. LEGAL COMPLIANCE - BUDGETS**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council conducts a series of workshops for City Council discussion on the proposed budget.
3. A public hearing is conducted to obtain taxpayer comments.
4. Expenditures that have not been budgeted require specific Council approval.

The following is a listing of the General Fund departments whose expenditures exceed budget appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major Funds:			
General Fund:			
General Government	\$824,870	\$825,903	\$1,033
Public Safety	925,634	937,193	11,559
Parks and Recreation	48,785	50,677	1,892

The expenditures exceeding budget were funded by available fund balance.

**F. CASH AND INVESTMENTS**

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, except for investments in external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

**G. RECEIVABLES**

Uncollectible property taxes, special assessments and other receivables are not material and have not been reported.

**H. PROPERTY TAX REVENUE RECOGNITION**

The City Council annually adopts a tax levy and certifies it to the county in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local school district and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the county and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The county possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which the taxes were levied.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the City the following January) are classified as due from county taxes receivable. Taxes not collected by the county by December 31 are classified as delinquent taxes receivable. The portion of delinquent taxes not collected by the City in January are fully offset by deferred inflows of resources because they are not available to finance current expenditures.

**I. SPECIAL ASSESSMENT REVENUE RECOGNITION**

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the county in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are remitted to the City in payment of delinquent special assessments. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. All remaining delinquent and deferred assessments receivable in governmental funds are offset by deferred inflows of resources.

**J. INVENTORIES**

The original cost of materials and supplies have been recorded as expenditures at the time of purchase (purchases method). The City does not maintain material amounts of inventories of goods or supplies.

**K. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as all land and other assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. In the case of initial capitalization of general infrastructure assets, the City chose to include only those items constructed after 1980. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	
Buildings	50 years
Vehicles and equipment	10 years
Roads	30 years
Water and sewer infrastructure	50 years

**L. COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and accumulated sick leave benefits that are vested as severance pay are accrued when incurred in the government-wide financial statements.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**M. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**N. FUND BALANCE CLASSIFICATIONS**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - consists of internally imposed constraints. These constraints are established by Resolution of the City Council.

*Assigned* - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management.

*Unassigned* - is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

**O. INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

**P. USE OF ESTIMATES**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

**Q. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then. The City has one item that qualifies for reporting in this category. It is the pension related deferred outflows of resources reported in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has pension related deferred inflows of resources reported in the government-wide Statement of Net Position. The government also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments and loans receivable.

**R. DEFINED BENEFIT PENSION PLAN**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**S. COMPARATIVE TOTALS**

The basic governmental funds financial statements and the individual fund financial statements and schedules include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

**T. RECLASSIFICATIONS**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Note 2 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council. All such banks are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral.

Custodial Credit Risk – Deposits – the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of December 31, 2021, the bank balance of the City's deposits with financial institutions was \$9,300,496 and the carrying amount was \$9,211,019. All deposits were covered by federal depository insurance or covered by perfected collateral held in the City's name.

**B. INVESTMENTS**

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorized the City to invest in United States securities, state and local securities, commercial paper, time deposits, high-risk mortgage-backed securities, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

As of December 31, 2021, the City had the following investments and maturities:

Investment Type	Rating	Fair Value	Maturity	
			Less Than 1 Year	1-2 Years
Wells Fargo Money Market Fund	Aaa-mf	\$660,530	\$660,530	\$ -
Brokered certificates of deposit	Not rated	549,764	549,764	-
Federal Nat'l Mortgage Assn note	Aaa	3,657,400	-	3,657,400
Total investments		<u>\$4,867,694</u>	<u>\$1,210,294</u>	<u>\$3,657,400</u>
Total investments				\$4,867,694
Deposits				<u>9,211,019</u>
Total cash and investments				<u>\$14,078,713</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The City has the following recurring fair value measurements as of December 31, 2021:

Investment Type	12/31/2021	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered certificates of deposit	\$549,764	\$ -	\$549,764	\$ -
Federal Nat'l Mortgage Assn note	3,657,400	-	3,657,400	-
		<u>\$0</u>	<u>\$4,207,164</u>	<u>\$0</u>
Investments not categorized:				
Money market funds	<u>660,530</u>			
Total	<u>\$4,867,694</u>			

### C. INVESTMENT RISKS

Custodial credit risk – investments – For investments in securities, custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. Investments in investment pools and money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures. The City’s investment policy does not address custodial risk. However, investments in securities are held by the City’s broker-dealer of which \$1,000,000 is insured through SIPC. Each broker-dealer has provided additional protection by providing additional insurance. This insurance is subject to aggregate limits applied to all of the broker-dealers’ accounts.

Interest rate risk – Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to those listed in Note 2B. The City’s investment policy does not place further restrictions on investment options.

Concentration of credit risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

As of December 31, 2021, the City’s investment in a Federal National Mortgage Association note represented 26% of total cash and investments.

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

**Note 3 RECEIVABLES**

Significant receivable balances not expected to be collected within one year of December 31, 2021 are as follows:

	Delinquent Property Taxes	Special Assessments	Loan Receivable	Total
Major funds:				
General Fund	\$46,800	\$115,000	\$ -	\$161,800
Minnesota Investment Fund	-	-	493,732	493,732
Bonds of 2018A	-	1,984,000	-	1,984,000
Bonds of 2012A	-	1,213,000	-	1,213,000
Nonmajor funds	-	56,000	-	56,000
Total	<u>\$46,800</u>	<u>\$3,368,000</u>	<u>\$493,732</u>	<u>\$3,908,532</u>

**Note 4 UNAVAILABLE REVENUE**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Delinquent Property Taxes	Delinquent Special Assessments	Special Assessments Not Yet Due	Loan Receivable	Total
Major funds:					
General Fund	\$76,190	\$1,049	\$127,602	\$ -	\$204,841
Minnesota Investment Fund	-	-	-	631,518	631,518
Bonds of 2018A	-	39,292	2,019,624	-	2,058,916
Bonds of 2012A	-	14,083	1,361,026	-	1,375,109
Nonmajor funds	-	5,615	70,083	-	75,698
Total	<u>\$76,190</u>	<u>\$60,039</u>	<u>\$3,578,335</u>	<u>\$631,518</u>	<u>\$4,346,082</u>

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$5,505,028	\$ -	\$ -	\$5,505,028
Construction in progress	189,639	1,604,250	-	1,793,889
Total capital assets, not being depreciated	<u>5,694,667</u>	<u>1,604,250</u>	<u>0</u>	<u>7,298,917</u>
Capital assets, being depreciated:				
Buildings and improvements	2,439,236	10,470	-	2,449,706
Roads	7,840,015	50,000	-	7,890,015
Vehicles and equipment	2,443,276	265,960	(127,560)	2,581,676
Total capital assets, being depreciated	<u>12,722,527</u>	<u>326,430</u>	<u>(127,560)</u>	<u>12,921,397</u>
Less accumulated depreciation for:				
Buildings and improvements	1,001,080	54,974	-	1,056,054
Roads	2,345,735	257,926	-	2,603,661
Vehicles and equipment	1,653,534	144,594	(127,560)	1,670,568
Total accumulated depreciation	<u>5,000,349</u>	<u>457,494</u>	<u>(127,560)</u>	<u>5,330,283</u>
Total capital assets being depreciated - net	<u>7,722,178</u>	<u>(131,064)</u>	<u>0</u>	<u>7,591,114</u>
Governmental activities capital assets - net	<u>\$13,416,845</u>	<u>\$1,473,186</u>	<u>\$0</u>	<u>\$14,890,031</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$212,086	\$ -	\$ -	\$212,086
Permanent easements	268,928	-	-	268,928
Total capital assets, not being depreciated	<u>481,014</u>	<u>0</u>	<u>0</u>	<u>481,014</u>
Capital assets, being depreciated:				
Buildings	1,179,052	-	-	1,179,052
Water infrastructure	5,802,665	-	-	5,802,665
Sewer infrastructure	5,929,215	-	-	5,929,215
Total capital assets being depreciated	<u>12,910,932</u>	<u>0</u>	<u>0</u>	<u>12,910,932</u>
Less accumulated depreciation for:				
Buildings	872,499	23,581	-	896,080
Water infrastructure	1,174,083	121,142	-	1,295,225
Sewer infrastructure	1,379,116	123,673	-	1,502,789
Total accumulated depreciation	<u>3,425,698</u>	<u>268,396</u>	<u>0</u>	<u>3,694,094</u>
Total capital assets being depreciated - net	<u>9,485,234</u>	<u>(268,396)</u>	<u>0</u>	<u>9,216,838</u>
Business-type activities capital assets - net	<u>\$9,966,248</u>	<u>(\$268,396)</u>	<u>\$0</u>	<u>\$9,697,852</u>

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$15,265
Public safety	39,395
Public works	396,048
Parks and recreation	6,786
Total depreciation expense - governmental activities	<u>\$457,494</u>
Business-type activities:	
Water	\$144,723
Sewer	123,673
Total depreciation expense - business-type activities	<u>\$268,396</u>

**Note 6   LONG-TERM DEBT**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. As of December 31, 2021, long-term debt consisted of the following:

	Issue Date	Final Maturity Date	Authorized and Issued	Interest Rate	Outstanding 12/31/2021
<b>Governmental activities:</b>					
G.O. Capital Improvement Bonds of 2012A - refunding portion (2004A, 2005A, 2006A)	4/1/12	4/1/22	3,270,000	2.00 - 2.15%	\$135,000
G.O. Capital Improvement Bonds of 2014A	10/2/14	2/1/25	396,000	2.35 - 3.35%	174,000
G.O. Tax Abatement Bonds of 2015A	4/1/15	2/1/36	4,380,000	1.50 - 4.00%	3,945,000
G.O. Capital Improvement Bonds of 2018A - refunding portion (2007A)	10/18/18	2/1/23	545,000	4.00%	230,000
G.O. Capital Improvement Bonds of 2018A - refunding portion (2007B)	10/18/18	2/1/24	1,995,000	3.00 - 4.00%	1,035,000
G.O. Capital Improvement Bonds of 2018A	10/18/18	2/1/33	1,700,000	3.00 - 4.00%	1,505,000
G.O. Tax Abatement Refunding Bonds of 2020A	9/16/20	2/1/36	3,640,000	0.50 - 2.00%	3,640,000
G.O. Street Reconstruction and Refunding 2021A	7/29/21	2/1/42	1,485,000	2.00- 3.00%	1,485,000
Total bonded indebtedness					<u>12,149,000</u>
Due to State of Minnesota	7/17/19	8/15/26	865,000	0.00%	631,518
Unamortized bond premiums					152,410
Compensated absences payable					63,971
Total long-term debt					<u>\$12,996,899</u>

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

PAYMENTS TO MATURITY

The annual requirement to amortize all debt outstanding at December 31, 2021 is as follows:

	Governmental Activities							
	G.O. Capital Improvement Bonds of 2012A - Refunding Portion		G.O. Capital Improvement Bonds of 2014A		G.O. Tax Abatement Bonds of 2015A		G.O. Capital Improvement Bonds of 2018A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$135,000	\$1,447	\$41,000	\$5,142	\$130,000	\$144,725	\$105,000	\$47,388
2023	-	-	43,000	3,735	3,815,000	71,550	105,000	43,188
2024	-	-	44,000	2,279	-	-	110,000	39,438
2025	-	-	46,000	770	-	-	115,000	35,488
2026	-	-	-	-	-	-	120,000	31,388
2027	-	-	-	-	-	-	125,000	27,713
2028	-	-	-	-	-	-	125,000	23,963
2029	-	-	-	-	-	-	130,000	20,138
2030	-	-	-	-	-	-	135,000	16,163
2031	-	-	-	-	-	-	140,000	11,863
2032	-	-	-	-	-	-	145,000	7,231
2033	-	-	-	-	-	-	150,000	2,438
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-
	<u>\$135,000</u>	<u>\$1,447</u>	<u>\$174,000</u>	<u>\$11,926</u>	<u>\$3,945,000</u>	<u>\$216,275</u>	<u>\$1,505,000</u>	<u>\$306,399</u>

	Governmental Activities							
	G.O. Capital Improvement Bonds of 2018A - 2007A Refunding Portion		G.O. Capital Improvement Bonds of 2018A - 2007B Refunding Portion		G.O. Tax Abatement Refunding Bonds of 2020A		G.O. Street Reconstruction and Refunding Bonds of 2021A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$115,000	\$6,900	\$335,000	\$31,150	\$ -	\$53,685	\$60,000	\$35,803
2023	115,000	2,300	345,000	17,550	-	53,685	90,000	33,350
2024	-	-	355,000	5,325	195,000	53,198	95,000	30,575
2025	-	-	-	-	205,000	52,044	105,000	27,575
2026	-	-	-	-	220,000	50,443	105,000	24,425
2027	-	-	-	-	235,000	48,333	110,000	21,200
2028	-	-	-	-	250,000	45,720	115,000	17,825
2029	-	-	-	-	260,000	42,593	50,000	15,600
2030	-	-	-	-	275,000	38,909	50,000	14,600
2031	-	-	-	-	295,000	34,555	50,000	13,600
2032	-	-	-	-	305,000	29,603	55,000	12,550
2033	-	-	-	-	325,000	24,085	55,000	11,450
2034	-	-	-	-	340,000	17,930	55,000	10,350
2035	-	-	-	-	360,000	11,100	55,000	9,250
2036	-	-	-	-	375,000	3,750	60,000	8,100
2037	-	-	-	-	-	-	60,000	6,900
2038	-	-	-	-	-	-	60,000	5,700
2039	-	-	-	-	-	-	60,000	4,500
2040	-	-	-	-	-	-	65,000	3,250
2041	-	-	-	-	-	-	65,000	1,950
2042	-	-	-	-	-	-	65,000	650
	<u>\$230,000</u>	<u>\$9,200</u>	<u>\$1,035,000</u>	<u>\$54,025</u>	<u>\$3,640,000</u>	<u>\$559,633</u>	<u>\$1,485,000</u>	<u>\$309,203</u>

It is not practicable to determine the specific year for payment of accrued compensated absences.

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
G.O. Capital Improvement Bonds of 2010A	\$35,000	\$ -	(\$35,000)	\$ -	\$ -
G.O. Capital Improvement Bonds of 2012A	460,000	-	(460,000)	-	-
G.O. Capital Improvement Bonds of 2012A - refunding portion (2004A, 2005A, 2006A)	495,000	-	(360,000)	135,000	135,000
G.O. Capital Improvement Bonds of 2014	214,000	-	(40,000)	174,000	41,000
G.O. Tax Abatement Bonds of 2015	4,060,000	-	(115,000)	3,945,000	130,000
G.O. Capital Improvement Bonds of 2018A - refunding portion (2007A)	340,000	-	(110,000)	230,000	115,000
G.O. Capital Improvement Bonds of 2018A - refunding portion (2007B)	1,370,000	-	(335,000)	1,035,000	335,000
G.O. Capital Improvement Bonds of 2018A	1,605,000	-	(100,000)	1,505,000	105,000
G.O. Tax Abatement Refunding Bonds of 2020A	3,640,000	-	-	3,640,000	-
G.O. Street Reconstruction and Refunding 2021A	-	1,485,000	-	1,485,000	60,000
Total bonded indebtedness	12,219,000	1,485,000	(1,555,000)	12,149,000	921,000
Due to State of Minnesota	747,382	-	(115,864)	631,518	137,786
Unamortized bond premiums	116,271	63,640	(27,501)	152,410	-
Compensated absences	70,787	38,962	(45,778)	63,971	18,232
Total long-term debt	<u>\$13,153,440</u>	<u>\$1,587,602</u>	<u>(\$1,744,143)</u>	<u>\$12,996,899</u>	<u>\$1,077,018</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund. All long-term bonded indebtedness outstanding at December 31, 2021 is backed by the full faith and credit of the City. Delinquent assessments receivable at December 31, 2021 were \$60,039.

**ADVANCED CROSSOVER REFUNDING**

On September 16, 2020, the City issued \$3,640,000 of General Obligation Tax Abatement Refunding Bonds, Series 2020A with an average interest rate of 1.65% to advance refund \$3,670,000 of outstanding 2015A Series Bonds with an average interest rate of 3.89%. The net proceeds, along with \$250,000 of cash on hand, were used to purchase U.S. government securities in the amount of \$3,790,806. Those securities were deposited in an irrevocable trust with an escrow agent to provide for the interest on the refunding bonds before the crossover date and called principal on the refunded bonds on February 1, 2023.

The City advance refunded the 2015A General Obligation Tax Abatement Bonds to reduce its total debt service payments over the last 13 years of the bond by \$459,523 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$362,647.

The City is responsible for the debt service of the refunded bonds through the crossover date (February 1, 2023) and the debt service of the refunding bonds after the crossover date. The debt service of the refunding bonds before the crossover date is payable from the escrow account. Assets held with the escrow agent were \$3,696,646 as of December 31, 2021.

The financial statements present each bond issue and the escrow account assets pursuant to GASB No. 7. The effect on the financial statements is to report greater debt than, in substance, the City will be responsible for paying.

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

The Refunding Bonds of 2020A are crossover refunding bonds whereby the City and the escrow agent are responsible for debt service payments as follows:

Year Ending December 31,	Refunded Bonds Total	Refunding Bonds Total	Debt Service Commitment	
			Escrow Account	City
2022	\$274,725	\$53,685	\$53,685	\$274,725
2023	3,886,550	53,685	3,696,843	243,392
2024	-	248,198	-	248,198
2025	-	257,044	-	257,044
2026	-	270,443	-	270,443
2027	-	283,333	-	283,333
2028	-	295,720	-	295,720
2029	-	302,592	-	302,592
2030	-	313,909	-	313,909
2031	-	329,555	-	329,555
2032	-	334,603	-	334,603
2033	-	349,085	-	349,085
2034	-	357,930	-	357,930
2035	-	371,100	-	371,100
2036	-	378,750	-	378,750
Total	<u>\$4,161,275</u>	<u>\$4,199,632</u>	<u>\$3,750,528</u>	<u>\$4,610,379</u>

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

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LOAN RECEIVABLE / DUE TO STATE OF MINNESOTA

During 2019, the Minnesota Department of Employment and Economic Development (DEED) provided a Minnesota Investment Fund loan in the amount of \$964,500 to a private developer. DEED requires that the City act as a pass-through lender for the loan. A \$964,500 revenue and expenditure was recorded in the City's MN Investment Fund during 2019 to account for this transaction.

The loan requires the developer to repay the City the \$964,500 in 84 monthly payments of \$11,482 through August 2026. As of December 31, 2021, the balance of the loan receivable was \$631,518.

Upon receiving payment from the developer, the City is obligated to repay a portion of the loan proceeds to DEED (presented as Due to the State of Minnesota in the schedule above). In total, the City must repay \$864,500 and is entitled to retain the remaining \$100,000. The City is only obligated to make payments from the funds it collects from the developer. As of December 31, 2021, the balance of the loan payable was \$631,518

The interest rate on both the loan receivable and loan payable is 0%. The following schedule summarizes future anticipated payments of the loan receivable and payable:

	<u>Loan Receivable</u>	<u>Loan Payable</u>
2022	\$137,786	\$137,786
2023	137,786	137,786
2024	137,786	137,786
2025	137,786	137,786
2026	80,374	80,374
	<u>\$631,518</u>	<u>\$631,518</u>

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

PLEDGED REVENUE

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
2010A	Infrastructure Improvements	Special Assessments	100%	2010 - 2021	\$0	\$35,727	\$2,242
2012A	Infrastructure Improvements	Property Taxes	100%	2012-2028	\$0	\$462,250	\$69,243
2012A	Refunding of 2004, 2005A and 2006 Infrastructure Improvements	Special Assessments	100%	2012-2022	\$136,447	\$375,638	\$327,984
2014A	Infrastructure Improvements	Special Assessments	100%	2014-2023	\$185,926	\$46,499	\$25,577
2015A	Refunding of 2010 Land Purchase	Property Taxes	100%	2015 - 2022	\$491,275 (excluding escrow portion)	\$262,644	\$290,168
2018A	Utility Improvements	Special Assessments	100%	2019-2032	\$1,811,399	\$151,488	\$164,663
2018A	Refunding of 2007A Infrastructure Improvements	Property Taxes	100%	2018-2022	\$239,200	\$121,400	\$131,958
2018A	Refunding of 2007B Infrastructure Improvements	Property Taxes Special Assessments	62% 38%	2018-2023	\$1,089,025	\$379,550	\$412,558
2020A	Refunding of 2015A Tax Abatement Bonds	Property Taxes Land sale proceeds (as available)	87% 13%	2020-2036	\$4,199,633	\$46,974	\$278,415
2021A	Refunding & Street Reconstruction Bonds	Property Taxes	100%	2021-2040	\$1,794,203	\$0	\$69,243

CONDUIT DEBT OBLIGATIONS

Conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued various Industrial Development Revenue Bonds to provide funding to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt. As of December 31, 2021, there were Senior Housing Revenue Refunding Bonds for the City of Richfield with an original issue amount of \$19.5 million and Charter School Lease Revenue Bonds for New Millennium Academy with an original issue amount of \$18 million outstanding. The aggregate principal amount payable for the series could not be determined.

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**Note 7**    **DEFINED BENEFIT PENSION PLAN**

**A. PLAN DESCRIPTION**

The City participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**B. BENEFITS PROVIDED**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**C. CONTRIBUTIONS**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2021 and the City was required to contribute 7.5% for Coordinated Plan members. The City's

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

contributions to the GERF for the year ended December 31, 2021 were \$42,992. The City's contributions were equal to the required contributions as set by state statute.

**D. PENSION COSTS**

At December 31, 2021, the City reported a liability of \$358,718 for its proportionate share of GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$10,883. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0084% at the end of the measurement period and 0.0084% for the beginning of the period.

City's proportionate share of the net pension liability	\$358,718
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>10,883</u>
Total	<u><u>\$369,601</u></u>

For the year ended December 31, 2021, the City recognized pension expense of \$29,301 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$878 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

At December 31, 2021, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$2,204	\$10,978
Changes in actuarial assumptions	219,026	7,935
Net collective difference between projected and actual investment earnings	-	311,012
Changes in proportion	31,380	-
Contributions paid to PERA subsequent to the measurement date	<u>21,120</u>	<u>-</u>
Total	<u><u>\$273,730</u></u>	<u><u>\$329,925</u></u>

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

The \$21,120 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year end December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense
2022	\$3,216
2023	6,998
2024	(2,794)
2025	(84,735)
2026	-
Thereafter	-

The net pension liability will be liquidated by the general fund.

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	6.50%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

Salary growth assumptions range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. Mortality rates were based on the Pub-2010 General Employee Mortality Table, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement are assumed to be 1.25% per year.

Actuarial assumptions for GERF are reviewed every four years. The most recent four-year experience study was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2021:

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100%	

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERS was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. PENSION LIABILITY SENSITIVITY**

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
Proportionate share of the GERS net pension liability	\$731,601	\$358,718	\$52,744

**H. PENSION PLAN FIDUCIARY NET POSITION**

Detailed information about the pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at [www.mnpera.org](http://www.mnpera.org).

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

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**Note 8 INTERFUND TRANSFERS AND LOANS**

Interfund transfers during the year ended December 31, 2021 are as follows:

	Transfers In					Total
	General Fund	G.O. Tax Abatement Bond Fund	Hornsby St South Project Fund	EDA Quad Interfund Loan Fund	Nonmajor	
Transfers out:						
General Fund	\$ -	\$ -	\$650,000	\$ -	\$ -	\$650,000
EDA Quad 35 Project	-	278,415	-	70,000	-	348,415
Nonmajor	87,000	-	88,000	-	21,778	196,778
<b>Total</b>	<b>\$87,000</b>	<b>\$278,415</b>	<b>\$738,000</b>	<b>\$70,000</b>	<b>\$21,778</b>	<b>\$1,195,193</b>

Interfund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by another fund. All of the City's interfund transfers fall under that category.

As of December 31, 2021, the EDA Quad Interfund Loan Fund owed the General Fund \$635,316. The interfund loan will be repaid using proceeds from EDA land sales. In addition, in order to cover temporary cash deficits, the Public Utilities Project Fund owed the General Fund \$306,336 as of December 31, 2021.

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

**Note 9 FUND BALANCE**

**A. CLASSIFICATIONS**

At December 31, 2021, a summary of the governmental fund balance classifications are as follows:

	General Fund	MN Investment Fund	Bonds of 2018A	Bonds of 2012A - Refunding Portion	G.O. Tax Abatement Bond Fund	Public Utilities Project Fund	Homsby St South Project Fund	EDA Quad 35 Project Fund	EDA Quad Interfund Loan Fund	Other Governmental Funds	Total
<b>Nonspendable</b>											
Due from other funds	\$635,316	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$635,316
<b>Restricted for:</b>											
Debt service	-	-	734,391	281,683	5,479,967	-	-	2,452,403	-	338,574	9,287,018
NE quad project	-	-	-	-	-	-	-	-	-	331,566	331,566
Economic development	-	100,000	-	-	-	-	-	-	-	-	100,000
Tax increment purposes	-	-	-	-	-	-	-	-	-	77,608	77,608
City tourism / marketing	-	-	-	-	-	-	-	-	-	80,190	80,190
Community services	-	-	-	-	-	-	-	-	-	19,926	19,926
Parks	-	-	-	-	-	-	-	-	-	128,171	128,171
<b>Total restricted</b>	<b>0</b>	<b>100,000</b>	<b>734,391</b>	<b>281,683</b>	<b>5,479,967</b>	<b>0</b>	<b>0</b>	<b>2,452,403</b>	<b>0</b>	<b>976,035</b>	<b>10,024,479</b>
<b>Committed for:</b>											
Debt service	-	-	-	-	-	-	-	-	-	23,805	23,805
Public works	472,500	-	-	-	-	-	199,810	-	-	82,856	755,166
Public safety	102,867	-	-	-	-	-	-	-	-	19,607	122,474
Parks	-	-	-	-	-	-	-	-	-	37,394	37,394
Watershed activities	-	-	-	-	-	-	-	-	-	8,290	8,290
Economic development	-	32	-	-	-	-	-	-	-	289,361	289,393
<b>Total committed</b>	<b>575,367</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>199,810</b>	<b>0</b>	<b>0</b>	<b>461,313</b>	<b>1,236,522</b>
<b>Unassigned</b>	<b>4,265,578</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(306,336)</b>	<b>-</b>	<b>-</b>	<b>(635,316)</b>	<b>-</b>	<b>3,323,926</b>
<b>Total</b>	<b>\$5,476,261</b>	<b>\$100,032</b>	<b>\$734,391</b>	<b>\$281,683</b>	<b>\$5,479,967</b>	<b>(\$306,336)</b>	<b>\$199,810</b>	<b>\$2,452,403</b>	<b>(\$635,316)</b>	<b>\$1,437,348</b>	<b>\$15,220,243</b>

**B. MINIMUM UNASSIGNED FUND BALANCE POLICY**

The City council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City’s practice to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes.

The policy establishes a year-end target of 50% of the operating budget for the General Fund.

At December 31, 2021, the targeted and actual fund balance was:

	Target	Actual
General Fund (unassigned)	\$1,547,339	\$4,265,578

**C. DEFICIT FUND BALANCES**

The City has deficit fund balances at December 31, 2021 as follows:

Fund	Amount
EDA Quad Interfund Loan Fund	(\$635,316)
Public Utilities Project Fund	(306,336)

The EDA Interfund Loan Fund deficit will be eliminated through future land sales. The Public Utilities Project Fund deficit will be eliminated using remaining funds from the NE Quad Project Fund.

**Note 10 COMMITMENTS AND CONTINGENCIES**

**A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the City carries commercial insurance policies. The City retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

**B. LITIGATION**

Management has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, remotely recoverable by plaintiffs, with the exception of property tax and assessment appeals. The outcome of these appeals cannot be determined at this time.

**C. FEDERAL AND STATE FUNDS**

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2021.

**D. TAX INCREMENT FINANCING DISTRICTS**

The City is the administering authority for the following tax increment financing district:

Name of District:	TIF District No. 1 – 1 Bare Home
Type of District:	Economic Development
Authorizing Law:	M.S. Section 469
Established:	2018
Duration of District:	Through 2028
Original net tax capacity:	\$7,620
Current net tax capacity:	\$130,132
Captured net tax capacity:	\$122,512

**Note 11 OPERATING LEASES - LESSOR**

The City receives revenue from an agreement for the lease of land for antennas. The current term of the lease is through 2024. The lessee has the option to renew the lease for an additional 5 year term through 2029. Lease payments increase 3% per year. For the year ended December 31, 2021, the City recognized \$19,933 of lease revenue. Future minimum lease payments are as follows:

2022	\$20,531
2023	21,147
2024	<u>21,781</u>
Total	<u>\$63,459</u>

**Note 12 RECENTLY ISSUED ACCOUNTING STANDARDS**

The Governmental Accounting Standards Board (GASB) recently approved the following statements which were not implemented for these financial statements:

**Statement No. 87 Leases.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 91 Conduit Debt Obligations.** The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.

**Statement No. 92 Omnibus 2020.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

**Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

**Statement No. 96 Subscription – Based Information Technology Arrangements.** The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

**Statement No. 99 Omnibus 2022.** The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2022.

**CITY OF COLUMBUS, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2021

**Statement No. 100** *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

**Statement No. 101** *Compensated Absences.* The provisions of this Statement are effective for reporting periods beginning after December 15, 2023.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

**Note 13 PRIOR PERIOD ADJUSTMENT**

During 2022, the City performed a comprehensive review of its capital assets. As a result, it was determined that the previous asset listing contained values which did not reflect the actual cost of acquiring or constructing the asset. Capital assets as of January 1, 2021 were revalued, which resulted in a prior period adjustment. Details of the prior period adjustment are as follows:

	<u>Governmental Activities</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Net position - January 1, as previously reported	\$17,552,063	\$4,616,704	\$5,404,277	\$27,573,044
Adjustment to capital assets - net of accumulated depreciation	<u>1,832,515</u>	<u>365,983</u>	<u>18,599</u>	<u>2,217,097</u>
Net position - January 1, as restated	<u>\$19,384,578</u>	<u>\$4,982,687</u>	<u>\$5,422,876</u>	<u>\$29,790,141</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF COLUMBUS, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2021  
With Comparative Actual Amounts For The Year Ended December 31, 2020

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual Amounts
	Original	Final			
<b>Revenues:</b>					
General property taxes	\$2,672,071	\$2,672,071	\$2,438,928	(\$233,143)	\$2,468,543
Licenses and permits	185,634	185,634	372,553	186,919	246,762
<b>Intergovernmental:</b>					
<b>Federal:</b>					
American Rescue Plan Act / CARES Act	-	-	10,755	10,755	297,594
<b>State:</b>					
Public works / roads funding	-	-	89,362	89,362	717,003
PERA aid	916	916	-	(916)	-
Property tax credits and aids	4,800	4,800	5,036	236	6,055
<b>County:</b>					
Recycling	23,376	23,376	8,440	(14,936)	13,612
Other	-	-	12,575	12,575	25,932
Total intergovernmental	29,092	29,092	126,168	97,076	1,060,196
Special assessments	-	-	140,282	140,282	21,243
Investment income	6,500	6,500	453	(6,047)	6,571
Contributions and donations	82,355	82,355	56,120	(26,235)	85,000
<b>Miscellaneous:</b>					
Public hearing	500	500	2,526	2,026	6,600
County fine revenues	32,500	32,500	14,638	(17,862)	13,536
Title searches and plats	550	550	1,149	599	600
Cable TV franchise fees	16,000	16,000	19,645	3,645	17,320
Refunds and reimbursements	-	-	11,766	11,766	20
Other	23,333	23,333	29,821	6,488	22,893
Total miscellaneous	72,883	72,883	79,545	6,662	60,969
Total revenues	3,048,535	3,048,535	3,214,049	165,514	3,949,284
<b>Expenditures:</b>					
<b>General government:</b>					
<b>General:</b>					
Office and computer supplies	19,500	19,500	16,282	3,218	11,753
Postage	2,000	2,000	1,655	345	1,918
Mileage	1,200	1,200	68	1,132	6
Dues	4,600	4,600	4,980	(380)	4,657
Legal notices and ads	2,500	2,500	1,779	721	968
Copy machine	3,500	3,500	4,323	(823)	5,804
Seminars/publications	4,500	4,500	630	3,870	50
Community events	500	500	-	500	-
Truth in taxation	3,500	3,500	1,485	2,015	1,192
Miscellaneous	39,500	39,500	27,849	11,651	27,425
Cable franchise reimbursement	13,000	13,000	15,692	(2,692)	15,720
Total general	94,300	94,300	74,743	19,557	69,493

See accompanying notes to the required supplementary information.

**CITY OF COLUMBUS, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2021  
With Comparative Actual Amounts For The Year Ended December 31, 2020

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual Amounts
	Original	Final			
Expenditures: (continued)					
General government: (continued)					
Payroll expenses:					
City Council	\$25,100	\$25,100	\$23,029	\$2,071	\$23,574
Administrative wages	327,500	327,500	301,442	26,058	313,881
Medical insurance	52,000	52,000	50,253	1,747	45,796
PERA, FICA, DCP	49,388	49,388	53,785	(4,397)	50,773
Total payroll expenses	<u>453,988</u>	<u>453,988</u>	<u>428,509</u>	<u>25,479</u>	<u>434,024</u>
Other general government expenses:					
Bank charges	500	500	1,009	(509)	930
Audit	28,000	28,000	34,424	(6,424)	33,818
Engineer:					
General	10,000	10,000	17,776	(7,776)	11,864
Reimbursable	-	-	3,127	(3,127)	-
Attorney:					
Criminal	16,000	16,000	16,488	(488)	16,007
Civil	80,000	80,000	106,805	(26,805)	88,478
Reimbursable	-	-	1,006	(1,006)	677
Planning:					
Planning commission	2,500	2,500	2,365	135	1,973
Planner	10,000	10,000	7,260	2,740	4,537
Comp plan and ordinances	20,000	20,000	14,760	5,240	16,543
Assessor	23,000	23,000	12,000	11,000	22,645
Tax appeals	5,000	5,000	2,774	2,226	9,822
City Hall:					
Electricity, phone, heating, maint.	41,250	41,250	40,776	474	51,427
Senior center	12,100	12,100	3,816	8,284	6,059
Recycling	18,876	18,876	12,465	6,411	5,947
Youth service and other services	356	356	356	-	-
Total other general government	<u>267,582</u>	<u>267,582</u>	<u>277,207</u>	<u>(9,625)</u>	<u>270,727</u>
Total general government - current	<u>815,870</u>	<u>815,870</u>	<u>780,459</u>	<u>35,411</u>	<u>774,244</u>
Capital outlay - general government	9,000	9,000	45,444	(36,444)	20,088
Total general government	<u>824,870</u>	<u>824,870</u>	<u>825,903</u>	<u>(1,033)</u>	<u>794,332</u>

See accompanying notes to the required supplementary information.

**CITY OF COLUMBUS, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For The Year Ended December 31, 2021  
With Comparative Actual Amounts For The Year Ended December 31, 2020

**Statement 9**  
**Page 3 of 3**

	Budgeted Amounts		2021 Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual Amounts
	Original	Final			
Expenditures: (continued)					
Public safety:					
Animal control	\$500	\$500	\$24	\$476	\$75
Building inspector	255,034	255,034	309,818	(54,784)	188,780
Contract services	544,550	544,550	540,360	4,190	800,441
Miscellaneous	15,550	15,550	15,369	181	13,866
Total public safety - current	815,634	815,634	865,571	(49,937)	1,003,162
Capital outlay - public safety	110,000	110,000	71,622	38,378	166,083
Total public safety	925,634	925,634	937,193	(11,559)	1,169,245
Public works:					
Payroll expenses:					
Wages	244,000	244,000	246,024	(2,024)	240,517
Medical insurance	52,400	52,400	55,425	(3,025)	52,136
PERA, FICA, DCP	39,300	39,300	38,308	992	36,978
Electricity, phone, heating, maintenance	16,500	16,500	15,918	582	13,566
Blacktop maintenance	70,000	70,000	228,770	(158,770)	369,279
Supplies	117,625	117,625	105,431	12,194	118,797
Miscellaneous	79,533	79,533	20,396	59,137	55,202
Total public works - current	619,358	619,358	710,272	(90,914)	886,475
Capital outlay - public works	398,338	398,338	103,609	294,729	1,797,007
Total public works	1,017,696	1,017,696	813,881	203,815	2,683,482
Parks & recreation:					
Contract services	43,835	43,835	47,310	(3,475)	48,248
Supplies	4,250	4,250	2,747	1,503	1,744
Miscellaneous	700	700	620	80	558
Total parks and recreation	48,785	48,785	50,677	(1,892)	50,550
Total expenditures	2,816,985	2,816,985	2,627,654	189,331	4,697,609
Revenues over expenditures	231,550	231,550	586,395	354,845	(748,325)
Other financing sources (uses):					
Transfers in	14,000	14,000	87,000	73,000	66,815
Transfers out	(245,550)	(245,550)	(650,000)	(404,450)	(215,300)
Total other financing sources (uses)	(231,550)	(231,550)	(563,000)	(331,450)	(148,485)
Net change in fund balance	\$0	\$0	23,395	\$23,395	(896,810)
Fund balance - January 1			5,452,866		6,349,676
Fund balance - December 31			\$5,476,261		\$5,452,866

See accompanying notes to the required supplementary information.

CITY OF COLUMBUS, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
 GENERAL EMPLOYEES RETIREMENT FUND  
 For The Last Ten Years

Statement 10

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	Total (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0072%	\$373,141	\$ -	\$373,141	\$424,273	87.9%	78.2%
2016	2016	0.0072%	584,604	7,641	592,245	445,790	132.9%	68.9%
2017	2017	0.0070%	446,875	5,657	452,532	454,030	99.7%	75.9%
2018	2018	0.0072%	399,426	13,214	412,640	485,546	85.0%	79.5%
2019	2019	0.0075%	414,658	12,833	427,491	530,407	80.6%	80.2%
2020	2020	0.0084%	503,618	15,603	519,221	598,914	86.7%	79.1%
2021	2021	0.0084%	358,718	10,883	369,601	602,805	61.3%	87.0%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

**CITY OF COLUMBUS, MINNESOTA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**Statement 11**

**SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND**

For The Last Ten Years

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<u>Fiscal Year Ending December 31</u>	<u>Statutorily Required Contribution (a)</u>	<u>Contributions in Relation to the Statutorily Required Contribution (b)</u>	<u>Contribution Deficiency (Excess) (a-b)</u>	<u>Covered Payroll (c)</u>	<u>Contributions as a Percentage of Covered Payroll (b/c)</u>
2015	\$31,955	\$31,955	\$ -	\$426,065	7.5%
2016	33,383	33,383	-	445,115	7.5%
2017	34,659	34,659	-	462,120	7.5%
2018	37,770	37,770	-	503,598	7.5%
2019	42,781	42,781	-	570,410	7.5%
2020	46,227	46,227	-	616,351	7.5%
2021	42,992	42,992	-	573,227	7.5%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

**Note A LEGAL COMPLIANCE – BUDGETS**

The General and major Special Revenue Funds budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level for the General Fund and at the fund level for the major Special Revenue Funds.

**Note B PENSION INFORMATION**

**PERA – General Employees Retirement Fund**

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 Changes in the Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

**CITY OF COLUMBUS, MINNESOTA**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO RSI  
December 31, 2021

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2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2016 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND  
SCHEDULES**

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**CITY OF COLUMBUS, MINNESOTA**

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GENERAL FUND**

**Statement 12**

For The Year Ended December 31, 2021

With Comparative Totals For the Year Ended December 31, 2020

	<u>2021</u>	<u>2020</u>
Revenues:		
General property taxes	\$2,438,928	\$2,468,543
Licenses and permits	372,553	246,762
Intergovernmental	126,168	1,060,196
Special assessments	140,282	21,243
Investment income	453	6,571
Contributions and donations	56,120	85,000
Miscellaneous	79,545	60,969
Total revenues	<u>3,214,049</u>	<u>3,949,284</u>
Expenditures:		
Current:		
General government	780,459	774,244
Public safety	865,571	1,003,162
Public works	710,272	886,475
Parks and recreation	50,677	50,550
Capital outlay	220,675	1,983,178
Total expenditures	<u>2,627,654</u>	<u>4,697,609</u>
Revenues over expenditures	<u>586,395</u>	<u>(748,325)</u>
Other financing sources (uses):		
Transfers in	87,000	66,815
Transfers out	(650,000)	(215,300)
Total other financing sources (uses)	<u>(563,000)</u>	<u>(148,485)</u>
Net change in fund balance	23,395	(896,810)
Fund balance - January 1	<u>5,452,866</u>	<u>6,349,676</u>
Fund balance - December 31	<u><u>\$5,476,261</u></u>	<u><u>\$5,452,866</u></u>

**CITY OF COLUMBUS, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**Statement 13**

December 31, 2021

With Comparative Totals For December 31, 2020

	Special	Debt	Capital	Total Nonmajor	
	Revenue	Service	Project	Governmental Funds	
				2021	2020
<b>Assets:</b>					
Cash and investments	\$401,529	\$359,180	\$673,595	\$1,434,304	\$1,341,340
Accounts receivable	9,777	-	-	9,777	2,496
Due from other governments	1,710	-	-	1,710	-
Property taxes receivable	4,841	1,997	3,607	10,445	20,247
Special assessments receivable	-	76,900	-	76,900	97,868
<b>Total assets</b>	<b>\$417,857</b>	<b>\$438,077</b>	<b>\$677,202</b>	<b>\$1,533,136</b>	<b>\$1,461,951</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$19,805	\$ -	\$ -	\$19,805	\$5,960
Salaries payable	285	-	-	285	219
Due to other funds	-	-	-	-	12,202
<b>Total liabilities</b>	<b>20,090</b>	<b>0</b>	<b>0</b>	<b>20,090</b>	<b>18,381</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	-	75,698	-	75,698	97,868
<b>Fund balance:</b>					
Restricted	100,116	338,574	537,345	976,035	738,898
Committed	297,651	23,805	139,857	461,313	619,006
Unassigned	-	-	-	-	(12,202)
<b>Total fund balance</b>	<b>397,767</b>	<b>362,379</b>	<b>677,202</b>	<b>1,437,348</b>	<b>1,345,702</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$417,857</b>	<b>\$438,077</b>	<b>\$677,202</b>	<b>\$1,533,136</b>	<b>\$1,461,951</b>

**CITY OF COLUMBUS, MINNESOTA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

**Statement 14**

NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2021

With Comparative Totals For the Year Ended December 31, 2020

	Special	Debt	Capital	Total Nonmajor	
	Revenue	Service	Project	2021	2020
Revenues:					
General property taxes	\$171,600	\$69,243	\$123,400	\$364,243	\$365,274
Tax increment collections	-	-	93,619	93,619	6,839
Special assessments	-	27,819	-	27,819	43,264
Investment income	34	29	(121)	(58)	2,107
Contributions and donations	2,179	-	-	2,179	3,300
Hotel lodging taxes	63,425	-	-	63,425	16,762
Miscellaneous	26,827	-	72,102	98,929	18,965
Total revenues	<u>264,065</u>	<u>97,091</u>	<u>289,000</u>	<u>650,156</u>	<u>456,511</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Public works	11,834	-	-	11,834	12,362
Parks and recreation	942	-	-	942	852
Economic development	115,443	-	-	115,443	38,927
Capital outlay	-	-	123,101	123,101	208,579
Debt service:					
Principal	-	535,000	-	535,000	125,191
Interest and other	-	9,476	-	9,476	17,667
Fiscal and other charges	-	21,652	-	21,652	500
Total expenditures	<u>128,219</u>	<u>566,128</u>	<u>123,101</u>	<u>817,448</u>	<u>404,078</u>
Revenues over (under) expenditures	<u>135,846</u>	<u>(469,037)</u>	<u>165,899</u>	<u>(167,292)</u>	<u>52,433</u>
Other financing sources (uses):					
Refunding bonds issued	-	405,000	-	405,000	-
Bond premium	-	32,064	-	32,064	-
Transfers in	-	21,778	-	21,778	54,138
Transfers out	(178,126)	(21,778)	-	(199,904)	(14,000)
Total other financing sources (uses)	<u>(178,126)</u>	<u>437,064</u>	<u>0</u>	<u>258,938</u>	<u>40,138</u>
Net change in fund balance	(42,280)	(31,973)	165,899	91,646	92,571
Fund balance - January 1	<u>440,047</u>	<u>394,352</u>	<u>511,303</u>	<u>1,345,702</u>	<u>1,253,131</u>
Fund balance - December 31	<u>\$397,767</u>	<u>\$362,379</u>	<u>\$677,202</u>	<u>\$1,437,348</u>	<u>\$1,345,702</u>

**CITY OF COLUMBUS, MINNESOTA**  
**SUBCOMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
December 31, 2021  
With Comparative Totals For December 31, 2020

	(230) Charitable Gambling	(240) Economic Development Authority	(241) EDA HRA Levy
<b>Assets</b>			
Cash and investments	\$23,246	\$202,759	\$96,706
Accounts receivable	-	-	-
Due from other governments	1,710	-	-
Property taxes receivable	-	2,053	2,629
<b>Total assets</b>	<b>\$24,956</b>	<b>\$204,812</b>	<b>\$99,335</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable	\$5,030	\$14,501	\$ -
Salaries payable	-	285	-
<b>Total liabilities</b>	<b>5,030</b>	<b>14,786</b>	<b>0</b>
<b>Fund balance:</b>			
Restricted	19,926	-	-
Committed	-	190,026	99,335
<b>Total fund balance</b>	<b>19,926</b>	<b>190,026</b>	<b>99,335</b>
<b>Total liabilities and fund balance</b>	<b>\$24,956</b>	<b>\$204,812</b>	<b>\$99,335</b>

(245) EDA Tourism	(250) Sunrise River WMO Fund	Total Nonmajor Special Revenue Funds	
		2021	2020
\$70,413	\$8,405	\$401,529	\$431,628
9,777	-	9,777	2,496
-	-	1,710	-
-	159	4,841	9,128
<u>\$80,190</u>	<u>\$8,564</u>	<u>\$417,857</u>	<u>\$443,252</u>
\$ -	\$274	\$19,805	\$2,986
-	-	285	219
<u>0</u>	<u>274</u>	<u>20,090</u>	<u>3,205</u>
80,190	-	100,116	23,093
-	8,290	297,651	416,954
<u>80,190</u>	<u>8,290</u>	<u>397,767</u>	<u>440,047</u>
<u>\$80,190</u>	<u>\$8,564</u>	<u>\$417,857</u>	<u>\$443,252</u>

**CITY OF COLUMBUS, MINNESOTA**  
**SUBCOMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For The Year Ended December 31, 2021  
With Comparative Totals For the Year Ended December 31, 2020

	(230) Charitable Gambling	(240) Economic Development Authority	(241) EDA HRA Levy
<b>Revenues:</b>			
General property taxes	\$ -	\$70,100	\$92,000
Investment income	1	18	12
Contributions and donations	-	2,179	-
Hotel lodging taxes	-	-	-
Miscellaneous	26,827	-	-
Total revenues	<u>26,828</u>	<u>72,297</u>	<u>92,012</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public safety	-	-	-
Public works	-	19	-
Parks and recreation	-	942	-
Economic development	6,233	109,210	-
Total expenditures	<u>6,233</u>	<u>110,171</u>	<u>0</u>
Revenues over expenditures	20,595	(37,874)	92,012
<b>Other financing (uses):</b>			
Transfers out	<u>(7,000)</u>	<u>(3,126)</u>	<u>(168,000)</u>
Net change in fund balance	13,595	(41,000)	(75,988)
Fund balance - January 1	<u>6,331</u>	<u>231,026</u>	<u>175,323</u>
Fund balance - December 31	<u><u>\$19,926</u></u>	<u><u>\$190,026</u></u>	<u><u>\$99,335</u></u>

(245) EDA Tourism	(250) Sunrise River WMO Fund	Total Nonmajor Special Revenue Funds	
		2021	2020
\$ -	\$9,500	\$171,600	\$177,029
3	-	34	789
-	-	2,179	3,300
63,425	-	63,425	16,762
-	-	26,827	12,423
<u>63,428</u>	<u>9,500</u>	<u>264,065</u>	<u>210,303</u>
-	-	-	-
-	11,815	11,834	10,068
-	-	942	852
-	-	115,443	38,927
<u>0</u>	<u>11,815</u>	<u>128,219</u>	<u>49,847</u>
63,428	(2,315)	135,846	160,456
-	-	(178,126)	(14,000)
63,428	(2,315)	(42,280)	146,456
16,762	10,605	440,047	293,591
<u>\$80,190</u>	<u>\$8,290</u>	<u>\$397,767</u>	<u>\$440,047</u>

**CITY OF COLUMBUS, MINNESOTA**  
**SUBCOMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
December 31, 2021  
With Comparative Totals For December 31, 2020

**Statement 17**

	(310) 2010A Improvement Bonds	(314) 2014A Improvement Bonds	(340) Hornsby 2012A Improvement Bonds	(375) Bond Reserve Fund	Total Nonmajor Debt Service Funds	
					2021	2020
<b>Assets</b>						
Cash and investments	\$ -	\$118,383	\$216,992	\$23,805	\$359,180	\$389,257
Property taxes receivable	-	-	1,997	-	1,997	5,095
Special assessments receivable	10,236	64,607	-	2,057	76,900	97,868
<b>Total assets</b>	<b>\$10,236</b>	<b>\$182,990</b>	<b>\$218,989</b>	<b>\$25,862</b>	<b>\$438,077</b>	<b>\$492,220</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>						
<b>Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenue	10,236	63,405	-	2,057	75,698	97,868
<b>Fund balance:</b>						
Restricted	-	119,585	218,989	-	338,574	348,773
Committed	-	-	-	23,805	23,805	45,579
<b>Total fund balance</b>	<b>0</b>	<b>119,585</b>	<b>218,989</b>	<b>23,805</b>	<b>362,379</b>	<b>394,352</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$10,236</b>	<b>\$182,990</b>	<b>\$218,989</b>	<b>\$25,862</b>	<b>\$438,077</b>	<b>\$492,220</b>

**CITY OF COLUMBUS, MINNESOTA**  
**SUBCOMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR DEBT SERVICE FUNDS**  
For The Year Ended December 31, 2021  
With Comparative Totals For the Year Ended December 31, 2020

**Statement 18**

	(310) 2010A Improvement Bonds	(314) 2014A Improvement Bonds	(340) Hornsby 2012A Improvement Bonds	(375) Bond Reserve Fund	Total Nonmajor Debt Service Funds	
					2021	2020
<b>Revenues:</b>						
General property taxes	\$ -	\$ -	\$69,243	\$ -	\$69,243	\$71,046
Special assessments	2,242	25,577	-	-	27,819	43,264
Investment income	-	10	15	4	29	387
Total revenues	<u>2,242</u>	<u>25,587</u>	<u>69,258</u>	<u>4</u>	<u>97,091</u>	<u>114,697</u>
<b>Expenditures:</b>						
Debt service:						
Principal	35,000	40,000	50,000	-	125,000	125,191
Interest	727	6,499	2,250	-	9,476	17,667
Fiscal and other charges	-	-	21,652	-	21,652	500
Total expenditures	<u>35,727</u>	<u>46,499</u>	<u>73,902</u>	<u>0</u>	<u>156,128</u>	<u>143,358</u>
Revenues over (under) expenditures	<u>(33,485)</u>	<u>(20,912)</u>	<u>(4,644)</u>	<u>4</u>	<u>(59,037)</u>	<u>(28,661)</u>
<b>Other financing sources:</b>						
Refunding bonds issued	-	-	405,000	-	405,000	-
Bond premium	-	-	32,064	-	32,064	-
Payment to refund bond	-	-	(410,000)	-	(410,000)	-
Transfers in	21,778	-	-	-	21,778	-
Transfers out	-	-	-	(21,778)	(21,778)	-
Total other financing sources	<u>21,778</u>	<u>0</u>	<u>27,064</u>	<u>(21,778)</u>	<u>27,064</u>	<u>0</u>
Net change in fund balance	(11,707)	(20,912)	22,420	(21,774)	(31,973)	(28,661)
Fund balance - January 1	<u>11,707</u>	<u>140,497</u>	<u>196,569</u>	<u>45,579</u>	<u>394,352</u>	<u>423,013</u>
Fund balance - December 31	<u>\$0</u>	<u>\$119,585</u>	<u>\$218,989</u>	<u>\$23,805</u>	<u>\$362,379</u>	<u>\$394,352</u>

**CITY OF COLUMBUS, MINNESOTA**  
**SUBCOMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
December 31, 2021  
With Comparative Totals For December 31, 2020

	(401) Road and Bridge Capital Fund	(402) Fire Hall Capital Fund	(403) Park Capital Expenditure Fund
<b>Assets</b>			
Cash and investments	\$79,670	\$19,315	\$37,265
Property taxes receivable	3,186	292	129
<b>Total assets</b>	<b>\$82,856</b>	<b>\$19,607</b>	<b>\$37,394</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other governments	-	-	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance (deficit):</b>			
Restricted	-	-	-
Committed	82,856	19,607	37,394
Unassigned	-	-	-
<b>Total fund balance (deficit)</b>	<b>82,856</b>	<b>19,607</b>	<b>37,394</b>
<b>Total liabilities and fund balance</b>	<b>\$82,856</b>	<b>\$19,607</b>	<b>\$37,394</b>

(404) Park Land Fund	(405) 2018 TIF District 1-1	(420/421) NE Quad Project Fund	Total Nonmajor Capital Project Funds	
			2021	2020
\$128,171	\$77,608	\$331,566	\$673,595	\$520,455
-	-	-	3,607	6,024
<u>\$128,171</u>	<u>\$77,608</u>	<u>\$331,566</u>	<u>\$677,202</u>	<u>\$526,479</u>
\$ -	\$ -	\$ -	\$ -	\$2,974
-	-	-	-	-
-	-	-	-	12,202
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,176</u>
-	-	-	-	367,032
128,171	-	-	268,028	156,473
-	77,608	331,566	409,174	(12,202)
<u>128,171</u>	<u>77,608</u>	<u>331,566</u>	<u>677,202</u>	<u>511,303</u>
<u>\$128,171</u>	<u>\$77,608</u>	<u>\$331,566</u>	<u>\$677,202</u>	<u>\$526,479</u>

**CITY OF COLUMBUS, MINNESOTA**  
**SUBCOMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
For The Year Ended December 31, 2021  
With Comparative Totals For the Year Ended December 31, 2020

	(401) Road and Bridge Capital Fund	(402) Fire Hall Capital Fund	(403) Park Capital Expenditure Fund
Revenues:			
General property taxes	\$109,000	\$10,000	\$4,400
Tax increment collections	-	-	-
Investment income	6	1	3
Miscellaneous	15,130	-	3,597
Total revenues	<u>124,136</u>	<u>10,001</u>	<u>8,000</u>
Expenditures:			
Public works:			
Capital outlay/project costs	119,060	-	-
Other	-	-	-
Total expenditures	<u>119,060</u>	<u>-</u>	<u>0</u>
Revenues over (under) expenditures	<u>5,076</u>	<u>10,001</u>	<u>8,000</u>
Other financing sources (uses):			
Transfer in	-	-	-
Net change in fund balance	5,076	10,001	8,000
Fund balance - January 1	<u>77,780</u>	<u>9,606</u>	<u>29,394</u>
Fund balance - December 31	<u><u>\$82,856</u></u>	<u><u>\$19,607</u></u>	<u><u>\$37,394</u></u>

(404) Park Land Fund	(405) 2018 TIF District 1-1	(420/421) NE Quad Project Fund	Total Nonmajor Capital Project Funds	
			2021	2020
\$ -	\$ -	\$ -	\$123,400	\$117,199
-	93,619	-	93,619	6,839
7	(168)	30	(121)	931
53,375	-	-	72,102	6,542
<u>53,382</u>	<u>93,451</u>	<u>30</u>	<u>289,000</u>	<u>131,511</u>
-	3,641	400	123,101	208,579
-	-	-	-	2,294
-	<u>3,641</u>	<u>400</u>	<u>123,101</u>	<u>210,873</u>
53,382	89,810	(370)	165,899	(79,362)
-	-	-	-	54,138
53,382	89,810	(370)	165,899	(25,224)
74,789	(12,202)	331,936	511,303	536,527
<u>\$128,171</u>	<u>\$77,608</u>	<u>\$331,566</u>	<u>\$677,202</u>	<u>\$511,303</u>

**CITY OF COLUMBUS, MINNESOTA**

SPECIAL REVENUE FUND - (240) ECONOMIC DEVELOPMENT AUTHORITY

**Statement 21**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

With Comparative Actual Amounts For The Year Ended December 31, 2020

	2021			Variance with Final Budget - Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$70,100	\$70,100	\$70,100	\$ -	\$74,374
Investment income	-	-	18	18	229
Contributions and donations	3,100	3,100	2,179	(921)	3,300
Total revenues	<u>73,200</u>	<u>73,200</u>	<u>72,297</u>	<u>(903)</u>	<u>77,903</u>
Expenditures:					
Economic development	<u>44,700</u>	<u>44,700</u>	<u>113,297</u>	<u>(68,597)</u>	<u>37,280</u>
Revenues over expenditures	<u>28,500</u>	<u>28,500</u>	<u>(41,000)</u>	<u>(69,500)</u>	<u>40,623</u>
Other financing sources (uses):					
Transfers out	<u>(28,500)</u>	<u>(28,500)</u>	<u>-</u>	<u>28,500</u>	<u>-</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>(41,000)</u>	<u>(\$41,000)</u>	<u>40,623</u>
Fund balance - January 1			<u>231,026</u>		<u>190,403</u>
Fund balance - December 31			<u>\$190,026</u>		<u>\$231,026</u>

**CITY OF COLUMBUS, MINNESOTA**  
**SPECIAL REVENUE FUND - (241) EDA HRA LEVY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For The Year Ended December 31, 2021**  
**With Comparative Actual Amounts For The Year Ended December 31, 2020**

**Statement 22**

	2021			Variance with Final Budget - Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$92,000	\$92,000	\$92,000	\$ -	\$91,622
Investment income	-	-	12	12	89
Total revenues	<u>92,000</u>	<u>92,000</u>	<u>92,012</u>	<u>12</u>	<u>91,711</u>
Expenditures:					
Economic development	-	-	-	-	-
Revenues over (under) expenditures	<u>92,000</u>	<u>92,000</u>	<u>92,012</u>	<u>12</u>	<u>91,711</u>
Other financing sources (uses):					
Transfers out	<u>(92,000)</u>	<u>(92,000)</u>	<u>(168,000)</u>	<u>(76,000)</u>	<u>-</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>(75,988)</u>	<u>(\$75,988)</u>	<u>91,711</u>
Fund balance - January 1			<u>175,323</u>		<u>83,612</u>
Fund balance - December 31			<u>\$99,335</u>		<u>\$175,323</u>

**CITY OF COLUMBUS, MINNESOTA**

SPECIAL REVENUE FUND - (250) SUNRISE RIVER WMO FUND

**Statement 23**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

With Comparative Actual Amounts For The Year Ended December 31, 2020

	2021			Variance with Final Budget - Positive (Negative)	2020
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
General property taxes	\$9,500	\$9,500	\$9,500	\$ -	\$11,033
Investment income	-	-	-	-	4
Total revenues	<u>9,500</u>	<u>9,500</u>	<u>9,500</u>	<u>0</u>	<u>11,037</u>
Expenditures:					
Public works	<u>9,500</u>	<u>9,500</u>	<u>11,815</u>	<u>(2,315)</u>	<u>10,062</u>
Revenues over expenditures	<u>\$0</u>	<u>\$0</u>	<u>(2,315)</u>	<u>(\$2,315)</u>	<u>975</u>
Fund balance - January 1			<u>10,605</u>		<u>9,630</u>
Fund balance - December 31			<u>\$8,290</u>		<u>\$10,605</u>