

CITY OF COLUMBIA HEIGHTS

STATE OF MINNESOTA

PREPARED BY:

FINANCE DEPARTMENT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2012

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I. INTRODUCTORY SECTION

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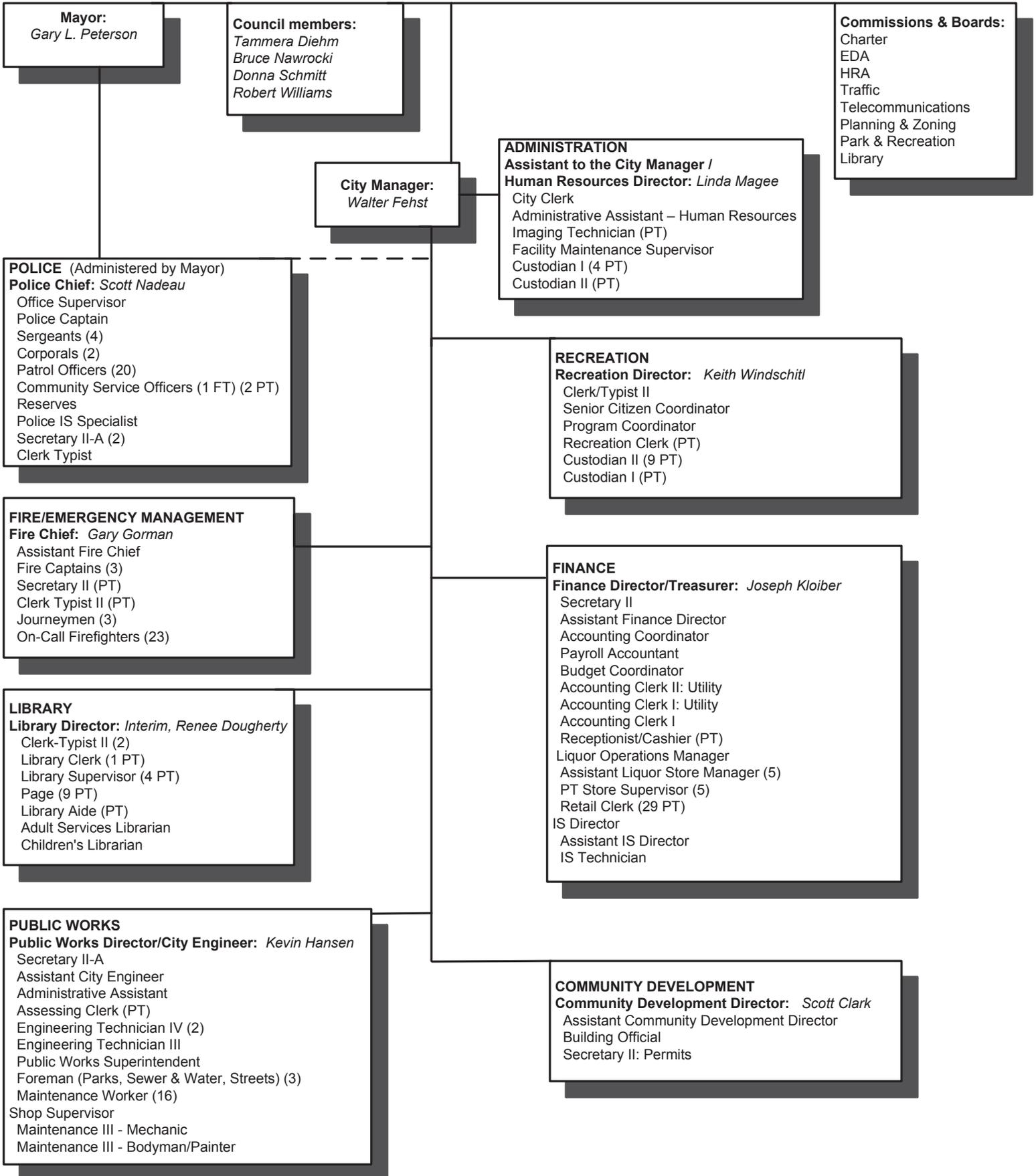
CITY OF COLUMBIA HEIGHTS, MINNESOTA

PRINCIPAL CITY OFFICIALS

December 31, 2012

Name	Official Title
Mayor and Council:	
Gary L. Peterson	Mayor
Tammera Ericson Diehm	Councilmember
Donna Schmitt	Councilmember
Bruce Nawrocki	Councilmember
Robert A. Williams	Councilmember
Administration:	
Walter Fehst	City Manager
Linda Magee	Assistant to City Manager
Joseph Kloiber	Treasurer, Finance Director
Jim Hoeft	City Attorney
Kevin Hansen	Public Works Director, City Engineer
Scott Nadeau	Chief of Police
Gary Gorman	Chief of Fire
Renee Dougherty	Librarian
Scott Clark	Community Development Director
Keith Windschitl	Recreation Services Director
Larry Scott	Liquor Operations Manager
Lauren McClanahan	Superintendent of Public Works

City of Columbia Heights Organizational Chart 2012





June 28, 2013

To the Citizens of the City of Columbia Heights,
Mayor, Council Members, and City Manager

The Comprehensive Annual Financial Report of the City of Columbia Heights for the fiscal year ended December 31, 2012, is hereby submitted. The City's management assumes responsibility for both the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed its anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

HLB Tautges Redpath, Ltd., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Columbia Heights financial statements for the year ended December 31, 2012. Their independent auditors' report is located at the front of the financial section of this report.

State law requires Minnesota cities to issue by June 30th of each year a complete set of audited financial statements for the preceding fiscal year ended December 31st. In addition, state law requires that Minnesota cities undergo an annual Minnesota Legal Compliance Audit.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Columbia Heights' MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Columbia Heights, a suburb located north of the City of Minneapolis in Anoka County in east-central Minnesota, was originally incorporated as a village in 1898. In 1921, pursuant to the adoption of a home rule City Charter by the qualified voters of the City, a council-manager form of government, was instituted.

The City Council consists of a Mayor and four Council Members. All are elected at-large, on a non-partisan basis. The Mayor serves a two-year term and the Council Members serve four-year terms. The City Manager is appointed by the City Council. The City covers an area of 3.52 square miles and currently has a population of 19,619. The City is empowered to levy a tax on both real and personal property within its boundaries.

All City funds, departments, commissions and other organizations for which the City of Columbia Heights is financially accountable, including all component units, are presented within the Comprehensive Annual Financial Report. The Columbia Heights Housing and Redevelopment Authority (HRA) and the Columbia Heights Economic Development Authority (EDA) are included in the reporting entity as blended component units of the City of Columbia Heights due to the fact that the governing boards are substantively the same and the City is in a relationship of financial benefit/burden with the authorities.

The City provides a full range of services to its citizens. These services include, but are not limited to, police and fire protection; water and sanitation services; the construction and maintenance of highways, streets, and infrastructure; library; recreational facilities; and general administrative services.

LOCAL ECONOMY

The City is located within the varied and stable economic base of the Minneapolis-Saint Paul greater metropolitan area, which is a major center for both the state and the Upper-Midwest. As such, there has been a relatively stable level of employment for City residents and this is expected to continue. In 2012, the largest employers located within the boundaries of the City included Independent School District 13 and one division of Medtronic Inc., a medical device manufacturer.

With its close proximity to the Minneapolis downtown area (4 miles), the City of Columbia Heights offers opportunities for many people to live close to where they work, and this has helped maintain demand for housing in the City. However, as an older, fully developed, inner-ring suburb of the City of Minneapolis, the management and residents of the City of Columbia Heights are faced with the problems of an aging infrastructure, crime, and dependency on state aid to supplement local revenues. The recent sharp rise nation-wide in home mortgage foreclosures has also been reflected locally. The City Council and the City's management are taking a proactive approach to dealing with these concerns, and they currently have a number of initiatives in progress to address them. Some of these are described below.

LONG-TERM FINANCIAL PLANNING

The City has a planned Street Rehabilitation Program including, as needed, water mains, sanitary sewer and storm sewer improvements. The program divides the City into seven street rehabilitation zones and calls for approximately one zone to be rehabilitated every one to two years. A portion of cost of street rehabilitation is charged to the benefiting properties in the form of special assessments. In some cases, the City issues bonds to initially finance the project, repaying the bonds with special assessments collected over a number of years.

Historically, state aid revenue has been a key component of the City's operating budget. In recent years, the amount provided by the state has been unpredictable, significantly reduced, and sometimes reduced retroactively. To provide for more stable operations, the City's management has developed a multi-year financial plan significantly reduces the role of state aid in the City's operating budget by 2013. Under the plan after 2012, state aid, when available, would primarily

be used to reduce the City's bond levies and/or for capital outlay. The current City Council has reached consensus of opinion in support of the plan. Implementation of this plan is of course dependent on the annual property tax levy and operating budget actually adopted by the City Council each year.

RELEVANT FINANCIAL POLICIES

By Council resolution, a formal policy has been adopted regarding the minimum unassigned fund balance for the general fund. The goal of the policy is to begin each year with sufficient working capital to fund operations. The policy establishes a year-end targeted unassigned fund balance of 45% of the general fund budgeted expenditures for the subsequent year. At December 31, 2012, the unassigned fund balance in the general fund was sufficient to meet this goal.

The City's policy is to budget and recognize license and permit revenues of the community development function, such as building permit revenue, in the Community Development Fund, a non-major special revenue fund. License and permit revenues of other functions are budgeted and recognized in the general fund. For this reason, license and permit revenues in the general fund are often lower than other comparable Minnesota Cities, which more commonly budget for and recognize all license and permit revenues in the general fund.

CURRENT MAJOR INITIATIVES

As in much of the nation, home prices in the City have dropped sharply over the last few years. Given this, plus the age of the City's housing stock, the Economic Development Authority has implemented a program of purchasing and demolishing substandard residential property to create an inventory of redevelopment property available for resale when the housing market recovers.

In December, the City purchased a large commercial property in the City's central business district, adjacent to other real estate held for resale by the City. This creates a 3.46 acre parcel available for redevelopment.

In 2012, a citizen task force began studying the need and options for replacement or significant expansion of the City library.

AWARD AND ACKNOWLEDGEMENTS

The Government Finance Officers' Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Columbia Heights, Minnesota for its Comprehensive Annual Financial Report for the year ended December 31, 2011. The Certificate of Achievement is a prestigious national award that recognizes conformity with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the City Manager and City Council, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Kloiber". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Joseph P. Kloiber
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Columbia Heights
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

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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 Columbia Heights, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia Heights, Minnesota, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 Columbia Heights, Minnesota, as of December 31, 2012, 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.

Report on Summarized Comparative Information

We have previously audited the City of Columbia Heights, Minnesota's 2011 financial statements, and we expressed an unmodified audit opinion 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 June 28, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which they were derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Other Information

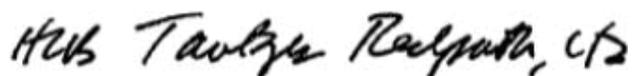
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Columbia Heights, Minnesota's basic financial statements. The introductory section, combining and individual fund financial statements, supplementary financial information, statistical section, and other information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the supplementary financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 the supplementary financial information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, statistical, and other information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013, on our consideration of the City of Columbia Heights, 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 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 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 Columbia Heights, Minnesota's internal control over financial reporting and compliance.



HLB TAUTGES REDPATH, LTD.

June 28, 2013

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Columbia Heights, Minnesota (the City), we offer readers of the City of Columbia Heights' financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

The assets of the City exceeded its liabilities at December 31, 2012, by \$68,266,860 (net position). Of this amount, \$27,922,204 or 41% may be used to meet the City's ongoing obligations to citizens and creditors.

During 2012, the City's total net position increased by \$208,186 or less than 1% from the prior year. Governmental activities decreased net position by \$895,373 and the City's business-type activities increased net position by \$1,103,559.

As of December 31, 2012, the combined fund balances of the City's governmental funds were \$24,012,428. This is a decrease of \$423,840 or 2% from the prior year. Approximately 90 percent of this amount, \$21,161,235 is available for use within the City's constraints and policies.

As of December 31, 2012, unassigned fund balance for the General fund was \$5,914,974; which equals 63% of the total subsequent year General fund budgeted expenditures.

During 2012, the City's total bonded debt decreased by \$1,308,000 to an end of year total of \$24,337,000. This decrease was from the payment of principal due in the current year.

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

Management's Discussion and Analysis

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 (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation and community development. The business-type activities of the City include water, sanitary sewer, refuse, storm sewer and liquor operations.

The government-wide financial statements are presented as 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 three categories: governmental funds, proprietary funds, and fiduciary 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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each major governmental fund. The major governmental funds in 2012 are as follows:

- General fund
- 2008A taxable G.O. housing improvement area bonds fund
- Municipal state aid street fund
- Capital improvements general government buildings fund
- Capital equipment replacement general government fund

Management's Discussion and Analysis

- Capital improvements-PIR fund
- Capital improvements development fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general and certain special revenue funds listed in the notes to the financial statements. A budgetary comparison statement has been provided for each these funds to demonstrate compliance with this budget.

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

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, refuse, storm sewer, and liquor operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central garage, information systems, insurance, and compensated absences services. Because the central garage, insurance and compensated absences services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. And also, because the information systems services predominately benefit the business-type functions, it has been included within the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, refuse, storm sewer and liquor operations, all of which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements are presented as Statements 6 through 8 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement is presented as Statement 9 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.

Management's Discussion and Analysis

Other information. Required supplementary information on funding progress for retiree health benefits is presented as Statement 11 of this report. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the schedule of funding progress for the retiree health plan. Combining and individual fund statements and schedules are presented as Statements 12 through 65 of this report.

Government-wide Financial Analysis

As noted above, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2012, the City's assets exceeded its liabilities by \$68,266,860.

\$37,486,127 or 55% of the City's net position reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure) 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. It should be noted that, although net position invested in capital assets are reported net of related debt, 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.

In addition, a portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$27,922,204 or 41% may be used to meet the City's ongoing obligations to citizens and creditors.

At December 31, 2012, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

CITY OF COLUMBIA HEIGHTS' NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and other assets	\$30,482,123	\$31,471,777	\$8,621,371	\$8,270,979	\$39,103,494	\$39,742,756
Capital assets	42,128,192	43,322,056	15,126,724	14,906,224	57,254,916	58,228,280
Total assets	<u>\$72,610,315</u>	<u>\$74,793,833</u>	<u>\$23,748,095</u>	<u>\$23,177,203</u>	<u>\$96,358,410</u>	<u>\$97,971,036</u>
Liabilities:						
Current liabilities	\$2,400,190	\$2,853,908	\$1,491,206	\$1,685,835	\$3,891,396	\$4,539,743
Noncurrent liabilities	18,677,603	19,512,030	5,522,551	5,860,590	24,200,154	25,372,620
Total liabilities	<u>\$21,077,793</u>	<u>\$22,365,938</u>	<u>\$7,013,757</u>	<u>\$7,546,425</u>	<u>\$28,091,550</u>	<u>\$29,912,363</u>
Net position:						
Net invested in capital assets	\$27,666,461	\$28,095,261	\$9,819,666	\$9,331,167	\$37,486,127	\$37,426,428
Restricted	2,624,466	3,213,455	234,063	381,465	2,858,529	3,594,920
Unrestricted	21,241,595	21,119,179	6,680,609	5,918,147	27,922,204	27,037,326
Total net position	<u>\$51,532,522</u>	<u>\$52,427,895</u>	<u>\$16,734,338</u>	<u>\$15,630,779</u>	<u>\$68,266,860</u>	<u>\$68,058,674</u>

Management's Discussion and Analysis

CITY OF COLUMBIA HEIGHTS' CHANGES IN NET POSITION

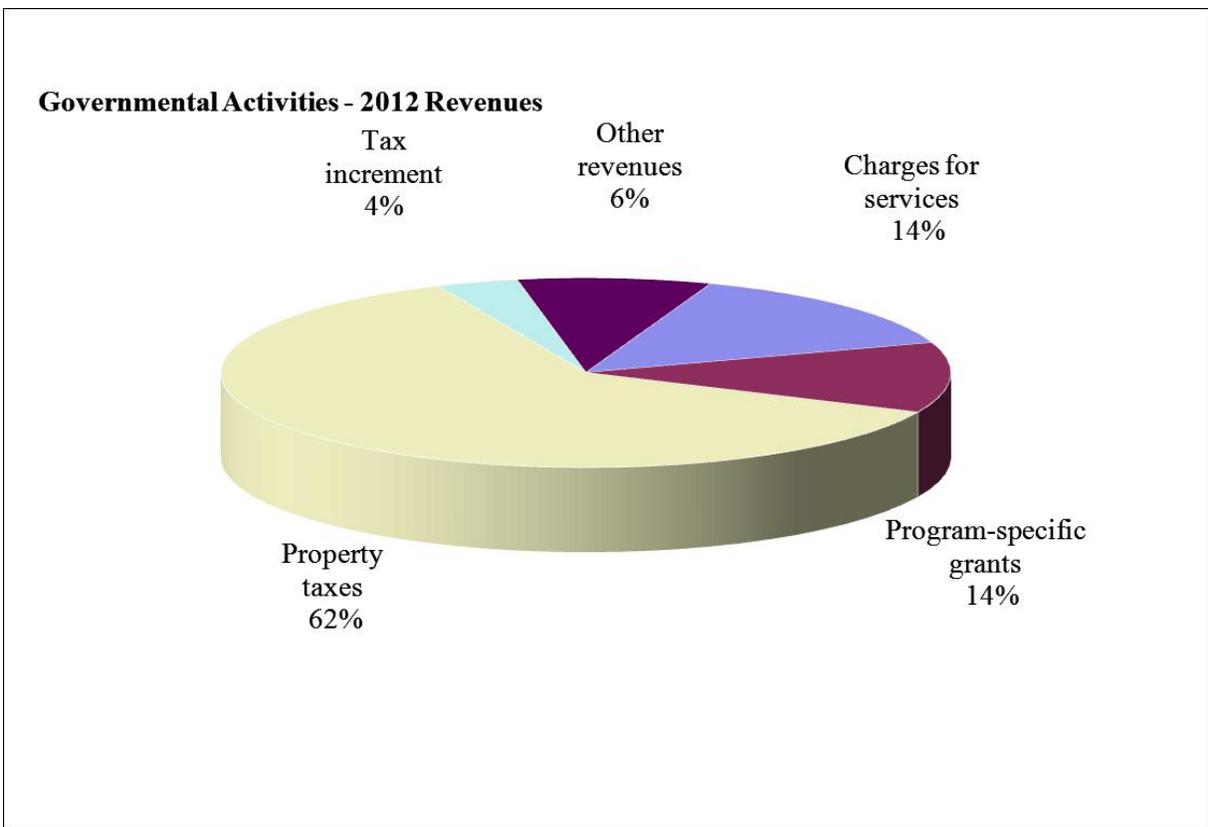
	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$2,180,021	\$2,057,705	\$15,278,335	\$14,582,413	\$17,458,356	\$16,640,118
Operating grants and contributions	825,773	930,251	62,471	66,163	888,244	996,414
Capital grants and contributions	1,002,270	1,539,716	50,000	-	1,052,270	1,539,716
General revenues:						
Property taxes	9,363,598	9,069,092	-	-	9,363,598	9,069,092
Tax increment collections	553,050	558,861	-	-	553,050	558,861
Grants and contributions not restricted to specific programs	1,003,552	1,278,195	-	-	1,003,552	1,278,195
Unrestricted investment earnings	295,950	598,880	63,321	135,932	359,271	734,812
Gain on sale of capital assets used in governmental activities	7,338	34,485	-	-	7,338	34,485
Total revenues	<u>15,231,552</u>	<u>16,067,185</u>	<u>15,454,127</u>	<u>14,784,508</u>	<u>30,685,679</u>	<u>30,851,693</u>
Expenses:						
General government	1,977,594	2,039,680	-	-	1,977,594	2,039,680
Public safety	5,708,009	5,549,678	-	-	5,708,009	5,549,678
Public works	3,200,572	2,654,047	-	-	3,200,572	2,654,047
Culture and recreation	2,500,719	2,576,409	-	-	2,500,719	2,576,409
Community development	2,157,966	1,630,350	-	-	2,157,966	1,630,350
Interest on long-term debt	845,879	909,858	-	-	845,879	909,858
Water	-	-	2,311,858	2,370,076	2,311,858	2,370,076
Sewer	-	-	1,464,269	1,710,381	1,464,269	1,710,381
Refuse	-	-	1,601,648	1,561,659	1,601,648	1,561,659
Storm sewer	-	-	329,998	298,577	329,998	298,577
Liquor	-	-	8,378,981	8,155,888	8,378,981	8,155,888
Total expenses	<u>16,390,739</u>	<u>15,360,022</u>	<u>14,086,754</u>	<u>14,096,581</u>	<u>30,477,493</u>	<u>29,456,603</u>
Increase (decrease) in net position before transfers	(1,159,187)	707,163	1,367,373	687,927	208,186	1,395,090
Transfers	<u>263,814</u>	<u>264,990</u>	<u>(263,814)</u>	<u>(264,990)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(895,373)	972,153	1,103,559	422,937	208,186	1,395,090
Net position - January 1	<u>52,427,895</u>	<u>51,455,742</u>	<u>15,630,779</u>	<u>15,207,842</u>	<u>68,058,674</u>	<u>66,663,584</u>
Net position - December 31	<u>\$51,532,522</u>	<u>\$52,427,895</u>	<u>\$16,734,338</u>	<u>\$15,630,779</u>	<u>\$68,266,860</u>	<u>\$68,058,674</u>

Changes in net position - governmental activities. During the current year, governmental activities decreased the City's total net position by \$895,373. During the prior year, governmental activities increased the City's net position by \$972,153. Key differences between the current and prior year change in net position of governmental activities include:

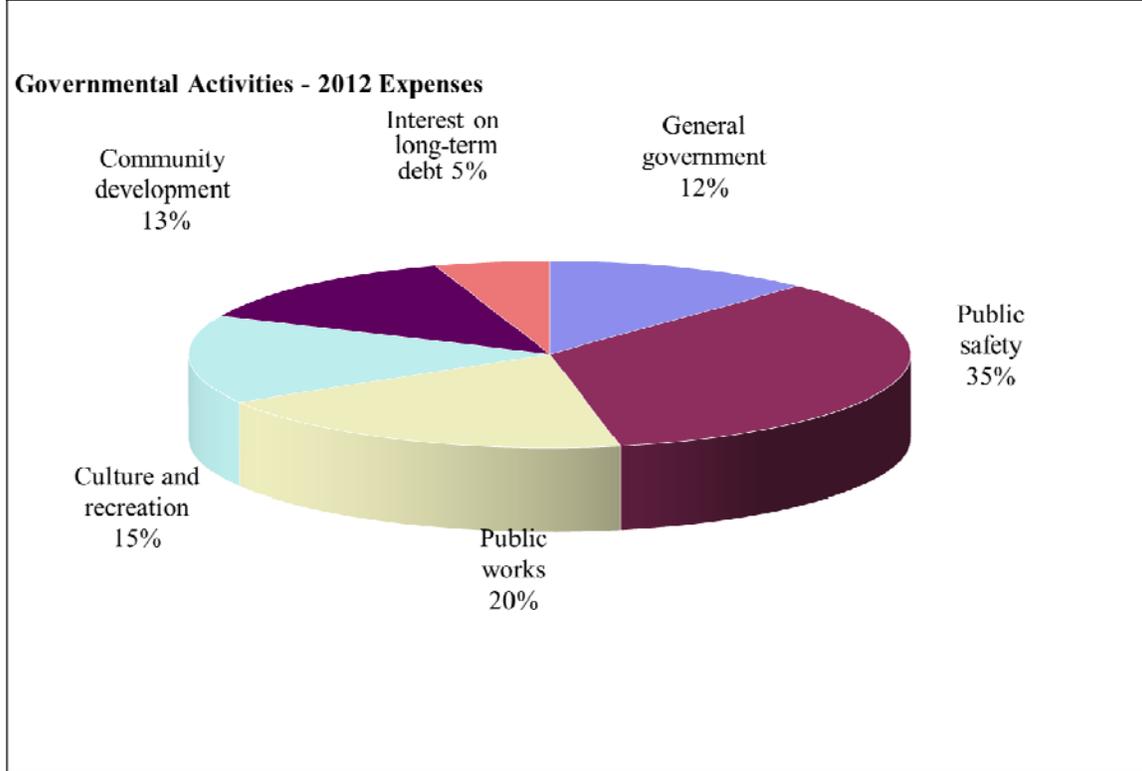
- In 2012, investment income of the governmental activities decreased approximately \$300,000 compared to the prior year. This was primarily the result of a significant 2011 increase in market value which did not recur in 2012.
- In early 2012, the City completed a multi-year pedestrian bridge project funded by state and federal grants. Consequently, capital grants decreased approximately \$537,000 compared to 2011.
- All other changes in revenues of the governmental activities were approximately offsetting. For example, a continuing decline in state aid revenue was offset by an increase in general property taxes under the City's multi-year plan to phase out reliance on state aid for general operations.

Management's Discussion and Analysis

- 2012 expenses of the community development function increased by approximately \$500,000 compared to 2011 due to reductions in the carrying value of property held for resale.
- 2012 expenses of the public works function increased by approximately \$300,000 compared to 2011, for the local share of installation of state-owned traffic signals on state highway 65.
- The 2012 phase of the City's ongoing street rehabilitation program consisted of several small projects which did not meet the City's threshold for capitalization of infrastructure. Whereas, the 2011 phase of the program consisted of a single large project that met the threshold. This circumstance increased 2012 public works expenses by approximately an additional \$246,000.



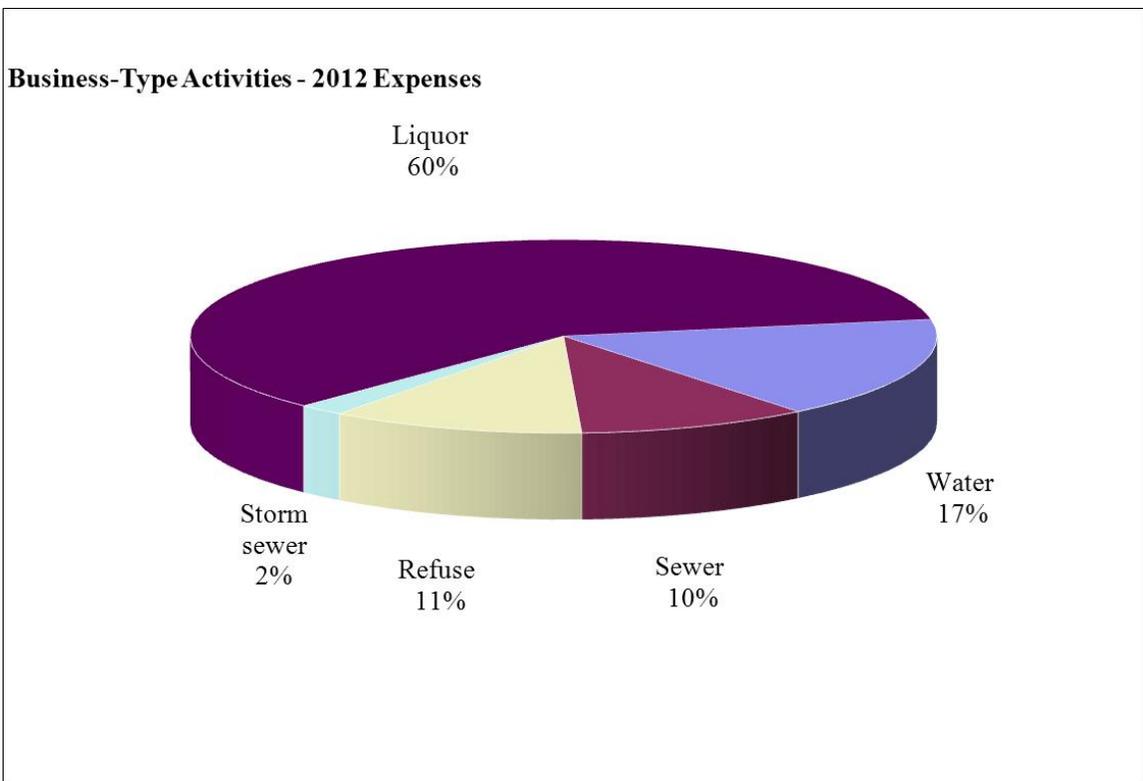
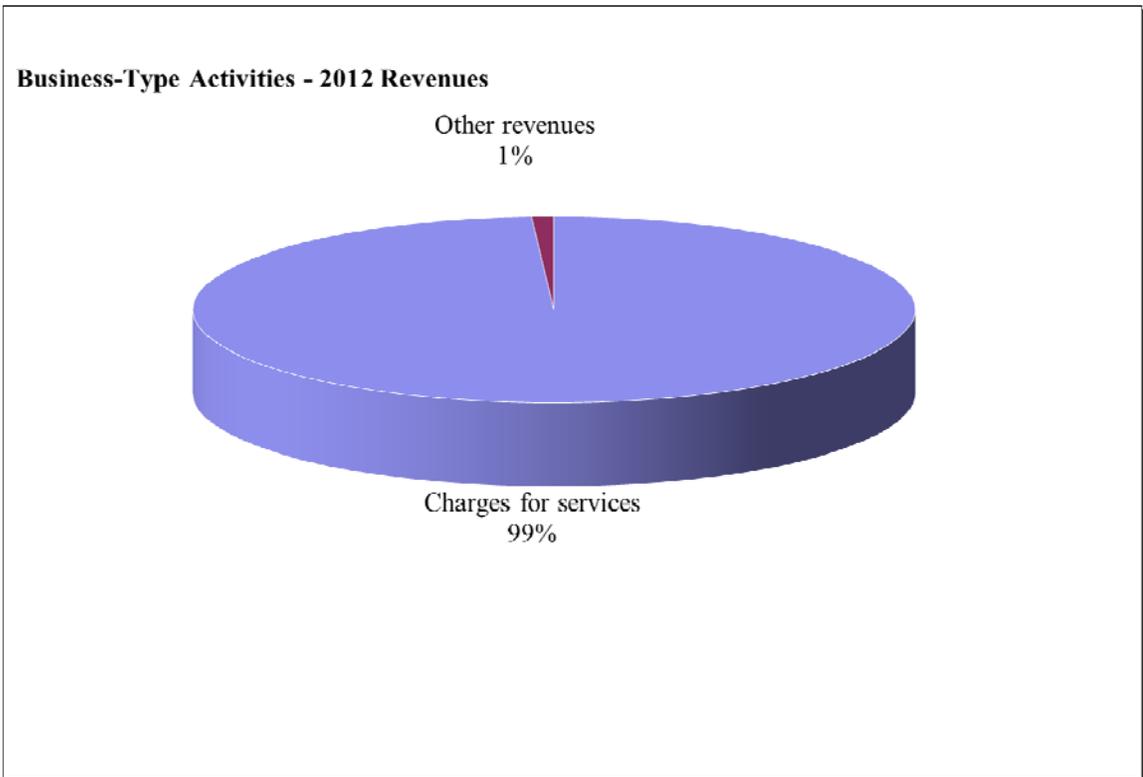
Management's Discussion and Analysis



Business-type activities. In 2012, business-type activities increased the City's total net position by \$1,103,559 or 2%. In the prior year, business-type activities increased the City's net position by \$422,937 or less than 1%. The key differences between the current and prior year change, in business-type activities net position were the following:

- Substantially all of the greater increase in net position for 2012 was attributable to water, sewer and refuse. This was partially driven by a 4% rate increase effective for 2012. In addition, water consumption (volume sold) increased 9% in 2012 compared to 2011. Sewer volume also increased comparably. Some of this increase in volume is attributable to more accurate metering, as a result of a battery replacement program for residential water meters.
- The sewer expenses decreased by approximately \$246,000 in total. \$158,000 of this amount reflects the differences between 2012 infrastructure projects, which met the capitalization threshold and will be depreciated over many years, versus 2011 infrastructure projects, which did not meet the threshold and were therefore recognized as 2011 expenses. Of the remaining \$88,000 decrease in sewer expenses, approximately \$40,000 was for a decline in annual depreciation.
- The liquor functions increased net position in 2012 by \$86,178 more than 2011. This primarily reflects an increase in income from operations. Sales by the liquor operation increased in 2012 by 4% over 2011.

Management's Discussion and Analysis



Management's Discussion and Analysis

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, unreserved 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 December 31, 2012, the City's governmental funds reported combined fund balances of \$24,012,428. Committed, assigned and unassigned fund balance, which is available for spending at the City's discretion, has a balance of \$16,975,154. The remainder of fund balance is nonspendable or restricted to indicate that it is not available for new spending because it has already been obligated for debt service (\$1,559,985), land held for resale (\$2,355,806), prepaid items (\$90,387), interfund loans (\$405,000), tax increment (\$1,364,932), and other restricted purposes.

The general fund is the chief operating fund of the City. In 2012, fund balance in the general fund increased by \$207,854 or 3.5%. In the prior year, fund balance in the general fund increased by \$526,816 or 10%. Key differences between the current and prior year change in the fund balance of the general fund include the following:

- Total general fund revenue increased approximately \$127,500 in 2012. This primarily reflects a property tax increase of approximately \$362,000; offset by reductions in state aid and investment income of \$170,000 and \$73,000; respectively.
- Total general fund expenditures increased \$280,876 or 3% in 2012, as compared to the prior year. The key factors of this were:
 - Public safety personnel costs increased \$95,000. \$10,000 of this amount was an increase in health insurance expense. \$68,000 is from a combination of regular contractual step increases, and from one position for which the incumbent was on military leave in 2011 but reinstated in 2012. The remaining 2012 increase is other fringe benefits associated with the increased salary expense.
 - Public works expenses increased \$138,709. 2012 street department expenses included \$122,500 for a portion of the 2012 Zone 7 street rehabilitation project. There was no equivalent charge to the general fund street department in 2011.

The changes in fund balance of the other major governmental funds in 2012, and key elements of those changes, were as follows:

- The Municipal State Aid Street Fund increased by \$78,212. This reflects revenue first available in the current year that correspond to expenses incurred in prior years.
- The Capital Improvements General Government Buildings Fund decreased by \$176,042.

Management's Discussion and Analysis

This is the amount by which 2012 building improvements exceeded 2012 investment income and transfers-in for such improvements. For 2012, the major project financed through this fund was replacement of the City Hall boiler for \$168,000.

- The Capital Equipment Replacement General Government Fund decreased by \$109,654. This is the amount by which 2012 equipment purchases exceeded 2012 investment income and transfers-in for equipment purchases. Also, less surplus equipment was sold in 2012 compared to 2011, reducing annual auction proceeds in this fund by approximately \$30,000.
- The Capital Improvements PIR Fund increased by \$84,325. This primarily reflects current year special assessment revenue, from prior year improvement projects, in excess of current year expenses on current year improvement projects. PIR is the acronym for public improvement revolving fund.
- The Capital Improvements Development Fund decreased by \$83,581. This primarily reflects the reduction in carrying value for real estate held for resale.

The combined total fund balances of the nonmajor governmental funds decreased by \$432,201 or slightly greater than 4% in 2012. Whereas in the prior year, combined total fund balances of the nonmajor governmental funds decreased by \$223,986 or 2%. This difference involved numerous changes, but the most significant elements included:

- The G.O. Improvement/Revenue Bonds 2006A fund decreased by \$262,601. This reflects the structured decline in annual debt service for this bond issue for years after 2012.
- The Tax Increment Bond fund decreased \$186,000. This primarily reflects the reduction in carrying value for real estate held for resale.
- The Capital Equipment Fire fund decreased by \$98,326. Two new rescue/response vehicles were purchased using prior fund balance in 2012.

Proprietary funds. The City's proprietary funds provide the same type of information that is found in the government-wide financial statements for business-type activities, but in more detail. At December 31, 2012, net position of the major proprietary funds included the following amounts of unrestricted net position:

- Water Fund \$588,005
- Sewer Fund \$1,770,422
- Refuse Fund \$1,146,404
- Storm Sewer Fund \$37,760
- Liquor Fund \$2,274,380

The 2012 increases in net position of the major proprietary funds included the following:

- Water Fund \$377,941
- Sewer Fund \$36,992

Management's Discussion and Analysis

- Refuse Fund \$210,577
- Storm Sewer Fund \$23,632
- Liquor Fund \$358,272

The increase in the utility funds reflects both an increase in the utility rates and an increase in water and sewer consumption discussed above in the analysis of the City's business-type activities. Other factors concerning the finances of the proprietary funds are addressed above in the analysis of the City's business-type activities.

Budgetary Highlights

General fund. The changes between the original and final 2012 general fund budget consist of:

- An increase of \$54,465 to budgeted public safety expenditures consisted of an equal increase to the combined amount budgeted for intergovernmental revenue and charges for services. This reflects additional police and fire services and training funded by external entities after the adoption of the original budget.
- An increase in the street department budget of \$50,000 to appropriate, for 2012 use, certain funds committed for downtown parking facility maintenance.
- An increase of \$160,793 in transfers-out to the nonmajor funds, to allow for the cancellation of a portion of the 2012 tax levy for debt service purposes.

Actual general fund revenues in 2012 were more than budgeted by \$103,111 or 1%. This variance was primarily the result of the following:

- A certain federal grant for police staffing was budgeted to expire in mid-2012. An extension of agreement into 2013 was subsequently obtained, resulting in revenue from this grant exceeding the budget by approximately \$50,000.
- Reimbursements of excess tax increments were received for \$22,000. This is an item which is not budgeted.
- The 2012 increase in the number of rental units within the City exceeded budgeted forecasts. In 2012, 92 new rental licenses were issued. The increase in rental license revenue was \$18,800.

Actual general fund expenditures in 2012 were less than budgeted by \$439,861 or 4%. The largest elements of this variance were as follows:

- Police department personnel costs were \$120,000 under budget. This is a result of employee turnover and temporarily-unfilled positions from injury-on-duty. This was somewhat offset by nonpersonnel police costs exceeding budget, yielding a net total of \$84,788 of police department expenditures under budget.

Management's Discussion and Analysis

- Actual expenses of the parks and recreation department were \$191,894 under budget. The majority of this consisted of personnel expenses variances:
 - Custodial services at the City's banquet hall/rental facility were under budget by \$50,000. This was partially a result of reduced rental activity in 2012 as compared to 2011.
 - The parks department personnel services was also under budget by \$48,000. In 2012, a parks maintenance employee transferred to another department, leaving one position vacant for half of the year.
 - Certain 2012 youth recreation activities were able to use grant revenue in the nonmajor funds to hire seasonal summer staff, in lieu of the general fund recreation department budget.
 - For 2012 certain part-time positions were budgeted to staff the City's gymnasium facility, but much of the actual staffing was achieved by adding these duties to an existing full-time position. In addition, 2012 actual contracted maintenance costs for the city gymnasium facility were under budget, as this facility was built within the last few years, and a reliable trend has not yet been established from which to accurately forecast maintenance. These two factors combined to leave the gymnasium activity a total of \$57,807 under budget.

The remaining balance of the general fund expenditure budget variance was spread across all other departments of the general fund. To a large extent, this reflects a continuation of cost reduction measures implemented in 2009 in response to state aid reductions and weak economic conditions in general.

Capital Asset and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of December 31, 2012, amount to \$57,254,916 net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress. Note that real estate that is only held for resale is not included here in the analysis of capital assets *used* in governmental and business-type activities.

At December 31, 2012, the City had \$45,600 of noncancellable contractual commitments for construction in 2012. Significant capital asset activity during 2012 included the following:

<u>Project</u>	<u>Year Started</u>	<u>As of December 31, 2012</u>	
		<u>Cost to Date</u>	<u>Status</u>
Street Rehabilitation - Zone	2011	1,144,013	in-progress
Argonne Lift Station	2011	252,956	in-progress
Street Rehabilitation - Zone	2012	640,664	in-progress

Management's Discussion and Analysis

City of Columbia Heights' Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets - not depreciated:				
Land	\$4,891,781	\$433,842	\$ -	\$5,325,623
Construction in progress	4,626,255	689,722	(4,427,963)	888,014
Total capital assets not being depreciated	9,518,036	1,123,564	(4,427,963)	6,213,637
Capital assets - being depreciated:				
Buildings	27,958,872	167,533	-	28,126,405
Equipment	7,975,687	411,103	(79,296)	8,307,494
Infrastructure	25,914,602	3,718,017	-	29,632,619
Total capital assets being depreciated	61,849,161	4,296,653	(79,296)	66,066,518
Less accumulated depreciation for:				
Buildings	10,654,566	712,411	-	11,366,977
Equipment	5,143,092	531,042	(75,319)	5,598,815
Infrastructure	12,247,483	938,688	-	13,186,171
Total accumulated depreciation	28,045,141	2,182,141	(75,319)	30,151,963
Capital assets being depreciated - net	33,804,020	2,114,512	(3,977)	35,914,555
Governmental activities capital assets - net	43,322,056	3,238,076	(4,431,940)	42,128,192
Business-type activities:				
Capital assets - not depreciated:				
Land	2,343,247	5,966	-	2,349,213
Construction in progress	1,069,779	792,534	(1,602,383)	259,930
Total capital assets not being depreciated	3,413,026	798,500	(1,602,383)	2,609,143
Capital assets - being depreciated:				
Buildings	4,581,314	50,000	-	4,631,314
Equipment	2,171,819	43,688	-	2,215,507
Infrastructure	14,484,426	1,535,270	-	16,019,696
Total capital assets being depreciated	21,237,559	1,628,958	-	22,866,517
Less accumulated depreciation for:				
Buildings	1,101,886	132,099	-	1,233,985
Equipment	1,491,708	123,343	-	1,615,051
Infrastructure	7,150,735	349,165	-	7,499,900
Total accumulated depreciation	9,744,329	604,607	-	10,348,936
Capital assets being depreciated - net	11,493,230	1,024,351	-	12,517,581
Business-type activities capital assets - net	14,906,256	1,822,851	(1,602,383)	15,126,724
Total capital assets - net	\$58,228,312	\$5,060,927	(\$6,034,323)	\$57,254,916

Additional information on the City's capital assets can be found in Note 4 to the financial statements.

Long-term debt. During 2012, the City's total bonded debt decreased by \$1,308,000 to an end of year total of \$24,337,000. This decrease was from the payment of principal due in the current year. Bonded debt outstanding at year end included general obligation bonds, all of which are backed by the full faith and credit of the City, and revenue bonds, for which only revenues from the related projects financed are pledged for repayment. Some of the general obligation bonds have specific revenue sources pledged other than property taxes, but in the event those other sources were insufficient, the City would be required to fund the shortfall through property taxes.

Management's Discussion and Analysis

State statute limits the amount of certain general obligation debt that a Minnesota city may issue to 3% of the taxable market value of property within a city's taxing jurisdiction. At December 31, 2012, the City's debt limit under this statute was \$29,067,313 and \$10,275,000 of the City's outstanding debt was of the type to which this limit applies.

City of Columbia Heights' Long-Term Debt

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
General obligation bonds:						
Repaid only with general taxes	\$12,308,431	\$12,698,431	\$ -	\$ -	\$12,308,431	\$12,698,431
With other pledged revenues	3,573,299	4,102,299	1,123,270	1,304,270	4,696,569	5,406,569
Revenue bonds	2,737,000	2,790,000	4,595,000	4,750,000	7,332,000	7,540,000
Compensated absences	950,937	944,689	172,107	161,109	1,123,044	1,105,798
Postemployment benefits other than pensions	105,492	58,761	-	-	105,492	58,761
	<u>\$19,675,159</u>	<u>\$20,594,180</u>	<u>\$5,890,377</u>	<u>\$6,215,379</u>	<u>\$25,565,536</u>	<u>\$26,809,559</u>

At December 31, 2012, the City's general obligation bonds have an AA rating from Standard and Poor's and Aa2 rating from Moody's. The outstanding revenue bonds of the business activities at December 31, 2012, are repaid only with lease revenue and have an A1 rating from Moody's. The outstanding revenue bonds of the governmental activities at December 31, 2012, are repaid only with tax increment and are unrated.

In addition to bonded debt, at year end there was long-term debt in the amount of \$1,123,044 and \$105,492 respectively, for compensated absences and post-employment health insurance. Additional information on the City's long-term debt can be found in Note 6 to the financial statements.

Economic Factors and Next Year's Budget

In 2012, the average annual unemployment rate for Anoka County, which includes the City, was 5.5%. This is a decrease from a rate of 6.7% from the prior year. This compares to the average 2012 state and national rates of 5.4% and 5.7% respectively. Inflationary trends in the region compare favorably to national trends.

These factors were considered in preparing the City of Columbia Heights' 2012 budget.

Requests For Information.

This financial report is designed to provide a general overview of the City of Columbia Heights' 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 Columbia Heights, Finance Department, 590 40th Avenue NE, Columbia Heights, Minnesota 55421-3878.

BASIC FINANCIAL STATEMENTS

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2012
With Comparative Totals For December 31, 2011

Statement 1
Page 1 of 2

Assets	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2012	2011
Current assets:				
Cash and investments	\$23,761,245	\$4,005,773	\$27,767,018	\$28,833,007
Cash and investments with fiscal agent	-	399,254	399,254	399,254
Receivables:				
Accounts (net of allowance for uncollectibles)	139,065	1,550,287	1,689,352	1,550,449
Special assessments - current	474,088	-	474,088	511,412
Taxes	417,408	-	417,408	436,551
Interest	61,110	14,002	75,112	75,843
Due from other governmental units - current	696,500	5,509	702,009	713,232
Internal balances	49,539	(49,539)	-	-
Prepayments	138,469	149,528	287,997	361,543
Inventory - at cost	68,678	2,546,557	2,615,235	2,358,294
Real estate held for resale	2,355,806	-	2,355,806	1,945,117
Total current assets	<u>28,161,908</u>	<u>8,621,371</u>	<u>36,783,279</u>	<u>37,184,702</u>
Noncurrent assets:				
Special assessments receivable - noncurrent	2,320,215	-	2,320,215	2,558,054
Loans receivable - noncurrent	-	-	-	-
Capital assets (net of accumulated depreciation):				
Land	5,325,624	2,349,213	7,674,837	7,235,028
Buildings	16,759,428	3,397,329	20,156,757	20,783,733
Equipment	2,708,679	600,455	3,309,134	3,512,707
Infrastructure	16,446,447	8,519,797	24,966,244	21,000,810
Construction in process	888,014	259,930	1,147,944	5,696,003
Total noncurrent assets	<u>44,448,407</u>	<u>15,126,724</u>	<u>59,575,131</u>	<u>60,786,335</u>
Total assets	<u>72,610,315</u>	<u>23,748,095</u>	<u>96,358,410</u>	<u>97,971,037</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2012
With Comparative Totals For December 31, 2011

Statement 1
Page 2 of 2

Liabilities	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2012	2011
Current liabilities:				
Accounts payable	\$412,053	\$536,948	\$949,001	\$1,256,569
Accrued salaries and withholdings payable	190,486	46,009	236,495	304,657
Contracts payable - retained percentage	61,195	42,915	104,110	175,808
Due to other governmental units	168,801	376,519	545,320	640,303
Unearned revenue	203,160	-	203,160	218,857
Accrued interest payable	333,411	117,989	451,400	472,520
Deposits	33,528	3,000	36,528	34,090
Compensated absences payable - current	57,056	10,326	67,382	128,939
Bonds payable - current	940,500	357,500	1,298,000	1,308,000
Total current liabilities	<u>2,400,190</u>	<u>1,491,206</u>	<u>3,891,396</u>	<u>4,539,743</u>
Noncurrent liabilities:				
Compensated absences payable - noncurrent	893,881	161,781	1,055,662	976,859
Other postemployment benefits payable - noncurrent	105,492	-	105,492	58,761
Bonds payable - noncurrent	17,678,230	5,360,770	23,039,000	24,337,000
Total noncurrent liabilities	<u>18,677,603</u>	<u>5,522,551</u>	<u>24,200,154</u>	<u>25,372,620</u>
Total liabilities	<u>21,077,793</u>	<u>7,013,757</u>	<u>28,091,550</u>	<u>29,912,363</u>
Net position				
Net investments in capital assets	27,666,461	9,819,666	37,486,127	37,426,428
Restricted for:				
Debt service	1,127,829	234,063	1,361,892	1,858,361
Tax increment purposes	1,097,907	-	1,097,907	1,361,471
Other purposes	398,730	-	398,730	375,088
Unrestricted	21,241,595	6,680,609	27,922,204	27,037,326
Total net position	<u>\$51,532,522</u>	<u>\$16,734,338</u>	<u>\$68,266,860</u>	<u>\$68,058,674</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges For Services</u>
Primary government:		
Governmental activities:		
General government	\$1,977,594	\$204,391
Public safety	5,708,009	736,927
Public works	3,200,572	139,305
Culture and recreation	2,500,719	137,978
Community development	2,157,966	961,420
Interest on long-term debt	845,879	-
Total governmental activities	<u>16,390,739</u>	<u>2,180,021</u>
Business-type activities:		
Water	2,311,858	2,777,383
Sewer	1,464,269	1,581,516
Refuse	1,601,648	1,761,860
Storm sewer	329,998	353,343
Liquor	8,378,981	8,804,233
Total business-type activities	<u>14,086,754</u>	<u>15,278,335</u>
Total primary government	<u>\$30,477,493</u>	<u>\$17,458,356</u>

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position			
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals	
		Governmental Activities	Business-Type Activities	2012	2011
\$ -	\$ -	(\$1,773,203)	\$ -	(\$1,773,203)	(\$1,811,640)
556,387	-	(4,414,695)	-	(4,414,695)	(4,276,805)
189,039	797,921	(2,074,307)	-	(2,074,307)	(1,114,619)
57,337	-	(2,305,404)	-	(2,305,404)	(2,339,716)
23,010	204,349	(969,187)	-	(969,187)	(379,712)
-	-	(845,879)	-	(845,879)	(909,858)
<u>825,773</u>	<u>1,002,270</u>	<u>(12,382,675)</u>	<u>0</u>	<u>(12,382,675)</u>	<u>(10,832,350)</u>
-	-	-	465,525	465,525	160,727
-	-	-	117,247	117,247	(186,529)
62,471	50,000	-	272,683	272,683	186,682
-	-	-	23,345	23,345	52,041
-	-	-	425,252	425,252	339,074
<u>62,471</u>	<u>50,000</u>	<u>0</u>	<u>1,304,052</u>	<u>1,304,052</u>	<u>551,995</u>
<u>\$888,244</u>	<u>\$1,052,270</u>	<u>(12,382,675)</u>	<u>1,304,052</u>	<u>(11,078,623)</u>	<u>(10,280,355)</u>
General revenues:					
Property taxes		9,363,598	-	9,363,598	9,069,092
Tax increment collections		553,050	-	553,050	558,861
Grants and contributions not restricted to specific programs		1,003,552	-	1,003,552	1,278,195
Unrestricted investment earnings		295,950	63,321	359,271	734,812
Gain on sale of capital assets used in governmental activities		7,338	-	7,338	34,485
Transfers		263,814	(263,814)	-	-
Total general revenues and transfers		<u>11,487,302</u>	<u>(200,493)</u>	<u>11,286,809</u>	<u>11,675,445</u>
Change in net position		(895,373)	1,103,559	208,186	1,395,090
Net position - January 1		<u>52,427,895</u>	<u>15,630,779</u>	<u>68,058,674</u>	<u>66,663,584</u>
Net position - December 31		<u>\$51,532,522</u>	<u>\$16,734,338</u>	<u>\$68,266,860</u>	<u>\$68,058,674</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2012

	General Fund	2008A Taxable GO Housing Improvement Area Bonds Fund	Municipal State Aid Street Fund
Assets			
Cash and investments	\$5,855,522	\$182,002	\$155,918
Receivables:			
Accounts	65,155	-	-
Special assessments	-	820,151	-
Taxes	377,308	-	-
Interest	17,110	400	-
Due from other governmental units	186,787	-	406,996
Interfund receivable	326,456	-	-
Prepayments	87,341	-	-
Real estate held for resale	-	-	-
Total assets	<u>\$6,915,679</u>	<u>\$1,002,553</u>	<u>\$562,914</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$83,622	\$ -	\$67,770
Accrued salaries and withholdings payable	164,051	-	2,356
Contracts payable - retained percentage	-	-	3,750
Due to other governmental units	129,491	-	-
Interfund payable	-	-	307,446
Deferred revenue	461,506	820,151	15,000
Deposits	100	-	-
Total liabilities	<u>838,770</u>	<u>820,151</u>	<u>396,322</u>
Fund balance:			
Nonspendable	87,341	-	-
Restricted	-	182,402	-
Committed	74,594	-	166,592
Unassigned	5,914,974	-	-
Total fund balances	<u>6,076,909</u>	<u>182,402</u>	<u>166,592</u>
Total liabilities and fund balances	<u>\$6,915,679</u>	<u>\$1,002,553</u>	<u>\$562,914</u>

Fund balance reported above

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.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Internal service funds are used by management to charge the costs of garage, information systems, insurance and compensated absences to individual funds. With the exception of the information systems fund which is a business-type fund, the assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Net position of governmental activities

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

Statement 3

Capital Improvements General Gov't Buildings	Capital Equipment Replacement General Gov't	Capital Improvements PIR Fund	Capital Improvement Development	Other Governmental Funds	Interfund Eliminations	Total Governmental Funds
\$1,116,552	\$3,953,642	\$877,530	\$1,017,892	\$8,062,764	\$ -	2012 \$21,221,822
-	-	4,428	-	66,663	-	136,246
-	-	1,974,152	-	-	-	2,794,303
-	-	-	-	40,100	-	417,408
3,600	11,600	1,700	5,500	16,600	-	56,510
-	-	-	-	102,717	-	696,500
-	405,000	-	-	14,377	(340,833)	405,000
-	-	-	-	3,046	-	90,387
-	-	48,000	1,034,135	1,273,671	-	2,355,806
<u>\$1,120,152</u>	<u>\$4,370,242</u>	<u>\$2,905,810</u>	<u>\$2,057,527</u>	<u>\$9,579,938</u>	<u>(\$340,833)</u>	<u>\$28,173,982</u>
\$13,941	\$ -	\$25,235	\$8,846	\$167,404	\$ -	\$366,818
-	-	60	-	19,660	-	186,127
7,691	-	39,027	-	10,727	-	61,195
-	-	-	-	39,310	-	168,801
-	-	-	-	37,250	(340,833)	3,863
-	-	1,968,486	-	76,079	-	3,341,222
-	-	6,331	-	27,097	-	33,528
<u>21,632</u>	<u>0</u>	<u>2,039,139</u>	<u>8,846</u>	<u>377,527</u>	<u>(340,833)</u>	<u>4,161,554</u>
-	405,000	48,000	1,034,135	1,276,717	-	2,851,193
-	-	-	-	4,003,679	-	4,186,081
1,098,520	3,965,242	818,671	1,014,546	3,924,797	-	11,062,962
-	-	-	-	(2,782)	-	5,912,192
<u>1,098,520</u>	<u>4,370,242</u>	<u>866,671</u>	<u>2,048,681</u>	<u>9,202,411</u>	<u>0</u>	<u>24,012,428</u>
<u>\$1,120,152</u>	<u>\$4,370,242</u>	<u>\$2,905,810</u>	<u>\$2,057,527</u>	<u>\$9,579,938</u>	<u>(\$340,833)</u>	<u>\$28,173,982</u>
						\$24,012,428
						40,820,389
						3,145,512
						2,611,826
						<u>(19,057,633)</u>
						<u>\$51,532,522</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2012

	General Fund	2008A Taxable GO Housing Improvement Area Bonds Fund	Municipal State Aid Street Fund
Revenues:			
Taxes	\$7,626,258	\$ -	\$ -
Tax increment collections	-	-	-
Special assessments	-	105,567	-
Licenses and permits	200,954	-	-
Intergovernmental	1,495,889	-	528,546
Charges for services	574,708	-	-
Fines and forfeitures	128,543	-	-
Investment income:			
Interest and dividends	71,927	1,500	-
Change in fair value	4,761	100	-
Other revenues	6,485	-	61
Total revenues	<u>10,109,525</u>	<u>107,167</u>	<u>528,607</u>
Expenditures:			
Current:			
General government	1,776,011	-	-
Public safety	5,065,165	-	-
Public works	1,418,124	-	379,827
Culture and recreation	1,402,856	-	-
Community development	-	-	-
Capital outlay:			
General government	-	-	-
Public safety	-	-	-
Public works	195,687	-	68,168
Culture and recreation	15,934	-	-
Community development	-	-	-
Debt service:			
Principal retirement	-	50,000	-
Interest and fiscal charges	-	49,920	-
Developer incentives	-	-	-
Total expenditures	<u>9,873,777</u>	<u>99,920</u>	<u>447,995</u>
Revenues over (under) expenditures	<u>235,748</u>	<u>7,247</u>	<u>80,612</u>
Other financing sources (uses):			
Transfers in	358,076	-	-
Transfers out	(385,970)	-	(2,400)
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(27,894)</u>	<u>0</u>	<u>(2,400)</u>
Net change in fund balance	207,854	7,247	78,212
Fund balance - January 1	<u>5,869,055</u>	<u>175,155</u>	<u>88,380</u>
Fund balance - December 31	<u><u>\$6,076,909</u></u>	<u><u>\$182,402</u></u>	<u><u>\$166,592</u></u>

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

Capital Improvements General Gov't Buildings	Capital Equipment Replacement General Gov't	Capital Improvements PIR Fund	Capital Improvement Development	Other Governmental Funds	Interfund Eliminations	Total Governmental Funds
						2012
\$ -	\$ -	\$ -	\$ -	\$1,754,711	\$ -	\$9,380,969
-	-	-	-	567,259	-	567,259
-	-	670,147	-	-	-	775,714
-	-	-	-	195,272	-	396,226
-	-	-	-	289,760	-	2,314,195
-	-	130,781	-	958,293	-	1,663,782
-	-	-	-	33,339	-	161,882
15,000	67,620	7,300	23,300	73,542	-	260,189
1,000	3,200	500	1,500	4,500	-	15,561
7,644	1,974	6,456	267	40,787	-	63,674
<u>23,644</u>	<u>72,794</u>	<u>815,184</u>	<u>25,067</u>	<u>3,917,463</u>	<u>0</u>	<u>15,599,451</u>
346	-	8,752	-	28,324	-	1,813,433
-	8,089	164,524	-	13,103	-	5,250,881
-	-	170,386	-	43,170	-	2,011,507
12,700	-	-	-	768,658	-	2,184,214
-	-	-	97,306	1,337,023	-	1,434,329
209,176	-	-	-	-	-	209,176
-	70,497	-	-	87,951	-	158,448
-	163,004	100,768	-	30,193	-	557,820
-	2,173	-	-	-	-	18,107
-	-	5,300	24,508	606,486	-	636,294
-	-	-	-	922,000	-	972,000
-	-	-	-	811,219	-	861,139
-	-	-	-	116,072	-	116,072
<u>222,222</u>	<u>243,763</u>	<u>449,730</u>	<u>121,814</u>	<u>4,764,199</u>	<u>0</u>	<u>16,223,420</u>
<u>(198,578)</u>	<u>(170,969)</u>	<u>365,454</u>	<u>(96,747)</u>	<u>(846,736)</u>	<u>0</u>	<u>(623,969)</u>
22,536	50,000	-	13,166	553,163	(698,127)	298,814
-	-	(281,129)	-	(138,628)	698,127	(110,000)
-	11,315	-	-	-	-	11,315
<u>22,536</u>	<u>61,315</u>	<u>(281,129)</u>	<u>13,166</u>	<u>414,535</u>	<u>0</u>	<u>200,129</u>
(176,042)	(109,654)	84,325	(83,581)	(432,201)	0	(423,840)
1,274,562	4,479,896	782,346	2,132,262	9,634,612	-	24,436,268
<u>\$1,098,520</u>	<u>\$4,370,242</u>	<u>\$866,671</u>	<u>\$2,048,681</u>	<u>\$9,202,411</u>	<u>\$0</u>	<u>\$24,012,428</u>

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

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2012

Statement 5

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Net changes in fund balances - total governmental funds (Statement 4)	(\$423,840)
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. The difference is the amount by which outlays for capital assets exceeded depreciation in the current year.	(1,175,879)
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and abandonments was a decrease in net position.	(3,977)
The issuance of long-term debt provides current financial resources to the governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net position however. This amount is the net effect of these differences in the treatment of long-term debt.	972,000
Interest that accrues in the prior year on long-term debt, that is paid in the current year, consumes current financial resources, and is therefore reported in the governmental funds. It does not reduce net position however, and is not reported as an expense in the statement of activities.	15,260
Other postemployment employee benefits that accrue in the current year, but are not paid in the current year, do not consume current financial resources, and are therefore not reported in the governmental funds. They do reduce net position however, and are reported as an expense in the statement of activities.	(46,730)
Revenue earned in prior years, that first becomes available in the current year, is reported in the governmental funds. Whereas, this amount was reported in the statement of activities in the prior year(s) in which it was earned.	(374,423)
The net expenses of certain activities of internal service funds are reported within governmental activities in the statement of activities.	<u>142,216</u>
Change in net position of governmental activities (Statement 2)	<u><u>(\$895,373)</u></u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2012

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$542,181	\$1,347,004
Cash and cash equivalents with fiscal agent	-	-
Receivables:		
Accounts (net of allowance for uncollectibles)	571,623	419,781
Interest	4,600	4,400
Due from other governmental units - current	-	-
Interfund receivable	62,362	22,858
Prepayments	-	76,968
Inventory - at cost	4,185	-
Total current assets	<u>1,184,951</u>	<u>1,871,011</u>
Noncurrent assets:		
Capital assets:		
Land	45,223	36,586
Construction in progress	7,006	252,924
Buildings	559,826	100,426
Equipment	462,515	840,942
Infrastructure	8,346,965	6,154,219
Total capital assets	<u>9,421,535</u>	<u>7,385,097</u>
Less: accumulated depreciation	<u>(4,263,186)</u>	<u>(4,277,960)</u>
Net capital assets	<u>5,158,349</u>	<u>3,107,137</u>
Total noncurrent assets	<u>5,158,349</u>	<u>3,107,137</u>
Total assets	<u>6,343,300</u>	<u>4,978,148</u>
Liabilities:		
Current liabilities:		
Accounts payable	6,224	15,614
Accrued salaries and withholdings payable	9,222	4,733
Due to other governmental units	283,486	-
Interfund payable	399,497	-
Contracts payable	-	42,915
Accrued interest payable	14,588	-
Deposits	3,000	-
Deferred revenue	-	-
Compensated absences payable - current	1,533	2,240
Bonds payable - current	161,862	-
Total current liabilities	<u>879,412</u>	<u>65,502</u>
Noncurrent liabilities:		
Compensated absences payable - noncurrent	24,022	35,087
Bonds payable - noncurrent	789,628	-
Total noncurrent liabilities	<u>813,650</u>	<u>35,087</u>
Total liabilities	<u>1,693,062</u>	<u>100,589</u>
Net position:		
Net investments in capital assets	3,883,859	3,107,137
Restricted for debt service	178,374	-
Unrestricted	588,005	1,770,422
Total net position	<u>\$4,650,238</u>	<u>\$4,877,559</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds		
Net assets of business-type activities		

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

Business-Type Activities - Enterprise Funds					
Refuse Utility Fund	Storm Sewer Utility Fund	Liquor Fund	Interfund Eliminations	Total Enterprise Funds	Internal Service Funds
				2012	2012
\$792,091	\$37,976	\$607,698	\$ -	\$3,326,950	\$3,218,246
-	-	399,254	-	399,254	-
466,365	92,357	161	-	1,550,287	2,819
2,300	502	200	-	12,002	6,600
5,034	-	475	-	5,509	-
-	-	-	(22,858)	62,362	-
-	-	72,560	-	149,528	48,082
-	-	2,542,372	-	2,546,557	68,678
1,265,790	130,835	3,622,720	(22,858)	8,052,449	3,344,425
-	260,690	2,006,714	-	2,349,213	15,779
-	-	-	-	259,930	68,770
56,000	-	3,915,062	-	4,631,314	1,812,838
112,893	190,653	413,202	-	2,020,205	403,437
-	1,518,512	-	-	16,019,696	-
168,893	1,969,855	6,334,978	0	25,280,358	2,300,824
(114,975)	(716,540)	(823,602)	-	(10,196,263)	(950,392)
53,918	1,253,315	5,511,376	-	15,084,095	1,350,432
53,918	1,253,315	5,511,376	0	15,084,095	1,350,432
1,319,708	1,384,150	9,134,096	(22,858)	23,136,544	4,694,857
112,898	40	400,342	-	535,118	47,065
1,467	1,934	23,364	-	40,720	9,648
-	-	93,033	-	376,519	-
-	86,862	-	(22,858)	463,501	-
-	-	-	-	42,915	-
-	2,838	100,563	-	117,989	-
-	-	-	-	3,000	-
-	-	-	-	-	7,450
301	84	5,222	-	9,380	58,002
-	30,638	165,000	-	357,500	-
114,666	122,396	787,524	(22,858)	1,946,642	122,165
4,720	1,317	81,816	-	146,962	908,700
-	141,142	4,430,000	-	5,360,770	-
4,720	142,459	4,511,816	0	5,507,732	908,700
119,386	264,855	5,299,340	(22,858)	7,454,374	1,030,865
53,918	1,081,535	916,376	-	9,042,825	1,350,432
-	-	644,000	-	822,374	-
1,146,404	37,760	2,274,380	-	5,816,971	2,313,560
\$1,200,322	\$1,119,295	\$3,834,756	\$0	15,682,170	\$3,663,992
				1,052,168	
				\$16,734,338	

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2012

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Refuse Utility Fund</u>
Operating revenues:			
Charges for services	\$182,730	\$1,579,864	\$1,761,860
Charges for sales, net of discounts (Note 1C)	2,589,033	-	-
Total operating revenues	<u>2,771,763</u>	<u>1,579,864</u>	<u>1,761,860</u>
Operating expenses:			
Cost of sales, services and goods sold	1,232,031	899,008	1,415,885
Operating expense	783,918	400,840	141,423
Depreciation	218,456	131,755	1,485
Total operating expenses	<u>2,234,405</u>	<u>1,431,603</u>	<u>1,558,793</u>
Net income (loss) from operations	<u>537,358</u>	<u>148,261</u>	<u>203,067</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest and dividends	20,400	20,421	10,500
Intergovernmental	-	-	112,471
Miscellaneous revenues	5,620	1,652	-
Interest and fiscal charges	(52,093)	-	-
Total nonoperating revenues (expenses)	<u>(26,073)</u>	<u>22,073</u>	<u>122,971</u>
Net income (loss) before transfers	<u>511,285</u>	<u>170,334</u>	<u>326,038</u>
Transfers in	-	-	-
Transfers out	(133,344)	(133,342)	(115,461)
Total transfers and capital contributions	<u>(133,344)</u>	<u>(133,342)</u>	<u>(115,461)</u>
Change in net position	377,941	36,992	210,577
Total net position - January 1	<u>4,272,297</u>	<u>4,840,567</u>	<u>989,745</u>
Total net position - December 31	<u><u>\$4,650,238</u></u>	<u><u>\$4,877,559</u></u>	<u><u>\$1,200,322</u></u>

Change in net position as reported above

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Change in net position of business-type activities

Reconciliation of capital contributions and interfund transfers:

 Amount reported above

 Amounts reported for business-type activities in the statement of activities are different because:

 Adjustment to reflect consolidation of internal service fund activities

 Amounts reported on the statement of activities

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

Business-Type Activities - Enterprise Funds				
Storm Sewer Utility Fund	Liquor Fund	Interfund Eliminations	Total Enterprise Funds 2012	Internal Service Funds 2012
\$349,457	\$ -	\$ -	\$3,873,911	\$1,007,655
-	8,804,233	-	11,393,266	156,113
<u>349,457</u>	<u>8,804,233</u>	<u>0</u>	<u>15,267,177</u>	<u>1,163,768</u>
-	6,654,657	-	10,201,581	1,142,105
237,117	1,315,396	-	2,878,694	-
83,993	150,287	-	585,976	81,285
<u>321,110</u>	<u>8,120,340</u>	<u>0</u>	<u>13,666,251</u>	<u>1,223,390</u>
<u>28,347</u>	<u>683,893</u>	<u>0</u>	<u>1,600,926</u>	<u>(59,622)</u>
2,200	1,000	-	54,521	29,000
-	-	-	112,471	-
3,886	-	-	11,158	(21,019)
(10,801)	(229,954)	-	(292,848)	-
<u>(4,715)</u>	<u>(228,954)</u>	<u>0</u>	<u>(114,698)</u>	<u>7,981</u>
<u>23,632</u>	<u>454,939</u>	<u>0</u>	<u>1,486,228</u>	<u>(51,641)</u>
-	-	-	-	294,000
-	(96,667)	-	(478,814)	(4,000)
<u>0</u>	<u>(96,667)</u>	<u>0</u>	<u>(478,814)</u>	<u>290,000</u>
23,632	358,272	0	1,007,414	238,359
1,095,663	3,476,484	-	14,674,756	3,425,633
<u>\$1,119,295</u>	<u>\$3,834,756</u>	<u>\$0</u>	<u>\$15,682,170</u>	<u>\$3,663,992</u>
			\$1,007,414	
			96,145	
			<u>\$1,103,559</u>	
			Transfers - Net	
			(\$478,814)	
			215,000	
			<u>(\$263,814)</u>	

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2012

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Water</u>	<u>Sewer</u>
Cash flows from operating activities:		
Cash received from customers	\$2,749,287	\$1,532,212
Cash received from interfund goods and services provided	-	-
Cash paid to suppliers for goods and services	(1,706,743)	(1,285,953)
Cash payments to employees for services	(339,588)	(225,252)
Net cash flows from operating activities	<u>702,956</u>	<u>21,007</u>
Cash flows from noncapital financing activities:		
Transfers in	-	-
Transfers out	(133,344)	(133,342)
Intergovernmental	-	-
Interfund receivable repaid by (advanced to) other funds	8,179	52,371
Interfund payable (repaid to) advanced by other funds	(57,003)	-
Net cash flows from noncapital financing activities	<u>(182,168)</u>	<u>(80,971)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(350,137)	(373,690)
Principal payments - bonds	(152,880)	-
Interest and fiscal charges - including capitalized interest	(54,300)	-
Net cash flows from capital and related financing activities	<u>(557,317)</u>	<u>(373,690)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	18,000	20,221
Change in fair value	1,300	1,300
Net cash flows from investing activities	<u>19,300</u>	<u>21,521</u>
Net increase (decrease) in cash and cash equivalents	(17,229)	(412,133)
Total cash and cash equivalents - January 1	<u>559,410</u>	<u>1,759,137</u>
Total cash and cash equivalents - December 31	542,181	1,347,004
(Less) cash and cash equivalents with fiscal agent - December 31	<u>-</u>	<u>-</u>
Cash and cash equivalents - December 31	<u><u>\$542,181</u></u>	<u><u>\$1,347,004</u></u>

Business-Type Activities - Enterprise Funds

Refuse	Storm	Liquor	Enterprise Funds	Internal Service Funds
			2012	2012
\$1,728,024	\$346,576	\$8,805,094	\$15,161,193	\$ -
-	-	-	-	1,602,554
(1,597,081)	(116,644)	(7,028,496)	(11,734,917)	(835,322)
(76,772)	(123,513)	(960,860)	(1,725,985)	(863,200)
<u>54,171</u>	<u>106,419</u>	<u>815,738</u>	<u>1,700,291</u>	<u>(95,968)</u>
-	-	-	-	325,000
(115,461)	-	(96,667)	(478,814)	(35,000)
112,471	-	-	112,471	-
(5,034)	-	-	55,516	-
-	(59,768)	-	(116,771)	-
<u>(8,024)</u>	<u>(59,768)</u>	<u>(96,667)</u>	<u>(427,598)</u>	<u>290,000</u>
(54,203)	(7,594)	(26,887)	(812,511)	(61,242)
-	(28,120)	(155,000)	(336,000)	-
-	(11,270)	(208,267)	(273,837)	-
<u>(54,203)</u>	<u>(46,984)</u>	<u>(390,154)</u>	<u>(1,422,348)</u>	<u>(61,242)</u>
9,700	2,098	900	50,919	26,600
700	100	100	3,500	1,400
<u>10,400</u>	<u>2,198</u>	<u>1,000</u>	<u>54,419</u>	<u>28,000</u>
2,344	1,865	329,917	(95,236)	160,790
<u>789,747</u>	<u>36,111</u>	<u>677,035</u>	<u>3,821,440</u>	<u>3,057,456</u>
792,091	37,976	1,006,952	3,726,204	3,218,246
-	-	(399,254)	(399,254)	-
<u>\$792,091</u>	<u>\$37,976</u>	<u>\$607,698</u>	<u>\$3,326,950</u>	<u>\$3,218,246</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2012

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$537,358	\$148,261
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	218,456	131,755
Miscellaneous revenues	5,620	1,652
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(28,096)	(49,304)
(Increase) decrease in due from other governmental units	-	-
(Increase) decrease in prepayments	-	(2,051)
Adjustment for nonoperating portion	-	-
(Increase) decrease in inventory, at cost	(2,473)	-
Increase (decrease) in accounts payable	(12,045)	(212,565)
Adjustment for nonoperating portion	-	-
Increase (decrease) in accrued salaries and withholdings payable	3,345	(2,232)
Adjustment for nonoperating portion	-	-
Increase (decrease) in contracts payable - retained percentage	-	155
Adjustment for nonoperating portion	-	-
Increase (decrease) in due to other governmental units	(19,212)	-
Adjustment for nonoperating portion	3,000	-
Increase (decrease) in compensated absences payable	(2,997)	5,336
Increase (decrease) in deferred revenue	-	-
Total adjustments	<u>165,598</u>	<u>(127,254)</u>
Net cash flows from operating activities	<u>\$702,956</u>	<u>\$21,007</u>

Business-Type Activities - Enterprise Funds

Refuse Utility Fund	Storm Sewer Utility Fund	Liquor Fund	Enterprise Funds	Internal Service Funds
			2012	2012
\$203,067	\$28,347	\$683,893	\$1,600,926	(\$59,622)
1,485	83,993	150,287	585,976	81,285
-	3,886	-	11,158	(21,019)
(33,836)	(6,767)	108	(117,895)	174
-	-	753	753	-
-	-	24,871	22,820	(1,273)
-	-	(24,871)	(24,871)	-
-	-	(185,790)	(188,263)	(10,105)
(114,987)	(3,340)	161,438	(181,499)	(94,285)
-	-	-	-	-
(1,540)	(317)	3,237	2,493	(1,770)
-	-	-	-	-
-	-	-	155	-
-	-	-	-	-
-	-	(2,065)	(21,277)	-
-	-	-	3,000	-
(18)	617	3,877	6,815	10,430
-	-	-	-	217
(148,896)	78,072	131,845	99,365	(36,346)
\$54,171	\$106,419	\$815,738	\$1,700,291	(\$95,968)

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2012

Statement 9

Assets:	
Cash and investments	\$9,748
Due from other governmental units	<u>13</u>
Total assets	<u><u>\$9,761</u></u>
Liabilities:	
Accounts payable	\$5,851
Due to other governmental units	<u>3,910</u>
Total liabilities	<u><u>\$9,761</u></u>

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Columbia Heights, Minnesota (the City) was incorporated in 1898. A Council composed of an elected mayor and four council members governs the City. The Council exercises legislative authority and determines all matters of policy. The Manager, appointed by the Council, is responsible for the proper administration of all affairs relating to the City.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant policies.

A. FINANCIAL REPORTING ENTITY

The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The City has two component units - the Housing and Redevelopment Authority (HRA) and the Economic Development Authority (EDA). The HRA and the EDA are considered component units because the governing boards are substantively the same as that of the City and because the City is in a relationship of financial benefit or burden with each of the entities.

The financial position and results of operations of the HRA and the EDA component units are presented using the blended method. These blended component units, although legally separate entities, are, in substance, part of the City's operations. The component units include Governmental Funds using the modified accrual basis of accounting, and as such are reported as Special Revenue Funds. Separate financial statements for the HRA and EDA are not prepared.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary 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*, which normally are 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 or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual 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's only fiduciary funds are agency funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency fund financial statements use the accrual basis of accounting.

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 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 *2008A taxable GO housing improvement area bonds fund* was established to account for revenues and expenditures associated with the 2008A series general obligation taxable bonds issued to finance rehabilitation of the Sullivan Shores town homes development. These bonds will be repaid with special assessments to the rehabilitated properties.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

The *municipal state aid street fund* is maintained according to state statute to account for maintenance and construction of municipal state aid street systems.

The *capital improvements general government buildings fund* is used to account for construction and improvements to municipal buildings not accounted for in a separate fund.

The *capital equipment replacement – general government fund* was established to account for the replacement of capital assets as needed.

The *capital improvement – PIR fund* was established to account for projects that will be assessed to the affected properties.

The *capital improvement – development fund* was established to account for redevelopment.

The City reports the following major proprietary funds:

The *water fund* accounts for revenue and expenses associated with water services to area residents.

The *sewer fund* accounts for revenues and expenses associated with sewer disposal within the City.

The *refuse fund* accounts for revenues and expenses associated with organized collection of refuse and recycling within the City.

The *storm sewer fund* accounts for revenues and expenses associated with storm water disposal.

The *liquor fund* accounts for revenues and expenses associated with the operation of three off-sale liquor stores.

Additionally, the City reports the following fund types:

Internal service funds account for central garage, information systems, insurance and compensated absences services provided to other departments of the City on a cost reimbursement basis.

Agency - The *permit surcharge agency fund* is used to account for SAC charges and surcharges collected for and remitted to the State of Minnesota. The *Tri-City GIS fund* is used to account for the joint purchase of certain services for which the City is fiscal agent on behalf of the City of Columbia Heights, the City of Fridley and the City of Andover.

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.

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, sewer, refuse, storm sewer and liquor enterprise funds and of the internal service funds are charges to customers for sales and services. Liquor fund sales are reported net of discounts. No other fund provides discounts. For 2012, liquor sales discounts were \$173,487. Operating expenses for enterprise funds and internal service 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. BUDGETARY DATA

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing on January 1 of the following year. At least one special Council meeting is conducted to obtain public comments as required by the State Truth in Taxation Law.

The City Council annually adopts budgets prior to January 1 for the General Fund and the following special revenue funds:

Nonmajor special revenue funds:

Cable television fund

Library fund

Community development fund

Economic Development Authority (component unit):

Economic Development Authority administration fund

Housing and Redevelopment Authority (component unit):

Parkview villa north fund

Parkview villa south fund

The budgets are prepared by fund, function and activity. The budgets are adopted on a basis consistent with generally accepted accounting principles and all appropriations lapse at the end of the budget year to the extent that they have not been expended. Total expenditures appropriated in the budget resolution may not legally exceed the estimated revenues available from various sources.

Formal budgetary integration is employed as a management control device during the year. Budget revisions between functions or activities may be made by the City Manager. Budget revisions at the fund level are authorized by the City Council in accordance with the City Charter at the request of the City Manager. The legal level of budgetary control is therefore at the fund level.

The City does not use encumbrance accounting.

E. CASH AND INVESTMENTS

Cash balances from all funds of the City are pooled and invested to the extent available in authorized investments. Investments are stated at fair value, based upon quoted market prices. Investment income is allocated to the individual funds on the basis of applicable cash balance participation by each fund using an average of monthly beginning cash and investment balances.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. The interfund balances are eliminated on the government-wide financial statements.

Investments are stated at fair value, based upon quoted market prices, except for investments in 2a7-like external investment pools, which are stated at amortized cost. At December 31, 2012, the City had no investments in 2a7-like external investment pools. Investment income is accrued at the balance sheet date.

F. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as “interfund receivables/payables.” All short-term interfund receivables and payables at December 31 are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as “interfund loan receivable/payable.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for property taxes, special assessments and other receivables, and have not been reported.

G. 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. Uncollectible property taxes are not material and have not been reported.

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 received by the City are recognized as revenue for the current year. Delinquent taxes that are collected by the County by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent taxes receivable in governmental funds are offset by deferred revenue.

H. 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. 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 allocated first to the County's costs of administering all tax forfeit properties. 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. Uncollectible special assessments are not material and have not been reported.

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. Special assessments that are collected by the County by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent and deferred special assessments receivable in governmental funds are offset by deferred revenue.

I. INVENTORIES

GOVERNMENTAL FUNDS

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. These funds do not maintain material amounts of inventories. Real estate held for resale is valued at the lower of cost or estimated net realizable value.

PROPRIETARY FUNDS

Inventories of the Proprietary Funds are stated at cost, which approximates market, using the first-in, first-out (FIFO) method.

J. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

K. CAPITAL ASSETS

Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., roads, sidewalks, water systems, sewer systems and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an estimated useful life in excess of one year and an initial individual cost of more than the following:

Capitalization Threshold	
Land	\$1
Buildings	25,000
Equipment	5,000
Infrastructure	250,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Infrastructure assets acquired prior to June 30, 1980 are not recorded. Donated capital assets are recorded at estimated fair market value at the date of donation. 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Capital Assets	
Buildings (and building components)	10 - 50 years
Equipment	3 - 15 years
Infrastructure	20 - 60 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 the vested portion of sick pay is accrued when incurred in the government-wide and proprietary fund 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 Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Typically, resources from the compensated absences fund are used to liquidate the liability for compensated absences.

M. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are immaterial and are expensed in the year of bond issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 forms, such as prepaid items and assets for resale.

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

Committed – consist 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. Pursuant to City Council resolution, the City Manager or Finance Director is authorized to establish assignment of fund balance.

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 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 generally accepted accounting principles (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. COMPARATIVE DATA/RECLASSIFICATIONS

Certain comparative total data for the prior year has been presented in the government-wide financial statements in order to provide an understanding of the changes in the City's financial position and operations. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

R. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation states, “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$19,057,633) difference are as follows:

Accrued interest payable	(\$333,411)
Other postemployment benefits payable	(105,492)
Bonds payable	<u>(18,618,730)</u>
Adjustment to fund balance - total governmental funds - to arrive at net position of governmental activities	<u><u>(\$19,057,633)</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures and changes in fund balance includes a reconciliation between *net changes in fund balance – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states, “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. The difference is the amount by which outlays for capital assets exceeded depreciation in the current year.” The details of this (\$1,175,879) difference are as follows:

Total capital outlay in government fund financial statements	\$1,579,849
Adjustments for non-capital items	(128,141)
Adjustments to the carrying value of real estate held for resale	(508,102)
Depreciation expense	<u>(2,119,485)</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u>(\$1,175,879)</u>

Another element of that reconciliation states, “The issuance of long-term debt provides current financial resources to the governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position however. This amount is the net effect of these differences in the treatment of long-term debt.” The details of this \$972,000 difference are as follows:

Principal repayments:	
General obligation bonds	919,000
Revenue bonds	<u>53,000</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u>\$972,000</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
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Another element of that reconciliation states, "Revenue earned in prior years, that first becomes available in the current year is reported in the governmental funds. Whereas, this amount was reported in the statement of activities in the prior year(s) in which it was earned" The details of this (\$374,423) difference are as follows:

General property taxes deferred revenue:	
At December 31, 2011	(\$348,216)
At December 31, 2012	330,845
Tax increment taxes deferred revenue:	
At December 31, 2011	(25,238)
At December 31, 2012	11,029
Special assessments deferred revenue:	
At December 31, 2011	(3,063,482)
At December 31, 2012	2,788,639
State Aid deferred revenue:	
At December 31, 2011	(83,000)
At December 31, 2012	<u>15,000</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>(\$374,423)</u></u>

S. STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. All of the Proprietary Funds' equity in the City-wide cash and investment management pool is considered to be cash equivalents.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 2 DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds of the City. Also at December 31, 2012, a portion of the total cash and investments was held in trust by a fiscal agent for debt service under the terms of the EDA 2007B series bonds. The City's total cash and investment balances as of December 31, 2012 are as follows:

	<u>Carrying Amount At Fair Value</u>
Investments	\$17,415,908
Deposits	10,751,252
Cash on hand	8,860
(Less) fiduciary fund cash	(9,748)
	<u>\$28,166,272</u>
Cash and investments	\$27,767,018
Cash and investments with fiscal agent	399,254
	<u>\$28,166,272</u>

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which 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.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Clerk/Treasurer or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

- (1) United States government treasury bills, treasury notes and treasury bonds;
- (2) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- (3) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- (4) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- (5) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- (6) Time deposits that are fully insured by the Federal Deposit Insurance Corporation.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Deposits as of December 31, 2012 are as follows:

	Bank Balances	Carrying Amount At Fair Value
Demand deposits	\$1,356,983	\$1,133,420
Time deposits	<u>9,573,980</u>	<u>9,617,832</u>
Total	<u>\$10,930,963</u>	<u>\$10,751,252</u>

B. INVESTMENTS

Minnesota Statutes Section 118A authorizes the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies described in Section 118A.05. This includes primarily money market funds rated in the top two rating categories by a national rating service, and companies whose only investments are described in items a) through h) of this note.
- c) Obligations of the State of Minnesota or any of its municipalities as follows:
 - (1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
 - (2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
 - (3) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- g) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7, 469.178, subdivision 5 or 475.61, subdivision 6.
- h) Guaranteed investment contracts with certain U.S. financial institutions carrying only high quality unsecured debt, if the City has withdrawal rights upon a decline in debt quality.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Investments as of December 31, 2012 are as follows:

	Weighted Average Maturities In Years	Carrying Amount At Fair Value	Percentage of Fair Value Per Issuer
Notes issued by U.S. government agencies:			
Federal Home Loan Bank	10.3	\$10,220,804	58.6%
Federal Home Loan Mortgage Corporation	8.9	1,810,786	10.4%
Federal National Mortgage Association	14.8	4,759,208	27.3%
Money market mutual funds:			
Evergreen U.S. Government Fund	N/A	12,358	0.1%
Western Asset Government Fund	N/A	168,644	1.0%
Other issuers	N/A	444,108	2.6%
Total investments		<u>\$17,415,908</u>	<u>100.0%</u>

C. INVESTMENT RISKS

The City's investment policy follows Minnesota State Statutes described above, which reduce the City's exposure to credit, custodial credit and interest rate risks. Additional risk information for the City is as follows:

- a) 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's investment policy requires the City to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity. The policy also states the City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.
- b) Credit risk - investments - 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. As of December 31, 2012, the City's investments in the Notes issued by U.S. government agencies were all rated AA+ by Standard & Poor's, and Aaa by Moody's Investors Service. The money market funds in which the City held shares at December 31, 2012, were not rated, but are invested in U.S. Government Obligations and/or securities guaranteed by the U.S. government, and those underlying securities are rated AA+ by Standard and Poors and Aaa by Moody's Investor Service.
- c) 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. The table above details the percentage of the City's investments with each issuer at December 31, 2012.
- d) Custodial credit risk - Custodial credit risk is the risk that in the event of a failure of the counterparty, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. As of December 31, 2012, investments in securities are held by the City's three broker-dealers in the City's name, with \$500,000 of those securities at each broker-dealer insured by SIPC. Each broker-dealer has provided additional protection by providing additional insurance. This additional insurance is subject to aggregate limits applied to all of the broker-dealer's accounts. Investments in 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.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2012 are as follows:

	Major Funds		Total
	2008A Taxable GO Housing Imp Area Bonds Fund	Capital Improvement PIR Fund	
Special assessments receivable	\$766,380	\$1,553,836	\$2,320,216
Total	\$766,380	\$1,553,836	\$2,320,216

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue-unavailable and deferred revenue-unearned reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$319,454	\$ -
Delinquent property taxes receivable (Nonmajor Funds)	11,391	-
Delinquent tax increment (Nonmajor Funds)	11,029	-
Delinquent special assessments (2008A GO Txb1. Hsg. Imp. Area Bonds Fund)	2,286	-
Delinquent special assessments (Capital Improvements - PIR Fund)	44,074	-
Special assessments not yet due (2008A GO Txb1. Hsg. Imp. Area Bonds Fund)	817,865	-
Special assessments not yet due (Capital Improvements - PIR Fund)	1,924,412	-
Intergovernmental revenue (State Aid Construction)	15,000	-
Contract service fees received but unearned (General Fund)	-	142,052
Rental fees received in advance (Nonmajor Funds)	-	32,134
Forfeitures with adjudication pending (Nonmajor Funds)	-	21,525
Total deferred revenue for governmental funds	\$3,145,511	\$195,711

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets - not depreciated:				
Land	\$4,891,781	\$433,842	\$ -	\$5,325,623
Construction in progress	4,626,255	689,722	(4,427,963)	888,014
Total capital assets not being depreciated	<u>9,518,036</u>	<u>1,123,564</u>	<u>(4,427,963)</u>	<u>6,213,637</u>
Capital assets - being depreciated:				
Buildings	27,958,872	167,533	-	28,126,405
Equipment	7,975,687	411,103	(79,296)	8,307,494
Infrastructure	25,914,602	3,718,017	-	29,632,619
Total capital assets being depreciated	<u>61,849,161</u>	<u>4,296,653</u>	<u>(79,296)</u>	<u>66,066,518</u>
Less accumulated depreciation for:				
Buildings	10,654,566	712,411	-	11,366,977
Equipment	5,143,092	531,042	(75,319)	5,598,815
Infrastructure	12,247,483	938,688	-	13,186,171
Total accumulated depreciation	<u>28,045,141</u>	<u>2,182,141</u>	<u>(75,319)</u>	<u>30,151,963</u>
Capital assets being depreciated - net	<u>33,804,020</u>	<u>2,114,512</u>	<u>(3,977)</u>	<u>35,914,555</u>
Governmental activities capital assets - net	<u>43,322,056</u>	<u>3,238,076</u>	<u>(4,431,940)</u>	<u>42,128,192</u>
Business-type activities:				
Capital assets - not depreciated:				
Land	2,343,247	5,966	-	2,349,213
Construction in progress	1,069,779	792,534	(1,602,383)	259,930
Total capital assets not being depreciated	<u>3,413,026</u>	<u>798,500</u>	<u>(1,602,383)</u>	<u>2,609,143</u>
Capital assets - being depreciated:				
Buildings	4,581,314	50,000	-	4,631,314
Equipment	2,171,819	43,688	-	2,215,507
Infrastructure	14,484,426	1,535,270	-	16,019,696
Total capital assets being depreciated	<u>21,237,559</u>	<u>1,628,958</u>	<u>-</u>	<u>22,866,517</u>
Less accumulated depreciation for:				
Buildings	1,101,886	132,099	-	1,233,985
Equipment	1,491,708	123,343	-	1,615,051
Infrastructure	7,150,735	349,165	-	7,499,900
Total accumulated depreciation	<u>9,744,329</u>	<u>604,607</u>	<u>-</u>	<u>10,348,936</u>
Capital assets being depreciated - net	<u>11,493,230</u>	<u>1,024,351</u>	<u>-</u>	<u>12,517,581</u>
Business-type activities capital assets - net	<u>14,906,256</u>	<u>1,822,851</u>	<u>(1,602,383)</u>	<u>15,126,724</u>
 Total capital assets - net	 <u>\$58,228,312</u>	 <u>\$5,060,927</u>	 <u>(\$6,034,323)</u>	 <u>\$57,254,916</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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Depreciation expense was charged to functions/programs of the primary government – governmental activities as follows:

Governmental activities:	
General government	\$94,793
Public safety	511,033
Public works	1,124,278
Culture and recreation	279,469
Community development	109,912
Depreciation on capital assets held by governmental internal service activities is charged to each function based on use:	
Central garage	<u>62,656</u>
Total depreciation expense - capital assets held by governmental activities	<u><u>\$2,182,141</u></u>

Depreciation expense was charged to functions/programs of the primary government - business-type activities as follows:

Business-type activities:	
Water	\$218,457
Sewer	131,754
Refuse	1,485
Storm sewer	83,994
Liquor	150,288
Depreciation on capital assets held by business-type internal service activities is charged to each function based on use:	
Information systems	<u>18,629</u>
Total depreciation expense - capital assets held by business-type activities	<u><u>\$604,607</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 5 INTERFUND RECEIVABLES, PAYABLES, CAPITAL LEASES AND TRANSFERS

INTERFUND RECEIVABLES, PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2012 are as follows:

Fund	Receivable	Payable
Major Funds:		
General Fund	\$326,456	\$ -
Municipal State Aid Street	-	307,446
Capital Equipment Replacement General Gov't	405,000	-
Water	62,362	399,497
Sewer	22,858	-
Storm Sewer	-	86,862
Nonmajor funds	14,379	37,250
Total	<u>\$831,055</u>	<u>\$831,055</u>

\$9,290 of these interfund balances are for services provided in 2012 and reimbursed in 2013. Also included in these balances is an interfund loan from the Capital Equipment Replacement – General Government Fund to the Water Fund for \$323,000, and to the Storm Sewer Fund for \$82,000; to finance utility infrastructure improvements. All other interfund balances at December 31, 2012, reflect lending arrangements to cover deficit cash balances at yearend, including some to finance the acquisition of certain real estate held for resale. Substantially all such other amounts are expected to be repaid within one year.

INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2012 are as follows:

	Transfers In						Total
	Major Funds			Nonmajor Funds			
	Governmental						
	Capital Imprvmts General	Capital Eqp Replacement Gen Govt	Capital Imprvmts Development	Other Govtl Funds	Internal Service		
Transfers out:							
Major funds:							
Governmental:							
General	\$ -	\$22,536	\$50,000	\$ -	\$268,434	\$45,000	\$385,970
Municipal State Aid Street	-	-	-	-	2,400	-	2,400
Capital Imprvmts PIR	-	-	-	-	281,129	-	281,129
Enterprise:							
Water	88,344	-	-	-	-	45,000	133,344
Sewer	88,342	-	-	-	-	45,000	133,342
Refuse	70,461	-	-	-	-	45,000	115,461
Liquor	51,667	-	-	-	-	45,000	96,667
Nonmajor funds:							
Other governmental funds	59,262	-	-	13,166	1,200	65,000	138,628
Internal service funds	-	-	-	-	-	4,000	4,000
Total	<u>\$358,076</u>	<u>\$22,536</u>	<u>\$50,000</u>	<u>\$13,166</u>	<u>\$553,163</u>	<u>\$294,000</u>	<u>\$1,290,941</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 6 LONG-TERM DEBT

GENERAL OBLIGATION BONDS

The City issues General Obligation Bonds to provide funds for the acquisition and construction of major capital improvements. General Obligation Bonds are direct obligations and are backed by the full faith and credit of the City. Any deficiencies in pledged revenues will be offset by general property taxes. All of the bonds are serial bonds, which require semiannual payments of principal and/or interest from the date the bonds are issued. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions. General obligation bonds outstanding at December 31, 2012, are as follows:

	Pledged revenue, if any, in addition to <u>general property taxes</u>	Original Issue	Interest Rate	Issue Date	Final Maturity	Balance End of Year
Governmental activities:						
GO Street rehabilitation series 2007A	None	\$1,000,000	4.00-4.375%	9/19/2007	2/1/2018	\$665,000
GO Public safety center series 2008B	None	10,000,000	4.30-4.55%	8/6/2008	2/1/2038	9,610,000
GO Public facilities series 2009A	None	3,005,000	2.00-4.75%	7/1/2009	2/1/2038	2,815,000
Taxable GO tax increment bonds series 2009B	Tax increment	580,000	3.40-5.10%	7/1/2009	2/1/2021	580,000
GO Improvement series 2006A	Special assessments	2,759,550	4.00%	12/7/2006	2/1/2020	926,730
Taxable GO housing imprvmt area series 2008A	Special assessments	975,000	5.00-6.05%	7/16/2008	2/1/2024	840,000
GO Public Facilities series 2009A	Special assessments	605,000	2.00-4.75%	7/1/2009	2/1/2019	445,000
Business-type activities:						
GO Improvement series 2006A	Utility revenues	645,450	4.00%	12/7/2006	2/1/2017	488,270
GO Utility revenue series 2006A	Utility revenues	670,000	4.00%	12/7/2006	2/1/2017	375,000
GO Public Facilities series 2009A	Utility revenues	325,000	2.00-4.75%	7/1/2009	2/1/2019	260,000
Total general obligation bonds outstanding						<u>\$17,005,000</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

As of December 31, 2012, the annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$882,560	\$676,963	\$192,440	\$39,612
2014	896,500	642,527	223,500	31,773
2015	692,000	610,974	198,000	23,693
2016	729,730	582,256	200,270	16,034
2017	756,000	551,436	229,000	7,680
2018	725,000	519,606	40,000	2,400
2019	585,000	490,629	40,000	800
2020	575,000	464,474	-	-
2021-2025	2,615,000	1,946,618	-	-
2026-2030	2,320,000	1,424,506	-	-
2031-2035	2,955,000	840,506	-	-
2036-2038	2,150,000	151,274	-	-
Total	\$15,881,790	\$8,901,769	\$1,123,210	\$121,992

REVENUE BONDS

The City issues revenue bonds for which the City pledges only the income derived from the acquired or constructed assets or redevelopment to pay the debt service. All of the bonds are serial bonds, which require semiannual payments of principal and/or interest from the date the bonds are issued. There are a number of limitations and restrictions contained in the bond indentures. The City is in compliance with all significant limitations and restrictions. Revenue bonds outstanding at December 31, 2012 are as follows:

	Pledged revenue	Original Issue	Interest Rate	Issue Date	Final Maturity	Balance End of Year
Governmental activities:						
Tax increment revenue series 2007	Tax increment	\$2,890,000	5.00-5.375%	8/3/2007	2/15/2032	\$2,737,000
Business-type activities:						
Public facility lease revenue series 2007B	Liquor revenues	5,040,000	4.50-5.00%	9/19/2007	2/1/2030	4,595,000
Total revenue bonds outstanding						\$7,332,000

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

As of December 31, 2012, the annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$58,000	\$143,488	\$165,000	\$216,568
2014	62,000	140,488	170,000	209,030
2015	68,000	137,238	180,000	201,155
2016	74,000	133,688	185,000	192,942
2017	80,000	129,838	195,000	184,393
2018	87,000	125,576	205,000	175,239
2019	94,000	120,870	215,000	165,474
2020	102,000	115,774	230,000	155,128
2021-2025	636,000	486,675	1,330,000	595,453
2026-2030	900,000	282,294	1,720,000	223,105
2031-2032	576,000	34,722	-	-
Total	<u>\$2,737,000</u>	<u>\$1,850,651</u>	<u>\$4,595,000</u>	<u>\$2,318,487</u>

PLEDGED REVENUES

Refer to the schedules above for the terms of bonds with pledged revenues. Additional information on pledged revenues by type, as of December 31, 2012, and for the the year then ended, is as follows:

Pledged Revenue	Activity Financed	Total Remaining		Current Year	
		Related Bond Principal and Interest	As Percentage of Revenue Pledged	Related Bond Principal and Interest	Pledged Revenue
Project-specific special assessments	Street improvements	\$1,509,650	95%	\$419,312	\$287,129
Project-specific special assessments	Private redevelopment	1,170,653	95%	99,495	107,167
Project-specific tax increment	Public/Private redevelopment	5,300,961	83%	225,248	274,899
Water and storm- sewer net revenues	Utility system improvements	1,245,263	30%	227,426	760,950
Annual appropriation of liquor net revenues	Municipal store construction	6,913,488	100%	378,768	377,629

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2012 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds repaid only with general taxes	\$12,698,431	\$ -	(\$390,000)	\$12,308,431	\$410,000
General obligation bonds with other pledged revenues	4,102,299	-	(529,000)	3,573,299	472,500
Revenue bonds	2,790,000	-	(53,000)	2,737,000	58,000
Total bonds payable	19,590,730	-	(972,000)	18,618,730	940,500
Compensated absences	944,689	440,012	(433,764)	950,937	57,056
Postemployment benefits other than pensions	58,761	81,016	(34,285)	105,492	-
Total governmental activity long-term liabilities	<u>\$20,594,180</u>	<u>\$521,028</u>	<u>(\$1,440,049)</u>	<u>\$19,675,159</u>	<u>\$997,556</u>
Business-type activities:					
Bonds payable:					
General obligation bonds with other pledged revenues	\$1,304,270	\$ -	(\$181,000)	\$1,123,270	\$192,500
Revenue bonds	4,750,000	-	(155,000)	4,595,000	165,000
Total bonds payable	6,054,270	-	(336,000)	5,718,270	357,500
Compensated absences	137,148	120,079	(85,120)	172,107	10,326
Total business-type activity long-term liabilities	<u>\$6,191,418</u>	<u>\$120,079</u>	<u>(\$421,120)</u>	<u>\$5,890,377</u>	<u>\$367,826</u>

For governmental activities, compensated absences are generally liquidated by the compensated absences fund, an internal service fund.

Note 7 CONDUIT DEBT

From time to time, the City has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from private-sector entity revenues. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City, the EDA, and the HRA, are not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2012, there were Revenue Bonds of this type outstanding with an estimated aggregate principal amount payable of approximately \$20,065,000.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 8 FUND BALANCE

A. CLASSIFICATIONS

At December 31, 2012, the City has various fund equities through legal restrictions and City Council authorizations. A summary of such classifications are as follows:

	General Fund	2008A Tax GO Housing Imp Bond	Municipal State Aid Street	Capital Imp General Govt Bldg	Cap Eq Replacement Gen Govt	PIR	Capital Improvement Development	Nonmajor Gov't	Total
2012 Fund Balance									
Nonspendable									
Prepaid items	\$87,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,046	\$90,387
Interfund loans	-	-	-	-	405,000	-	-	-	405,000
Land Held for Resale	-	-	-	-	-	48,000	1,034,135	1,273,671	2,355,806
Total nonspendable	\$87,341	\$ -	\$ -	\$ -	\$405,000	\$48,000	\$1,034,135	\$1,276,717	\$2,851,193
Restricted for:									
Tax Increment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,364,932	\$1,364,932
Debt service	-	182,402	-	-	-	-	-	1,377,583	1,559,985
Police & Fire purposes	-	-	-	-	-	-	-	85,709	85,709
Culture and Recreation purposes	-	-	-	-	-	-	-	294,265	294,265
Housing and Redevelopment	-	-	-	-	-	-	-	881,190	881,190
Total restricted	\$ -	\$182,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$4,003,679	\$4,186,081
Committed:									
Cable TV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$497,180	\$497,180
Culture and Recreation purposes	-	-	-	-	-	-	-	398,601	398,601
Housing and Redevelopment	-	-	-	-	-	-	1,014,546	1,626,602	2,641,148
Capital Improvement	-	-	166,592	1,098,520	-	818,671	-	1,402,414	3,486,197
Capital Equipment	-	-	-	-	3,965,242	-	-	-	3,965,242
Police & Fire purposes	2,276	-	-	-	-	-	-	-	2,276
Downtown Parking Maintenance	72,318	-	-	-	-	-	-	-	72,318
Total committed	\$74,594	\$ -	\$166,592	\$1,098,520	\$3,965,242	\$818,671	\$1,014,546	\$3,924,797	\$11,062,962
Unassigned	\$5,914,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(\$2,782)	\$5,912,192
Total fund balance	\$6,076,909	\$182,402	\$166,592	\$1,098,520	\$4,370,242	\$866,671	\$2,048,681	\$9,202,411	\$24,012,428

B. DEFICIT FUND BALANCE

The following fund had a fund deficit as of December 31, 2012. The City will finance this deficit through internal sources in future years:

Nonmajor Funds:	
Special Revenue Funds:	
Police Grants	(\$2,782)
Internal Service Funds:	
Compensated Absences	(1,413)
	<u>(\$4,195)</u>

C. MINIMUM FUND BALANCE POLICY

The City Council has formally adopted a fund balance policy for the General Fund and the combined Library Fund, Capital Building Library Fund (non-major funds). The most significant revenue sources for these funds are property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City’s goal 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 unassigned fund balance for the General Fund and spendable fund balance for the combined Library and Capital Building Library funds equal to at least 45% of the next year’s budgeted expenditures.

At December 31, 2012, both funds have met this goal.

Note 9 DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. PLAN DESCRIPTION

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF). These are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with *Minnesota Statute*, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The City has no current employees that are Basic Plan members. All new members must participate in the Coordinated Plan. All police officers and firefighters who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The defined retirement 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.

For all PEPFF and PERF members that began service prior to July 1, 1989, a full annuity is available when age plus years of service equal 90. For these members, benefits are calculated using the greater of the step rate or level rate formulas. Only the level rate formula applies to members that began service after June 30, 1989. A reduced retirement annuity is available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A normal annuity is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. There are also various types of joint and survivor annuity options available which reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin. 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.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
 December 31, 2012

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERP and PEPFF. That report may be obtained by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-1855 or by calling (651) 296-7460 or 1-800-652-9026.

B. FUNDING POLICY

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Coordinated Plan members are required to contribute 6.25% of their annual covered salary in 2012. The PEPFF members are required to contribute 9.6% of their annual covered salary in 2012. The City is required to contribute the following percentages of annual covered payroll: 7.25% for Coordinated Plan GERP members, and 14.4% for PEPFF members. Employer and employee contribution rates for PEPFF will increase in 2014; 10.2% for employees and 15.3% for employer. The City's contributions for the last three years, which were equal to the contractually required contributions for each year as set by state statute, are as follows:

<u>Year Ended December 31,</u>	<u>GERP</u>	<u>PEPFF</u>
2010	\$343,485	\$387,431
2011	364,288	391,573
2012	355,330	406,131

Note 10 DEFINED CONTRIBUTION PLAN

A. FIRE RELIEF ASSOCIATION, PAID ON-CALL DIVISION

The Columbia Heights Fire Department Relief Association is the administrator of a single-employer pension plan for the paid on-call members of the City of Columbia Heights Fire Department.

Through October 26, 1997, the association operated as a defined benefit plan. Effective October 27, 1997, the Association amended its by-laws and converted to a defined contribution plan. The pension plan was fully funded at the time of conversion.

Benefits and contribution requirements are established by the Association's by-laws and can be amended by the Association's Board of Directors with approval from the City. All provisions are within limitations established by Minnesota statutes.

Type of Benefit. The exclusive pension provided by the Association is a "Defined Contribution Lump Sum Service Pension" as defined in Minnesota Statutes §424A.02, Subdivision 4.

Contributions Required and Contributions Made. No contributions are required from the plan members or the City. The plan is funded through state aid, investment income and discretionary contributions from the City. For 2012, state aid was contributed to the plan. This state aid revenue and the related contribution expense/expenditure of \$64,464 are recognized in the accompanying financial statements for the year ended December 31, 2012.

B. COUNCIL MEMBERS

Certain council members of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under section 401(a) of the Internal Revenue Code and all contributions by or on behalf of the employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary, which is matched by the elected official's employer. In 2012, plan members contributed \$1,860 and the City contributed \$1,860.

Note 11 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. PLAN DESCRIPTION

The City administers a single-employer defined benefit health care plan (the plan.) By state statute, the plan provides an implicit rate subsidy for retired participants by allowing retirees under age 65 to purchase health insurance at the premium rate available to active employees. In addition, by state statute, the plan provides payment of insurance premiums, up to age 65, for public safety employees that retire with a qualifying disability, equal to the current employer-paid portion of premiums for an active employee. The employer-paid portion of premiums for an active employee is determined periodically by negotiation between the City and collective bargaining units of city employees. The plan does not issue a publicly available financial report.

B. FUNDING POLICY

Participants under the implicit rate subsidy provision are required to contribute 100% of the stated premium billed by the insurer. For 2012, participants under disabled public safety retiree provision were required to contribute \$0 for single coverage or a portion of the stated premium billed by the insurer for family coverage.

Under both provisions of the plan, the City is only required to contribute on a pay-as-go basis. This amount is listed below for the current year.

The State of Minnesota, solely at its option, reimburses the City annually for a portion of the City's costs under the disabled public safety retiree provision. Historically, these reimbursements have approximated 60% of the pay-as-go cost of this plan provision, but has dropped with the latest actuarial study to 20%. These reimbursements are reported as revenue in the year received, separate from OPEB expenses/expenditures.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

C. ANNUAL OPEB COST AND NET OPEB OBLIGATION

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) determined by periodic actuarial studies. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize the unfunded actuarial liability over a period not to exceed thirty years. The components of the City's OPEB cost for the current year and the changes in the City's net OPEB obligation to the plan are as follows:

<u>Year Ended December 31, 2012</u>	
Annual required contribution	\$78,606
Interest on net OPEB obligation	1,873
Adjustment to annual required contribution	<u>(3,139)</u>
Annual OPEB cost	77,340
Contributions made by City	<u>(30,609)</u>
Increase in net OPEB obligation	46,731
Net OPEB obligation-beginning of year	<u>58,761</u>
Net OPEB obligation-end of year	<u><u>\$105,492</u></u>

Comparative OPEB information for the current and three prior years includes the following:

Year Ended	Annual OPEB	Percentage of	Net OPEB
<u>December 31</u>	<u>Cost</u>	<u>Annual OPEB</u>	<u>Net OPEB</u>
		<u>Cost Contributed</u>	<u>Obligation</u>
2009	\$25,891	66%	\$21,141
2010	26,152	60%	30,661
2011	78,016	59%	58,761
2012	77,340	40%	105,492

D. FUNDED STATUS AND FUNDING PROGRESS

As of January 1, 2011, the most recent actuarial valuation date, the City's unfunded actuarial accrued liability (UAAL) was \$775,238. Under the actuarial cost method used, this actuarial accrued liability is not a function of the annual payroll of active employees covered by the plan (the covered payroll).

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information, beginning in 2008, about the whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

E. METHODS AND ASSUMPTIONS

The projection of benefits for financial reporting purposes is based on the type of benefits provided by the substantive plan at each valuation date and the historical pattern of sharing benefit costs between the City and the participants to that point. The methods used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following methods and simplifying assumptions were used:

- Actuarial cost method – Projected unit credit
- Actuarial asset valuation method – Not applicable
- Amortization of UAAL – Level dollar method over a thirty year closed period
- Healthcare cost trend rate – 9% initially, declining to 5% after five years
- Inflation rate assumed – less than 5% annual
- Investment return assumed – 3% annual
- Retirement age assumed - Public safety employees age 52, all others age 62
- Turnover rate – based on actual experience for City for the years 2004-2008
- Mortality – Life expectancies were based on the 2000 Retired Pensioners Mortality Rates for Male and Female

Note 12 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; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible.

Property, casualty and automobile insurance coverage are provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions. These deductibles are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including employee health and disability insurance.

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

The City attorney has indicated that any existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance or development agreements; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

C. FEDERAL AND STATE FUNDS

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

D. TAX INCREMENT DISTRICTS

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

E. CONTRACTUAL COMMITMENTS

PENDING SALE

In 2012, the Housing and Redevelopment Authority entered into an agreement to sell its 150 unit senior apartment facility (Parkview Villa North and South), to Aeon, a regional non-profit housing entity. The sale is contingent on the U.S. Department of Housing and Urban Development (HUD) allowing both the dissolution of the Parkview Villa North portion of the facility as a Public Housing Agency project, and its conversion to a project-based Section 8 facility. The post-2012 time frame for this decision by HUD is uncertain.

CONSTRUCTION

The City has entered into several contractual commitments for construction projects that are in process at yearend. At December 31, 2012, the City's obligation for such projects was approximately \$45,600.

TAX INCREMENT FINANCING AGREEMENTS

Additionally, under the terms of various tax increment financing agreements, the City has commitments to reimburse developers for certain qualifying redevelopment costs plus interest. These future reimbursements are limited, however, to the future tax increment received from certain tax increment districts. The amount to be paid under these agreements is not determinable at this time.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

The following table summarizes the current year activity and contingent portions of these commitments:

TIF District	District Ends	Developer	Current Year		Contingent on Future Tax Increment	
			Expenditures Reimbursed	Interest Paid	Expenditures Available	Interest Available
R8	2027	Crestview ONDC1	\$ -	\$16,210	\$732,801	\$329,482
R8	2027	Col Hts Tran Block	-	11,286	175,089	42,605
K2	2019	Barnick	1,266	-	41,232	-
K2	2019	Miske	16,434	4,780	40,689	-
T6	2031	BNC Bank	-	84,449	6,650,000	1,865,438

Note 13 RECENTLY ISSUED ACCOUNTING STANDARDS

For the year ended December 31, 2012, the City implemented the following statements issued by the Governmental Accounting Standards Board (GASB), which did not have a material effect on the accompanying financial statements:

Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements.* The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2011.

Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.* The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements, but may affect the City in future years:

Statement No. 61 *The Financial Reporting Entity Omnibus – An Amendment of GASB No. 14 and No. 34.* The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012.

Statement No. 65 *Items Previously Reported as Assets and Liabilities.* The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

Statement No. 66 *Technical Corrections – 2012.* The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

Statement No. 68 *Accounting and Financial Reporting for Pension – an amendment of GASB statement No. 27.* The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

The effect these standards may have on future financial statements is not determinable at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2012
With Comparative Actual Amounts For The Year Ended December 31, 2011

Statement 10
Page 1 of 2

	2012			Variance with Final Budget Positive (Negative)	2011 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Taxes	\$7,590,129	\$7,590,129	\$7,626,258	\$36,129	\$7,263,658
Licenses and permits	179,500	179,500	200,954	21,454	158,385
Intergovernmental:					
Market value homestead credit	-	-	3,033	3,033	172,810
All other	1,407,069	1,442,039	1,492,856	50,817	1,498,355
Charges for services	539,100	558,596	574,708	16,112	589,915
Fines and forfeitures	144,000	144,000	128,543	(15,457)	146,140
Investment income:					
Interest and dividends	85,000	85,000	71,927	(13,073)	94,441
Change in fair value	-	-	4,761	4,761	52,150
Other revenues	7,150	7,150	6,485	(665)	6,156
Total revenues	<u>9,951,948</u>	<u>10,006,414</u>	<u>10,109,525</u>	<u>103,111</u>	<u>9,982,010</u>
Expenditures:					
General government:					
Council	145,751	145,751	140,750	5,001	140,828
Manager	416,705	416,705	412,427	4,278	398,346
Clerk	123,728	123,728	100,800	22,928	65,643
Legal	186,716	186,716	177,069	9,647	167,540
Finance	706,700	706,700	694,569	12,131	710,048
Assessing	129,643	129,643	118,117	11,526	120,237
General government buildings	145,612	145,612	132,279	13,333	154,467
Capital outlay	52,000	50,000	-	50,000	28,475
Total general government	<u>1,906,855</u>	<u>1,904,855</u>	<u>1,776,011</u>	<u>128,844</u>	<u>1,785,584</u>
Public safety:					
Police and animal control	3,776,797	3,815,439	3,711,051	104,388	3,590,327
Fire and emergency management	1,342,847	1,358,670	1,354,114	4,556	1,334,982
Capital outlay	-	-	-	-	14,791
Total public safety	<u>5,119,644</u>	<u>5,174,109</u>	<u>5,065,165</u>	<u>108,944</u>	<u>4,940,100</u>
Public works:					
Engineering	344,155	344,155	279,981	64,174	279,062
Maintenance	1,053,288	1,103,288	1,009,765	93,523	955,257
Sanitation	129,481	129,481	128,378	1,103	101,644
Capital outlay	7,000	7,000	195,687	(188,687)	56,978
Total public works	<u>1,533,924</u>	<u>1,583,924</u>	<u>1,613,811</u>	<u>(29,887)</u>	<u>1,392,941</u>
Other Departments:					
Parks and recreation	1,594,750	1,594,750	1,402,856	191,894	1,442,978
Contingencies	50,000	50,000	-	50,000	22,214
Capital outlay	6,000	6,000	15,934	(9,934)	9,084
Total recreation	<u>1,650,750</u>	<u>1,650,750</u>	<u>1,418,790</u>	<u>231,960</u>	<u>1,474,276</u>
Total expenditures	<u>10,211,173</u>	<u>10,313,638</u>	<u>9,873,777</u>	<u>439,861</u>	<u>9,592,901</u>
Revenues over (under) expenditures	<u>(259,225)</u>	<u>(307,224)</u>	<u>235,748</u>	<u>542,972</u>	<u>389,109</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2012
 With Comparative Actual Amounts For The Year Ended December 31, 2011

	2012		Actual Amounts	Variance with Final Budget Positive (Negative)	2011 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Other financing sources (uses):					
Sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	358,076	358,076	358,076	-	371,397
Transfers out	(217,536)	(378,329)	(385,970)	(7,641)	(233,690)
Total other financing sources (uses)	<u>140,540</u>	<u>(20,253)</u>	<u>(27,894)</u>	<u>(7,641)</u>	<u>137,707</u>
Net change in fund balance	<u>(\$118,685)</u>	<u>(\$327,477)</u>	207,854	<u>\$535,331</u>	526,816
Fund balance - January 1			<u>5,869,055</u>		<u>5,342,239</u>
Fund balance - December 31			<u>\$6,076,909</u>		<u>\$5,869,055</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
For The Year Ended December 31, 2012

Statement 11

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1/1/2008	\$ -	\$257,138	\$257,138	0%	N/A	N/A
1/1/2011	-	775,238	775,238	0%	N/A	N/A

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
December 31, 2012

Note A BUDGETS

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

- Nonmajor special revenue funds:
 - Cable television fund
 - Library fund
 - Community development fund
 - Economic Development Authority (component unit):
 - Economic Development Authority administration fund
 - Housing and Redevelopment Authority (component unit):
 - Parkview villa north fund
 - Parkview villa south fund

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

A Special Revenue Fund is used to account for the proceeds of special revenue sources that are legally restricted to expenditures for specified purposes.

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources for, and payment of, interest, principal, and related costs on general long-term debt (other than debt of the proprietary funds.)

CAPITAL PROJECT FUNDS

The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

CITY OF COLUMBIA HEIGHTS, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2012

Statement 12

Assets	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Cash and investments	\$3,907,456	\$2,749,135	\$1,406,173	\$8,062,764
Receivables:				
Accounts	66,663	-	-	66,663
Taxes	13,401	26,699	-	40,100
Interest	7,800	5,400	3,400	16,600
Due from other governmental units	97,753	-	4,964	102,717
Interfund receivable	14,377	-	-	14,377
Prepayments	3,046	-	-	3,046
Real estate held for resale	119,764	778,816	375,091	1,273,671
Total assets	\$4,230,260	\$3,560,050	\$1,789,628	\$9,579,938
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$152,696	\$13,312	\$1,396	\$167,404
Accrued salaries and withholdings payable	19,660	-	-	19,660
Contracts payable - retained percentage	-	-	10,727	10,727
Due to other governmental units	39,310	-	-	39,310
Interfund payable	22,873	14,377	-	37,250
Deferred revenue	65,049	11,030	-	76,079
Deposits	27,097	-	-	27,097
Total liabilities	326,685	38,719	12,123	377,527
Fund balance:				
Nonspendable	122,810	778,816	375,091	1,276,717
Restricted	1,261,164	2,742,515	-	4,003,679
Committed	2,522,383	-	1,402,414	3,924,797
Unassigned	(2,782)	-	-	(2,782)
Total fund balance	3,903,575	3,521,331	1,777,505	9,202,411
Total liabilities and fund balance	\$4,230,260	\$3,560,050	\$1,789,628	\$9,579,938

CITY OF COLUMBIA HEIGHTS, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Statement 13

NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2012

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$1,065,892	\$688,819	\$ -	\$1,754,711
Tax increment collections	-	567,259	-	567,259
Licenses and permits	195,272	-	-	195,272
Intergovernmental	284,696	-	5,064	289,760
Charges for services	958,293	-	-	958,293
Fines and forfeitures	33,339	-	-	33,339
Investment income:				
Interest and dividends	36,742	22,600	14,200	73,542
Change in fair value	2,100	1,400	1,000	4,500
Other revenues	40,787	-	-	40,787
Total revenues	<u>2,617,121</u>	<u>1,280,078</u>	<u>20,264</u>	<u>3,917,463</u>
Expenditures:				
Current:				
General government	28,324	-	-	28,324
Public safety	1,228	-	11,875	13,103
Public works	-	-	43,170	43,170
Culture and recreation	767,153	-	1,505	768,658
Community development	1,316,592	20,431	-	1,337,023
Capital outlay:				
Public safety	-	-	87,951	87,951
Public works	-	-	30,193	30,193
Community development	158,523	429,581	18,382	606,486
Debt service:				
Principal retirement	-	922,000	-	922,000
Interest and fiscal charges	-	811,219	-	811,219
Developer incentives	-	116,072	-	116,072
Total expenditures	<u>2,271,820</u>	<u>2,299,303</u>	<u>193,076</u>	<u>4,764,199</u>
Revenues over (under) expenditures	<u>345,301</u>	<u>(1,019,225)</u>	<u>(172,812)</u>	<u>(846,736)</u>
Other financing sources (uses):				
Transfers in	-	444,322	108,841	553,163
Transfers out	(138,628)	-	-	(138,628)
Total other financing sources (uses)	<u>(138,628)</u>	<u>444,322</u>	<u>108,841</u>	<u>414,535</u>
Net change in fund balance	206,673	(574,903)	(63,971)	(432,201)
Fund balance - January 1	<u>3,696,902</u>	<u>4,096,234</u>	<u>1,841,476</u>	<u>9,634,612</u>
Fund balance - December 31	<u><u>\$3,903,575</u></u>	<u><u>\$3,521,331</u></u>	<u><u>\$1,777,505</u></u>	<u><u>\$9,202,411</u></u>

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**NONMAJOR
SPECIAL REVENUE FUNDS**

The City of Columbia Heights had the following Nonmajor Special Revenue Funds during the year:

Cable Television Fund 225 – established to account for revenues and expenditures associated with the cable television franchise.

Police Forfeiture Fund 265 – established to account for forfeited cash and property received by the police department.

Police Grants Fund 272 – established to account for revenues and expenditures of various grants for police activities.

Library Fund 240 – established in 1993 to account for revenues and expenditures of the library.

After School Programs Fund 261 – established to account for revenues and expenditures associated with various youth enrichment activities conducted by the recreation department and the library, under agreements with Independent School District 13.

Contributed Projects – Recreation Fund 881 – established to monitor contributions for recreational activities and related expenditures.

Contributed Projects – Other Fund 883 – established to monitor contributions and related expenditures for activities other than recreation.

Special Projects Fund 226 – established to monitor revenues from special projects and related expenditures.

Community Development Fund 201 – established to account for revenues and expenditures associated with planning, building inspections, and community development projects within the City.

Anoka County Comm Dev Programs Fund 202 – established to account for revenues and expenditures of community development programs funded by or passed through Anoka County to the City.

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Economic Development Authority – a separate legal entity from the City. The mayor and City Council comprise the majority membership of this component unit. Its purpose is to foster economic development in the City.

Economic Development Authority Administration Fund 204 – established to account for revenues and expenditures of all EDA activity not accounted for in other EDA funds.

Housing and Redevelopment Authority – a separate legal entity from the City. The mayor and City Council comprise the majority membership of this component unit. Its purpose is to operate a senior housing complex.

Parkview Villa North Fund 203 – established to account for the revenues and expenditures of the low-income, federally subsidized portion of a senior housing complex.

Parkview Villa South Fund 213 – established to account for the revenues and expenditures of the market-rate, non-federal portion of a senior housing complex.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2012

	Cable Television Fund 225	Police Forfeiture Fund 265	Police Grants Fund 272	Library Fund 240	After-School Programs Fund 261
Assets					
Cash and investments	\$449,564	\$53,304	\$ -	\$237,921	\$175,859
Receivables:					
Accounts	46,448	-	-	-	-
Taxes	-	-	-	-	-
Interest	1,200	-	-	800	500
Due from other governmental units	-	-	10,800	-	5,393
Interfund receivable	-	-	-	-	-
Prepayments	-	-	-	3,046	-
Real estate held for resale	-	-	-	-	-
Total assets	\$497,212	\$53,304	\$10,800	\$241,767	\$181,752
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$5,350	\$2,653
Accrued salaries and withholdings payable	32	-	-	10,745	484
Due to other governmental units	-	-	-	2,640	-
Interfund payable	-	-	13,582	-	-
Deferred revenue	-	21,525	-	-	-
Deposits	-	-	-	-	-
Total liabilities	32	21,525	13,582	18,735	3,137
Fund balance:					
Nonspendable	-	-	-	3,046	-
Restricted	-	31,779	-	-	-
Committed	497,180	-	-	219,986	178,615
Unassigned	-	-	(2,782)	-	-
Total fund balance	497,180	31,779	(2,782)	223,032	178,615
Total liabilities and fund balance	\$497,212	\$53,304	\$10,800	\$241,767	\$181,752

Contributed Projects - Recreation - Fund 881	Contributed Projects - Other - Fund 883	Special Projects Fund 226	Community Development Fund 201	Anoka County Comm Dev Programs Fund 202	EDA Admin Fund 204 (Component Unit)	HRA Funds (Component Unit)	Total Nonmajor Special Revenue Funds
\$127,994	\$219,261	\$474,142	\$196,393	\$18,656	\$212,414	\$1,741,948	\$3,907,456
-	-	-	143	-	17,200	2,872	66,663
-	-	-	-	-	13,401	-	13,401
400	600	1,300	500	100	300	2,100	7,800
-	-	-	-	-	-	81,560	97,753
-	-	-	-	-	14,377	-	14,377
-	-	-	-	-	-	-	3,046
-	-	-	-	119,764	-	-	119,764
<u>\$128,394</u>	<u>\$219,861</u>	<u>\$475,442</u>	<u>\$197,036</u>	<u>\$138,520</u>	<u>\$257,692</u>	<u>\$1,828,480</u>	<u>\$4,230,260</u>
\$ -	\$60	\$ -	\$883	\$ -	\$43	\$143,707	\$152,696
-	-	-	3,263	-	5,136	-	19,660
-	-	-	-	-	-	36,670	39,310
-	-	-	-	-	-	9,291	22,873
-	-	31,965	-	-	11,391	168	65,049
-	-	-	-	-	-	27,097	27,097
<u>0</u>	<u>60</u>	<u>31,965</u>	<u>4,146</u>	<u>0</u>	<u>16,570</u>	<u>216,933</u>	<u>326,685</u>
-	-	-	-	119,764	-	-	122,810
128,394	219,801	-	-	18,756	-	862,434	1,261,164
-	-	443,477	192,890	-	241,122	749,113	2,522,383
-	-	-	-	-	-	-	(2,782)
<u>128,394</u>	<u>219,801</u>	<u>443,477</u>	<u>192,890</u>	<u>138,520</u>	<u>241,122</u>	<u>1,611,547</u>	<u>3,903,575</u>
<u>\$128,394</u>	<u>\$219,861</u>	<u>\$475,442</u>	<u>\$197,036</u>	<u>\$138,520</u>	<u>\$257,692</u>	<u>\$1,828,480</u>	<u>\$4,230,260</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2012

	Cable Television Fund 225	Police Forfeiture Fund 265	Police Grants Fund 272	Library Fund 240	After-School Programs Fund 261
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$765,195	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	57,337
Fees/program revenues	181,597	-	-	8,868	19,468
Rents	-	-	-	-	-
Fines and forfeitures	-	18,399	-	14,940	-
Investment income:					
Interest and dividends	5,100	-	-	3,300	2,000
Change in fair value	300	-	-	200	100
Other revenues:					
Contributions	-	-	-	-	-
Miscellaneous	115	-	-	-	-
Total revenues	187,112	18,399	0	792,503	78,905
Expenditures:					
Personal services	2,152	-	-	529,819	31,027
Supplies	187	1,228	-	90,387	11,176
Other services and charges	15,317	-	-	65,093	18,139
Capital outlay	-	-	-	-	-
Total expenditures	17,656	1,228	0	685,299	60,342
Revenues over (under) expenditures	169,456	17,171	0	107,204	18,563
Other financing sources (uses):					
Transfers out	(66,881)	-	-	(31,718)	-
Total other financing sources (uses)	(66,881)	0	0	(31,718)	0
Net change in fund balance	102,575	17,171	0	75,486	18,563
Fund balance - January 1	394,605	14,608	(2,782)	147,546	160,052
Fund balance - December 31	\$497,180	\$31,779	(\$2,782)	\$223,032	\$178,615

Contributed Projects - Recreation - Fund 881	Contributed Projects - Other - Fund 883	Special Projects Fund 226	Community Development Fund 201	Anoka County Comm Dev Programs Fund 202	EDA Admin Fund 204 (Component Unit)	HRA Funds (Component Unit)	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$300,697	\$ -	\$1,065,892
-	-	-	195,272	-	-	-	195,272
-	-	-	-	42,939	71	184,349	284,696
-	-	19,625	-	-	90	-	229,648
-	-	75,074	-	-	-	653,571	728,645
-	-	-	-	-	-	-	33,339
1,600	2,700	5,300	2,300	200	1,400	12,842	36,742
100	200	300	200	-	100	600	2,100
19,488	3,317	-	-	-	-	-	22,805
-	-	-	137	-	-	17,730	17,982
<u>21,188</u>	<u>6,217</u>	<u>100,299</u>	<u>197,909</u>	<u>43,139</u>	<u>302,358</u>	<u>869,092</u>	<u>2,617,121</u>
-	-	-	187,165	-	245,731	37,000	1,032,894
17,337	8,680	-	3,481	-	724	56,859	190,059
4,175	1,988	262	16,084	30,585	11,408	727,293	890,344
-	-	-	-	30,332	-	128,191	158,523
<u>21,512</u>	<u>10,668</u>	<u>262</u>	<u>206,730</u>	<u>60,917</u>	<u>257,863</u>	<u>949,343</u>	<u>2,271,820</u>
<u>(324)</u>	<u>(4,451)</u>	<u>100,037</u>	<u>(8,821)</u>	<u>(17,778)</u>	<u>44,495</u>	<u>(80,251)</u>	<u>345,301</u>
-	(1,200)	-	(12,832)	-	(25,997)	-	(138,628)
<u>0</u>	<u>(1,200)</u>	<u>0</u>	<u>(12,832)</u>	<u>0</u>	<u>(25,997)</u>	<u>0</u>	<u>(138,628)</u>
(324)	(5,651)	100,037	(21,653)	(17,778)	18,498	(80,251)	206,673
<u>128,718</u>	<u>225,452</u>	<u>343,440</u>	<u>214,543</u>	<u>156,298</u>	<u>222,624</u>	<u>1,691,798</u>	<u>3,696,902</u>
<u>\$128,394</u>	<u>\$219,801</u>	<u>\$443,477</u>	<u>\$192,890</u>	<u>\$138,520</u>	<u>\$241,122</u>	<u>\$1,611,547</u>	<u>\$3,903,575</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - CABLE TELEVISION FUND 225
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2012
With Comparative Actual Amounts For The Year Ended December 31, 2011

Statement 16

	2012		Actual Amounts	Variance with Final Budget- Positive (Negative)	2011 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Franchise fees	\$170,000	\$170,000	\$181,597	\$11,597	\$174,668
Investment income:					
Interest and dividends	-	-	5,100	5,100	6,100
Change in fair value	-	-	300	300	3,400
Other revenues:					
Miscellaneous	-	-	115	115	-
Total revenues	<u>170,000</u>	<u>170,000</u>	<u>187,112</u>	<u>17,112</u>	<u>184,168</u>
Expenditures:					
Personal services	6,320	6,320	2,152	4,168	2,273
Supplies	700	700	187	513	14,547
Other services and charges	29,914	29,914	15,317	14,597	39,969
Capital outlay	-	-	-	-	-
Total expenditures	<u>36,934</u>	<u>36,934</u>	<u>17,656</u>	<u>19,278</u>	<u>56,789</u>
Revenues over expenditures	133,066	133,066	169,456	36,390	127,379
Other financing sources (uses):					
Transfers out	<u>(66,881)</u>	<u>(66,881)</u>	<u>(66,881)</u>	-	<u>(66,668)</u>
Net change in fund balance	<u>\$66,185</u>	<u>\$66,185</u>	102,575	<u>\$36,390</u>	60,711
Fund balance - January 1			<u>394,605</u>		<u>333,894</u>
Fund balance - December 31			<u>\$497,180</u>		<u>\$394,605</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - POLICE FORFEITURE FUND 265
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL
For The Year Ended December 31, 2012
With Comparative Amounts For The Year Ended December 31, 2011

Statement 17

	<u>2012</u>	<u>2011</u>
Revenues:		
Forfeitures	<u>\$18,399</u>	<u>\$8,428</u>
Expenditures:		
Supplies	1,228	6,500
Other services and charges	-	545
Capital outlay	-	979
Total expenditures	<u>1,228</u>	<u>8,024</u>
Revenues over expenditures	17,171	404
Fund balance - January 1	<u>14,608</u>	<u>14,204</u>
Fund balance - December 31	<u><u>\$31,779</u></u>	<u><u>\$14,608</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - POLICE GRANTS FUND 272
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL
For The Year Ended December 31, 2012
With Comparative Amounts For The Year Ended December 31, 2011

Statement 18

	<u>2012</u>	<u>2011</u>
Revenues:		
Intergovernmental	\$ -	\$11,303
Expenditures:		
Supplies	-	13,443
Other services and charges	-	642
Total expenditures	<u>0</u>	<u>14,085</u>
Revenues over (under) expenditures	0	(2,782)
Fund balance (deficit) - January 1	<u>(2,782)</u>	<u>-</u>
Fund balance (deficit) - December 31	<u><u>(\$2,782)</u></u>	<u><u>(\$2,782)</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - LIBRARY FUND 240
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2012
With Comparative Actual Amounts For The Year Ended December 31, 2011

Statement 19

	2012		Actual Amounts	Variance with Final Budget- Positive (Negative)	2011 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Taxes	\$765,195	\$765,195	\$765,195	\$ -	\$757,620
Charges for services	10,780	10,780	8,868	(1,912)	8,983
Fines	17,000	17,000	14,940	(2,060)	15,521
Investment income:					
Interest and dividends	4,400	4,400	3,300	(1,100)	4,600
Change in fair value	-	-	200	200	2,500
Other revenues:					
Miscellaneous	200	200	-	(200)	60
Contributions	800	800	-	(800)	-
Total revenues	<u>798,375</u>	<u>798,375</u>	<u>792,503</u>	<u>(5,872)</u>	<u>789,284</u>
Expenditures:					
Personal services	594,361	594,361	529,819	64,542	548,490
Supplies	100,843	100,843	90,387	10,456	119,382
Other services and charges	71,453	71,453	65,093	6,360	80,930
Total expenditures	<u>766,657</u>	<u>766,657</u>	<u>685,299</u>	<u>81,358</u>	<u>748,802</u>
Revenues over expenditures	31,718	31,718	107,204	75,486	40,482
Other financing sources (uses):					
Transfers out	<u>(31,718)</u>	<u>(31,718)</u>	<u>(31,718)</u>	<u>-</u>	<u>(32,469)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	75,486	<u>\$75,486</u>	8,013
Fund balance - January 1			<u>147,546</u>		<u>139,533</u>
Fund balance - December 31			<u>\$223,032</u>		<u>\$147,546</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - AFTER SCHOOL PROGRAMS FUND 261
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL
For The Year Ended December 31, 2012
With Comparative Amounts For The Year Ended December 31, 2011

Statement 20

	<u>2012</u>	<u>2011</u>
Revenues:		
Intergovernmental	\$57,337	\$46,046
Program revenue	19,468	21,525
Investment income:		
Interest and dividends	2,000	2,400
Change in fair value	100	1,300
Total revenues	<u>78,905</u>	<u>71,271</u>
Expenditures:		
Personal services	31,027	29,482
Supplies	11,176	7,466
Other services and charges	18,139	17,233
Total expenditures	<u>60,342</u>	<u>54,181</u>
Revenues over expenditures	18,563	17,090
Fund balance - January 1	<u>160,052</u>	<u>142,962</u>
Fund balance - December 31	<u><u>\$178,615</u></u>	<u><u>\$160,052</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - RECREATION CONTRIBUTED PROJECTS FUND 881
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL
For The Year Ended December 31, 2012
With Comparative Amounts For The Year Ended December 31, 2011

Statement 21

	<u>2012</u>	<u>2011</u>
Revenues:		
Investment income:		
Program revenue	\$ -	\$1,094
Interest and dividends	1,600	2,200
Change in fair value	100	1,200
Other revenue:		
Contributions	19,488	26,040
Total revenues	<u>21,188</u>	<u>30,534</u>
Expenditures:		
Supplies	17,337	15,957
Other services and charges	4,175	2,466
Total expenditures	<u>21,512</u>	<u>18,423</u>
Revenues over (under) expenditures	(324)	12,111
Fund balance - January 1	<u>128,718</u>	<u>116,607</u>
Fund balance - December 31	<u><u>\$128,394</u></u>	<u><u>\$128,718</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - CONTRIBUTED PROJECTS - OTHER FUND 883
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL
For The Year Ended December 31, 2012
With Comparative Amounts For The Year Ended December 31, 2011

Statement 22

	<u>2012</u>	<u>2011</u>
Revenues:		
Investment income:		
Interest and dividends	\$2,700	\$4,000
Change in fair value	200	2,200
Contributions	<u>3,317</u>	<u>11,035</u>
Total revenues	<u>6,217</u>	<u>17,235</u>
Expenditures:		
Supplies	8,680	27,433
Other services and charges	<u>1,988</u>	<u>565</u>
Total expenditures	<u>10,668</u>	<u>27,998</u>
Revenues over (under) expenditures	<u>(4,451)</u>	<u>(10,763)</u>
Other financing sources (uses):		
Transfers in	-	5,200
Transfers out	<u>(1,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,200)</u>	<u>5,200</u>
Net change in fund balance	(5,651)	(5,563)
Fund balance - January 1	<u>225,452</u>	<u>231,015</u>
Fund balance - December 31	<u><u>\$219,801</u></u>	<u><u>\$225,452</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND 226
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL
For The Year Ended December 31, 2012
With Comparative Amounts For The Year Ended December 31, 2011

Statement 23

	<u>2012</u>	<u>2011</u>
Revenues:		
Fees/program revenue	\$19,625	\$19,860
Rents	75,074	82,352
Investment income:		
Interest and dividends	5,300	5,700
Change in fair value	300	3,100
Total revenues	<u>100,299</u>	<u>111,012</u>
Expenditures:		
Other services and charges	<u>262</u>	<u>-</u>
Revenues over expenditures	100,037	111,012
Fund balance - January 1	<u>343,440</u>	<u>232,428</u>
Fund balance - December 31	<u><u>\$443,477</u></u>	<u><u>\$343,440</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND 201
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2012
With Comparative Actual Amounts For The Year Ended December 31, 2011

Statement 24

	2012		Actual Amounts	Variance with Final Budget- Positive (Negative)	2011 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Licenses and permits	\$158,200	\$158,200	\$195,272	\$37,072	\$219,972
Investment income:					
Interest and dividends	-	-	2,300	2,300	3,700
Change in fair value	-	-	200	200	2,100
Miscellaneous	-	-	137	137	20
Total revenues	<u>158,200</u>	<u>158,200</u>	<u>197,909</u>	<u>39,709</u>	<u>225,792</u>
Expenditures:					
Personal services	197,460	197,460	187,165	10,295	227,347
Supplies	5,875	5,875	3,481	2,394	3,119
Other services and charges	13,574	13,574	16,084	(2,510)	13,324
Total expenditures	<u>216,909</u>	<u>216,909</u>	<u>206,730</u>	<u>10,179</u>	<u>243,790</u>
Revenues over (under) expenditures	(58,709)	(58,709)	(8,821)	49,888	(17,998)
Other financing sources (uses):					
Transfers out	<u>(12,832)</u>	<u>(12,832)</u>	<u>(12,832)</u>	-	<u>(13,110)</u>
Net change in fund balance	<u>(\$71,541)</u>	<u>(\$71,541)</u>	<u>(21,653)</u>	<u>\$49,888</u>	<u>(31,108)</u>
Fund balance - January 1			<u>214,543</u>		<u>245,651</u>
Fund balance - December 31			<u>\$192,890</u>		<u>\$214,543</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - ANOKA COUNTY COMM DEV PROGRAMS FUND 202
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL
For The Year Ended December 31, 2012
With Comparative Amounts For The Year Ended December 31, 2011

Statement 25

	<u>2012</u>	<u>2011</u>
Revenues:		
Intergovernmental	\$42,939	\$6,000
Investment income:		
Interest and dividends	200	-
Total revenues	<u>43,139</u>	<u>6,000</u>
Expenditures:		
Other services and charges	30,585	6,000
Capital outlay	30,332	2,439
Total expenditures	<u>60,917</u>	<u>8,439</u>
Revenues over (under) expenditures	(17,778)	(2,439)
Fund balance - January 1	<u>156,298</u>	<u>158,737</u>
Fund balance - December 31	<u><u>\$138,520</u></u>	<u><u>\$156,298</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 26

BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT AUTHORITY ADMINISTRATION FUND 204

(COMPONENT UNIT)

For The Year Ended December 31, 2012

With Comparative Actual Amounts For The Year Ended December 31, 2011

	2012		Actual Amounts	Variance with Final Budget- Positive (Negative)	2011 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Taxes	\$303,154	\$303,154	\$300,697	(\$2,457)	\$305,381
Fees/program revenues	-	-	90	90	43,740
Intergovernmental:					
Market value homestead credit	-	-	71	71	15,259
Investment income:					
Interest and dividends	-	-	1,400	1,400	1,500
Change in fair value	-	-	100	100	800
Total revenues	<u>303,154</u>	<u>303,154</u>	<u>302,358</u>	<u>(796)</u>	<u>366,680</u>
Expenditures:					
Personal services	288,883	288,883	245,731	43,152	215,094
Other services and charges	20,974	20,974	11,408	9,566	13,585
Supplies	4,300	4,300	724	3,576	3,333
Total expenditures	<u>314,157</u>	<u>314,157</u>	<u>257,863</u>	<u>56,294</u>	<u>232,012</u>
Revenues over (under) expenditures	(11,003)	(11,003)	44,495	55,498	134,668
Other financing sources (uses):					
Transfers out	<u>(25,997)</u>	<u>(25,997)</u>	<u>(25,997)</u>	<u>-</u>	<u>(103,110)</u>
Net change in fund balance	<u>(\$37,000)</u>	<u>(\$37,000)</u>	18,498	<u>\$55,498</u>	31,558
Fund balance - January 1			<u>222,624</u>		<u>191,066</u>
Fund balance - December 31			<u>\$241,122</u>		<u>\$222,624</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUNDS - HOUSING AND REDEVELOPMENT AUTHORITY (COMPONENT UNIT)

Statement 27

COMBINING BALANCE SHEET

December 31, 2012

	Parkview Villa North Fund 203	Parkview Villa South Fund 213	Total Housing and Redevelopment Authority
Assets			
Cash and investments	\$946,063	\$795,885	\$1,741,948
Receivables:			
Accounts	1,876	996	2,872
Interest	-	2,100	2,100
Due from other governmental units	81,560	-	81,560
Total assets	\$1,029,499	\$798,981	\$1,828,480
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$122,531	\$21,176	\$143,707
Due to other governmental units	24,326	12,344	36,670
Interfund payable	1,543	7,748	9,291
Deferred revenue	40	128	168
Deposits	18,625	8,472	27,097
Total liabilities	167,065	49,868	216,933
Fund balance:			
Restricted	862,434	-	862,434
Committed	-	749,113	749,113
Total fund balance	862,434	749,113	1,611,547
Total liabilities and fund balance	\$1,029,499	\$798,981	\$1,828,480

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUNDS - HOUSING AND REDEVELOPMENT AUTHORITY (COMPONENT UNIT)

Statement 28

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE

For The Year Ended December 31, 2012

	Parkview Villa North Fund 203	Parkview Villa South Fund 213	Total Housing and Redevelopment Authority
Revenues:			
Intergovernmental	\$184,349	\$ -	\$184,349
Rents	358,920	294,651	653,571
Investment income:			
Interest and dividends	4,042	8,800	12,842
Change in fair value	-	600	600
Other revenues:			
Miscellaneous	11,476	6,254	17,730
Total revenues	<u>558,787</u>	<u>310,305</u>	<u>869,092</u>
Expenditures:			
Personal services	25,500	11,500	37,000
Supplies	30,095	26,764	56,859
Other services and charges	510,917	216,376	727,293
Capital outlay	128,191	-	128,191
Total expenditures	<u>694,703</u>	<u>254,640</u>	<u>949,343</u>
Revenues over (under) expenditures	(135,916)	55,665	(80,251)
Fund balance - January 1	<u>998,350</u>	<u>693,448</u>	<u>1,691,798</u>
Fund balance - December 31	<u><u>\$862,434</u></u>	<u><u>\$749,113</u></u>	<u><u>\$1,611,547</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - HOUSING & REDEVELOPMENT AUTHORITY-
 PARKVIEW VILLA NORTH FUND 203

Statement 29

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

For The Year Ended December 31, 2012

With Comparative Actual Amounts For The Year Ended December 31, 2011

	2012			Variance with Final Budget- Positive (Negative)	2011 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Intergovernmental revenue	\$282,200	\$282,200	\$184,349	(\$97,851)	\$176,750
Rents	347,462	347,462	358,920	11,458	351,037
Investment income:					
Interest and dividends	7,695	7,695	4,042	(3,653)	2,789
Other revenues	1,104	1,104	11,476	10,372	9,907
Total revenues	<u>638,461</u>	<u>638,461</u>	<u>558,787</u>	<u>(79,674)</u>	<u>540,483</u>
Expenditures:					
Personal services	25,500	25,500	25,500	-	25,500
Supplies	25,190	25,190	30,095	(4,905)	21,187
Other services and charges	459,160	459,160	510,917	(51,757)	446,002
Capital outlay	92,200	92,200	128,191	(35,991)	9,855
Total expenditures	<u>602,050</u>	<u>602,050</u>	<u>694,703</u>	<u>(92,653)</u>	<u>502,544</u>
Revenues over (under) expenditures	<u>\$36,411</u>	<u>\$36,411</u>	(135,916)	<u>(\$172,327)</u>	37,939
Fund balance - January 1			998,350		960,411
Fund balance - December 31			<u>\$862,434</u>		<u>\$998,350</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - HOUSING & REDEVELOPMENT AUTHORITY -

Statement 30

PARKVIEW VILLA SOUTH FUND 213

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

For The Year Ended December 31, 2012

With Comparative Actual Amounts For The Year Ended December 31, 2011

	2012		Actual Amounts	Variance with Final Budget- Positive (Negative)	2011 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Rents	\$314,990	\$314,990	\$294,651	(\$20,339)	\$313,549
Investment income:					
Interest and dividends	-	-	8,800	8,800	10,300
Change in fair value	-	-	600	600	5,700
Other	2,325	2,325	6,254	3,929	6,156
Total revenues	<u>317,315</u>	<u>317,315</u>	<u>310,305</u>	<u>(7,010)</u>	<u>335,705</u>
Expenditures:					
Personal services	11,500	11,500	11,500	-	11,500
Supplies	11,025	11,025	26,764	(15,739)	10,536
Other services and charges	221,576	221,576	216,376	5,200	199,804
Capital outlay	35,000	35,000	-	35,000	-
Total expenditures	<u>279,101</u>	<u>279,101</u>	<u>254,640</u>	<u>24,461</u>	<u>221,840</u>
Revenues over expenditures	<u>\$38,214</u>	<u>\$38,214</u>	55,665	<u>\$17,451</u>	113,865
Fund balance - January 1			<u>693,448</u>		<u>579,583</u>
Fund balance - December 31			<u>\$749,113</u>		<u>\$693,448</u>

**NONMAJOR
DEBT SERVICE FUNDS**

The City of Columbia Heights had the following kinds of Nonmajor Debt Service Funds during the year:

Bond Debt Service Funds – are separate funds used to account for the revenues and expenditures of each separate bond issue.

Tax Increment Financing Funds – are separate funds used to account for the revenues and expenditures of each separate Tax Increment Financing District.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2012

	G.O. Improvement/ Revenue Bonds 2006A Fund 340	G.O. Street Rehabilitation Bonds 2007 Fund 341	G.O. Public Safety Center Bonds 2008B Fund 343	G.O. Public Facilities Bonds 2009A Fund 344
Assets				
Cash and investments	\$458,893	\$120,998	\$458,464	\$332,639
Receivables:				
Taxes	-	904	2,847	838
Interest	800	100	500	600
Land held for resale	-	-	-	-
Total assets	\$459,693	\$122,002	\$461,811	\$334,077
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue:				
Interfund payable	-	-	-	-
Property taxes - delinquent	-	-	-	-
Total liabilities	0	0	0	0
Fund balance:				
Nonspendable	-	-	-	-
Restricted	459,693	122,002	461,811	334,077
Total fund balance	459,693	122,002	461,811	334,077
Total liabilities and fund balance	\$459,693	\$122,002	\$461,811	\$334,077

 EDA Component Unit

Tax Increment Bonds Fund 376	Sheffield TIF Redevelopment Fund 377	TIF Multi-Use Redevelopment Plan Fund 385	TIF Transition Block Fund 389	TIF 47th and Central Avenue Fund 371	TIF Huset Park Area Fund 372	EDA TIF Revenue Bonds 2007 Fund 373	Total Nonmajor Debt Service Funds
\$276,651	\$83,073	\$77,686	\$68,247	\$406,713	\$213,827	\$251,944	\$2,749,135
-	2,448	54	-	7,385	12,223	-	26,699
800	200	200	200	1,000	500	500	5,400
450,667	-	-	-	328,149	-	-	778,816
<u>\$728,118</u>	<u>\$85,721</u>	<u>\$77,940</u>	<u>\$68,447</u>	<u>\$743,247</u>	<u>\$226,550</u>	<u>\$252,444</u>	<u>\$3,560,050</u>
\$1,163	\$195	\$195	\$195	\$195	\$11,369	\$ -	\$13,312
-	-	14,377	-	-	-	-	14,377
-	2,448	-	-	1,042	7,540	-	11,030
<u>1,163</u>	<u>2,643</u>	<u>14,572</u>	<u>195</u>	<u>1,237</u>	<u>18,909</u>	<u>0</u>	<u>38,719</u>
450,667	-	-	-	328,149	-	-	778,816
276,288	83,078	63,368	68,252	413,861	207,641	252,444	2,742,515
<u>726,955</u>	<u>83,078</u>	<u>63,368</u>	<u>68,252</u>	<u>742,010</u>	<u>207,641</u>	<u>252,444</u>	<u>3,521,331</u>
<u>\$728,118</u>	<u>\$85,721</u>	<u>\$77,940</u>	<u>\$68,447</u>	<u>\$743,247</u>	<u>\$226,550</u>	<u>\$252,444</u>	<u>\$3,560,050</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2012

	G.O. Improvement/ Revenue Bonds 2006A Fund 340	G.O. Street Rehabilitation Bonds 2007 Fund 341	G.O. Public Safety Center Bonds 2008B Fund 343	G.O. Public Facilities Bonds 2009A Fund 344
Revenues:				
Taxes	\$ -	\$134,465	\$429,168	\$125,186
Tax increment collections	-	-	-	-
Intergovernmental	-	-	-	-
Investment income:				
Interest and dividends	3,500	400	2,000	2,500
Change in fair value	200	-	100	200
Total revenues	<u>3,700</u>	<u>134,865</u>	<u>431,268</u>	<u>127,886</u>
Expenditures:				
Current:				
Other services and charges	-	-	-	-
Capital outlay:				
Community development	-	-	-	-
Debt service:				
Principal retirement	419,000	95,000	200,000	155,000
Interest and fiscal charges	45,680	30,900	428,583	131,911
Developer incentives	-	-	-	-
Total expenditures	<u>464,680</u>	<u>125,900</u>	<u>628,583</u>	<u>286,911</u>
Revenues over (under) expenditures	<u>(460,980)</u>	<u>8,965</u>	<u>(197,315)</u>	<u>(159,025)</u>
Other financing sources (uses):				
Transfers in	198,379	-	160,793	85,150
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>198,379</u>	<u>0</u>	<u>160,793</u>	<u>85,150</u>
Net change in fund balance	(262,601)	8,965	(36,522)	(73,875)
Fund balance - January 1	<u>722,294</u>	<u>113,037</u>	<u>498,333</u>	<u>407,952</u>
Fund balance - December 31	<u>\$459,693</u>	<u>\$122,002</u>	<u>\$461,811</u>	<u>\$334,077</u>

EDA Component Unit								
Tax Increment Bonds Fund 376	Sheffield TIF Redevelopment Fund 377	TIF Multi-Use Redevelopment Plan Fund 385	TIF Transition Block Fund 389	TIF 47th and Central Avenue Fund 371	TIF Huset Park Area Fund 372	EDA TIF Revenue Bonds 2007 Fund 373	Intrafund Eliminations	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$688,819
-	71,841	30,139	45,376	94,367	325,536	-	-	567,259
-	-	-	-	-	-	-	-	-
3,400	800	800	600	4,400	2,200	2,000	-	22,600
200	100	100	-	300	100	100	-	1,400
<u>3,600</u>	<u>72,741</u>	<u>31,039</u>	<u>45,976</u>	<u>99,067</u>	<u>327,836</u>	<u>2,100</u>	<u>0</u>	<u>1,280,078</u>
2,907	2,085	1,655	1,715	3,438	8,631	-	-	20,431
185,895	-	-	-	243,686	-	-	-	429,581
-	-	-	-	-	-	53,000	-	922,000
-	721	-	-	26,410	-	147,014	-	811,219
-	-	11,240	20,383	-	84,449	-	-	116,072
<u>188,802</u>	<u>2,806</u>	<u>12,895</u>	<u>22,098</u>	<u>273,534</u>	<u>93,080</u>	<u>200,014</u>	<u>0</u>	<u>2,299,303</u>
(185,202)	69,935	18,144	23,878	(174,467)	234,756	(197,914)	0	(1,019,225)
-	-	-	-	-	-	205,000	(205,000)	444,322
-	-	-	-	-	(205,000)	-	205,000	-
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(205,000)</u>	<u>205,000</u>	<u>0</u>	<u>444,322</u>
(185,202)	69,935	18,144	23,878	(174,467)	29,756	7,086	0	(574,903)
912,157	13,143	45,224	44,374	916,477	177,885	245,358	-	4,096,234
<u>\$726,955</u>	<u>\$83,078</u>	<u>\$63,368</u>	<u>\$68,252</u>	<u>\$742,010</u>	<u>\$207,641</u>	<u>\$252,444</u>	<u>\$0</u>	<u>\$3,521,331</u>

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NONMAJOR CAPITAL PROJECT FUNDS

The City of Columbia Heights had the following Nonmajor Capital Project Funds during the year:

Economic Development Authority – a separate legal entity from the City. The mayor and City Council comprise the majority membership of this component unit. Its purpose is to foster economic development in the City.

Housing Maintenance Fund 408 – established to account for activities to maintain the quality and quantity of housing in the City.

Capital Improvement Parks Fund 412 – used to account for improvements in City parks. This includes park dedication fees when available, the use of which is limited by state statute to park improvements.

Infrastructure Replacement Fund 430 – used to fund replacement of City infrastructure.

Capital Equipment Fire Fund 439 – used to fund replacement of fire department capital assets. This fund is limited by state statute to fire department expenditures. The original source of the assets in this fund was excess funding in a fire pension plan.

Capital Equipment Cable TV Fund 440 – used to fund replacement of cable television capital assets.

Capital Building Library Fund 450 – used to fund replacement of the library building.

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
 SUBCOMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 December 31, 2012

Statement 33

	EDA (Component Unit) Housing Maintenance Fund 408	Capital Improvement Parks Fund 412	Infrastructure Replacement Fund 430	Capital Equipment Fire Fund 439	Capital Equipment Cable TV Fund 440	Capital Building Library Fund 450	Total Nonmajor Capital Project Funds
Assets							
Cash and investments	\$ -	\$40,515	\$963,678	\$77,776	\$68,700	\$255,504	\$1,406,173
Due from other governments	-	4,964	-	-	-	-	4,964
Receivables:							
Interest	-	-	2,900	300	200	-	3,400
Real estate held for resale	375,091	-	-	-	-	-	375,091
Total assets	\$375,091	\$45,479	\$966,578	\$78,076	\$68,900	\$255,504	\$1,789,628
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ -	\$ -	\$940	\$456	\$ -	\$ -	\$1,396
Contracts payable - retained percentage	-	10,727	-	-	-	-	10,727
Total liabilities	0	10,727	940	456	0	0	12,123
Fund balance:							
Nonspendable	375,091	-	-	-	-	-	375,091
Restricted	-	-	-	-	-	-	-
Committed	-	34,752	965,638	77,620	68,900	255,504	1,402,414
Total fund balance	375,091	34,752	965,638	77,620	68,900	255,504	1,777,505
Total liabilities and fund balance	\$375,091	\$45,479	\$966,578	\$78,076	\$68,900	\$255,504	\$1,789,628

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For The Year Ended December 31, 2012

Statement 34

	EDA (Component Unit) Housing Maintenance Fund 408	Capital Improvement Parks Fund 412	Infrastructure Replacement Fund 430	Capital Equipment Fire Fund 439	Capital Equipment Cable TV Fund 440	Capital Building Library Fund 450	Total Nonmajor Capital Project Funds
Revenues:							
Intergovernmental	\$ -	\$5,064	\$ -	\$ -	\$ -	\$ -	\$5,064
Investment income:							
Interest and dividends	-	-	12,000	1,400	800	-	14,200
Change in fair value	-	-	800	100	100	-	1,000
Contributions	-	-	-	-	-	-	-
Total revenues	<u>0</u>	<u>5,064</u>	<u>12,800</u>	<u>1,500</u>	<u>900</u>	<u>0</u>	<u>20,264</u>
Expenditures:							
Current:							
Other services and charges	-	1,505	43,170	11,875	-	-	56,550
Capital outlay	18,382	30,193	-	87,951	-	-	136,526
Total expenditures	<u>18,382</u>	<u>31,698</u>	<u>43,170</u>	<u>99,826</u>	<u>0</u>	<u>0</u>	<u>193,076</u>
Revenue over (under) expenditures	<u>(18,382)</u>	<u>(26,634)</u>	<u>(30,370)</u>	<u>(98,326)</u>	<u>900</u>	<u>0</u>	<u>(172,812)</u>
Other financing sources (uses):							
Transfers in	-	58,841	50,000	-	-	-	108,841
Total other financing sources (uses)	<u>0</u>	<u>58,841</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>108,841</u>
Net change in fund balance	(18,382)	32,207	19,630	(98,326)	900	0	(63,971)
Fund balance - January 1	393,473	2,545	946,008	175,946	68,000	255,504	1,841,476
Fund balance - December 31	<u>\$375,091</u>	<u>\$34,752</u>	<u>\$965,638</u>	<u>\$77,620</u>	<u>\$68,900</u>	<u>\$255,504</u>	<u>\$1,777,505</u>

ENTERPRISE FUNDS

The authority for these types of funds is derived from Section 69(b) of the City Charter which allows for Utility or other Public Service Enterprise Funds.

The Enterprise Funds are members of the Proprietary Fund Type category, and, as such, are accounted for on the accrual basis of accounting. Revenues in the Enterprise Funds are recognized when they are earned and expenses are recognized when they are incurred.

The Enterprise Funds are used to account for operations that are financed and/or operated in a manner similar to private business enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Water Utility Fund – used to account for revenues and expenses associated with services to area residents.

Sewer Utility Fund – used to account for revenues and expenses associated with sewer disposal within the City.

Refuse Utility Fund – used to account for revenues and expenses associated with organized collection of refuse and recycling in the City.

Storm Sewer Utility Fund – used to account for revenues and expenses associated with storm water disposal.

Liquor Fund – used to account for revenues and expenses associated with the operation of three off-sale municipal liquor stores.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
WATER UTILITY FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2012
With Comparative Totals for December 31, 2011

Statement 35

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Totals	
						2012	2011
Assets:							
Current assets:							
Cash and cash equivalents	\$7,949	\$337,806	\$3,764	\$192,662	\$ -	\$542,181	\$559,410
Receivables:							
Accounts (net of allowance for uncollectables)	571,623	-	-	-	-	571,623	543,527
Interest	2,800	1,500	-	300	-	4,600	3,500
Interfund receivable	279,716	251,162	130,097	-	(598,613)	62,362	12,041
Inventory - at cost	4,185	-	-	-	-	4,185	1,712
Total current assets	<u>866,273</u>	<u>590,468</u>	<u>133,861</u>	<u>192,962</u>	<u>(598,613)</u>	<u>1,184,951</u>	<u>1,120,190</u>
Noncurrent assets:							
Capital assets:							
Land	45,223	-	-	-	-	45,223	45,223
Buildings	559,826	-	-	-	-	559,826	559,826
Equipment	462,515	-	-	-	-	462,515	462,515
Infrastructure	8,346,965	-	-	-	-	8,346,965	7,524,209
Construction in process	-	-	7,006	-	-	7,006	479,626
Total capital assets	9,414,529	0	7,006	0	0	9,421,535	9,071,399
Less: accumulated depreciation	(4,263,186)	-	-	-	-	(4,263,186)	(4,044,729)
Total capital assets (net of accumulated depreciation)	5,151,343	0	7,006	0	0	5,158,349	5,026,670
Total noncurrent assets	<u>5,151,343</u>	<u>0</u>	<u>7,006</u>	<u>0</u>	<u>0</u>	<u>5,158,349</u>	<u>5,026,670</u>
Total assets	<u>6,017,616</u>	<u>590,468</u>	<u>140,867</u>	<u>192,962</u>	<u>(598,613)</u>	<u>6,343,300</u>	<u>6,146,860</u>
Liabilities :							
Current liabilities:							
Accounts payable	6,224	-	-	-	-	6,224	18,271
Accrued salaries and withholdings payable	9,205	-	17	-	-	9,222	5,877
Due to other governmental units	79,401	-	204,085	-	-	283,486	302,698
Interfund payable	130,097	-	545,013	323,000	(598,613)	399,497	398,000
Accrued interest payable	-	-	-	14,588	-	14,588	16,795
Deposits	3,000	-	-	-	-	3,000	-
Compensated absences payable - current	1,533	-	-	-	-	1,533	3,330
Bonds payable - current	-	-	-	161,862	-	161,862	152,880
Total current liabilities	<u>229,460</u>	<u>0</u>	<u>749,115</u>	<u>499,450</u>	<u>(598,613)</u>	<u>879,412</u>	<u>897,851</u>
Noncurrent liabilities:							
Compensated absences payable - noncurrent	24,022	-	-	-	-	24,022	25,222
Bonds payable - noncurrent	-	-	-	789,628	-	789,628	951,490
Total noncurrent liabilities	<u>24,022</u>	<u>0</u>	<u>0</u>	<u>789,628</u>	<u>0</u>	<u>813,650</u>	<u>976,712</u>
Total liabilities	<u>253,482</u>	<u>0</u>	<u>749,115</u>	<u>1,289,078</u>	<u>(598,613)</u>	<u>1,693,062</u>	<u>1,874,563</u>
Net position:							
Net investments in capital assets	5,151,343	-	7,006	(1,274,490)	-	3,883,859	3,524,300
Restricted for debt service	-	-	-	178,374	-	178,374	184,716
Unrestricted	612,791	590,468	(615,254)	-	-	588,005	563,281
Total net position	<u>\$5,764,134</u>	<u>\$590,468</u>	<u>(\$608,248)</u>	<u>(\$1,096,116)</u>	<u>\$0</u>	<u>\$4,650,238</u>	<u>\$4,272,297</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

WATER UTILITY FUND

Statement 36

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Totals	
						2012	2011
Operating revenues:							
Charges for services:							
Customer services	\$114,635	\$ -	\$ -	\$ -	\$ -	\$114,635	\$101,111
Penalties	68,095	-	-	-	-	68,095	55,819
Charges for sales:							
Water	2,508,525	-	-	-	-	2,508,525	2,290,210
Meter	8,117	58,500	13,891	-	-	80,508	82,853
Total operating revenues	<u>2,699,372</u>	<u>58,500</u>	<u>13,891</u>	<u>0</u>	<u>0</u>	<u>2,771,763</u>	<u>2,529,993</u>
Operating expenses:							
Cost of sales	1,232,031	-	-	-	-	1,232,031	1,192,653
Distribution	634,060	-	128,369	-	-	762,429	852,475
Administration	21,489	-	-	-	-	21,489	18,426
Depreciation	218,456	-	-	-	-	218,456	204,716
Total operating expenses	<u>2,106,036</u>	<u>0</u>	<u>128,369</u>	<u>0</u>	<u>0</u>	<u>2,234,405</u>	<u>2,268,270</u>
Net income (loss) from operations	<u>593,336</u>	<u>58,500</u>	<u>(114,478)</u>	<u>0</u>	<u>0</u>	<u>537,358</u>	<u>261,723</u>
Nonoperating revenues (expenses):							
Investment income	12,400	6,800	-	1,200	-	20,400	34,000
Miscellaneous revenues	5,620	-	-	-	-	5,620	505
Interest and fiscal charges	-	-	-	(52,093)	-	(52,093)	(58,425)
Total nonoperating revenues (expenses)	<u>18,020</u>	<u>6,800</u>	<u>0</u>	<u>(50,893)</u>	<u>0</u>	<u>(26,073)</u>	<u>(23,920)</u>
Net income (loss) before transfers	<u>611,356</u>	<u>65,300</u>	<u>(114,478)</u>	<u>(50,893)</u>	<u>0</u>	<u>511,285</u>	<u>237,803</u>
Transfers in	-	25,000	66,909	291,000	(382,909)	-	2,943
Transfers out	(516,253)	-	-	-	382,909	(133,344)	(135,963)
Total transfers	<u>(516,253)</u>	<u>25,000</u>	<u>66,909</u>	<u>291,000</u>	<u>0</u>	<u>(133,344)</u>	<u>(133,020)</u>
Change in net position	95,103	90,300	(47,569)	240,107	0	377,941	104,783
Total net position - January 1	<u>5,669,031</u>	<u>500,168</u>	<u>(560,679)</u>	<u>(1,336,223)</u>	<u>-</u>	<u>4,272,297</u>	<u>4,167,514</u>
Total net position - December 31	<u>\$5,764,134</u>	<u>\$590,468</u>	<u>(\$608,248)</u>	<u>(\$1,096,116)</u>	<u>\$0</u>	<u>\$4,650,238</u>	<u>\$4,272,297</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

WATER UTILITY FUND

Statement 37

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

	2012	2011
Cash flows from operating activities:		
Cash received from customers	\$2,749,287	\$2,519,587
Cash paid to suppliers for goods and services	(1,706,743)	(1,475,703)
Cash payments to employees for services	(339,588)	(366,427)
Net cash flows from operating activities	<u>702,956</u>	<u>677,457</u>
Cash flows from noncapital financing activities:		
Transfers in	-	474,600
Transfers out	(133,344)	(607,620)
Interfund receivable repaid by (advanced to) other funds	8,179	(817,339)
Interfund payable (repaid to) advanced by other funds	(57,003)	1,222,245
Net cash flows from noncapital financing activities	<u>(182,168)</u>	<u>271,886</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(350,137)	(427,862)
Principal payments - bonds	(152,880)	(666,203)
Interest and fiscal charges	(54,300)	(68,680)
Net cash flows from capital and related financing activities	<u>(557,317)</u>	<u>(1,162,745)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	18,000	22,200
Change in fair value	1,300	12,100
Net cash flows from investing activities	<u>19,300</u>	<u>34,300</u>
Net increase (decrease) in cash and cash equivalents	(17,229)	(179,102)
Cash and cash equivalents - January 1	<u>559,410</u>	<u>738,512</u>
Cash and cash equivalents - December 31	<u><u>\$542,181</u></u>	<u><u>\$559,410</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$537,358</u>	<u>\$261,723</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	218,456	204,716
Miscellaneous revenues	5,620	505
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(28,096)	(10,911)
(Increase) decrease in inventory, at cost	(2,473)	431
Increase (decrease) in accounts payable	(12,045)	10,412
Increase (decrease) in accrued salaries and withholdings payable	3,345	(3,857)
Increase (decrease) in due to other governmental units	(19,212)	4,684
Adjustment for nonoperating portion	-	205,722
Increase (decrease) in deposits payable	3,000	-
Increase (decrease) in compensated absences payable	(2,997)	4,032
Total adjustments	<u>165,598</u>	<u>415,734</u>
Net cash flows from operating activities	<u><u>\$702,956</u></u>	<u><u>\$677,457</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2012
With Comparative Totals for December 31, 2011

Statement 38

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Totals	
				2012	2011
Assets:					
Current assets:					
Cash and cash equivalents	\$158,049	\$478,888	\$710,067	\$1,347,004	\$1,759,137
Receivables:					
Accounts (net of allowance for uncollectibles)	419,781	-	-	419,781	370,478
Interest	2,000	1,400	1,000	4,400	5,500
Interfund receivables	22,858	-	-	22,858	75,229
Prepayments	76,968	-	-	76,968	74,917
Total current assets	<u>679,656</u>	<u>480,288</u>	<u>711,067</u>	<u>1,871,011</u>	<u>2,285,261</u>
Noncurrent assets:					
Capital assets:					
Land	36,586	-	-	36,586	36,586
Buildings	100,426	-	-	100,426	100,426
Equipment	840,942	-	-	840,942	840,942
Construction in progress	-	-	252,924	252,924	550,773
Infrastructure	6,154,219	-	-	6,154,219	5,482,680
Total capital assets	<u>7,132,173</u>	<u>0</u>	<u>252,924</u>	<u>7,385,097</u>	<u>7,011,407</u>
Less: accumulated depreciation	<u>(4,277,960)</u>	<u>-</u>	<u>-</u>	<u>(4,277,960)</u>	<u>(4,146,206)</u>
Net capital assets	<u>2,854,213</u>	<u>0</u>	<u>252,924</u>	<u>3,107,137</u>	<u>2,865,201</u>
Total noncurrent assets	<u>2,854,213</u>	<u>0</u>	<u>252,924</u>	<u>3,107,137</u>	<u>2,865,201</u>
Total assets	<u>3,533,869</u>	<u>480,288</u>	<u>963,991</u>	<u>4,978,148</u>	<u>5,150,462</u>
Liabilities:					
Current liabilities:					
Accounts payable	815	-	14,799	15,614	228,179
Accrued salaries and withholdings payable	4,733	-	-	4,733	6,965
Contracts payable - retained percentage	31,100	-	11,815	42,915	42,760
Compensated absences payable - current	2,240	-	-	2,240	3,731
Total current liabilities	<u>38,888</u>	<u>0</u>	<u>26,614</u>	<u>65,502</u>	<u>281,635</u>
Noncurrent liabilities:					
Compensated absences payable - noncurrent	35,087	-	-	35,087	28,260
Total noncurrent liabilities	<u>35,087</u>	<u>0</u>	<u>0</u>	<u>35,087</u>	<u>28,260</u>
Total liabilities	<u>73,975</u>	<u>0</u>	<u>26,614</u>	<u>100,589</u>	<u>309,895</u>
Net position:					
Net investments in capital assets	2,854,213	-	252,924	3,107,137	2,865,201
Unrestricted	605,681	480,288	684,453	1,770,422	1,975,366
Total net position	<u><u>\$3,459,894</u></u>	<u><u>\$480,288</u></u>	<u><u>\$937,377</u></u>	<u><u>\$4,877,559</u></u>	<u><u>\$4,840,567</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
For The Year Ended December 31, 2012
With Comparative Totals For The Year Ended December 31, 2011

Statement 39

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Interfund Eliminations	Totals	
					2012	2011
Operating revenues:						
Charges for services:						
Sewer service charges	\$1,579,864	\$ -	\$ -	\$ -	\$1,579,864	\$1,521,142
Operating expenses:						
Disposal	899,008	-	-	-	899,008	901,096
Collection	350,512	-	28,950	-	379,462	571,540
Administration	21,378	-	-	-	21,378	19,335
Depreciation	131,755	-	-	-	131,755	170,740
Total operating expenses	1,402,653	0	28,950	0	1,431,603	1,662,711
Net income (loss) from operations	177,211	0	(28,950)	0	148,261	(141,569)
Nonoperating revenues:						
Investment income	9,000	6,200	5,221	-	20,421	57,332
Miscellaneous revenues	1,652	-	-	-	1,652	2,710
Total nonoperating revenues	10,652	6,200	5,221	0	22,073	60,042
Net income (loss) before transfers	187,863	6,200	(23,729)	0	170,334	(81,527)
Transfers in	-	25,000	28,960	(53,960)	-	-
Transfers out	(187,302)	-	-	53,960	(133,342)	(138,905)
Total transfers	(187,302)	25,000	28,960	0	(133,342)	(138,905)
Change in net position	561	31,200	5,231	0	36,992	(220,432)
Net position - January 1	3,459,333	449,088	932,146	-	4,840,567	5,060,999
Net position - December 31	\$3,459,894	\$480,288	\$937,377	\$0	\$4,877,559	\$4,840,567

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SEWER UTILITY FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

Statement 40

	2012	2011
Cash flows from operating activities:		
Cash received from customers	\$1,532,212	\$1,499,250
Cash paid to suppliers for goods and services	(1,285,953)	(1,026,583)
Cash payments to employees for services	(225,252)	(221,327)
Net cash flows from operating activities	<u>21,007</u>	<u>251,340</u>
Cash flows from noncapital financing activities:		
Transfers in	-	131,172
Transfers out	(133,342)	(270,077)
Interfund receivable repaid by other funds	52,371	36,060
Net cash flows from noncapital financing activities	<u>(80,971)</u>	<u>(102,845)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(373,690)</u>	<u>(448,083)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	20,221	41,432
Change in fair value	1,300	18,900
Net cash flows from investing activities	<u>21,521</u>	<u>60,332</u>
Net increase (decrease) in cash and cash equivalents	(412,133)	(239,256)
Cash and cash equivalents - January 1	<u>1,759,137</u>	<u>1,998,393</u>
Cash and cash equivalents - December 31	<u><u>\$1,347,004</u></u>	<u><u>\$1,759,137</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>\$148,261</u>	<u>(\$141,569)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	131,755	170,740
Miscellaneous revenues	1,652	2,710
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(49,304)	(24,602)
(Increase) decrease in prepayments	(2,051)	174
Increase (decrease) in accounts payable	(212,565)	223,791
Increase (decrease) in accrued salaries and withholdings payable	(2,232)	3,119
Increase (decrease) in contracts payable -retained percentage	155	11,660
Increase (decrease) compensated absences payable	5,336	5,317
Total adjustments	<u>(127,254)</u>	<u>392,909</u>
Net cash flows from operating activities	<u><u>\$21,007</u></u>	<u><u>\$251,340</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REFUSE UTILITY FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2012
With Comparative Totals for December 31, 2011

Statement 41

	<u>2012</u>	<u>2011</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$792,091	\$789,747
Receivables:		
Accounts (net of allowance for uncollectibles)	466,365	432,529
Interest	2,300	2,200
Due from other governmental units	5,034	-
Total current assets	<u>1,265,790</u>	<u>1,224,476</u>
Noncurrent assets:		
Capital assets:		
Buildings	56,000	6,000
Equipment	112,893	108,690
Total capital assets	<u>168,893</u>	<u>114,690</u>
Less: accumulated depreciation	(114,975)	(113,490)
Total capital assets (net of accumulated depreciation)	<u>53,918</u>	<u>1,200</u>
Total noncurrent assets	<u>53,918</u>	<u>1,200</u>
Total assets	<u>1,319,708</u>	<u>1,225,676</u>
Liabilities:		
Current liabilities:		
Accounts payable	112,898	227,885
Accrued salaries and withholdings payable	1,467	3,007
Compensated absences payable - current	301	588
Total current liabilities	<u>114,666</u>	<u>231,480</u>
Noncurrent liabilities:		
Compensated absences payable - noncurrent	<u>4,720</u>	<u>4,451</u>
Total liabilities	<u>119,386</u>	<u>235,931</u>
Net position:		
Net investments in capital assets	53,918	1,200
Unrestricted	<u>1,146,404</u>	<u>988,545</u>
Total net position	<u><u>\$1,200,322</u></u>	<u><u>\$989,745</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

REFUSE UTILITY FUND

Statement 42

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Refuse service charges	<u>1,761,860</u>	<u>\$1,682,178</u>
Operating expenses:		
Collection and disposal	1,415,885	1,381,227
Administration	53,319	59,251
Recycling	84,855	61,127
Hazardous waste	3,249	2,626
Depreciation	1,485	300
Total operating expenses	<u>1,558,793</u>	<u>1,504,531</u>
Net income from operations	<u>203,067</u>	<u>177,647</u>
Nonoperating revenues:		
Investment income	10,500	21,000
Intergovernmental	112,471	66,163
Total nonoperating revenues	<u>122,971</u>	<u>87,163</u>
Net income before transfers	326,038	264,810
Transfers out	<u>(115,461)</u>	<u>(117,859)</u>
Change in net position	210,577	146,951
Total net position - January 1	<u>989,745</u>	<u>842,794</u>
Total net position - December 31	<u><u>\$1,200,322</u></u>	<u><u>\$989,745</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

REFUSE UTILITY FUND

Statement 43

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from customers	\$1,728,024	\$1,629,104
Cash paid to suppliers for goods and services	(1,597,081)	(1,305,582)
Cash payments to employees for services	(76,772)	(75,568)
Net cash flows from operating activities	<u>54,171</u>	<u>247,954</u>
Cash flows from noncapital financing activities:		
Transfers out	(115,461)	(117,859)
Intergovernmental	112,471	66,163
Interfund receivable repaid by (advanced to) other funds	(5,034)	-
Net cash flows from noncapital financing activities	<u>(8,024)</u>	<u>(51,696)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(54,203)</u>	<u>-</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	9,700	13,800
Change in fair value	700	7,500
Net cash flows from investing activities	<u>10,400</u>	<u>21,300</u>
Net increase in cash and cash equivalents	2,344	217,558
Cash and cash equivalents - January 1	<u>789,747</u>	<u>572,189</u>
Cash and cash equivalents - December 31	<u>\$792,091</u>	<u>\$789,747</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$203,067</u>	<u>\$177,647</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	1,485	300
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(33,836)	(53,074)
Increase (decrease) in accounts payable	(114,987)	121,464
Increase (decrease) in accrued salaries and withholdings payable	(1,540)	1,858
Increase (decrease) compensated absences payable	(18)	(241)
Total adjustments	<u>(148,896)</u>	<u>70,307</u>
Net cash flows from operating activities	<u>\$54,171</u>	<u>\$247,954</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STORM SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2012
With Comparative Totals for December 31, 2011

Statement 44

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Totals	
						2012	2011
Assets:							
Current assets:							
Cash and cash equivalents	\$756	\$ -	\$ -	\$37,220	\$ -	\$37,976	\$36,111
Receivables:							
Accounts (net of allowance for uncollectibles)	92,357	-	-	-	-	92,357	85,589
Interest	-	-	401	101	-	502	500
Interfund receivable	-	-	193,075	-	(193,075)	-	-
Total current assets	<u>93,113</u>	<u>0</u>	<u>193,476</u>	<u>37,321</u>	<u>(193,075)</u>	<u>130,835</u>	<u>122,200</u>
Noncurrent assets:							
Capital assets:							
Land	260,690	-	-	-	-	260,690	254,724
Equipment	190,653	-	-	-	-	190,653	190,653
Infrastructure	1,518,512	-	-	-	-	1,518,512	1,477,536
Construction in process	-	-	-	-	-	-	39,348
Total capital assets	<u>1,969,855</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,969,855</u>	<u>1,962,261</u>
Less: accumulated depreciation	<u>(716,540)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(716,540)</u>	<u>(632,546)</u>
Net capital assets	<u>1,253,315</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,253,315</u>	<u>1,329,715</u>
Total noncurrent assets	<u>1,253,315</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,253,315</u>	<u>1,329,715</u>
Total assets	<u>1,346,428</u>	<u>0</u>	<u>193,476</u>	<u>37,321</u>	<u>(193,075)</u>	<u>1,384,150</u>	<u>1,451,915</u>
Liabilities:							
Current liabilities:							
Accounts payable	40	-	-	-	-	40	3,380
Accrued salaries and withholdings payable	1,934	-	-	-	-	1,934	2,251
Interfund payable	103,029	94,908	-	82,000	(193,075)	86,862	146,630
Accrued interest payable	-	-	-	2,838	-	2,838	3,307
Compensated absences payable - current	84	-	-	-	-	84	91
Bonds payable - current	-	-	-	30,638	-	30,638	28,120
Total current liabilities	<u>105,087</u>	<u>94,908</u>	<u>0</u>	<u>115,476</u>	<u>(193,075)</u>	<u>122,396</u>	<u>183,779</u>
Noncurrent liabilities:							
Compensated absences payable - noncurrent	1,317	-	-	-	-	1,317	693
Bonds payable - noncurrent	-	-	-	141,142	-	141,142	171,780
Total noncurrent liabilities	<u>1,317</u>	<u>0</u>	<u>0</u>	<u>141,142</u>	<u>0</u>	<u>142,459</u>	<u>172,473</u>
Total liabilities	<u>106,404</u>	<u>94,908</u>	<u>0</u>	<u>256,618</u>	<u>(193,075)</u>	<u>264,855</u>	<u>356,252</u>
Net position:							
Net investment in capital assets	1,253,315	-	-	(171,780)	-	1,081,535	1,028,815
Restricted for debt service	-	-	-	-	-	-	33,979
Unrestricted	<u>(13,291)</u>	<u>(94,908)</u>	<u>193,476</u>	<u>(47,517)</u>	<u>-</u>	<u>37,760</u>	<u>32,869</u>
Total net position	<u>\$1,240,024</u>	<u>(\$94,908)</u>	<u>\$193,476</u>	<u>(\$219,297)</u>	<u>\$0</u>	<u>\$1,119,295</u>	<u>\$1,095,663</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STORM SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
For The Year Ended December 31, 2012
With Comparative Totals For The Year Ended December 31, 2011

Statement 45

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Totals	
						2012	2011
Operating revenues:							
Storm sewer service charges	\$349,457	\$ -	\$ -	\$ -	\$ -	\$349,457	\$349,964
Operating expenses:							
Collection	218,772	-	16,699	-	-	235,471	205,003
Administration	1,646	-	-	-	-	1,646	1,601
Depreciation	83,993	-	-	-	-	83,993	81,450
Total operating expenses	304,411	0	16,699	0	0	321,110	288,054
Net income (loss) from operations	45,046	0	(16,699)	0	0	28,347	61,910
Nonoperating revenues (expenses):							
Investment income	-	-	2,000	200	-	2,200	4,700
Miscellaneous revenues	3,886	-	-	-	-	3,886	654
Interest and fiscal charges	-	-	-	(10,801)	-	(10,801)	(12,245)
Total nonoperating revenues (expenses)	3,886	0	2,000	(10,601)	0	(4,715)	(6,891)
Net income (loss) before transfers	48,932	0	(14,699)	(10,601)	0	23,632	55,019
Transfers in	-	5,000	16,699	63,000	(84,699)	-	8,750
Transfers out	(84,699)	-	-	-	84,699	-	-
Total transfers and contributions	(84,699)	5,000	16,699	63,000	0	0	8,750
Change in net position	(35,767)	5,000	2,000	52,399	0	23,632	63,769
Net position - January 1	1,275,791	(99,908)	191,476	(271,696)	-	1,095,663	1,031,894
Net position - December 31	\$1,240,024	(\$94,908)	\$193,476	(\$219,297)	\$0	\$1,119,295	\$1,095,663

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STORM SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2012
With Comparative Totals For The Year Ended December 31, 2011

Statement 46

	2012	2011
Cash flows from operating activities:		
Cash received from customers	\$346,576	\$343,664
Cash paid to suppliers for goods and services	(116,644)	(87,642)
Cash payments to employees for services	(123,513)	(119,070)
Net cash flows from operating activities	<u>106,419</u>	<u>136,952</u>
Cash flows from noncapital financing activities:		
Interfund receivable repaid by (advanced to) other funds	-	(148,028)
Interfund payable (repaid to) advanced by other funds	(59,768)	294,658
Net cash flows from noncapital financing activities:	<u>(59,768)</u>	<u>146,630</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(7,594)	(86,184)
Principal payments - bonds	(28,120)	(157,775)
Interest and fiscal charges	(11,270)	(14,669)
Net cash flows from capital and related financing activities	<u>(46,984)</u>	<u>(258,628)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	2,098	3,400
Change in fair value	100	1,700
Net cash flows from investing activities	<u>2,198</u>	<u>5,100</u>
Net increase in cash and cash equivalents	1,865	30,054
Cash and cash equivalents - January 1	<u>36,111</u>	<u>6,057</u>
Cash and cash equivalents - December 31	<u><u>\$37,976</u></u>	<u><u>\$36,111</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$28,347</u>	<u>\$61,910</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	83,993	81,450
Miscellaneous revenue	3,886	654
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(6,767)	(6,954)
Increase (decrease) in accounts payable	(3,340)	148
Increase (decrease) in accrued salaries and withholdings payable	(317)	255
Increase (decrease) compensated absences payable	617	(511)
Total adjustments	<u>78,072</u>	<u>75,042</u>
Net cash flows from operating activities	<u><u>\$106,419</u></u>	<u><u>\$136,952</u></u>
Noncash capital and related financing activities:		
Contribution of capital asset from government	\$ -	\$8,750

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CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

Statement 47

SUBCOMBINING SCHEDULE OF NET POSITION

December 31, 2012

With Comparative Totals for December 31, 2011

	Operating Account	Debt Service Account	Intrafund Eliminations	Totals	
				2012	2011
Assets:					
Current assets:					
Cash and cash equivalents	\$335,149	\$272,549	\$ -	\$607,698	\$277,781
Cash and cash equivalents with fiscal agent	-	399,254	-	399,254	399,254
Receivables:					
Accounts (net of allowance for uncollectables)	161	-	-	161	269
Interest	-	200	-	200	200
Due from other governmental units	475	-	-	475	1,228
Prepayments	-	72,560	-	72,560	97,431
Inventory - at cost	2,542,372	-	-	2,542,372	2,356,582
Total current assets	2,878,157	744,563	-	3,622,720	3,132,745
Noncurrent assets:					
Capital assets:					
Land	2,006,714	-	-	2,006,714	2,006,714
Buildings	3,915,062	-	-	3,915,062	3,915,062
Equipment	413,202	-	-	413,202	386,314
Total capital assets	6,334,978	0	0	6,334,978	6,308,090
Less: accumulated depreciation	(823,602)	-	-	(823,602)	(673,314)
Net capital assets	5,511,376	0	0	5,511,376	5,634,776
Total noncurrent assets	5,511,376	0	0	5,511,376	5,634,776
Total assets	8,389,533	744,563	0	9,134,096	8,767,521
Liabilities:					
Current liabilities:					
Accounts payable	400,342	-	-	400,342	238,904
Accrued salaries and withholdings payable	23,364	-	-	23,364	20,127
Due to other governmental units	93,033	-	-	93,033	95,098
Accrued interest payable	-	100,563	-	100,563	103,747
Compensated absences payable - current	5,222	-	-	5,222	9,698
Bonds payable - current	-	165,000	-	165,000	155,000
Total current liabilities	521,961	265,563	-	787,524	622,574
Noncurrent liabilities:					
Compensated absences payable - noncurrent	81,816	-	-	81,816	73,463
Bonds payable - noncurrent	-	4,430,000	-	4,430,000	4,595,000
Total noncurrent liabilities	81,816	4,430,000	0	4,511,816	4,668,463
Total liabilities	603,777	4,695,563	0	5,299,340	5,291,037
Net position:					
Net investments in capital assets	5,511,376	(4,595,000)	-	916,376	1,363,961
Restricted for debt service	-	644,000	-	644,000	162,769
Unrestricted	2,274,380	-	-	2,274,380	1,949,754
Total net position	\$7,785,756	(\$3,951,000)	\$0	\$3,834,756	\$3,476,484

CITY OF COLUMBIA HEIGHTS, MINNESOTA
LIQUOR FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2012
With Comparative Totals For The Year Ended December 31, 2011

	Operating Accounts		
	Top Valu	Top Valu II	Heights Liquor
Operating revenues:			
Charges for sales:			
Liquor	\$1,512,508	\$1,278,804	\$491,373
Beer	1,569,239	1,547,657	563,869
Wine	629,048	637,031	70,524
Other	176,817	186,985	140,378
Total operating revenues	<u>3,887,612</u>	<u>3,650,477</u>	<u>1,266,144</u>
Operating expenses:			
Cost of goods sold	2,913,663	2,739,464	1,001,530
Operating expense	615,600	514,332	185,464
Depreciation	83,587	62,264	4,436
Total operating expenses	<u>3,612,850</u>	<u>3,316,060</u>	<u>1,191,430</u>
Net income from operations	<u>\$274,762</u>	<u>\$334,417</u>	<u>\$74,714</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest and dividends			
Interest and fiscal charges			
Total nonoperating revenues (expenses)			
Net income (loss) before transfers			
Transfers in			
Transfers out			
Total transfers			
Change in net position			
Net position - January 1			
Net position - December 31			

Total Operating Accounts	Debt Service Account	Intrafund Eliminations	Totals	
			2012	2011
\$3,282,685	\$ -	\$ -	\$3,282,685	\$3,187,590
3,680,765	-	-	3,680,765	3,562,603
1,336,603	-	-	1,336,603	1,244,315
504,180	-	-	504,180	500,454
<u>8,804,233</u>	<u>0</u>	<u>0</u>	<u>8,804,233</u>	<u>8,494,962</u>
6,654,657	-	-	6,654,657	6,413,886
1,315,396	-	-	1,315,396	1,310,983
150,287	-	-	150,287	148,673
<u>8,120,340</u>	<u>0</u>	<u>0</u>	<u>8,120,340</u>	<u>7,873,542</u>
683,893	0	0	683,893	621,420
-	1,000	-	1,000	1,500
-	(229,954)	-	(229,954)	(237,147)
<u>0</u>	<u>(228,954)</u>	<u>0</u>	<u>(228,954)</u>	<u>(235,647)</u>
683,893	(228,954)	0	454,939	385,773
-	386,000	(386,000)	-	-
(482,667)	-	386,000	(96,667)	(98,955)
<u>(482,667)</u>	<u>386,000</u>	<u>0</u>	<u>(96,667)</u>	<u>(98,955)</u>
201,226	157,046	0	358,272	286,818
7,584,530	(4,108,046)	-	3,476,484	3,189,666
<u>\$7,785,756</u>	<u>(\$3,951,000)</u>	<u>\$0</u>	<u>\$3,834,756</u>	<u>\$3,476,484</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

Statement 49

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	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from customers	\$8,805,094	\$8,495,572
Cash paid to suppliers for goods and services	(7,028,496)	(6,684,150)
Cash payments to employees for services	(960,860)	(929,242)
Net cash flows from operating activities	<u>815,738</u>	<u>882,180</u>
Cash flows from noncapital financing activities		
Transfers in	-	390,000
Transfers out	(96,667)	(488,955)
Interfund payable (repaid to) advanced by other funds	-	(102,815)
Net cash flows from noncapital financing activities	<u>(96,667)</u>	<u>(201,770)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(26,887)	(11,099)
Principal payments - bonds	(155,000)	(150,000)
Interest and fiscal charges - including capitalized interest	(208,267)	(250,130)
Net cash flows from capital and related financing activities	<u>(390,154)</u>	<u>(411,229)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	900	1,100
Change in fair value	100	500
Net cash flows from investing activities	<u>1,000</u>	<u>1,600</u>
Net increase in cash and cash equivalents	329,917	270,781
Total cash and cash equivalents - January 1	<u>677,035</u>	<u>406,254</u>
Total cash and cash equivalents - December 31	1,006,952	677,035
(Less) cash and cash equivalents with fiscal agent - December 31	<u>(399,254)</u>	<u>(399,254)</u>
Cash and cash equivalents - December 31	<u><u>\$607,698</u></u>	<u><u>\$277,781</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

Statement 49

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	<u>2012</u>	<u>2011</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$683,893</u>	<u>\$621,420</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	150,287	148,673
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	108	147
(Increase) decrease in due from other governmental units	753	463
(Increase) decrease in prepayments	24,871	(9,902)
Adjustment for nonoperating portion	(24,871)	9,902
(Increase) decrease in inventory, at cost	(185,790)	(35,966)
Increase (decrease) in accounts payable		
Adjustment for nonoperating portion	161,438	121,198
Increase (decrease) in accrued salaries and withholdings payable		
Adjustment for nonoperating portion	3,237	1,637
Increase (decrease) in due to other governmental units	(2,065)	7,490
Increase (decrease) in compensated absences payable	3,877	17,118
Total adjustments	<u>131,845</u>	<u>260,760</u>
Net cash flows from operating activities	<u><u>\$815,738</u></u>	<u><u>\$882,180</u></u>
Noncash capital and related financing activities:		
Capital assets purchased/constructed on account	<u><u>\$ -</u></u>	<u><u>\$2,290</u></u>

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing on a cost reimbursement basis of goods or services provided by one department or agency to other departments or agencies within the City.

Central Garage Fund – used to account for the costs of operating a maintenance facility for automotive equipment used by other City departments. Such costs are billed to other departments at actual cost plus a fixed overhead factor. The automotive equipment itself is acquired by the various user departments, which are responsible for financing replacement vehicles as necessary.

Information Systems Fund – used to account for the costs associated with information systems within the City. All costs are recorded in the fund and are financed by transfers from user departments.

Insurance Fund – used to account for certain costs of the City's risk management services and to build a reserve for catastrophic losses. All costs for premiums, claims and claims administration are recorded in the fund and allocated to user funds based on a percentage risk factor.

Compensated Absences Fund – used to account for funds that have been set aside by the City Council for compensated absences earned by employees' services to the City's governmental funds. Funds set aside for the compensated absences earned by employees' services to the City's proprietary funds are recorded directly in each particular proprietary fund.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2012

Statement 50

	Central Garage	Information Systems	Insurance	Compensated Absences	Total Internal Service Funds
Assets:					
Current assets:					
Cash and cash equivalents	\$588,846	\$678,823	\$1,038,439	\$912,138	\$3,218,246
Interest receivable	1,700	2,000	2,900	-	6,600
Prepayments	-	-	48,082	-	48,082
Accounts receivable	-	-	2,819	-	2,819
Inventory - at cost	68,678	-	-	-	68,678
Total current assets	<u>659,224</u>	<u>680,823</u>	<u>1,092,240</u>	<u>912,138</u>	<u>3,344,425</u>
Noncurrent assets:					
Capital assets:					
Land	15,779	-	-	-	15,779
Buildings	1,812,838	-	-	-	1,812,838
Equipment	208,137	195,300	-	-	403,437
Construction in progress	68,770	-	-	-	68,770
Total capital assets	<u>2,105,524</u>	<u>195,300</u>	<u>0</u>	<u>0</u>	<u>2,300,824</u>
Less: accumulated depreciation	<u>(797,721)</u>	<u>(152,671)</u>	<u>-</u>	<u>-</u>	<u>(950,392)</u>
Net capital assets	<u>1,307,803</u>	<u>42,629</u>	<u>0</u>	<u>0</u>	<u>1,350,432</u>
Total noncurrent assets	<u>1,307,803</u>	<u>42,629</u>	<u>0</u>	<u>0</u>	<u>1,350,432</u>
Total assets	<u>1,967,027</u>	<u>723,452</u>	<u>1,092,240</u>	<u>912,138</u>	<u>4,694,857</u>
Liabilities:					
Current liabilities:					
Accounts payable	45,235	1,830	-	-	47,065
Contracts payable	-	-	-	-	-
Accrued salaries and withholdings payable	4,359	5,289	-	-	9,648
Deferred revenue	7,450	-	-	-	7,450
Compensated absences payable - current	2,243	946	-	54,813	58,002
Total current liabilities	<u>59,287</u>	<u>8,065</u>	<u>0</u>	<u>54,813</u>	<u>122,165</u>
Noncurrent liabilities:					
Compensated absences payable - noncurrent	<u>35,143</u>	<u>14,819</u>	<u>-</u>	<u>858,738</u>	<u>908,700</u>
Total liabilities	<u>94,430</u>	<u>22,884</u>	<u>0</u>	<u>913,551</u>	<u>1,030,865</u>
Net position:					
Net investments in capital assets	1,307,803	42,629	-	-	1,350,432
Unrestricted	564,794	657,939	1,092,240	(1,413)	2,313,560
Total net position	<u>\$1,872,597</u>	<u>\$700,568</u>	<u>\$1,092,240</u>	<u>(\$1,413)</u>	<u>\$3,663,992</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2012

Statement 51

	Central Garage	Information Systems	Insurance	Compensated Absences	Interfund Eliminations	Total Internal Service Funds
Operating revenues:						
Charges for services:						
Services to departments	\$179,376	\$ -	\$508,546	\$ -	\$ -	\$687,922
Use of space	300,478	-	-	-	-	300,478
Recovery of damages	-	-	19,255	-	-	19,255
Charges for sales:						
Sales of motor fuel	156,113	-	-	-	-	156,113
Total operating revenues	<u>635,967</u>	<u>0</u>	<u>527,801</u>	<u>0</u>	<u>0</u>	<u>1,163,768</u>
Operating expenses:						
Cost of services and space	505,056	262,230	374,819	-	-	1,142,105
Depreciation	62,656	18,629	-	-	-	81,285
Total operating expenses	<u>567,712</u>	<u>280,859</u>	<u>374,819</u>	<u>0</u>	<u>0</u>	<u>1,223,390</u>
Net income (loss) from operations	<u>68,255</u>	<u>(280,859)</u>	<u>152,982</u>	<u>0</u>	<u>0</u>	<u>(59,622)</u>
Nonoperating revenues (expenses):						
Investment income	7,400	8,800	12,800	-	-	29,000
Miscellaneous expense	-	-	(21,019)	-	-	(21,019)
Total nonoperating revenues (expenses)	<u>7,400</u>	<u>8,800</u>	<u>(8,219)</u>	<u>0</u>	<u>0</u>	<u>7,981</u>
Net income (loss) before transfers	<u>75,655</u>	<u>(272,059)</u>	<u>144,763</u>	<u>0</u>	<u>0</u>	<u>(51,641)</u>
Transfers in	4,000	325,000	-	-	(35,000)	294,000
Transfers out	(39,000)	-	-	-	35,000	(4,000)
Total transfers and capital contributions	<u>(35,000)</u>	<u>325,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>290,000</u>
Change in net position	40,655	52,941	144,763	0	0	238,359
Net position - January 1	<u>1,831,942</u>	<u>647,627</u>	<u>947,477</u>	<u>(1,413)</u>	<u>-</u>	<u>3,425,633</u>
Net position - December 31	<u>\$1,872,597</u>	<u>\$700,568</u>	<u>\$1,092,240</u>	<u>(\$1,413)</u>	<u>\$0</u>	<u>\$3,663,992</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2012

Statement 52

	Central Garage	Info Sys	Insurance	Comp Abs	Total Internal Service Funds
Cash flows from operating activities:					
Cash received from interfund goods and services provided	\$635,967	\$ -	\$508,546	\$438,786	\$1,583,299
Cash received for damages	-	-	19,255	-	19,255
Cash paid to suppliers for goods and services	(388,293)	(47,896)	(399,133)	-	(835,322)
Cash payments to employees for services	(214,609)	(214,827)	-	(433,764)	(863,200)
Net cash flows from operating activities	<u>33,065</u>	<u>(262,723)</u>	<u>128,668</u>	<u>5,022</u>	<u>(95,968)</u>
Cash flows from noncapital financing activities:					
Transfers in	-	325,000	-	-	325,000
Transfers out	(35,000)	-	-	-	(35,000)
Net cash flows from noncapital financing activities	<u>(35,000)</u>	<u>325,000</u>	<u>0</u>	<u>0</u>	<u>290,000</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(48,646)	(12,596)	-	-	(61,242)
Cash flows from investing activities:					
Investment income:					
Interest and dividends	6,800	8,400	11,400	-	26,600
Change in fair value	400	200	800	-	1,400
Net cash flows from investing activities	<u>7,200</u>	<u>8,600</u>	<u>12,200</u>	<u>0</u>	<u>28,000</u>
Net increase (decrease) in cash and cash equivalents	(43,381)	58,281	140,868	5,022	160,790
Cash and cash equivalents - January 1	632,227	620,542	897,571	907,116	3,057,456
Cash and cash equivalents - December 31	<u>\$588,846</u>	<u>\$678,823</u>	<u>\$1,038,439</u>	<u>\$912,138</u>	<u>\$3,218,246</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$68,255	(\$280,859)	\$152,982	\$ -	(\$59,622)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	62,656	18,629	-	-	81,285
Miscellaneous expense	-	-	(21,019)	-	(21,019)
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	196	-	(22)	-	174
(Increase) decrease in prepayments	-	-	(1,273)	-	(1,273)
(Increase) decrease in inventory, at cost	(10,105)	-	-	-	(10,105)
Increase (decrease) in accounts payable	(90,082)	(2,203)	(2,000)	-	(94,285)
Increase (decrease) in accrued salaries and withholdings payable	703	(2,473)	-	-	(1,770)
Increase (decrease) in compensated absences payable	1,225	4,183	-	5,022	10,430
Increase (decrease) in deferred revenue	217	-	-	-	217
Total adjustments	<u>(35,190)</u>	<u>18,136</u>	<u>(24,314)</u>	<u>5,022</u>	<u>(36,346)</u>
Net cash flows from operating activities	<u>\$33,065</u>	<u>(\$262,723)</u>	<u>\$128,668</u>	<u>\$5,022</u>	<u>(\$95,968)</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CENTRAL GARAGE FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2012
With Comparative Totals For December 31, 2011

Statement 53

	Operating Account	Capital Equipment Replacement Account	Totals	
			2012	2011
Assets:				
Current assets:				
Cash and cash equivalents	\$552,810	\$36,036	\$588,846	\$632,227
Interest receivable	1,600	100	1,700	1,500
Accounts receivable	-	-	-	196
Inventory - at cost	68,678	-	68,678	58,573
Total current assets	623,088	36,136	659,224	692,496
Noncurrent assets:				
Capital assets:				
Land	15,779	-	15,779	15,779
Buildings	1,812,838	-	1,812,838	1,780,253
Equipment	208,137	-	208,137	198,911
Construction in progress	68,770	-	68,770	61,935
Total capital assets	2,105,524	0	2,105,524	2,056,878
Less: Accumulated depreciation	(797,721)	-	(797,721)	(735,065)
Net capital assets	1,307,803	0	1,307,803	1,321,813
Total noncurrent assets	1,307,803	0	1,307,803	1,321,813
Total assets	1,930,891	36,136	1,967,027	2,014,309
Liabilities:				
Current liabilities:				
Accounts payable	45,235	-	45,235	120,886
Contracts payable	-	-	-	14,431
Accrued salaries and withholdings payable	4,359	-	4,359	3,656
Deferred revenue	7,450	-	7,450	7,233
Compensated absences payable - current	2,243	-	2,243	4,217
Total current liabilities	59,287	0	59,287	150,423
Noncurrent liabilities:				
Compensated absences payable - noncurrent	35,143	-	35,143	31,944
Total liabilities	94,430	0	94,430	182,367
Net position:				
Net investments in capital assets	1,307,803	-	1,307,803	1,321,813
Unrestricted	528,658	36,136	564,794	510,129
Total net position	\$1,836,461	\$36,136	\$1,872,597	\$1,831,942

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CENTRAL GARAGE FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2012
With Comparative Totals For The Year Ended December 31, 2011

Statement 54

	Operating Account	Capital Equipment Replacement Account	Intrafund Eliminations	Totals	
				2012	2011
Operating revenues:					
Charges for services:					
Services to departments	\$179,376	\$ -	\$ -	\$179,376	\$174,719
Use of space	300,478	-	-	300,478	283,188
Charges for sales:					
Sales of motor fuel	156,113	-	-	156,113	174,493
Total operating revenues	<u>635,967</u>	<u>0</u>	<u>0</u>	<u>635,967</u>	<u>632,400</u>
Operating expenses:					
Cost of services and space	505,056	-	-	505,056	511,753
Depreciation	62,656	-	-	62,656	51,607
Total operating expenses	<u>567,712</u>	<u>0</u>	<u>0</u>	<u>567,712</u>	<u>563,360</u>
Net income from operations	<u>68,255</u>	<u>0</u>	<u>0</u>	<u>68,255</u>	<u>69,040</u>
Nonoperating revenues:					
Investment income:					
Interest and dividends	6,600	400	-	7,000	9,100
Change in fair value	400	-	-	400	5,100
Total nonoperating revenues	<u>7,000</u>	<u>400</u>	<u>0</u>	<u>7,400</u>	<u>14,200</u>
Net income before transfers	<u>75,255</u>	<u>400</u>	<u>0</u>	<u>75,655</u>	<u>83,240</u>
Transfers in	-	4,000	-	4,000	188,272
Transfers out	(39,000)	-	-	(39,000)	(36,500)
Total transfers	<u>(39,000)</u>	<u>4,000</u>	<u>0</u>	<u>(35,000)</u>	<u>151,772</u>
Change in net position	36,255	4,400	0	40,655	235,012
Total net position - January 1	<u>1,800,206</u>	<u>31,736</u>	<u>-</u>	<u>1,831,942</u>	<u>1,596,930</u>
Total net position - December 31	<u>\$1,836,461</u>	<u>\$36,136</u>	<u>\$0</u>	<u>\$1,872,597</u>	<u>\$1,831,942</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

CENTRAL GARAGE FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

Statement 55

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from interfund goods & services provided	\$635,967	\$632,204
Cash paid to suppliers for goods and services	(388,293)	(211,688)
Cash payments to employees for services	(214,609)	(196,356)
Net cash flows from operating activities	<u>33,065</u>	<u>224,160</u>
Cash flows from noncapital financing activities:		
Transfers in	-	192,272
Transfers out	(35,000)	(40,500)
Net cash flows from noncapital financing activities:	<u>(35,000)</u>	<u>151,772</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(48,646)	(256,195)
Cash flows from investing activities:		
Investment income:		
Interest and dividends	6,800	9,200
Change in fair value	400	5,100
Net cash flows from investing activities	<u>7,200</u>	<u>14,300</u>
Net increase (decrease) in cash and cash equivalents	(43,381)	134,037
Cash and cash equivalents - January 1	632,227	498,190
Cash and cash equivalents - December 31	<u><u>\$588,846</u></u>	<u><u>\$632,227</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$68,255</u>	<u>\$69,040</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	62,656	51,607
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	196	(196)
(Increase) decrease in inventory, at cost	(10,105)	(19,551)
Increase (decrease) in accounts and contracts payable	(90,082)	106,965
Increase (decrease) in accrued salaries and withholdings payable	703	(151)
Increase (decrease) in compensated absences payable	1,225	9,213
Increase (decrease) in deferred revenue	217	7,233
Total adjustments	<u>(35,190)</u>	<u>155,120</u>
Net cash flows from operating activities	<u><u>\$33,065</u></u>	<u><u>\$224,160</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INFORMATION SYSTEMS FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2012
With Comparative Totals For December 31, 2011

Statement 56

	Operating Account	Capital Equipment Replacement Account	Totals	
			2012	2011
Assets:				
Current assets:				
Cash and cash equivalents	\$197,169	\$481,654	\$678,823	\$620,542
Interest receivable	600	1,400	2,000	1,800
Total current assets	<u>197,769</u>	<u>483,054</u>	<u>680,823</u>	<u>622,342</u>
Noncurrent assets:				
Capital assets:				
Equipment	195,300	-	195,300	182,705
Less: accumulated depreciation	<u>(152,671)</u>	<u>-</u>	<u>(152,671)</u>	<u>(134,043)</u>
Net capital assets	<u>42,629</u>	<u>-</u>	<u>42,629</u>	<u>48,662</u>
Total noncurrent assets	<u>42,629</u>	<u>0</u>	<u>42,629</u>	<u>48,662</u>
Total assets	<u>240,398</u>	<u>483,054</u>	<u>723,452</u>	<u>671,004</u>
Liabilities:				
Current liabilities:				
Accounts payable	1,830	-	1,830	4,033
Accrued salaries and withholdings payable	5,289	-	5,289	7,762
Compensated absences payable - current	946	-	946	1,351
Total current liabilities	<u>8,065</u>	<u>0</u>	<u>8,065</u>	<u>13,146</u>
Noncurrent liabilities:				
Compensated absences payable - noncurrent	<u>14,819</u>	<u>-</u>	<u>14,819</u>	<u>10,231</u>
Total liabilities	<u>22,884</u>	<u>0</u>	<u>22,884</u>	<u>23,377</u>
Net position:				
Net investments in capital assets	42,629	-	42,629	48,662
Unrestricted	<u>174,885</u>	<u>483,054</u>	<u>657,939</u>	<u>598,965</u>
Total net position	<u>\$217,514</u>	<u>\$483,054</u>	<u>\$700,568</u>	<u>\$647,627</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INFORMATION SYSTEMS FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2012
With Comparative Totals For The Year Ended December 31, 2011

Statement 57

	Operating Account	Capital Equipment Replacement Account	Intrafund Eliminations	Totals	
				2012	2011
Operating revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:					
Cost of services	262,230	-	-	262,230	344,347
Depreciation	18,629	-	-	18,629	20,545
Total operating expenses	<u>280,859</u>	<u>0</u>	<u>0</u>	<u>280,859</u>	<u>364,892</u>
Net income (loss) from operations	(280,859)	0	0	(280,859)	(364,892)
Nonoperating revenues:					
Investment income	<u>2,500</u>	<u>6,300</u>	<u>-</u>	<u>8,800</u>	<u>17,400</u>
Net income (loss) before transfers	(278,359)	6,300	0	(272,059)	(347,492)
Transfers in	<u>325,000</u>	<u>-</u>	<u>-</u>	<u>325,000</u>	<u>320,000</u>
Change in net position	46,641	6,300	0	52,941	(27,492)
Net position - January 1	<u>170,873</u>	<u>476,754</u>	<u>-</u>	<u>647,627</u>	<u>675,119</u>
Net position - December 31	<u>\$217,514</u>	<u>\$483,054</u>	<u>\$0</u>	<u>\$700,568</u>	<u>\$647,627</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

INFORMATION SYSTEMS FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

Statement 58

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash paid to suppliers for goods and services	(\$47,896)	(\$100,894)
Cash payments to employees for services	<u>(214,827)</u>	<u>(238,266)</u>
Net cash flows from operating activities	<u>(262,723)</u>	<u>(339,160)</u>
Cash flows from noncapital financing activities:		
Transfers in	325,000	348,108
Transfers out	<u>-</u>	<u>(28,108)</u>
Net cash flows from noncapital financing activities:	<u>325,000</u>	<u>320,000</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(12,596)</u>	<u>(28,108)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	8,400	12,100
Change in fair value	<u>200</u>	<u>6,200</u>
Net cash flows from investing activities	<u>8,600</u>	<u>18,300</u>
Net increase (decrease) in cash and cash equivalents	58,281	(28,968)
Cash and cash equivalents - January 1	<u>620,542</u>	<u>649,510</u>
Cash and cash equivalents - December 31	<u><u>\$678,823</u></u>	<u><u>\$620,542</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>(\$280,859)</u>	<u>(\$364,892)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	18,629	20,545
Changes in assets and liabilities:		
Increase (decrease) in accounts payable	(2,203)	3,384
Increase (decrease) in accrued salaries and withholdings payable	(2,473)	3,557
Increase (decrease) in compensated absences payable	<u>4,183</u>	<u>(1,754)</u>
Total adjustments	<u>18,136</u>	<u>25,732</u>
Net cash flows from operating activities	<u><u>(\$262,723)</u></u>	<u><u>(\$339,160)</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INSURANCE FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2012
With Comparative Totals For December 31, 2011

Statement 59

	<u>2012</u>	<u>2011</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$1,038,439	\$897,571
Interest receivable	2,900	2,300
Accounts receivable	2,819	2,797
Prepayments	48,082	46,809
	<u>1,092,240</u>	<u>949,477</u>
Total assets		
Liabilities:		
Current liabilities:		
Accounts payable	<u>-</u>	<u>2,000</u>
	<u>0</u>	<u>2,000</u>
Total liabilities		
Net position:		
Unrestricted	<u>1,092,240</u>	<u>947,477</u>
	<u>\$1,092,240</u>	<u>\$947,477</u>
Total net position		

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INSURANCE FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2012
With Comparative Totals For The Year Ended December 31, 2011

Statement 60

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Insurance allocation	\$508,546	\$483,758
Recovery of damages	19,255	34,928
Total operating revenues	<u>527,801</u>	<u>518,686</u>
Operating expenses:		
Cost of services:		
Premiums	366,495	373,047
Claims	8,324	17,848
Total operating expenses	<u>374,819</u>	<u>390,895</u>
Net income from operations	<u>152,982</u>	<u>127,791</u>
Nonoperating revenues:		
Investment income	12,800	22,500
Miscellaneous expense	(21,019)	(1,300)
Total nonoperating revenues	<u>(8,219)</u>	<u>21,200</u>
Net income before transfers	144,763	148,991
Transfers out	<u>-</u>	<u>(16,343)</u>
Change in net position	144,763	132,648
Net position - January 1	<u>947,477</u>	<u>814,829</u>
Net position - December 31	<u><u>\$1,092,240</u></u>	<u><u>\$947,477</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

INSURANCE FUND

Statement 61

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from interfund services provided	\$508,546	\$483,758
Cash received for damages	19,255	34,928
Cash paid to suppliers for goods and services	(399,133)	(388,831)
Net cash flows from operating activities	<u>128,668</u>	<u>129,855</u>
Cash flows from noncapital financing activities:		
Transfers out	-	(16,343)
Cash flows from investing activities:		
Investment income:		
Interest and dividends	11,400	14,500
Change in fair value	800	8,000
Net cash flows from investing activities	<u>12,200</u>	<u>22,500</u>
Net increase in cash and cash equivalents	140,868	136,012
Cash and cash equivalents - January 1	<u>897,571</u>	<u>761,559</u>
Cash and cash equivalents - December 31	<u><u>\$1,038,439</u></u>	<u><u>\$897,571</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$152,982</u>	<u>\$127,791</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Miscellaneous expense	(21,019)	(1,300)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(22)	(2,297)
(Increase) decrease in prepayments	(1,273)	3,661
Increase (decrease) in accounts payable	(2,000)	2,000
Total adjustments	<u>(24,314)</u>	<u>2,064</u>
Net cash flows from operating activities	<u><u>\$128,668</u></u>	<u><u>\$129,855</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
COMPENSATED ABSENCES FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2012
With Comparative Totals For December 31, 2011

Statement 62

	<u>2012</u>	<u>2011</u>
Assets:		
Current assets:		
Cash and cash equivalents	<u>\$912,138</u>	<u>\$907,116</u>
Total assets	<u>912,138</u>	<u>907,116</u>
Liabilities:		
Current liabilities:		
Compensated absences payable - current	54,813	107,713
Noncurrent liabilities:		
Compensated absences payable - noncurrent	<u>858,738</u>	<u>800,816</u>
Total liabilities	<u>913,551</u>	<u>908,529</u>
Net position:		
Unrestricted	<u>(1,413)</u>	<u>(1,413)</u>
Total net position	<u><u>(\$1,413)</u></u>	<u><u>(\$1,413)</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
COMPENSATED ABSENCES FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2012
With Comparative Totals For The Year Ended December 31, 2011

Statement 63

	<u>2012</u>	<u>2011</u>
Operating revenues	<u>\$ -</u>	<u>\$ -</u>
Operating expenses:		
Personal services	<u>-</u>	<u>89,146</u>
Net income (loss) from operations	<u>0</u>	<u>(89,146)</u>
Nonoperating revenues:		
Investment income	<u>-</u>	<u>-</u>
Change in net position	0	(89,146)
Net position - January 1	<u>(1,413)</u>	<u>87,733</u>
Net position - December 31	<u><u>(\$1,413)</u></u>	<u><u>(\$1,413)</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

COMPENSATED ABSENCES FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2012

With Comparative Totals For The Year Ended December 31, 2011

Statement 64

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from interfund services provided	\$438,786	\$526,979
Cash payments to employees for services	<u>(433,764)</u>	<u>(547,371)</u>
Net cash flows from operating activities	<u>5,022</u>	<u>(20,392)</u>
Net increase (decrease) in cash and cash equivalents	5,022	(20,392)
Cash and cash equivalents - January 1	<u>907,116</u>	<u>927,508</u>
Cash and cash equivalents - December 31	<u><u>\$912,138</u></u>	<u><u>\$907,116</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>\$ -</u>	<u>(\$89,146)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Changes in assets and liabilities:		
Increase (decrease) in compensated absences payable	<u>5,022</u>	<u>68,754</u>
Total adjustments	<u>5,022</u>	<u>68,754</u>
Net cash flows from operating activities	<u><u>\$5,022</u></u>	<u><u>(\$20,392)</u></u>

AGENCY FUNDS

Agency Funds are used to account for assets held by a government in a trustee or agent capacity for individuals, private organizations, other governments and the like.

The City of Columbia Heights had the following Agency Funds during the year:

Permit Surcharge Fund – used to account for building permit surcharges collected for and remitted to the State of Minnesota, and sewer availability charges (SAC) collected for and remitted to the Metropolitan Council.

Tri-City GIS Fund – used to account for joint purchases of geographic information services by the Cities of Columbia Heights, Fridley and Andover.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2012

Statement 65

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
<u>Permit Surcharge Fund</u>				
Assets:				
Cash and investments	\$1,818	\$65,274	(\$65,292)	\$1,800
Total assets	<u>\$1,818</u>	<u>\$65,274</u>	<u>(\$65,292)</u>	<u>\$1,800</u>
Liabilities:				
Due to other governmental units	\$1,818	\$65,274	(\$65,292)	\$1,800
Total liabilities	<u>\$1,818</u>	<u>\$65,274</u>	<u>(\$65,292)</u>	<u>\$1,800</u>
<u>Tri-City GIS Fund</u>				
Assets:				
Cash and investments	\$1,356	\$86,916	(\$80,325)	\$7,947
Due from other governmental units	6,748	63,233	(69,967)	14
Total assets	<u>\$8,104</u>	<u>\$86,916</u>	<u>(\$80,325)</u>	<u>\$7,961</u>
Liabilities:				
Accounts payable	\$8,104	\$78,072	(\$80,325)	\$5,851
Due to other governmental units	-	72,077	(69,967)	2,110
Total liabilities	<u>\$8,104</u>	<u>\$150,149</u>	<u>(\$150,292)</u>	<u>\$7,961</u>
<u>Total</u>				
Assets:				
Cash and investments	\$3,174	\$152,190	(\$145,617)	\$9,747
Due from other governmental units	6,748	63,233	(69,967)	14
Total assets	<u>\$9,922</u>	<u>\$215,423</u>	<u>(\$215,584)</u>	<u>\$9,761</u>
Liabilities:				
Accounts payable	\$8,104	\$78,072	(\$80,325)	\$5,851
Due to other governmental units	1,818	137,351	(135,259)	3,910
Total liabilities	<u>\$9,922</u>	<u>\$215,423</u>	<u>(\$215,584)</u>	<u>\$9,761</u>

III. STATISTICAL SECTION (UNAUDITED)

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STATISTICAL SECTION

The following detailed statistical tables are presented to provide a context for understanding and evaluating the information presented in the other parts of this report. Unless otherwise noted, the information in these statistical tables is derived from the City of Columbia Heights' Comprehensive Annual Financial Reports for the relevant years. Certain information in prior years' presentations have been reclassified and/or adjusted in these tables to conform to the current year presentation. These tables address the five categories of information listed below.

Financial Trends - Tables 1 through 4

These tables contain trend information to help the reader understand how the City's financial performance has changed over time.

Revenue Capacity - Tables 5 through 8

These tables contain information to help the reader assess the factors affecting the City's ability to generate property taxes.

Debt Capacity - Tables 9 through 13

These tables contain present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information - Tables 14 and 15

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information - Tables 16 through 18

These tables contain information about the City's operations and resources to help the reader understand the relationship between the City's financial activities and the services the City provides.

CITY OF COLUMBIA HEIGHTS, MINNESOTA

NET POSITIONS BY COMPONENT

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Net investment in capital assets	\$14,535,589	\$14,328,916	\$16,727,724
Restricted	1,114,870	2,285,305	2,302,056
Unrestricted	18,169,133	20,455,981	18,650,981
Total governmental activities net position	<u>\$33,819,592</u>	<u>\$37,070,202</u>	<u>\$37,680,761</u>
Business-type activities:			
Net investment in capital assets	\$5,432,788	\$6,175,547	\$6,732,499
Restricted	290,175	337,389	375,652
Unrestricted	7,325,228	6,918,745	6,506,201
Total business-type activities net position	<u>\$13,048,191</u>	<u>\$13,431,681</u>	<u>\$13,614,352</u>
Primary government:			
Net investment in capital assets	\$19,968,377	\$20,504,463	\$23,460,223
Restricted	1,405,045	2,622,694	2,677,708
Unrestricted	25,494,361	27,374,726	25,157,182
Total primary government net position	<u>\$46,867,783</u>	<u>\$50,501,883</u>	<u>\$51,295,113</u>

Table 1

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
\$18,043,277	\$18,859,030	\$23,497,922	\$24,163,911	\$26,279,178	\$28,095,261	\$27,666,461
2,224,384	2,228,454	2,316,959	2,458,743	2,034,030	3,213,455	2,624,466
23,028,974	22,985,523	21,011,465	22,423,351	23,142,534	21,119,179	21,241,595
<u>\$43,296,635</u>	<u>\$44,073,007</u>	<u>\$46,826,346</u>	<u>\$49,046,005</u>	<u>\$51,455,742</u>	<u>\$52,427,895</u>	<u>\$51,532,522</u>
\$5,759,805	\$6,039,739	\$7,142,278	\$7,459,474	\$8,044,184	\$9,331,167	\$9,819,666
455,227	775,036	745,601	648,435	438,275	381,465	234,063
7,299,574	6,478,383	5,855,495	6,014,140	6,725,383	5,918,147	6,680,609
<u>\$13,514,606</u>	<u>\$13,293,158</u>	<u>\$13,743,374</u>	<u>\$14,122,049</u>	<u>\$15,207,842</u>	<u>\$15,630,779</u>	<u>\$16,734,338</u>
\$23,803,082	\$24,898,769	\$30,640,200	\$31,623,385	\$34,323,362	\$37,426,428	\$37,486,127
2,679,611	3,003,490	3,062,560	3,107,178	2,472,305	3,594,920	2,858,529
30,328,548	29,463,906	26,866,960	28,437,491	29,867,917	27,037,326	27,922,204
<u>\$56,811,241</u>	<u>\$57,366,165</u>	<u>\$60,569,720</u>	<u>\$63,168,054</u>	<u>\$66,663,584</u>	<u>\$68,058,674</u>	<u>\$68,266,860</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA**CHANGES IN NET POSITION**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year		
	2003	2004	2005
Expenses			
Governmental activities:			
General government	\$1,756,434	\$1,669,721	\$1,681,229
Public safety	3,630,535	3,640,970	4,052,905
Public works	2,646,859	2,109,060	2,391,726
Culture and recreation	1,909,831	1,904,848	2,017,816
Community development	1,239,030	2,171,407	5,360,442
Interest on long-term debt	414,297	387,544	288,532
Total governmental activities expenses	<u>11,596,986</u>	<u>11,883,550</u>	<u>15,792,650</u>
Business-type activities:			
Water	1,903,331	1,637,316	1,717,445
Sewer	1,231,594	1,219,200	1,333,420
Refuse	1,330,272	1,321,730	1,147,313
Storm sewer	204,895	158,374	162,915
Liquor	6,619,942	6,593,578	6,544,175
Total business-type activities expenses	<u>11,290,034</u>	<u>10,930,198</u>	<u>10,905,268</u>
Total primary government expenses	<u><u>\$22,887,020</u></u>	<u><u>\$22,813,748</u></u>	<u><u>\$26,697,918</u></u>
Program revenues			
Governmental activities:			
Charges for services:			
General government	\$724,331	\$203,344	\$228,740
Public safety	330,768	488,216	423,450
Public works	306,193	48,253	81,607
Culture and recreation	107,318	239,352	250,380
Community development	510,620	1,313,912	2,748,542
Operating grants and contributions:			
General government	-	-	79
Public safety	405,098	436,460	557,983
Public works	194,987	213,801	178,311
Culture and recreation	41,492	72,269	76,405
Community development	304,669	955,213	144,121
Capital grants and contributions:			
General government	-	-	-
Public safety	225,000	225,000	599,917
Public works	613,304	1,315,007	46,052
Culture and recreation	-	50,250	1,702,543
Community development	56,805	177,737	-
Total governmental activities program revenues	<u>3,820,585</u>	<u>5,738,814</u>	<u>7,038,130</u>

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
\$1,689,675	\$1,732,111	\$1,835,453	\$1,761,334	\$2,013,750	\$2,039,680	\$1,977,594
3,992,930	4,380,363	4,599,669	4,591,977	5,473,224	5,549,678	5,708,009
2,353,032	2,506,913	2,906,950	2,794,189	2,777,966	2,654,047	3,200,572
2,135,633	2,313,750	2,283,881	2,182,856	2,479,519	2,576,409	2,500,719
2,579,084	5,918,257	4,476,475	2,385,405	2,295,574	1,630,350	2,157,966
118,760	496,688	721,006	961,392	959,320	909,858	845,879
<u>12,869,114</u>	<u>17,348,082</u>	<u>16,823,434</u>	<u>14,677,153</u>	<u>15,999,353</u>	<u>15,360,022</u>	<u>16,390,739</u>
2,026,603	2,113,121	2,149,976	1,927,811	2,000,101	2,370,076	2,311,858
1,393,679	1,675,738	1,571,487	1,737,134	1,478,518	1,710,381	1,464,269
1,147,879	1,170,707	1,185,298	1,290,528	1,426,486	1,561,659	1,601,648
184,764	204,221	216,362	376,884	272,355	298,577	329,998
6,377,805	6,539,357	7,470,323	7,701,961	7,910,951	8,155,888	8,378,981
<u>11,130,730</u>	<u>11,703,144</u>	<u>12,593,446</u>	<u>13,034,318</u>	<u>13,088,411</u>	<u>14,096,581</u>	<u>14,086,754</u>
<u>\$23,999,844</u>	<u>\$29,051,226</u>	<u>\$29,416,880</u>	<u>\$27,711,471</u>	<u>\$29,087,764</u>	<u>\$29,456,603</u>	<u>\$30,477,493</u>
\$171,146	\$177,378	\$173,485	\$169,850	\$192,005	\$189,641	\$204,391
528,752	670,017	616,107	637,653	715,205	697,656	736,927
267,960	130,351	67,226	34,149	44,211	48,303	139,305
263,565	297,341	262,562	256,969	269,825	159,829	137,978
1,461,497	1,504,679	1,562,345	1,019,191	1,114,848	962,276	961,420
2,769	-	2,560	1,505	-	-	-
355,356	389,325	433,732	434,402	559,482	563,914	556,387
161,176	154,309	154,049	161,401	166,468	176,578	189,039
79,371	47,784	239,865	102,517	93,474	76,864	57,337
160,017	159,624	185,506	211,400	241,919	112,895	23,010
-	-	-	-	194,842	38,399	-
52,463	103,974	57,700	19,520	16,026	11,303	-
3,896,862	1,448,180	1,596,348	1,683,024	2,848,179	1,314,547	797,921
141,738	71,516	42,588	1,500	15,724	-	-
682,872	1,311,525	2,974,449	199,505	541,826	175,467	204,349
<u>8,225,544</u>	<u>6,466,003</u>	<u>8,368,522</u>	<u>4,932,586</u>	<u>7,014,034</u>	<u>4,527,672</u>	<u>4,008,064</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	Fiscal Year		
	2003	2004	2005
Business-type activities:			
Charges for services:			
Water	\$1,548,505	\$1,771,153	\$1,887,990
Sewer	1,240,882	1,019,532	1,145,810
Refuse	1,248,346	1,255,011	1,256,180
Storm sewer	184,712	284,223	274,907
Liquor	6,960,916	6,975,756	6,714,575
Operating grants and contributions:	-		
Sewer	1,865	-	-
Refuse	53,411	46,635	46,170
Storm sewer	52,499	-	-
Capital grants and contributions:			
Water	-	-	-
Sewer	-	-	-
Refuse	-	-	-
Storm sewer	-	113,407	-
Total business-type activities program revenues	<u>11,291,136</u>	<u>11,465,717</u>	<u>11,325,632</u>
Total primary government program revenues	<u>\$15,111,721</u>	<u>\$17,204,531</u>	<u>\$18,363,762</u>
Net (expense) revenue:			
Governmental activities	(\$7,776,401)	(\$6,144,736)	(\$8,754,520)
Business-type activities	1,102	535,519	420,364
Total primary government net (expense) revenue	<u>(7,775,299)</u>	<u>(5,609,217)</u>	<u>(8,334,156)</u>
General revenues and other changes in net position			
Governmental activities:			
Taxes:			
Property taxes	4,306,036	4,989,205	5,662,368
Tax increment collections	781,439	972,208	1,088,267
Unrestricted grants and contributions	2,712,408	2,337,386	1,768,216
Investment earnings	408,208	729,456	471,142
Miscellaneous	103,524	-	18,980
Transfers	487,613	467,091	445,249
Total governmental activities	<u>8,799,228</u>	<u>9,495,346</u>	<u>9,454,222</u>
Business-type activities:			
Investment earnings	126,671	215,062	118,413
Transfers	(487,613)	(467,091)	(445,249)
Total business-type activities	<u>(360,942)</u>	<u>(252,029)</u>	<u>(326,836)</u>
Total primary government	<u>\$8,438,286</u>	<u>\$9,243,317</u>	<u>\$9,127,386</u>
Change in net position:			
Governmental activities	\$1,022,827	\$3,350,610	\$699,702
Business-type activities	(359,840)	283,490	93,528
Total primary government	<u>\$662,987</u>	<u>\$3,634,100</u>	<u>\$793,230</u>

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
\$2,141,648	\$2,273,980	\$2,414,316	\$2,471,257	\$2,503,506	\$2,530,803	\$2,777,383
1,374,217	1,419,252	1,440,165	1,465,496	1,594,322	1,523,852	1,581,516
1,263,267	1,303,472	1,341,014	1,383,979	1,542,312	1,682,178	1,761,860
270,467	290,419	314,238	370,590	345,086	350,618	353,343
6,546,979	6,722,622	7,490,942	7,962,884	8,158,259	8,494,962	8,804,233
-	-	1,718	-	-	-	-
47,755	36,060	50,572	50,105	36,653	66,163	62,471
-	-	-	-	-	-	-
22,822	-	-	-	-	-	-
-	-	54,774	-	-	-	-
-	-	-	-	-	-	50,000
-	-	-	-	-	-	-
<u>11,667,155</u>	<u>12,045,805</u>	<u>13,107,739</u>	<u>13,704,311</u>	<u>14,180,138</u>	<u>14,648,576</u>	<u>15,390,806</u>
<u>\$19,892,699</u>	<u>\$18,511,808</u>	<u>\$21,476,261</u>	<u>\$18,636,897</u>	<u>\$21,194,172</u>	<u>\$19,176,248</u>	<u>\$19,398,870</u>
(\$4,643,570)	(\$10,882,079)	(\$8,454,912)	(\$9,744,567)	(\$8,985,319)	(\$10,832,350)	(\$12,382,675)
536,425	342,661	514,293	669,993	1,091,727	551,995	1,304,052
<u>(4,107,145)</u>	<u>(10,539,418)</u>	<u>(7,940,619)</u>	<u>(9,074,574)</u>	<u>(7,893,592)</u>	<u>(10,280,355)</u>	<u>(11,078,623)</u>
5,953,722	6,321,467	6,762,129	8,046,318	8,825,502	9,069,092	9,363,598
1,086,298	1,183,062	1,557,891	1,244,684	812,965	558,861	553,050
1,679,384	1,844,516	1,516,412	1,731,185	1,176,934	1,278,195	1,003,552
706,231	1,379,726	1,050,827	475,345	487,612	598,880	295,950
15,930	44,000	40,877	82,704	-	34,485	7,338
957,879	456,537	280,115	383,990	92,044	264,990	263,814
<u>10,399,444</u>	<u>11,229,308</u>	<u>11,208,251</u>	<u>11,964,226</u>	<u>11,395,057</u>	<u>11,804,503</u>	<u>11,487,302</u>
181,708	321,571	216,038	92,672	86,110	135,932	63,321
(957,879)	(456,537)	(280,115)	(383,990)	(92,044)	(264,990)	(263,814)
<u>(776,171)</u>	<u>(134,966)</u>	<u>(64,077)</u>	<u>(291,318)</u>	<u>(5,934)</u>	<u>(129,058)</u>	<u>(200,493)</u>
<u>\$9,623,273</u>	<u>\$11,094,342</u>	<u>\$11,144,174</u>	<u>\$11,672,908</u>	<u>\$11,389,123</u>	<u>\$11,675,445</u>	<u>\$11,286,809</u>
\$5,755,874	\$347,229	\$2,753,339	\$2,219,659	\$2,409,738	\$972,153	(\$895,373)
(239,746)	207,695	450,216	378,675	1,085,793	422,937	1,103,559
<u>\$5,516,128</u>	<u>\$554,924</u>	<u>\$3,203,555</u>	<u>\$2,598,334</u>	<u>\$3,495,531</u>	<u>\$1,395,090</u>	<u>\$208,186</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year		
	2003	2004	2005
General fund:			
Reserved	\$14,727	\$23,302	\$10,484
Unreserved	3,408,505	4,116,808	3,339,644
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total general fund	<u>\$3,423,232</u>	<u>\$4,140,110</u>	<u>\$3,350,128</u>
All other governmental funds:			
Reserved	\$976,139	\$5,273,705	\$2,187,884
Unreserved, reported in:			
Special revenue funds	610,804	(652,449)	(612,434)
Debt service funds	841,666	1,044,647	621,250
Capital projects funds	13,633,284	12,367,589	12,784,744
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total all other governmental funds	<u>\$16,061,893</u>	<u>\$18,033,492</u>	<u>\$14,981,444</u>

Table 3

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
\$35,323	\$35,710	\$12,159	\$71,898	\$77,204	\$ -	\$ -
3,560,525	3,943,436	3,743,798	4,724,253	5,265,035	-	-
-	-	-	-	-	80,767	87,341
-	-	-	-	-	-	-
-	-	-	-	-	132,595	74,594
-	-	-	-	-	-	-
-	-	-	-	-	5,655,693	5,914,974
<u>\$3,595,848</u>	<u>\$3,979,146</u>	<u>\$3,755,957</u>	<u>\$4,796,151</u>	<u>\$5,342,239</u>	<u>\$5,869,055</u>	<u>\$6,076,909</u>
\$2,668,322	\$2,382,354	\$968,602	\$1,643,915	\$1,550,071	\$ -	\$ -
(506,084)	411,090	1,868,340	2,332,610	3,190,618	-	-
809,062	1,745,447	3,242,471	3,177,586	3,713,774	-	-
15,034,968	15,918,048	20,233,690	13,173,074	11,642,407	-	-
-	-	-	-	-	2,353,164	2,763,852
-	-	-	-	-	3,440,649	4,186,081
-	-	-	-	-	12,774,440	10,988,368
-	-	-	-	-	-	-
-	-	-	-	-	(1,041)	(2,782)
<u>\$18,006,268</u>	<u>\$20,456,939</u>	<u>\$26,313,103</u>	<u>\$20,327,185</u>	<u>\$20,096,870</u>	<u>\$18,567,212</u>	<u>\$17,935,519</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	Fiscal Year		
	2003	2004	2005
Revenues:			
Taxes	\$5,076,498	\$5,937,431	\$6,702,610
Special assessments	564,351	671,357	520,031
Licenses and permits	281,480	586,957	382,339
Intergovernmental	3,844,988	4,687,866	4,878,487
Charges for services	1,125,431	1,442,438	3,197,360
Fines and forfeitures	140,378	140,282	127,555
Investment earnings	392,995	695,275	432,959
Other revenues	435,829	176,575	90,956
Total revenues	<u>11,861,950</u>	<u>14,338,181</u>	<u>16,332,297</u>
Expenditures:			
Current:			
General government	1,663,801	1,576,233	1,575,863
Public safety	3,590,525	3,615,200	3,954,019
Public works	1,208,055	1,311,390	1,558,987
Culture and recreation	1,862,777	1,872,178	1,977,798
Community development	1,622,468	1,576,161	4,511,338
Capital outlay:			
General government	16,037	-	11,022
Public safety	348,221	476,511	95,125
Public works	1,273,747	1,637,559	1,912,738
Culture and recreation	71,700	83,955	62,700
Community development	55,824	682,939	1,436,724
Debt service:			
Principal retirement	477,918	514,789	1,449,035
Interest and fiscal charges	602,592	652,518	2,478,205
Issuance costs	10,330	29,918	-
Developer incentives	85,211	67,866	252,176
Total expenditures	<u>12,889,206</u>	<u>14,097,217</u>	<u>21,275,730</u>
Revenues over (under) expenditures	<u>(1,027,256)</u>	<u>240,964</u>	<u>(4,943,433)</u>

Table 4
Page 1 of 2

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
\$6,977,604	\$7,444,199	\$8,263,763	\$9,218,038	\$9,631,635	\$9,683,433	\$9,948,228
1,011,553	1,137,576	2,505,523	879,092	1,020,334	729,327	775,714
597,557	444,833	423,465	435,618	479,148	378,357	396,226
4,228,308	4,229,414	3,734,826	3,777,355	4,936,443	2,820,419	2,314,195
1,887,314	1,995,859	1,665,604	1,513,667	1,650,772	1,568,361	1,663,782
129,400	160,383	142,283	139,955	188,693	170,089	161,882
648,744	1,271,216	984,846	456,145	469,312	562,180	275,750
251,414	170,344	296,815	102,901	273,446	70,173	63,674
<u>15,731,894</u>	<u>16,853,824</u>	<u>18,017,125</u>	<u>16,522,771</u>	<u>18,649,783</u>	<u>15,982,339</u>	<u>15,599,451</u>
1,577,484	1,616,374	1,706,244	1,646,974	1,926,982	2,005,910	1,813,433
3,887,884	4,122,411	4,345,716	4,418,436	4,968,433	5,786,913	5,250,881
1,523,170	1,640,713	1,955,250	1,736,999	1,731,700	2,621,927	2,011,507
2,074,835	2,238,793	2,202,680	2,003,635	2,194,853	1,635,601	2,184,214
2,256,122	3,077,310	4,077,576	2,115,628	1,351,368	1,353,150	1,434,329
4,512	-	5,453	45,708	-	115,554	209,176
82,986	254,728	3,499,713	8,997,400	237,272	95,697	158,448
4,202,665	1,303,297	1,084,959	951,240	2,925,174	642,102	557,820
117,909	274,896	3,269,986	2,256,958	194,380	32,542	18,107
266,144	306,332	287,620	139,118	1,202,998	69,573	636,294
782,273	792,273	1,029,836	783,974	765,736	1,659,022	972,000
119,544	219,065	384,293	835,167	981,281	935,405	861,139
25,114	148,972	155,397	56,189	-	181,638	116,072
142,451	2,584,854	71,341	125,857	141,005	-	-
<u>17,063,093</u>	<u>18,580,018</u>	<u>24,076,064</u>	<u>26,113,283</u>	<u>18,621,182</u>	<u>17,135,034</u>	<u>16,223,420</u>
<u>(1,331,199)</u>	<u>(1,726,194)</u>	<u>(6,058,939)</u>	<u>(9,590,512)</u>	<u>28,601</u>	<u>(1,152,695)</u>	<u>(623,969)</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	Fiscal Year		
	2003	2004	2005
Other financing sources (uses):			
Bonds issued	\$1,332,828	\$1,985,000	\$ -
Bond premium (discount)	(5,998)	(5,935)	-
Transfers in	3,849,932	838,937	553,070
Transfers out	(2,880,382)	(370,489)	(80,321)
Sale of capital assets	267,699	-	628,654
Total other financing sources (uses)	<u>2,564,079</u>	<u>2,447,513</u>	<u>1,101,403</u>
Net change in fund balance	<u>\$1,536,823</u>	<u>\$2,688,477</u>	<u>(\$3,842,030)</u>
Expenditures capitalized for governmental activities reporting purposes	1,273,938	2,355,420	3,518,309
Debt service as a percentage of noncapital expenditures (A) (B)	9.3%	9.9%	22.1%
Debt service as a percentage of total expenditures (A) (B)	8.4%	8.3%	18.5%

(A) For the purpose of the debt service ratios presented in this table, only the principal and interest components of the debt service expenditures reported in this table are used, and noncapital expenditures are determined by subtracting expenditures capitalized for governmental activities reporting purposes from the total governmental funds expenditures reported in the table.

(B) Certain information from prior years' presentations have been restated in this table to conform to the current presentation.

Table 4
Page 2 of 2

Fiscal Year						
2006	2007	2008	2009	2010	2011	2012
\$2,759,550	\$3,890,000	\$10,975,000	\$4,190,000	\$ -	\$ -	\$ -
26,303	(22,108)	-	-	-	-	-
1,807,877	570,374	377,615	458,231	407,272	411,736	298,814
(70,000)	(70,000)	(88,941)	(99,224)	(120,100)	(302,881)	(110,000)
78,013	191,897	428,240	95,781	-	40,999	11,315
4,601,743	4,560,163	11,691,914	4,644,788	287,172	149,854	200,129
<u>\$3,270,544</u>	<u>\$2,833,969</u>	<u>\$5,632,975</u>	<u>(\$4,945,724)</u>	<u>\$315,773</u>	<u>(\$1,002,841)</u>	<u>(\$423,840)</u>
4,592,787	1,896,363	7,909,561	12,364,511	3,637,559	955,468	1,579,845
7.2%	6.1%	8.7%	11.8%	11.7%	16.0%	12.5%
5.3%	5.4%	5.9%	6.2%	9.4%	15.1%	11.3%

CITY OF COLUMBIA HEIGHTS, MINNESOTA
TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF ALL TAXABLE PROPERTY
 Last Ten Fiscal Years
 (Unaudited)

Table 5

Fiscal Year	Tax Capacity Value (A)		Captured Tax Increment Value	Subtotal	Area Wide Allocation (C)		Adjusted Taxable Net Tax Capacity Value	Total Direct Tax Rate	Estimated Market Value	Adjusted Tax Capacity Value as a Percent of EMV
	Residential	Other Property (B)			Contribution	Distribution				
2003	\$7,852,288	\$1,731,844	(\$823,154)	\$8,760,978	(\$409,330)	\$2,111,495	\$10,463,143	45.272%	\$982,517,600	1.065%
2004	8,808,143	1,813,247	(1,010,335)	9,611,055	(379,508)	2,267,401	11,498,948	47.888%	1,077,714,400	1.067%
2005	10,170,041	1,874,629	(1,152,643)	10,892,027	(417,605)	2,275,591	12,750,013	47.859%	1,203,032,800	1.060%
2006	11,487,424	1,861,133	(1,193,227)	12,155,330	(453,305)	2,324,917	14,026,942	44.736%	1,271,030,500	1.104%
2007	12,860,373	1,967,884	(1,389,436)	13,438,821	(443,665)	2,473,140	15,468,296	41.511%	1,387,050,100	1.115%
2008	13,596,290	2,219,619	(1,747,297)	14,068,612	(485,657)	2,877,432	16,460,387	43.076%	1,454,932,200	1.131%
2009	13,229,803	2,426,270	(1,748,791)	13,907,282	(551,683)	3,175,712	16,531,311	47.430%	1,424,291,300	1.161%
2010	11,997,297	2,401,197	(803,298)	13,595,196	(624,231)	3,579,416	16,550,381	56.881%	1,303,072,900	1.270%
2011	10,890,631	2,218,809	(568,719)	12,540,721	(796,058)	3,811,856	15,556,519	61.804%	1,180,235,300	1.318%
2012	9,087,666	2,141,140	(521,306)	10,707,500	(710,709)	4,059,432	14,056,223	66.300%	968,810,441	1.451%

(A) 2012 taxable market values used to calculate tax capacity values in this table are reduced by the market value homestead exclusion, which is new for 2012.

(B) The category "Other Property" is substantially all commercial/industrial property, plus nominal amounts of railroad and personal property.

(C) The Metropolitan Fiscal Disparities Act was first implemented for taxes payable in 1975 for the seven Metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Forty percent of the increase in commercial-industrial (including public utility) valuation in each assessment district since 1971 is contributed to an area-wide tax base. Using the factors of population and real property market value, a per capita distribution index is calculated. This index is employed in determining what proportion of the valuation shall be distributed back to each assessment district.

Source: Anoka County Auditor's Tax Certificate

CITY OF COLUMBIA HEIGHTS, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX RATES (A)
 Last Ten Fiscal Years

Table 6

Fiscal Year	City Direct Rate (A)	Overlapping Rates (B)			Total
		School District 13	County	Special Districts (C)	
2003	45.272%	20.303%	34.761%	8.203%	108.539%
2004	47.888%	22.833%	37.617%	7.689%	116.027%
2005	47.859%	19.918%	32.722%	8.048%	108.547%
2006	44.736%	19.505%	29.875%	7.679%	101.795%
2007	41.511%	17.338%	28.626%	7.901%	95.376%
2008	43.076%	16.088%	28.927%	9.693%	97.784%
2009	47.430%	23.554%	29.861%	8.699%	109.544%
2010	56.881%	24.547%	32.696%	9.185%	123.309%
2011	61.804%	18.842%	37.235%	9.605%	127.486%
2012	66.300%	24.200%	38.415%	9.932%	138.847%

(A) These property tax rates are stated as a percentage of tax capacity value. Refer to Table 5 for tax capacity value. Rates stated in terms of 2012 tax capacity values are impacted by the market value homestead exclusion, new for 2012. By excluding a portion of tax base from taxation, 2012 rates are stated higher for any given levy amount, relative to prior years.

Rates are determined by tax district. Within the Anoka County property tax system, the City is an individual tax district. Thus the City direct rate is an individual rate, and is not comprised of component direct rates.

(B) Overlapping rates are those of local and county governments that apply to property owners within the City. Most, but not all, overlapping rates apply to all City property owners. For example, although the school and county property tax rates apply to all City property owners, special district rates apply only to the City property owners whose property is located within each special district's geographic boundaries.

(C) Special districts include Metropolitan Council, Metropolitan Transit District, Metropolitan Mosquito Control District, N.E. Metro School District 916, Rice Creek Watershed District, Anoka County Housing and Redevelopment Authority, Anoka County Regional Rail Authority, County/City Radio, and the Columbia Heights Housing and Redevelopment Authority.

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Nine Years Ago

Table 7

Taxpayer	2012			2003		
	Tax Capacity Value (A) & (B)	Rank	Percentage of Total City Tax Capacity Value	Taxable Capacity Value (A)	Rank	Percentage of Total City Tax Capacity Value
Medtronic Inc	\$207,988	1	1.48%	\$174,502	1	1.67%
Centro Bradley SPE 5 LLC	133,692	2	0.95%	N/A	N/A	N/A
Stadium Village Properties LLC	109,286	3	0.78%	N/A	N/A	N/A
Consolidated Realty of Mpls	90,625	4	0.64%	98,923	3	0.95%
Columbia Park Properties	95,234	5	0.68%	76,552	6	0.73%
Crestview Corporation	96,952	6	0.69%	65,187	8	0.62%
Columbia Heights Center LLC	76,126	7	0.54%	80,930	5	0.77%
Lynde Investment Co MN Partnership	67,690	8	0.48%	57,466	9	0.55%
Jeff's Bobby & Steve's Auto World	67,392	9	0.48%	49,366	10	0.47%
Northern States Power	58,712	10	0.42%	49,072	11	0.47%
New Heights Development LLC	54,664	11	0.39%	N/A	N/A	N/A
Maylan Construction Company	N/A	N/A	N/A	86,848	4	0.83%
Lake State Properties	N/A	N/A	N/A	76,278	7	0.73%
Bradley Operating LP	N/A	N/A	N/A	141,728	2	1.35%
Total	<u>\$1,058,361</u>		<u>7.53%</u>	<u>\$956,852</u>		<u>9.14%</u>
Total All Property	<u>\$14,056,223</u>			<u>\$10,463,143</u>		

(A) Tax Capacity values in this table are before adjustments for captured tax increment value and area-wide allocations. See Table 5.

(B) 2012 taxable market values used to calculate tax capacity values in this table are reduced by the market value homestead exclusion, new for 2012.

Source: Anoka County Auditor's Tax Certificate.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Years

Fiscal Year	Gross Tax Levy (A)	County Adjustments to Levy (B)	State Market Value Homestead Credit (A)	Adjusted Tax Levy
2003	\$4,817,984	\$1,805	(\$607,323)	\$4,212,466
2004	5,447,260	2,628	(588,271)	4,861,617
2005	6,102,537	152	(568,479)	5,534,210
2006	6,347,537	(160)	(517,322)	5,830,055
2007	6,500,613	(189)	(471,660)	6,028,764
2008	7,045,370	(74)	(451,019)	6,594,277
2009	7,702,363	(161)	(447,755)	7,254,447
2010	9,075,425	(302)	(535,625)	8,539,498
2011	9,426,760	(141)	(608,241)	8,818,378
2012	9,136,706	(54)	-	9,136,652

(A) Under state law for years prior to 2012, the stated amount of the annual property tax levy adopted by the City Council included both the actual property tax plus an amount termed the "state market value homestead credit." The state market value homestead credit was determined by a formula in state law. To the extent this market value homestead credit was paid by the State of Minnesota and received by the City in any given year, it was reported as intergovernmental revenue in the City's financial statements. Only the portion of the gross levy that was actually levied upon property is reported as property tax revenue in the City's financial statements.

(B) Anoka County adjusts the property tax levy adopted by the City Council for certain items. These are primarily excess tax increment reimbursements and rounding. Abatements or increases of tax to individual taxpayers are not included in these adjustments.

This table only includes tax levies for the City of Columbia Heights, the primary government. It does not include tax levies for the special taxing district of the Columbia Heights HRA, a component unit of the City.

Source: Anoka County Auditor's Tax Certificate. Also Anoka County Tax Settlement Statements for the City of Columbia Heights.

Table 8

Collected Within The Fiscal Year For Which Levied		Collections in Subsequent Years	Total Collections to Date	
Collection Amount	% of Adjusted Tax Levy		Amount	% of Adjusted Tax Levy
\$4,115,967	97.71%	\$64,941	\$4,180,908	99.25%
4,760,788	97.93%	53,643	4,814,431	99.03%
5,412,178	97.79%	85,072	5,497,250	99.33%
5,672,909	97.30%	128,106	5,801,015	99.50%
5,842,540	96.91%	156,411	5,998,951	99.51%
6,400,604	97.06%	157,453	6,558,057	99.45%
7,021,605	96.79%	171,267	7,192,872	99.15%
8,279,065	96.95%	125,232	8,404,297	98.42%
8,578,784	97.28%	85,737	8,664,521	98.26%
8,932,564	97.77%	N/A	8,932,564	97.77%

CITY OF COLUMBIA HEIGHTS, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Governmental Activities
	General Obligation Bonds Repaid Only With General Taxes	General Obligation Bonds With Pledged Tax Increment	General Obligation Bonds With Pledged Special Assessments	Tax Increment Revenue Bonds	
2003	\$ -	\$1,630,288	\$1,937,828	\$ -	\$3,568,116
2004	-	3,264,704	1,773,623	-	5,038,327
2005	-	1,985,000	1,604,292	-	3,589,292
2006	-	1,385,000	4,181,569	-	5,566,569
2007	1,000,000	775,000	3,999,296	2,890,000	8,664,296
2008	11,000,000	150,000	4,569,460	2,890,000	18,609,460
2009	13,940,000	580,000	4,614,486	2,881,000	22,015,486
2010	13,855,000	580,000	3,976,750	2,838,000	21,249,750
2011	12,698,431	580,000	3,522,299	2,790,000	19,590,730
2012	13,090,000	580,000	2,211,790	2,737,000	18,618,790

(A) Based on population and income data in Table 14. Certain information from prior years' presentations have been restated in this table to conform to the current presentation.

Table 9

Business-Type Activities			All Activities		
General Obligation Bonds With Pledged Utility Revenues	Liquor Facility Lease Revenue Bonds	Total Business-Type Activities	Total All Debt	Percentage of Personal Income (A)	Per Capita (A)
\$2,737,172	\$ -	\$2,737,172	\$6,305,288	1.6%	337
2,486,377	-	2,486,377	7,524,704	1.9%	405
2,220,708	-	2,220,708	5,810,000	1.3%	318
3,248,431	-	3,248,431	8,815,000	2.0%	482
2,950,704	5,040,000	7,990,704	16,655,000	3.8%	919
2,590,540	5,040,000	7,630,540	26,240,000	6.0%	1,447
2,540,512	5,040,000	7,580,512	29,595,998	6.7%	1,612
2,128,248	4,900,000	7,028,248	28,277,998	6.0%	1,450
1,304,270	4,750,000	6,054,270	25,645,000	5.3%	1,315
1,123,210	4,595,000	5,718,210	24,337,000	4.8%	1,240

CITY OF COLUMBIA HEIGHTS, MINNESOTA
RATIOS OF OUTSTANDING NET GENERAL BONDED DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year	Governmental General Obligation Bonds	Less: Governmental Funds Restricted for Repayment	Subtotal of Governmental Net General Obligation Bonded Debt	Percentage of Estimated Property Value (B)
2003	\$3,568,116	\$841,666	\$2,726,450	0.28%
2004	5,038,327	1,044,647	3,993,680	0.37%
2005	3,589,292	621,250	2,968,042	0.25%
2006	5,566,569	809,062	4,757,507	0.37%
2007	5,774,296	1,745,447	4,028,849	0.29%
2008	15,719,460	3,242,471	12,476,989	0.86%
2009	19,134,486	2,952,520	16,181,966	1.14%
2010	18,411,750	3,713,774	14,697,976	1.13%
2011	16,800,730	2,162,119	14,638,611	1.24%
2012	13,066,790	1,559,985	11,506,805	1.19%

(A) Based on population and income data in Table 14. Certain information from prior years' presentations have been restated in this table to conform to the current presentation.

(B) Based on the estimated market value of property in Table 5.

The estimated market value of property bears a strong relationship to the debt capacity of the City. It should be noted however, that in the State of Minnesota, property tax revenue is dependent on the tax capacity value of property. Tax capacity value is derived from estimated market value by a set of class rates and other adjustments as determined by the State legislature. The historical relationship between estimated market value and tax capacity value for property in the City is shown in Table 5.

Table 10

<u>Business-type General Obligation Bonds With Pledged Utility Revenues</u>	<u>Less: Business-type Funds Restricted for Repayment</u>	<u>Subtotal of Business-type Net General Obligation Bonded Debt</u>	<u>Percentage of Utility Revenue</u>	<u>Total Net General Bonded Debt</u>	<u>Per Capita (A)</u>
\$2,737,172	\$290,175	\$2,446,997	58.5%	\$5,173,447	277
2,486,377	337,389	2,148,988	49.8%	\$6,142,668	330
2,220,708	375,652	1,845,056	40.6%	\$4,813,098	264
3,248,431	457,794	2,790,637	55.3%	\$7,548,144	413
2,950,704	443,297	2,507,407	47.4%	\$6,536,256	361
2,590,540	449,931	2,140,609	38.9%	\$14,617,598	806
2,540,512	485,883	2,054,629	36.1%	\$18,236,595	993
2,128,248	287,453	1,840,795	30.8%	\$16,538,771	848
1,304,270	273,966	1,030,304	16.9%	\$15,668,915	804
1,123,210	226,292	896,918	13.9%	\$12,403,723	632

CITY OF COLUMBIA HEIGHTS, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 December 31, 2012

Table 11

Governmental Unit (A)	Debt Outstanding	Estimated Percentage Applicable (B)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Anoka County	\$150,438,506	4.8286%	\$7,264,051
Anoka County Railroad Authority	29,285,000	4.8392%	1,417,164
Independent School District 13	22,435,000	70.1291%	15,733,463
Metropolitan Council	1,349,552,846	0.4551%	6,142,061
Subtotal - overlapping debt			30,556,739
City direct debt - governmental activities			14,585,000
Total direct and overlapping debt			\$45,141,739

(A) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the taxpayers should be taken into account.

(B) The percentage of overlapping debt applicable is estimated using adjusted taxable net tax capacity values of property, which is the tax capacity value after adjustments for captured tax increment value and area-wide allocations (see Table 5) Applicable percentages were estimated by determining the portion of each governmental unit's tax capacity value that is within the City's boundaries and dividing it by each unit's total tax capacity value.

Source: Anoka County Auditor's Tax Certificate

CITY OF COLUMBIA HEIGHTS, MINNESOTA

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Table 12

Legal Debt Margin Calculation for Fiscal Year 2012

Taxable market value of property (C)	\$968,910,441
Debt limitation percentage (A)	3%
Debt limit	29,067,313
Net debt applicable to limit (B)	10,275,000
Legal debt margin	\$18,792,313
Legal debt margin as a percentage of limit	64.65%

Legal Debt Margin Calculation for Fiscal Years 2003 Through 2011

Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin as a Percentage of Debt Limit
2003	\$17,102,916	\$ -	\$17,102,916	100.00%
2004	19,133,440	-	19,133,440	100.00%
2005	21,831,836	-	21,831,836	100.00%
2006	24,490,232	-	24,490,232	100.00%
2007	27,255,660	1,000,000	26,255,660	96.33%
2008	43,388,271	11,000,000	32,388,271	74.65%
2009	42,618,129	13,940,000	28,678,129	67.29%
2010	38,979,705	13,855,000	25,124,705	64.46%
2011	35,278,494	12,698,431	22,580,063	64.01%

- (A) M.S.A. Section 475.53 (Limit on Debt) Subdivision 1. Generally, except as otherwise provided in Sections 475.51 to 475.74, "no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of 3% of the market value of taxable property in the municipality."
- (B) M.S.A. Section 475.51 (definitions) Subdivision 4. "Net debt" means the amount remaining after deducting from its gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:
1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
 2. Warrants or orders having no definite or fixed maturity.
 3. Obligations payable wholly from the income from revenue producing conveniences.
 4. Obligations issued to create or maintain a Permanent Improvement Revolving Fund.
 5. Obligations issued for the acquisition and betterment of public water works systems and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
 6. Not applicable.
 7. Amount of all money and face value of all securities held as a Debt Service Fund for the extinguishment of obligations other than those deductible under this subdivision.
 8. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.
- (C) Beginning in the year 2012, state statute excludes a portion of the market value of eligible homestead property from taxation. This is termed the Market Value Homestead Exclusion. For purposes of the state statutes referenced in notes (A) and (B) above that set the legal debt limit/margin, the Minnesota Department of Revenue interprets "the market value of the taxable property in the City" as net of any market value homestead exclusion.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
PLEDGED REVENUE COVERAGE NON-OBLIGATION DEBT
 Last Ten Fiscal Years

Table 13

	Fiscal Year					
	2003 - 2007	2008	2009	2010	2011	2012
Economic Development Authority						
Tax Increment Revenue Bonds Series 2007:						
Tax increment revenue from applicable parcels	\$ -	\$243,159	\$267,142	\$241,854	\$211,533	\$175,832
Intergovernmental:						
Market Value TIF credit	-	14,002	19,554	28,118	34,351	-
Net available revenue	<u>\$0</u>	<u>\$257,161</u>	<u>\$286,696</u>	<u>\$269,972</u>	<u>\$245,884</u>	<u>\$175,832</u>
Debt service:						
Principal	-	-	9,000	43,000	48,000	53,000
Interest	-	158,325	152,363	151,063	148,788	146,263
Total debt service	<u>\$0</u>	<u>\$158,325</u>	<u>\$161,363</u>	<u>\$194,063</u>	<u>\$196,788</u>	<u>\$199,263</u>
Coverage	N/A	162%	178%	139%	125%	88%
Economic Development Authority						
Lease Revenue Bonds Series 2007B:						
Annual appropriation of liquor net revenues	\$ -	\$210,264	\$497,200	\$364,000	\$390,000	\$386,000
Investment income	-	8,638	71	1,105	1,500	1,000
Issuance costs and administration (expense)	-	(10,062)	(6,866)	(10,393)	(9,598)	(9,371)
Net available revenue	<u>\$0</u>	<u>\$208,840</u>	<u>\$490,405</u>	<u>\$354,712</u>	<u>\$381,902</u>	<u>\$377,629</u>
Debt service:						
Principal	\$ -	\$ -	\$ -	\$140,000	\$150,000	\$155,000
Interest	-	208,264	240,305	237,155	230,630	223,768
Total debt service	<u>\$0</u>	<u>\$208,264</u>	<u>\$240,305</u>	<u>\$377,155</u>	<u>\$380,630</u>	<u>\$378,768</u>
Coverage	N/A	100%	204%	94%	100%	100%

Note: Details regarding the City's outstanding debt can be found in Note 6 of the financial statements.

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2003	18,698	\$399,538,864	\$21,368	4.70%
2004	18,600	397,444,800	21,368	4.40%
2005	18,261	442,135,332	24,212	3.80%
2006	18,288	442,789,056	24,212	3.90%
2007	18,124	438,818,288	24,212	4.60%
2008	18,137	439,133,044	24,212	5.50%
2009	18,361	444,556,532	24,212	8.50%
2010	19,496	472,037,152	24,212	7.50%
2011	19,496	485,450,400	24,900	6.70%
2012	19,619	506,170,200	25,800	5.50%

Sources are as follows:

Population: Data for the years 2004-2009 provided by the Metropolitan Council. Data for the year 2003 & 2011 were estimated as equal to next available prior year. Data for 2010 is from the 2010 US Census. Data for 2012 is estimated by the US Census.

Per Capita Income: Data for 2003-2004 estimated as equal to per capita income reported in the 2000 U.S. Census. Data for 2005-2011 provided by the US Census Bureau, 2005-2009 American Community Survey. Certain information from prior years' presentations have been restated in this table to conform to the current presentation.

Unemployment Rate: Provided by MN Department of Employment and Economic Development for Anoka County. Rates are not compiled for individual communities within counties.

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CITY OF COLUMBIA HEIGHTS, MINNESOTA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Table 15

Principal Employers Within City	2012			2003		
	Employees	Rank	Percentage of Total Anoka County (A) Employment	Employees	Rank	Percentage of Total Anoka County (A) Employment
Medtronic Inc	600	1	0.34%	532	1	0.30%
Independent School District 13	484	2	0.27%	415	2	0.23%
Crestview Lutheran Home	245	3	0.14%	226	3	0.13%
City of Columbia Heights	205	4	0.11%	175	4	0.10%
Columbia Park Clinic	120	5	0.07%	70	7	0.04%
Rainbow Foods	100	6	0.06%	120	5	0.07%
Unique Thrift Store	75	7	0.04%	N/A	N/A	N/A
Invest Cast Inc	60	8	0.03%	54	9	0.03%
La Casita Mexican Restaurant	60	9	0.03%	N/A	N/A	N/A
Bobby & Steve's Auto World	53	10	0.03%	N/A	N/A	N/A
US Post Office	N/A	N/A	N/A	45	10	0.03%
NEI College of Technology	N/A	N/A	N/A	76	6	0.04%
SIS Enterprises	N/A	N/A	N/A	60	8	0.03%
Total	2,002		1.12%	1,773		1.00%

(A) Employment data is not compiled for individual cities within Minnesota counties.

Sources:

The employee count for the City of Columbia Heights is from Table 16. 2012 data for other employers was compiled from Salesgenie business database at May 2012.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	Employees as of December 31,			
	2003	2004	2005	2006
General government				
Mayor/council	5	5	5	5
Administration	5	5	5	4
Finance	13	12	12	12
Public safety:				
Police	31	30	30	31
Fire	40	39	35	36
Public works	17	18	16	17
Culture and recreation:				
Library	19	19	21	22
Parks	5	5	5	5
Recreation	13	13	15	16
Community development	7	6	7	7
Water	4	4	4	4
Sewer	4	4	4	4
Refuse	-	-	-	-
Storm sewer	-	-	-	-
Liquor	35	37	37	37
Total	198	197	196	200

Source: Organizational Chart in the City of Columbia Heights CAFR.

Note: The above table shows the distribution of all employees by head count (including full-time, part-time and paid on-call), by function. This bears a strong relationship to the distribution of employee costs across functions. However, many employees provide services to more than one function, and employee costs are charged to each function based on the services received by each function.

Table 16

Employees as of December 31,						
2007	2008	2009	2010	2011	2012	
5	5	5	5	5	5	5
4	4	5	10	11	11	11
13	13	14	13	14	13	13
31	34	35	36	35	35	35
33	29	31	30	32	32	32
16	17	18	17	16	16	16
22	25	21	19	21	21	21
5	5	5	5	5	5	5
16	17	14	13	16	16	16
7	6	6	5	5	4	4
5	4	4	4	4	4	4
4	3	3	3	3	3	3
-	-	-	-	-	-	-
-	1	1	1	1	1	1
42	38	40	41	39	39	39
<u>203</u>	<u>201</u>	<u>202</u>	<u>202</u>	<u>207</u>	<u>205</u>	

CITY OF COLUMBIA HEIGHTS, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2003	2004	2005	2006
General government:				
Resolutions approved by City Council (A)	57	87	92	234
Ordinances adopted by City Council	19	7	20	14
Public safety:				
Police:				
Part I crimes (B)	1,056	1,229	1,280	1,167
Part II crimes (B)	3,225	3,435	3,496	3,184
Fire:				
Emergency medical calls (B)	1,702	1,653	1,873	1,806
Fire calls (B)	380	483	581	387
Inspections & Related Actions (B)	4,616	2,077	2,379	3,709
Public works:				
Street paving and patching (tons of asphalt)	1,220	1,271	409	710
Street sweeping (tons of debris)	640	1,064	658	637
Trees removed	143	261	296	188
Culture and recreation:				
Library:				
Items in collection	71,409	73,105	68,226	70,354
Circulation	116,917	116,533	115,598	119,593
Reference inquiries	18,427	14,670	17,225	15,106
Parks and recreation:				
Athletics participants (C)	2,558	2,139	1,988	1,654
Other programs, estimated attendance (D)	9,000	9,000	9,000	9,000
Number of paid room rentals	132	134	164	191
Community development:				
Number of business licenses issued	295	307	327	342
Number of building permits issued (E)	1,176	1,159	1,304	1,701
Construction value of permits issued	\$11,056,530 (F)	\$50,322,414 (F)	\$13,041,878	\$26,798,827
Water:				
Consumption (thousands of gallons)	579,322	538,358	527,621	529,581
Sewer (sanitary):				
Wastewater (thousands of gallons, 12 months ended June 30)	556,900	526,010	514,810	536,920
Miles of line cleaned/rodded/root-sawed	17	28	28	39
Refuse:				
Refuse (tons)	7,670	8,348	8,863	8,397
Recycling (tons)	1,873	1,783	1,863	1,721
Yardwaste (tons)	809	862	892	645
Storm sewer:				
No operating indicators available	not avail	not avail	not avail	not avail
Liquor:				
Number of units sold	not avail	not avail	798,900	758,000

(A) In 2006, the City significantly increased enforcement of ordinances concerning nuisance/hazardous conditions of properties within the City. Resolutions per year sharply increased, given one resolution per significant enforcement action.

(B) Public safety operating indicators include services provided to the City of Hilltop under contractual agreements. The City of Hilltop is completely encircled by the City of Columbia Heights and has a population of 744.

(C) This operating indicator includes duplicate counts for participation in more than one team/league by some persons.

(D) This operating indicator includes duplicate counts for attendance at more than one program by some persons. It is rounded to the nearest thousand attendees based on review of attendance data.

(E) This operating indicator includes inspection permits issued for new construction, building alteration/addition, plumbing, heating, street excavation and sign installation.

(F) The construction value of building permits issued in 2004 includes \$30,573,000 for a water filtration plant owned and operated by the City of Minneapolis within the City of Columbia Heights.

Certain information from prior years' presentations have been restated in this table to conform to the current presentation.

Sources: Various City departments.

Table 17

Fiscal Year						
2007	2008	2009	2010	2011	2012	
198	247	170	115	159	159	
12	26	12	12	15	5	
1,246	1,098	882	768	756	743	
3,144	2,966	1,275	1,683	1,576	1,408	
1,888	2,093	1,694	1,664	1,722	1,839	
445	385	660	846	764	752	
4,603	6,955	3,724	5,720	6,073	5,413	
1,910	1,415	1,033	1,054	869	1,029	
648	420	581	638	712	350	
357	175	121	180	180	157	
71,594	72,420	69,702	72,055	71,303	72,985	
125,222	126,271	120,705	131,885	125,051	129,624	
13,715	13,793	17,771	14,352	16,601	14,547	
1,537	1,510	1,602	1,500	4,299	4,232	
8,000	8,000	8,000	8,000	8,000	9,000	
185	190	210	160	177	135	
306	363	379	393	334	323	
1,313	1,113	1,187	1,351	1,290	1,058	
\$22,230,118	\$21,917,792	\$13,376,732	\$14,481,712	\$7,986,467	\$7,203,199	
538,844	518,791	518,299	516,068	454,223	495,870	
495,580	511,090	437,520	444,820	485,000	455,210	
27	29	39	26	25	26	
6,587	7,323	7,239	6,770	6,789	6,563	
1,522	1,318	1,036	1,699	1,605	1,610	
654	727	773	1,100	1,270	1,270	
not avail	not avail	not avail	not avail	not avail	not avail	
768,000	920,121	1,029,139	1,028,160	1,060,150	1,103,790	

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2003	2004	2005	2006
General government:				
City hall square footage	28,530	28,530	28,530	28,530
Public safety:				
Police Stations	1	1	1	1
Fire Stations	1	1	1	1
Public Safety Bldg square footage	Note A	Note A	Note A	Note A
Public works:				
Office and shop square footage	31,075	31,075	31,075	31,075
Trunk highway miles	3	3	3	3
County road miles	6	6	6	6
City street miles	62	62	62	62
Alley miles	19	19	19	19
Culture and recreation:				
Libraries	1	1	1	1
Library square footage	7,896	7,896	7,896	7,896
Parks	13	13	13	13
Playgrounds	11	11	11	11
Gymnasiums square footage	-	-	-	-
Mtg & banquet rooms square footage	22,000	22,000	22,000	22,000
Community development:				
Senior high-rise apartments	145	145	145	145
Water:				
Watermain miles	66	66	66	66
Sewer:				
Sanitary sewer miles	59	59	59	59
Refuse:				
Recycling centers	1	1	1	1
Storm sewer:				
Storm sewer miles	34	34	34	34
Liquor:				
Retail stores owned	1	1	1	1
Retail stores leased	2	2	2	2

(A) For years prior to 2010, the police and fire stations are included in the City Hall square footage reported above. Beginning in 2010, the police and fire stations were in a separate public safety facility.

Sources: Various City departments.

Table 18

Fiscal Year					
2007	2008	2009	2010	2011	2012
28,530	28,530	28,530	28,530	28,530	28,530
1	1	1	1	1	1
1	1	1	1	1	1
Note A	Note A	Note A	47,088	47,088	47,088
31,075	31,075	31,075	31,075	31,075	31,075
3	3	3	3	3	3
6	6	6	6	6	6
62	62	62	62	62	62
19	19	19	19	19	19
1	1	1	1	1	1
7,896	7,896	7,896	7,896	7,896	7,896
13	13	13	13	13	13
11	11	11	11	11	11
-	-	12,726	12,726	12,726	12,726
22,000	22,000	22,000	22,000	22,000	22,000
145	145	145	145	145	145
66	66	66	66	66	66
59	59	59	59	59	59
1	1	1	1	1	1
34	34	34	34	34	34
1	3	3	3	3	3
2	-	-	-	-	-

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IV. OTHER REQUIRED REPORTS SECTION

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MINNESOTA LEGAL COMPLIANCE REPORT

To the Honorable Mayor and
Members of the City Council
City of Columbia Heights, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia Heights, Minnesota, as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2013.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Columbia Heights, Minnesota failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Columbia Heights, Minnesota's noncompliance with the above referenced provisions.

This report is intended solely for the information and use those charged with governance and management of the City of Columbia Heights, Minnesota and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

HLB Tautges Redpath, Ltd.

HLB TAUTGES REDPATH, LTD.

June 28, 2013

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and
Members of the City Council and Management
City of Columbia Heights, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbia Heights, Minnesota, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Columbia Heights, Minnesota's basic financial statements, and have issued our report thereon dated June 28, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Columbia Heights, Minnesota's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Columbia Heights, Minnesota's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Columbia Heights, Minnesota's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Columbia Heights, Minnesota's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HLB TAUTGES REDPATH, LTD.

June 28, 2013

REPORT ON SUPPLEMENTARY INFORMATION –
FINANCIAL DATA SCHEDULE

To the Honorable Mayor and
Members of the City Council
City of Columbia Heights, Minnesota

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 Columbia Heights, Minnesota as of and for the year ended December 31, 2012, and have issued our report thereon dated June 28, 2013. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Columbia Heights, Minnesota's basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the City of Columbia Heights, Minnesota and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than those specified parties.



HLB TAUTGES REDPATH, LTD.

June 28, 2013

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FINANCIAL DATA SCHEDULE
As of And For The Year Ended December 31, 2012

Line Item	Account Description	Total Projects
Assets:		
Current assets:		
111	Cash - unrestricted	\$32,232
114	Cash - tenant security deposits	18,625
100	Total cash	<u>50,857</u>
Accounts and notes receivable:		
122	Accounts receivable - HUD other projects	81,560
126	Accounts receivable - tenants	1,876
120	Total receivables, net of allowance	<u>83,436</u>
Investments:		
132	Investments - Restricted	895,206
150	Total current assets	<u>1,029,499</u>
Noncurrent assets:		
Capital assets:		
161	Land	177,375
162	Buildings	3,208,785
163	Furniture, equipment and machinery - dwellings	297,466
164	Furniture, equipment and machinery - administration	8,842
166	Less: accumulated depreciation	(2,594,107)
167	Construction in progress	136,020
160	Total capital assets, net of accumulated depreciation	<u>1,234,381</u>
180	Total noncurrent assets	<u>1,234,381</u>
190	Total assets	<u>2,263,879</u>
Liabilities:		
Current liabilities:		
312	Accounts payable <= 90 days	\$122,531
333	Accounts payable - other governments	24,326
341	Tenant security deposits	18,625
342	Deferred revenue	40
345	Other current liabilities	1,543
310	Total current liabilities	<u>167,065</u>
350	Total noncurrent liabilities	<u>0</u>
300	Total liabilities	<u>167,065</u>
Net Position:		
508.1	Net investment in capital assets	1,234,381
509	Fund balance reserved for operating activities	862,434
513	Total net position	<u><u>\$2,096,815</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FINANCIAL DATA SCHEDULE
As of And For The Year Ended December 31, 2012

Line Item	Account Description	Public Housing Operating Subsidy 14.850	Public Housing Capital Fund Program 14.872	Total Projects
Revenue:				
703	Net tenant rental revenue	\$354,216	\$ -	\$354,216
704	Tenant revenue - other	13,834	-	13,834
706	HUD PHA grants	-	184,349	184,349
715	Other revenue	2,346	-	2,346
720	Investment income - restricted	4,042	-	4,042
700	Total revenue	<u>374,438</u>	<u>184,349</u>	<u>558,787</u>
Expenses:				
911	Administrative salaries	25,500	-	25,500
912	Auditing fees	3,010	-	3,010
913	Outside management fees	161,666	-	161,666
914	Advertising and marketing	150	-	150
916	Other operating - administrative	3,312	-	3,312
917	Legal expense	3,616	-	3,616
919	Other expense	2,802	-	2,802
931	Water	14,571	-	14,571
932	Electricity	48,122	-	48,122
933	Gas	28,055	-	28,055
936	Sewer	11,549	-	11,549
938	Other utilities expense	14,135	-	14,135
942	Ordinary maintenance and operations - materials and other	26,947	-	26,947
943	Ordinary maint. and operations contracts - HVAC	6,579	-	6,579
943	Ordinary maint. and operations contracts - snow removal	1,878	-	1,878
943	Ordinary maint. and operations contracts - elevator	9,379	-	9,379
943	Ordinary maint. and operations contracts - grounds	4,918	-	4,918
943	Ordinary maint. and operations contracts - unit turnaround	16,650	-	16,650
943	Ordinary maint. and operations contracts - electrical	456	-	456
943	Ordinary maint. and operations contracts - plumbing	88,880	-	88,880
943	Ordinary maint. and operations contracts - extermination	1,513	-	1,513
943	Ordinary maint. and operations contracts - janitorial	3,508	-	3,508
943	Ordinary maint. and operations contracts - routine maintenance	28,478	-	28,478
943	Ordinary maint. and operations contracts - miscellaneous	1,191	-	1,191
952	Protective services	11,566	-	11,566
961	Insurance premiums	20,966	-	20,966
962	Other general expenses	2,415	-	2,415
963	Payments in lieu of taxes	24,702	-	24,702
969	Total operating expenses	<u>566,514</u>	<u>0</u>	<u>566,514</u>
974	Depreciation	103,793	-	103,793
900	Total expenses	<u>670,307</u>	<u>0</u>	<u>670,307</u>
1001	Operating transfers in	184,349	-	184,349
1002	Operating transfers out	-	(184,349)	(184,349)
1010	Total other financing sources (uses)	<u>184,349</u>	<u>(184,349)</u>	<u>0</u>
1000	Excess (deficiency) of revenue over expenses and other financing uses (sources)	<u>(\$111,520)</u>	<u>\$0</u>	<u>(\$111,520)</u>
Memo account information:				
1103	Beginning equity	\$2,204,634	\$ -	\$2,204,634
1120	Unit months available	1,212	-	1,212
1121	Number of unit months leased	1,188	-	1,188

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 FINANCIAL DATA SCHEDULE - STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
 As of and For The Year Ended December 31, 2012

	FY 2009 <u>MN 46P10550109</u>	FY 2009 <u>MN 46S10550109</u>	FY 2010 <u>MN 46P105501-10</u>	FY 2011 <u>MN 46P105501-11</u>	FY 2012 <u>MN 46P105501-12</u>
A. The actual modernization costs are as follows:					
Funds approved	\$112,026	\$131,959	\$110,976	\$92,207	\$92,200
Funds (expended)	<u>(112,026)</u>	<u>(131,959)</u>	<u>(110,976)</u>	<u>(75,706)</u>	<u>(23,847)</u>
Excess of funds approved (expended)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$16,501</u>	<u>\$68,353</u>
Funds advanced - HUD CFP Grants	\$112,026	\$131,959	\$110,976	\$17,993	\$ -
Funds (expended):					
In prior years	(112,026)	(131,959)	(25,352)	(829)	
In current year	<u>-</u>	<u>-</u>	<u>(85,624)</u>	<u>(74,877)</u>	<u>(23,847)</u>
Excess of funds advanced (expended)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$57,713)</u>	<u>(\$23,847)</u>

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