

CITY OF COLUMBIA HEIGHTS

STATE OF MINNESOTA

PREPARED BY:

FINANCE DEPARTMENT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2013

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
TABLE OF CONTENTS

	Reference	Page No.
I. INTRODUCTORY SECTION		
Principal City Officials		3
Organizational Chart		4
Letter of Transmittal		5
Certificate of Achievement for Excellence in Financial Reporting		9
II. FINANCIAL SECTION		
Independent Auditor's Report		13
Management's Discussion and Analysis		17
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	32
Statement of Activities	Statement 2	34
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	36
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 4	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Statement 5	41
Statement of Net Position - Proprietary Funds	Statement 6	42
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	Statement 7	44
Statement of Cash Flows - Proprietary Funds	Statement 8	46
Statement of Fiduciary Net Position - Fiduciary Funds	Statement 9	50
Notes to Financial Statements		51
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 10	86
Schedule of Funding Progress for the Retiree Health Plan	Statement 11	88
Budgetary Comparison Schedule - Note to RSI		89

CITY OF COLUMBIA HEIGHTS, MINNESOTA
TABLE OF CONTENTS

	Reference	Page No.
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet - Nonmajor Governmental Funds	Statement 12	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	Statement 13	95
Subcombining Balance Sheet - Nonmajor Special Revenue Funds	Statement 14	100
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds	Statement 15	102
Special Revenue Funds:		
Schedules of Revenues, Expenditures and Changes in Fund Balance:		
Budget and Actual - Cable Television Fund	Statement 16	104
Actual - Police Forfeiture Fund	Statement 17	105
Actual - Police Grants Fund	Statement 18	106
Budget and Actual - Library Fund	Statement 19	107
Actual - After School Programs Fund	Statement 20	108
Actual - Recreation Contributed Projects Fund	Statement 21	109
Actual - Contributed Projects - Other Fund	Statement 22	110
Actual - Special Projects Fund	Statement 23	111
Budget and Actual - Community Development Fund	Statement 24	112
Actual - Anoka County Comm Dev Programs Fund	Statement 25	113
Economic Development Authority (Component Unit):		
Budgetary Comparison Schedule - Administration Fund	Statement 26	114
Housing and Redevelopment Authority (Component Unit):		
Combining Balance Sheet	Statement 27	115
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	Statement 28	116
Schedules of Revenues, Expenditures and Changes in Fund Balance:		
Budget and Actual - Parkview Villa North Fund	Statement 29	117
Budget and Actual - Parkview Villa South Fund	Statement 30	118

CITY OF COLUMBIA HEIGHTS, MINNESOTA
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
Subcombining Balance Sheet - Nonmajor Debt Service Funds	Statement 31	120
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Debt Service Funds	Statement 32	122
Subcombining Balance Sheet - Nonmajor Capital Project Funds	Statement 33	127
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capital Project Funds	Statement 34	128
Enterprise Funds:		
Water Utility Fund:		
Subcombining Schedule of Net Position	Statement 35	130
Subcombining Schedule of Revenues, Expenses and Changes in Fund Net Position	Statement 36	131
Subcombining Schedule of Cash Flows	Statement 37	132
Sewer Utility Fund:		
Subcombining Schedule of Net Position	Statement 38	133
Subcombining Schedule of Revenues, Expenses and Changes in Fund Net Position	Statement 39	134
Subcombining Schedule of Cash Flows	Statement 40	135
Refuse Utility Fund:		
Subcombining Schedule of Net Position	Statement 41	136
Subcombining Schedule of Revenues, Expenses and Changes in Fund Net Position	Statement 42	137
Subcombining Schedule of Cash Flows	Statement 43	138
Storm Sewer Utility Fund:		
Subcombining Schedule of Net Position	Statement 44	139
Subcombining Schedule of Revenues, Expenses and Changes in Fund Net Position	Statement 45	140
Subcombining Schedule of Cash Flows	Statement 46	141
Liquor Fund:		
Subcombining Schedule of Net Position	Statement 47	143
Subcombining Schedule of Revenues, Expenses and Changes in Fund Net Position	Statement 48	144
Subcombining Schedule of Cash Flows	Statement 49	146
Internal Service Funds:		
Combining Statement of Net Position	Statement 50	150
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	Statement 51	151
Combining Statement of Cash Flows	Statement 52	152

CITY OF COLUMBIA HEIGHTS, MINNESOTA
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
Central Garage Fund:		
Subcombining Schedule of Net Position	Statement 53	153
Subcombining Schedule of Revenues, Expenses and Changes in Fund Net Position	Statement 54	154
Subcombining Schedule of Cash Flows	Statement 55	155
Information Systems Fund:		
Subcombining Schedule of Net Position	Statement 56	156
Subcombining Schedule of Revenues, Expenses and Changes in Fund Net Position	Statement 57	157
Subcombining Schedule of Cash Flows	Statement 58	158
Insurance Fund:		
Subcombining Schedule of Net Position	Statement 59	159
Subcombining Schedule of Revenues, Expenses and Changes in Fund Net Position	Statement 60	160
Subcombining Schedule of Cash Flows	Statement 61	161
Compensated Absences Fund:		
Subcombining Schedule of Net Position	Statement 62	162
Subcombining Schedule of Revenues, Expenses and Changes in Fund Net Position	Statement 63	163
Subcombining Schedule of Cash Flows	Statement 64	164
Combining Statement of Changes in Assets and Liabilities - Agency Funds	Statement 65	166

III. STATISTICAL SECTION (UNAUDITED)

Financial Trends:		
Net Positions by Component	Table 1	170
Changes in Net Position	Table 2	172
Fund Balances - Governmental Funds	Table 3	176
Changes in Fund Balances - Governmental Funds	Table 4	178
Revenue Capacity:		
Tax Capacity Value and Estimated Market Value of All Taxable Property	Table 5	182
Direct and Overlapping Property Tax Rates	Table 6	183
Principal Property Taxpayers	Table 7	185
Property Tax Levies and Collections	Table 8	186

CITY OF COLUMBIA HEIGHTS, MINNESOTA
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
Debt Capacity:		
Ratios of Outstanding Debt by Type	Table 9	188
Ratios of Outstanding Net General Bonded Debt by Type	Table 10	190
Direct and Overlapping Governmental Activities Debt	Table 11	192
Legal Debt Margin Information	Table 12	193
Pledged Revenue Coverage Non-Obligation Debt	Table 13	194
Demographic and Economic:		
Demographic and Economic Statistics	Table 14	195
Principal Employers	Table 15	197
Operating Information:		
City Government Employees by Function/Program	Table 16	198
Operating Indicators by Function/Program	Table 17	200
Capital Asset Statistics by Function/Program	Table 18	202
IV. OTHER REQUIRED REPORTS SECTION		
Minnesota Legal Compliance Report		207
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 <i>Government Auditing Standards</i>		209
Report on Supplementary Information - Financial Data Schedule		211
U.S. Department of Housing and Urban Development:		
Financial Data Schedule		213
Financial Data Schedule - Statement and Certification of Actual Modernization Costs		215

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I. INTRODUCTORY SECTION

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CITY OF COLUMBIA HEIGHTS, MINNESOTA

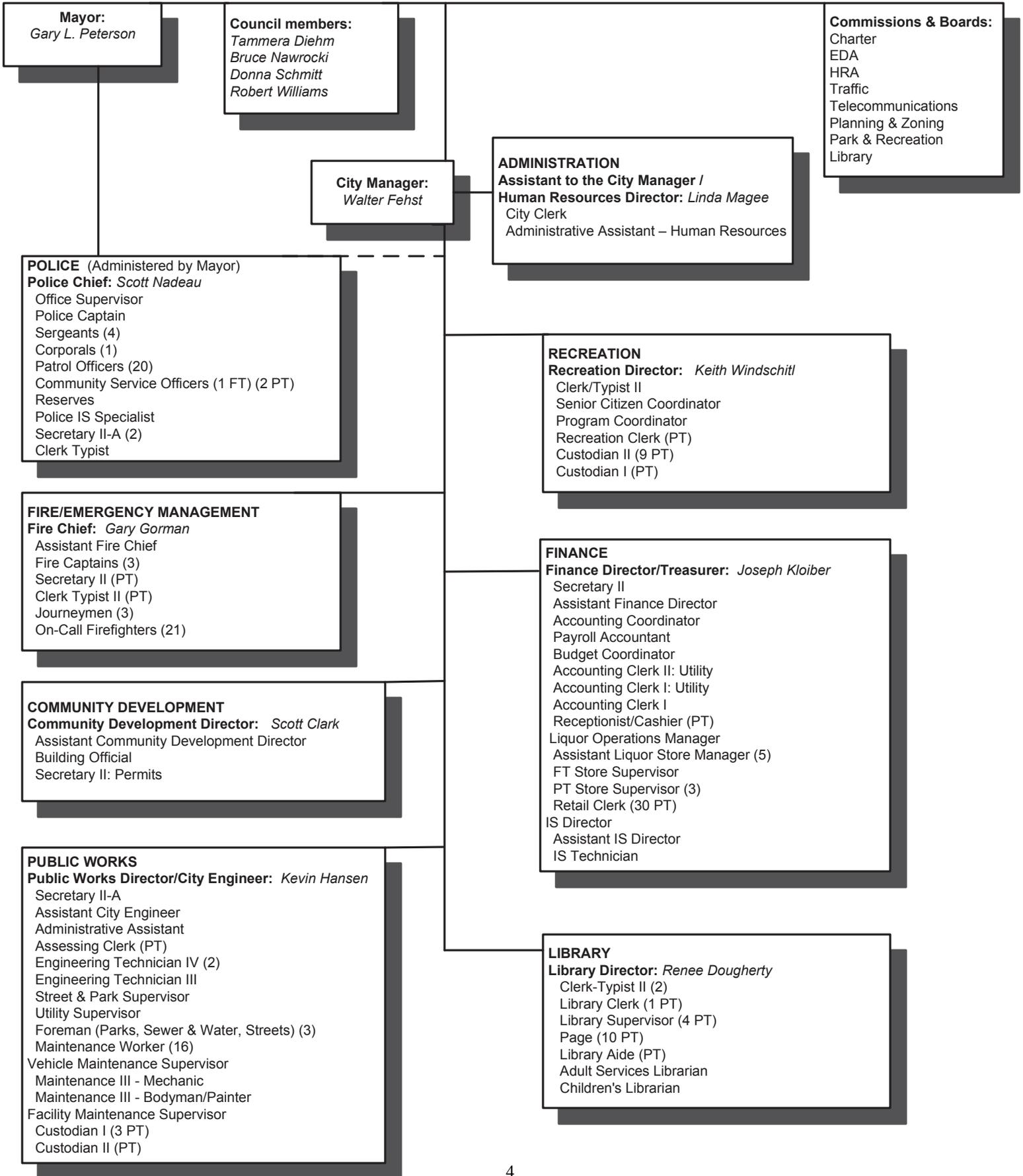
PRINCIPAL CITY OFFICIALS

December 31, 2013



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

City of Columbia Heights Organizational Chart 2013





June 12, 2014

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, 2013, 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, 2013. 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 principals 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 19,667. 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 2013, 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 and dependency on state aid to supplement local revenues. The nation-wide trend 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; however, 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 that significantly reduces the role of state aid in the City's operating budget. Under the plan, state aid, when available, would primarily be used to

reduce the City's debt service 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, 2013, 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, with some recent recovery. 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. These properties are being marketed and new homes are being built.

In 2013, a citizen task force reported that there was a need to replace the City library with a larger, more modern facility.

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, 2012. 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, sweeping initial "J".

Joseph P. Kloiber
Finance Director



Government Finance Officers Association

**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, 2012

Executive Director/CEO

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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, 2013, 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, 2013, 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.

Emphasis of Matter – Implementation of GASB 65

As described in Note 15 to the financial statements, in 2013, the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the City of Columbia Heights, Minnesota's 2012 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, 2012 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 and schedules and statistical 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 schedules 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 schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical 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 12, 2014, 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

HLB TAUTGES REDPATH, LTD.

June 12, 2014

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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, 2013. 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, 2013, by \$69,305,558 (net position). Of this amount, \$28,912,689, or 42%, is unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.

During 2013, the City's total net position increased by \$1,111,258 or approximately 2% from the prior year. Governmental activities increased net position by \$74,198 and the City's business-type activities increased net position by \$1,037,060.

As of December 31, 2013, the combined fund balances of the City's governmental funds were \$24,217,234. This is an increase of \$204,805 or less than 1% from the prior year. Approximately 92 percent of this amount, \$22,374,482 is available for use within the City's constraints and policies.

As of December 31, 2013, unassigned fund balance for the General fund was \$6,254,402; which equals 56% of the total subsequent year General fund budgeted expenditures.

During 2013, the City's total bonded debt increased by \$152,000 to an end of year total of \$24,489,000. This increase was primarily caused by the issuance of the 2013A bonds for \$2,775,000 offset with partial refunding and early redemption of the 2006A bonds and annual principal payments on all other debt service.

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 2013 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.

Other information. Required supplementary information on funding progress for retiree health

Management's Discussion and Analysis

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, 2013, the City's assets exceeded its liabilities by \$69,305,558.

\$37,723,897 or 54% 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 is 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, \$28,912,689 or 42% may be used to meet the City's ongoing obligations to citizens and creditors.

At December 31, 2013, 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	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	\$30,662,634	\$30,482,123	\$11,108,045	\$8,541,440	\$41,770,679	\$39,023,563
Capital assets	40,986,511	42,128,192	15,148,132	15,126,724	56,134,643	57,254,916
Total assets	<u>\$71,649,145</u>	<u>\$72,610,315</u>	<u>\$26,256,177</u>	<u>\$23,668,164</u>	<u>\$97,905,322</u>	<u>\$96,278,479</u>
Liabilities:						
Current liabilities	\$2,012,675	\$2,400,190	\$1,719,533	\$1,491,206	\$3,732,208	\$3,891,396
Noncurrent liabilities	18,029,750	18,677,603	6,837,806	5,522,551	24,867,556	24,200,154
Total liabilities	<u>\$20,042,425</u>	<u>\$21,077,793</u>	<u>\$8,557,339</u>	<u>\$7,013,757</u>	<u>\$28,599,764</u>	<u>\$28,091,550</u>
Net position:						
Net invested in capital assets	\$27,358,490	\$27,666,461	\$10,365,407	\$9,819,666	\$37,723,897	\$37,486,127
Restricted	2,025,652	2,624,466	643,320	161,503	2,668,972	2,785,969
Unrestricted	22,222,578	21,241,595	6,690,111	6,680,609	28,912,689	27,922,204
Total net position	<u>\$51,606,720</u>	<u>\$51,532,522</u>	<u>\$17,698,838</u>	<u>\$16,661,778</u>	<u>\$69,305,558</u>	<u>\$68,194,300</u>

Management's Discussion and Analysis

CITY OF COLUMBIA HEIGHTS' CHANGES IN NET POSITION

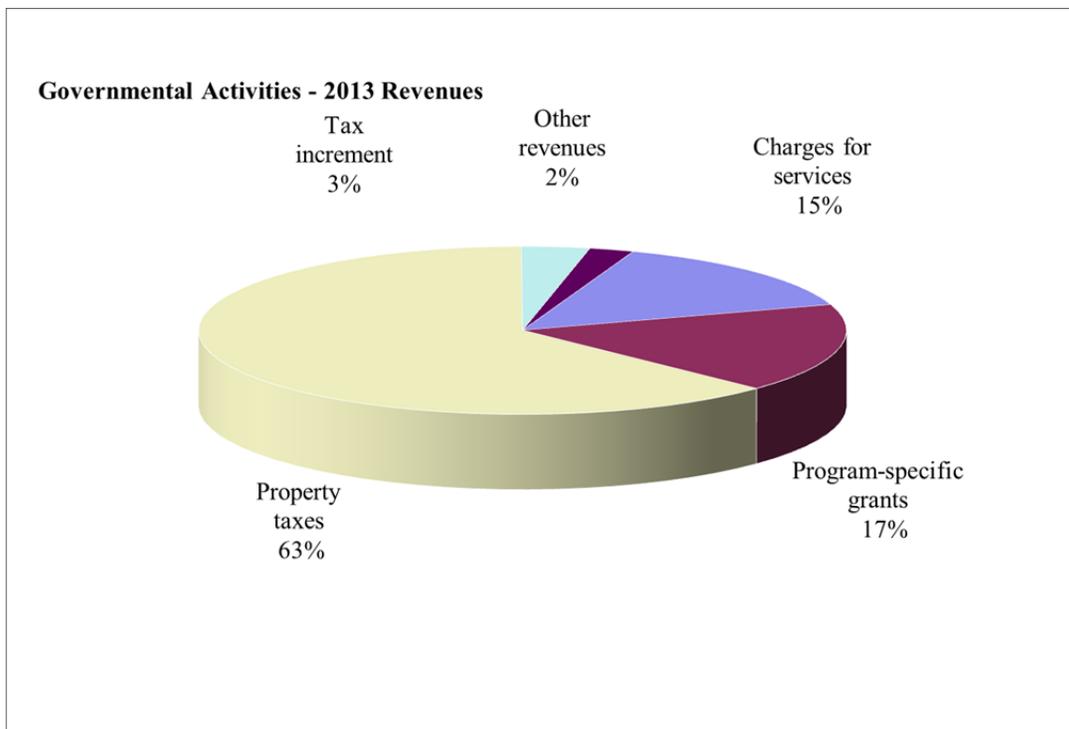
	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$2,270,998	\$2,180,021	\$15,581,195	\$15,278,335	\$17,852,193	\$17,458,356
Operating grants and contributions	801,344	825,773	84,871	62,471	886,215	888,244
Capital grants and contributions	1,881,933	1,002,270	-	50,000	1,881,933	1,052,270
General revenues:						
Property taxes	9,827,378	9,363,598	-	-	9,827,378	9,363,598
Tax increment collections	532,524	553,050	-	-	532,524	553,050
Grants and contributions not restricted to specific programs	1,000,513	1,003,552	-	-	1,000,513	1,003,552
Unrestricted investment earnings	(664,694)	295,950	(152,300)	63,321	(816,994)	359,271
Gain on sale of capital assets used in governmental activities	11,842	7,338	-	-	11,842	7,338
Total revenues	<u>15,661,838</u>	<u>15,231,552</u>	<u>15,513,766</u>	<u>15,454,127</u>	<u>31,175,604</u>	<u>30,685,679</u>
Expenses:						
General government	1,976,207	1,977,594	-	-	1,976,207	1,977,594
Public safety	5,683,769	5,708,009	-	-	5,683,769	5,708,009
Public works	2,843,102	3,200,572	-	-	2,843,102	3,200,572
Culture and recreation	2,553,760	2,500,719	-	-	2,553,760	2,500,719
Community development	2,010,040	2,157,966	-	-	2,010,040	2,157,966
Interest on long-term debt	808,933	845,879	-	-	808,933	845,879
Water	-	-	2,371,414	2,311,858	2,371,414	2,311,858
Sewer	-	-	1,538,970	1,464,269	1,538,970	1,464,269
Refuse	-	-	1,628,966	1,601,648	1,628,966	1,601,648
Storm sewer	-	-	307,876	329,998	307,876	329,998
Liquor	-	-	8,341,309	8,386,352	8,341,309	8,386,352
Total expenses	<u>15,875,811</u>	<u>16,390,739</u>	<u>14,188,535</u>	<u>14,094,125</u>	<u>30,064,346</u>	<u>30,484,864</u>
Increase (decrease) in net position before transfers	(213,973)	(1,159,187)	1,325,231	1,360,002	1,111,258	200,815
Transfers	<u>288,171</u>	<u>263,814</u>	<u>(288,171)</u>	<u>(263,814)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	74,198	(895,373)	1,037,060	1,096,188	1,111,258	200,815
Net position - January 1, as previously reported	51,532,522	52,427,895	16,661,778	15,630,779	68,194,300	68,058,674
Prior period adjustment	-	-	-	(65,189)	-	(65,189)
Net position - January 1, as restated	<u>51,532,522</u>	<u>52,427,895</u>	<u>16,661,778</u>	<u>15,565,590</u>	<u>68,194,300</u>	<u>67,993,485</u>
Net position - December 31	<u>\$51,606,720</u>	<u>\$51,532,522</u>	<u>\$17,698,838</u>	<u>\$16,661,778</u>	<u>\$69,305,558</u>	<u>\$68,194,300</u>

Changes in net position - governmental activities. During the current year, governmental activities increased the City's total net position by \$74,198. During the prior year, governmental activities decreased the City's net position by \$895,373. Key differences between the current and prior year change in net position of governmental activities include:

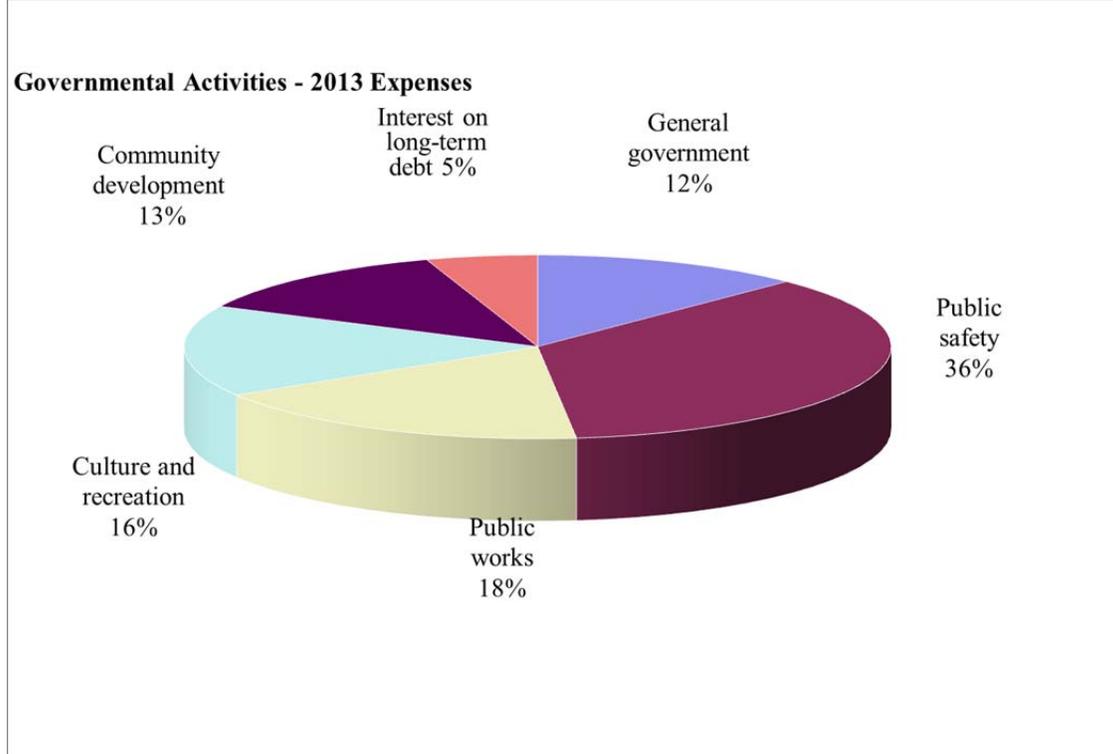
- In 2013, investment income of the governmental activities decreased approximately \$960,000 compared to the prior year. This was primarily the result of a significant 2013 decrease in the fair value on investments of \$934,338.
- In 2013, a capital grant was received from Anoka County to assist with the purchase and demolition of a large commercial property on Central Avenue for \$877,628.
- Property taxes increased \$464,000. This consists of:
 - Excess TIF reimbursement - \$173,000

Management's Discussion and Analysis

- Area wide fiscal disparities - \$190,000
- Local property tax levy and other collections - \$101,000
- 2013 expenses of the community development function decreased by approximately \$150,000 compared to 2012 due to a smaller decline in the carrying value of property held for resale.
- 2013 expenses of the public works function decreased by approximately \$300,000 compared to 2012. 2012 included the one-time local share of installation of new state-owned traffic signals on state highway 65.
- The 2013 phase of the City's ongoing street rehabilitation program consisted of larger scale projects that met the City's threshold for capitalization of infrastructure. Whereas, the 2012 phase of the program consisted of a several smaller projects that did not meet the threshold. This circumstance decreased 2013 public works expenses by approximately an additional \$57,000.
- Culture and recreation function expenses increased \$53,000. A majority of this increase, \$50,000, was due to an increase in Parks expenses. The City has been improving many of the parks within the City, more personnel time and construction materials were charged to these projects. These projects did not meet the City's capitalization threshold.



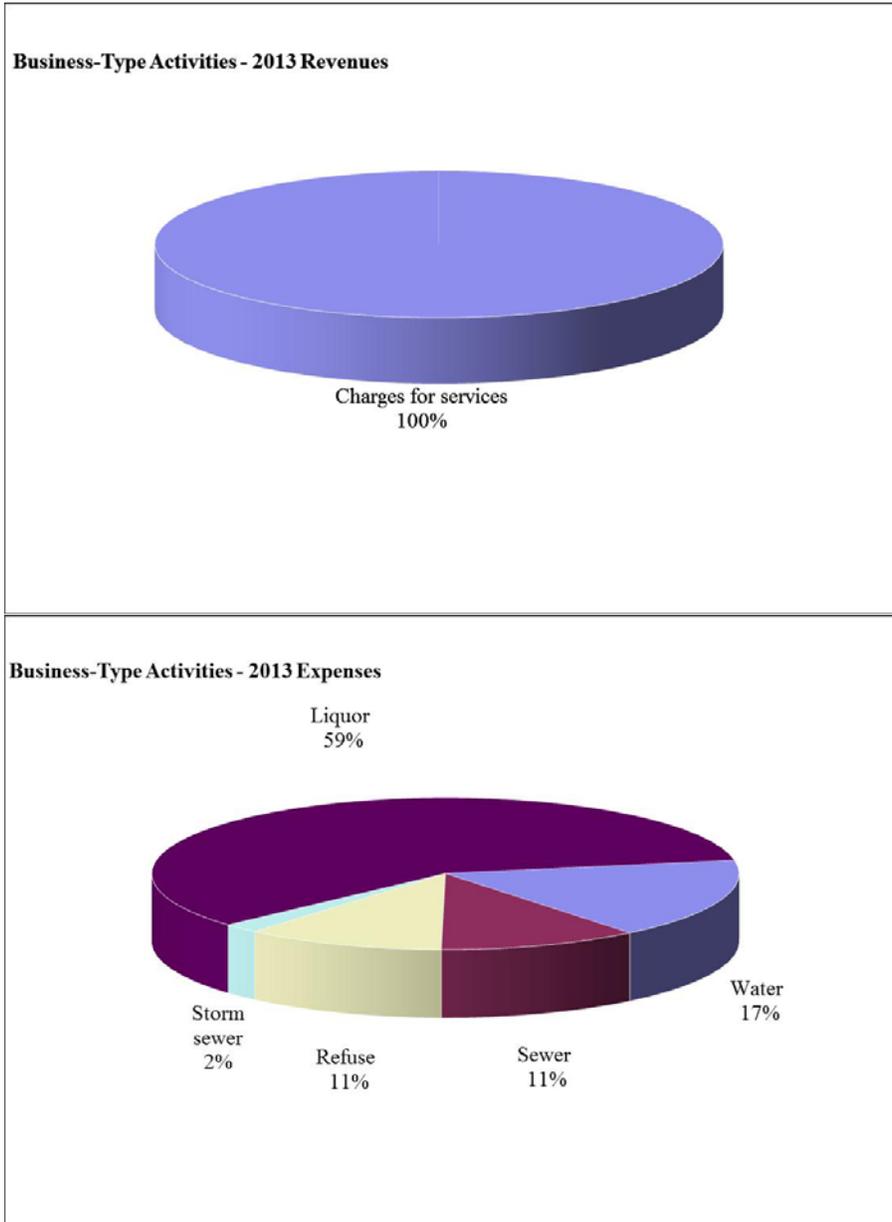
Management's Discussion and Analysis



Business-type activities. In 2013, business-type activities increased the City's total net position by \$1,037,060 or 6%. In the prior year, business-type activities increased the City's net position, after the restatement for implementation of GASB Statement 65, by \$1,096,188 or 7%. The key differences between the current and prior year change in business-type activities net position were the following:

- Similar to the governmental activities, investment income decreased approximately \$216,000 compared to the prior year. This was primarily the result of a significant 2013 decrease in fair value on investments of \$208,300.
- Overall, charges for utility services increased \$303,000 or 2%. This reflects a 3% rate increase, offset by reduced volume.
- The water expenses increased by approximately \$60,000. \$33,000 of this increase was the result of an increased number of stop box utility repairs found during street improvements and foreclosure shut-offs, as well as an increased cost in restoration after repairs. Approximately \$11,000 was for an increase in annual depreciation.
- Sewer expenses increased \$75,000. \$25,000 was a rate increase from a supplier; \$25,000 was for a sewer catch basin replacement project; \$18,000 was an increase in personnel expense allocation.

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

Management's Discussion and Analysis

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, 2013, the City's governmental funds reported combined fund balances of \$24,217,234. Committed, assigned and unassigned fund balance, which is available for spending at the City's discretion, has a balance of \$18,494,776. 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 (\$1,000,831), land held for resale (\$1,422,068), prepaid items (\$95,684), interfund loans (\$325,000), tax increment (\$1,400,497), and other restricted purposes.

The general fund is the chief operating fund of the City. In 2013, fund balance in the general fund increased by \$320,368 or 5.3%. In the prior year, fund balance in the general fund increased by \$207,885 or 3.5%. 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 \$168,900 in 2013. This reflects a property tax increase of approximately \$516,000:
 - Excess TIF reimbursement - \$78,000
 - Area wide fiscal disparities - \$190,000
 - Local property tax levy - \$236,000;offset by reductions in federal grants and the fair value of investments of \$75,000 and \$268,000; respectively.
- Total general fund expenditures remained relatively the same, increasing \$11,440 or 0.1% in 2013, as compared to the prior year. Total activity remained relatively the same, with differences between functions offsetting.

The changes in fund balance of the other major governmental funds in 2013, and key elements of those changes, were as follows:

- 2008A Taxable GO Housing Improvement Area Bonds Fund increased \$6,261. This is the result of routine collection of special assessments and payment of related debt service
- The Municipal State Aid Street Fund increased by \$100,716. 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 \$24,427. This is the amount by which 2013 improvements and decline in 2013 investment income exceeded transfers-in for building improvements.
- The Capital Equipment Replacement General Government Fund decreased by \$98,106. This is the amount by which 2013 equipment purchases and decline in 2013 investment income exceeded transfers-in for equipment purchases.
- The Capital Improvements PIR Fund increased by \$167,837. This primarily reflects current year special assessment revenue, from prior year improvement projects, in excess of current

Management's Discussion and Analysis

year expenses on current year improvement projects. PIR is the acronym for public improvement revolving fund.

- The Capital Improvements Development Fund decreased by \$40,824. 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 \$227,020 or 2.5% in 2013. Whereas in the prior year, combined total fund balances of the nonmajor governmental funds decreased by \$432,201 or 4%. This difference involved numerous changes, but the most significant elements included:

- The G.O. Improvement/Revenue Bonds 2006A fund decreased by \$459,693. This reflects the partial early redemption in 2013 of the related debt.
- The TIF 47th and Central Avenue fund decreased \$100,731. This primarily reflects the reduction in carrying value for real estate held for resale.
- The Library fund increased by \$94,917. The library had two vacant full-time positions for approximately half of the year.

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, 2013, net position of the major proprietary funds included the following amounts of unrestricted net position:

- Water Fund \$350,163
- Sewer Fund \$1,320,130
- Refuse Fund \$1,321,587
- Storm Sewer Fund \$503,204
- Liquor Fund \$2,572,080

The 2013 changes in net position of the major proprietary funds included the following:

- Water Fund \$535,109
- Sewer Fund (\$439,931)
- Refuse Fund \$171,542
- Storm Sewer Fund \$457,695
- Liquor Fund \$317,789

The change in proprietary funds reflects in part a \$400,000 one-time operating transfer from Sewer to Storm Sewer. Other factors concerning the finances of the proprietary funds are addressed above in the analysis of the City's business-type activities.

Management's Discussion and Analysis

Budgetary Highlights

General fund. The changes between the original and final 2013 general fund budget consist of:

- A budget amendment to reclassify contingent labor costs across all departments in the general fund was implemented once labor contracts were settled. The total amendment for this purpose was \$131,194.
- The public safety increase of \$103,818 was approximately \$77,000 of the above mentioned budget amendment and an increase to the amount budgeted for 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 of \$175,000 in transfers-out to the nonmajor funds, to utilize state aid for the cancellation of a portion of the 2013 tax levy for debt service purposes.

Actual general fund revenues in 2013 were less than budgeted by \$41,763 or 0.4%. This variance was primarily the result of the following:

- A negative change in fair value on investments of \$262,438. In addition to the reduction in fair value, \$14,000 less investment interest was collected than budgeted.
- Reimbursement of excess tax increments were received for \$172,700. This is an item which is not budgeted.
- The increase in the number of rental units within the City exceeded budgeted forecasts. The increase in rental license revenue was \$26,172.
- A favorable variance in intergovernmental revenue of \$41,897; including \$28,000 of public safety grants and \$9,000 of state reimbursement for law officer training.

Actual general fund expenditures in 2013 were less than budgeted by \$552,892 or 5%. The largest element of this variance was \$404,768 of personnel costs. This is a result of multiple retirements, positions being hired at entry rates and vacancies for large portions of the year.

- Police department personnel costs were \$197,000 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 \$182,000 of police department expenditures under budget.
- Engineering department personnel costs were \$95,326 under budget. This is the result of a vacant Engineering Tech position. In addition, public works staff hours included in this budget were later assigned to projects in other funds.
- Actual expenses of the parks and recreation department were \$127,187 under budget. The majority of this consisted of personnel expense variances:

Management's Discussion and Analysis

- Custodial services at the City's banquet hall/rental facility were under budget by \$25,000. This was partially a result of over forecasting rental activity in 2013.
- Certain 2013 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 2013 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, 2013 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 \$38,432 under budget.

The remaining balance of the general fund expenditure budget variance was spread across all other departments of the general fund.

Capital Asset and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of December 31, 2013, amount to \$56,134,642 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, 2013, the City had \$466,265 of noncancellable contractual commitments for construction in 2013. Significant capital asset activity during 2013 included the following:

Project	Year Started	As of December 31, 2013	
		Cost to Date	Status
Street Rehabilitation - Zone 7	2012	673,971	in-service
Watermain Clean and Line	2012	328,200	in-progress
Concrete Street - Zone 3	2013	861,213	in-progress
Pump Station 2 PVR	2013	163,570	in-progress
Commercial Water Meter Replacement	2013	204,715	in-service

Management's Discussion and Analysis

City of Columbia Heights' Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets - not being depreciated:				
Land	\$5,325,624	\$ -	\$ -	\$5,325,624
Construction in progress	888,014	918,440	(916,062)	890,392
Total capital assets not being depreciated	6,213,637	918,440	(916,062)	6,216,016
Capital assets - being depreciated:				
Buildings	28,126,405	359,664	-	28,486,069
Equipment	8,307,494	164,652	(149,393)	8,322,753
Infrastructure	29,632,619	558,764	-	30,191,383
Total capital assets being depreciated	66,066,518	1,083,080	(149,393)	67,000,205
Less accumulated depreciation for:				
Buildings	11,366,977	726,008	-	12,092,985
Equipment	5,598,815	473,992	(144,293)	5,928,514
Infrastructure	13,186,171	1,022,039	-	14,208,210
Total accumulated depreciation	30,151,963	2,222,039	(144,293)	32,229,709
Capital assets being depreciated - net	35,914,555	(1,138,959)	(5,100)	34,770,496
Governmental activities capital assets - net	42,128,192	(220,519)	(921,162)	40,986,511
Business-type activities:				
Capital assets - not being depreciated:				
Land	2,349,213	-	-	2,349,213
Construction in progress	259,930	534,178	(303,200)	490,908
Total capital assets not being depreciated	2,609,143	534,178	(303,200)	2,840,121
Capital assets - being depreciated:				
Buildings	4,631,314	303,232	-	4,934,546
Equipment	2,215,507	113,780	(126,000)	2,203,287
Infrastructure	16,019,696	-	-	16,019,696
Total capital assets being depreciated	22,866,517	417,012	(126,000)	23,157,529
Less accumulated depreciation for:				
Buildings	1,233,985	137,036	-	1,371,021
Equipment	1,615,051	125,268	(126,000)	1,614,319
Infrastructure	7,499,900	364,278	-	7,864,178
Total accumulated depreciation	10,348,936	626,582	(126,000)	10,849,518
Capital assets being depreciated - net	12,517,581	(209,570)	-	12,308,011
Business-type activities capital assets - net	15,126,724	324,608	(303,200)	15,148,132
Total capital assets - net	\$57,254,916	\$104,089	(\$1,224,362)	\$56,134,643

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

Long-term debt. During 2013, the City's total bonded debt increased by \$152,000 to an end of year total of \$24,489,000. This was primarily from the issuance in 2013 of \$2,775,000 in bonds to finance storm water management projects and other projects, offset by the partial early redemption and partial refunding of the 2006 bonds and annual principal installments on all other bonds. 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.

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, 2013,

Management's Discussion and Analysis

the City's debt limit under this statute was \$29,819,529 and \$12,685,000 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	
	2013	2012	2013	2012	2013	2012
General obligation bonds:						
Repaid only with general taxes	\$11,898,431	\$12,308,431	\$ -	\$ -	\$11,898,431	\$12,308,431
With other pledged revenues	3,044,590	3,573,299	2,436,979	1,123,270	5,481,569	4,696,569
Revenue bonds	2,679,000	2,737,000	4,430,000	4,595,000	7,109,000	7,332,000
Compensated absences	976,143	950,937	187,050	172,107	1,163,193	1,123,044
Postemployment benefits other than pensions	152,154	105,492	-	-	152,154	105,492
	<u>\$18,750,318</u>	<u>\$19,675,159</u>	<u>\$7,054,029</u>	<u>\$5,890,377</u>	<u>\$25,804,347</u>	<u>\$25,565,536</u>

At December 31, 2013, 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, 2013, 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, 2013, 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 \$1,163,193 and \$152,154 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 2013, the average annual unemployment rate for Anoka County, which includes the City, was 4.8%. This is a decrease from a rate of 5.6% from the prior year. This compares to the average 2013 state and national rates of 5.4% and 6.8% respectively. The Consumer Price Index in the region compares favorably to national trends.

These factors were considered in preparing the City of Columbia Heights' 2013 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, 2013
With Comparative Totals For December 31, 2012

Statement 1
Page 1 of 2

Assets	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2013	2012
Current assets:				
Cash and investments	\$24,482,073	\$5,907,225	\$30,389,298	\$27,767,018
Cash and investments with fiscal agent	-	399,254	399,254	399,254
Receivables:				
Accounts (net of allowance for uncollectibles)	142,136	1,810,305	1,952,441	1,689,352
Special assessments - current	458,884	-	458,884	474,088
Taxes	377,839	-	377,839	417,408
Interest	50,725	11,200	61,925	75,112
Due from other governmental units - current	857,452	35,957	893,409	702,009
Internal balances	(68,942)	68,942	-	-
Prepayments	149,735	81,254	230,989	215,437
Inventory - at cost	63,091	2,793,908	2,856,999	2,615,235
Real estate held for resale	1,919,419	-	1,919,419	2,355,806
Total current assets	<u>28,432,412</u>	<u>11,108,045</u>	<u>39,540,457</u>	<u>36,710,719</u>
Noncurrent assets:				
Special assessments receivable - noncurrent	2,230,222	-	2,230,222	2,320,215
Capital assets (net of accumulated depreciation):				
Land	5,325,624	2,349,213	7,674,837	7,674,837
Buildings	16,393,084	3,563,525	19,956,609	20,156,757
Equipment	2,394,239	588,968	2,983,207	3,309,134
Infrastructure	15,983,172	8,155,518	24,138,690	24,966,244
Construction in process	890,392	490,908	1,381,300	1,147,944
Total noncurrent assets	<u>43,216,733</u>	<u>15,148,132</u>	<u>58,364,865</u>	<u>59,575,131</u>
Total assets	<u>71,649,145</u>	<u>26,256,177</u>	<u>97,905,322</u>	<u>96,285,850</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2013
With Comparative Totals For December 31, 2012

Statement 1
Page 2 of 2

Liabilities	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2013	2012
Current liabilities:				
Accounts payable	\$220,642	\$882,027	\$1,102,669	\$949,001
Accrued salaries and withholdings payable	230,796	57,112	287,908	236,495
Contracts payable - retained percentage	102,115	49,729	151,844	104,110
Due to other governmental units	185,304	414,480	599,784	545,320
Unearned revenue	206,518	-	206,518	203,160
Accrued interest payable	308,454	99,962	408,416	451,400
Deposits	38,278	-	38,278	36,528
Compensated absences payable - current	58,568	11,223	69,791	67,382
Bonds payable - current	662,000	205,000	867,000	1,298,000
Total current liabilities	<u>2,012,675</u>	<u>1,719,533</u>	<u>3,732,208</u>	<u>3,891,396</u>
Noncurrent liabilities:				
Compensated absences payable - noncurrent	917,575	175,827	1,093,402	1,055,662
Other postemployment benefits payable - noncurrent	152,154	-	152,154	105,492
Bonds payable - noncurrent	16,960,021	6,661,979	23,622,000	23,039,000
Total noncurrent liabilities	<u>18,029,750</u>	<u>6,837,806</u>	<u>24,867,556</u>	<u>24,200,154</u>
Total liabilities	<u>20,042,425</u>	<u>8,557,339</u>	<u>28,599,764</u>	<u>28,091,550</u>
Net position				
Net investments in capital assets	27,358,490	10,365,407	37,723,897	37,486,127
Restricted for:				
Debt service	584,578	643,320	1,227,898	1,289,332
Tax increment purposes	1,069,796	-	1,069,796	1,097,907
Other purposes	371,278	-	371,278	398,730
Unrestricted	22,222,578	6,690,111	28,912,689	27,922,204
Total net position	<u>\$51,606,720</u>	<u>\$17,698,838</u>	<u>\$69,305,558</u>	<u>\$68,194,300</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, 2013
With Comparative Totals For The Year Ended December 31, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges For Services</u>
Primary government:		
Governmental activities:		
General government	\$1,976,207	\$385,728
Public safety	5,683,769	706,168
Public works	2,843,102	39,141
Culture and recreation	2,553,760	163,931
Community development	2,010,040	976,030
Interest on long-term debt	808,933	-
Total governmental activities	<u>15,875,811</u>	<u>2,270,998</u>
Business-type activities:		
Water	2,371,414	3,020,174
Sewer	1,538,970	1,618,786
Refuse	1,628,966	1,826,226
Storm sewer	307,876	368,925
Liquor	8,341,309	8,747,084
Total business-type activities	<u>14,188,535</u>	<u>15,581,195</u>
Total primary government	<u><u>\$30,064,346</u></u>	<u><u>\$17,852,193</u></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	2013	2012
\$ -	\$ -	(\$1,590,479)	\$ -	(\$1,590,479)	(\$1,773,203)
511,527	-	(4,466,074)	-	(4,466,074)	(4,414,695)
233,748	855,227	(1,714,986)	-	(1,714,986)	(2,074,307)
56,069	-	(2,333,760)	-	(2,333,760)	(2,305,404)
-	1,026,706	(7,304)	-	(7,304)	(969,187)
-	-	(808,933)	-	(808,933)	(845,879)
<u>801,344</u>	<u>1,881,933</u>	<u>(10,921,536)</u>	<u>0</u>	<u>(10,921,536)</u>	<u>(12,382,675)</u>
1,971	-	-	650,731	650,731	465,525
-	-	-	79,816	79,816	117,247
68,565	-	-	265,825	265,825	272,683
14,335	-	-	75,384	75,384	23,345
-	-	-	405,775	405,775	417,881
<u>84,871</u>	<u>0</u>	<u>0</u>	<u>1,477,531</u>	<u>1,477,531</u>	<u>1,296,681</u>
<u>\$886,215</u>	<u>\$1,881,933</u>	<u>(10,921,536)</u>	<u>1,477,531</u>	<u>(9,444,005)</u>	<u>(11,085,994)</u>
General revenues:					
Property taxes		9,827,378	-	9,827,378	9,363,598
Tax increment collections		532,524	-	532,524	553,050
Grants and contributions not restricted to specific programs		1,000,513	-	1,000,513	1,003,552
Unrestricted investment earnings:					
Interest and dividends		269,644	56,000	325,644	342,510
Change in fair value		(934,338)	(208,300)	(1,142,638)	16,761
Gain on sale of capital assets used in governmental activities		11,842	-	11,842	7,338
Transfers		288,171	(288,171)	-	-
Total general revenues and transfers		<u>10,995,734</u>	<u>(440,471)</u>	<u>10,555,263</u>	<u>11,286,809</u>
Change in net position		74,198	1,037,060	1,111,258	200,815
Net position - January 1, as previously reported		51,532,522	16,661,778	68,194,300	68,058,674
Prior period adjustment		-	-	-	(65,189)
Net position - January 1, as restated		<u>51,532,522</u>	<u>16,661,778</u>	<u>68,194,300</u>	<u>67,993,485</u>
Net position - December 31		<u>\$51,606,720</u>	<u>\$17,698,838</u>	<u>\$69,305,558</u>	<u>\$68,194,300</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

	<u>General Fund</u>	<u>2008A Taxable GO Housing Improvement Area Bonds Fund</u>	<u>Municipal State Aid Street Fund</u>
Assets			
Cash and investments	\$6,616,431	\$188,316	\$ -
Receivables:			
Accounts	76,388	-	-
Special assessments	-	764,141	-
Taxes	341,984	-	-
Interest	14,425	300	-
Due from other governmental units	106,198	-	295,000
Interfund receivable	9,733	-	-
Prepayments	92,638	-	-
Real estate held for resale	-	-	-
Total assets	<u><u>\$7,257,797</u></u>	<u><u>\$952,757</u></u>	<u><u>\$295,000</u></u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$109,032	\$ -	\$3,283
Accrued salaries and withholdings payable	199,119	-	2,119
Contracts payable - retained percentage	12,481	-	-
Due to other governmental units	132,727	-	-
Interfund payable	-	-	7,289
Unearned revenue	145,916	-	-
Deposits	-	-	-
Total liabilities	<u><u>599,275</u></u>	<u><u>0</u></u>	<u><u>12,691</u></u>
Deferred inflows of resources:			
Unavailable revenue	261,245	764,094	15,000
Total deferred inflows of resources	<u><u>261,245</u></u>	<u><u>764,094</u></u>	<u><u>15,000</u></u>
Fund balance:			
Nonspendable	92,638	-	-
Restricted	-	188,663	-
Committed	50,237	-	267,309
Unassigned	6,254,402	-	-
Total fund balances	<u><u>6,397,277</u></u>	<u><u>188,663</u></u>	<u><u>267,309</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$7,257,797</u></u>	<u><u>\$952,757</u></u>	<u><u>\$295,000</u></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 reported as unavailable revenue 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.

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 2013
\$1,071,393	\$3,939,026	\$889,597	\$1,503,890	\$7,791,865	\$ -	\$22,000,518
-	-	2,856	-	62,892	-	142,136
-	-	1,844,710	-	80,255	-	2,689,106
-	-	-	-	35,855	-	377,839
2,700	9,900	2,100	2,900	14,500	-	46,825
-	-	143,000	-	313,254	-	857,452
-	325,000	80,255	340,840	185,708	(616,536)	325,000
-	-	-	-	3,046	-	95,684
-	-	45,600	164,844	1,708,975	-	1,919,419
<u>\$1,074,093</u>	<u>\$4,273,926</u>	<u>\$3,008,118</u>	<u>\$2,012,474</u>	<u>\$10,196,350</u>	<u>(\$616,536)</u>	<u>\$28,453,979</u>
\$ -	\$1,790	\$35,666	\$2,417	\$47,099	\$ -	\$199,287
-	-	219	-	24,160	-	225,617
-	-	87,434	2,200	-	-	102,115
-	-	2,658	-	49,919	-	185,304
-	-	-	-	612,011	(616,536)	2,764
-	-	-	-	52,929	-	198,845
-	-	11,945	-	26,333	-	38,278
<u>0</u>	<u>1,790</u>	<u>137,922</u>	<u>4,617</u>	<u>812,451</u>	<u>(616,536)</u>	<u>952,210</u>
-	-	1,835,688	-	408,508	-	3,284,535
<u>0</u>	<u>0</u>	<u>1,835,688</u>	<u>0</u>	<u>408,508</u>	<u>0</u>	<u>3,284,535</u>
-	325,000	45,600	164,844	1,214,670	-	1,842,752
-	-	-	-	3,691,043	-	3,879,706
1,074,093	3,947,136	988,908	1,843,013	4,109,022	-	12,279,718
-	-	-	-	(39,344)	-	6,215,058
<u>1,074,093</u>	<u>4,272,136</u>	<u>1,034,508</u>	<u>2,007,857</u>	<u>8,975,391</u>	<u>0</u>	<u>24,217,234</u>
<u>\$1,074,093</u>	<u>\$4,273,926</u>	<u>\$3,008,118</u>	<u>\$2,012,474</u>	<u>\$10,196,350</u>	<u>(\$616,536)</u>	<u>\$28,453,979</u>
						\$24,217,234
						39,613,438
						3,284,534
						2,574,143
						(18,082,629)
						<u>\$51,606,720</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, 2013

	<u>General Fund</u>	<u>2008A Taxable GO Housing Improvement Area Bonds Fund</u>	<u>Municipal State Aid Street Fund</u>
Revenues:			
Taxes	\$8,142,980	\$ -	\$ -
Tax increment collections	-	-	-
Special assessments	-	108,213	-
Licenses and permits	192,362	-	-
Intergovernmental	1,420,796	-	492,973
Charges for services	579,455	-	-
Fines and forfeitures	129,132	-	-
Investment income:			
Interest and dividends	70,994	1,600	-
Change in fair value	(262,438)	(5,800)	-
Other revenues	5,146	-	-
Total revenues	<u>10,278,427</u>	<u>104,013</u>	<u>492,973</u>
Expenditures:			
Current:			
General government	1,763,621	-	-
Public safety	5,109,836	-	-
Public works	1,380,330	-	113,422
Culture and recreation	1,459,848	-	-
Community development	-	-	-
Capital outlay:			
General government	13,868	-	-
Public safety	-	-	-
Public works	117,946	-	280,000
Culture and recreation	39,768	-	-
Community development	-	-	-
Debt service:			
Principal retirement	-	50,000	-
Interest and fiscal charges	-	47,752	-
Developer incentives	-	-	-
Total expenditures	<u>9,885,217</u>	<u>97,752</u>	<u>393,422</u>
Revenues over (under) expenditures	<u>393,210</u>	<u>6,261</u>	<u>99,551</u>
Other financing sources (uses):			
Transfers in	382,500	-	4,734
Transfers out	(455,342)	-	(3,569)
Bonds issued	-	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(72,842)</u>	<u>0</u>	<u>1,165</u>
Net change in fund balance	320,368	6,261	100,716
Fund balance - January 1	<u>6,076,909</u>	<u>182,402</u>	<u>166,593</u>
Fund balance - December 31	<u><u>\$6,397,277</u></u>	<u><u>\$188,663</u></u>	<u><u>\$267,309</u></u>

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

Statement 4

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
						2013
\$ -	\$ -	\$ -	\$ -	\$1,745,615	\$ -	\$9,888,595
-	-	-	-	527,928	-	527,928
-	-	559,506	-	-	-	667,719
-	-	-	-	219,846	-	412,208
-	-	-	-	805,631	-	2,719,400
-	-	178,572	-	952,740	-	1,710,767
-	-	-	-	18,891	-	148,023
13,600	63,180	10,600	14,300	75,870	-	250,144
(50,700)	(181,800)	(39,400)	(53,200)	(268,600)	-	(861,938)
7,691	3,796	326	6,912	80,706	-	104,577
(29,409)	(114,824)	709,604	(31,988)	4,158,627	0	15,567,423
2,654	-	-	-	25,104	-	1,791,379
-	13,265	-	-	48,221	-	5,171,322
-	-	83,244	-	67,079	-	1,644,075
14,864	-	-	-	758,734	-	2,233,446
-	-	-	8,836	1,196,437	-	1,205,273
-	-	-	-	-	-	13,868
-	70,960	-	-	-	-	70,960
-	-	494,419	-	3,858	-	896,223
-	-	-	-	-	-	39,768
-	-	2,400	-	564,501	-	566,901
-	-	-	-	1,509,730	-	1,559,730
-	-	-	-	786,138	-	833,890
-	-	-	-	163,972	-	163,972
17,518	84,225	580,063	8,836	5,123,774	0	16,190,807
(46,927)	(199,049)	129,541	(40,824)	(965,147)	0	(623,384)
22,500	84,000	27,677	-	1,136,117	(1,330,788)	326,740
-	-	(224,381)	-	(761,065)	1,330,788	(113,569)
-	-	235,000	-	328,021	-	563,021
-	16,943	-	-	35,054	-	51,997
22,500	100,943	38,296	0	738,127	0	828,189
(24,427)	(98,106)	167,837	(40,824)	(227,020)	0	204,805
1,098,520	4,370,242	866,671	2,048,681	9,202,411	-	24,012,429
\$1,074,093	\$4,272,136	\$1,034,508	\$2,007,857	\$8,975,391	\$0	\$24,217,234

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, 2013

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)	\$204,805
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 depreciation exceeded outlays for capital assets.	(1,201,851)
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and abandonments was a decrease in net position.	(5,101)
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.	996,709
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.	24,957
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.	(46,662)
Revenue earned in the current year, that is unavailable in the current year, is not reported in the governmental funds. Whereas, this amount is reported in the statement of activities in the year in which it was earned.	139,022
The net expenses of certain activities of internal service funds are reported within governmental activities in the statement of activities.	<u>(37,681)</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$74,198</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, 2013

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$998,616	\$1,375,452
Cash and cash equivalents with fiscal agent	-	-
Receivables:		
Accounts (net of allowance for uncollectibles)	799,898	419,048
Interest	2,700	3,000
Due from other governmental units - current	-	-
Interfund receivable	2,764	-
Prepayments	-	81,254
Inventory - at cost	7,317	-
Total current assets	<u>1,811,295</u>	<u>1,878,754</u>
Noncurrent assets:		
Capital assets:		
Land	45,223	36,586
Construction in progress	473,821	-
Buildings	559,826	403,659
Equipment	477,897	939,340
Infrastructure	8,346,965	6,154,219
Total capital assets	<u>9,903,732</u>	<u>7,533,804</u>
Less: accumulated depreciation	<u>(4,492,495)</u>	<u>(4,416,306)</u>
Net capital assets	<u>5,411,237</u>	<u>3,117,498</u>
Total noncurrent assets	<u>5,411,237</u>	<u>3,117,498</u>
Total assets	<u>7,222,532</u>	<u>4,996,252</u>
Liabilities:		
Current liabilities:		
Accounts payable	192,850	117,838
Accrued salaries and withholdings payable	8,571	6,137
Due to other governmental units	317,067	-
Interfund payable	259,000	-
Contracts payable	16,830	31,100
Accrued interest payable	2,789	-
Unearned revenue	-	-
Compensated absences payable - current	1,635	2,313
Bonds payable - current	35,000	-
Total current liabilities	<u>833,742</u>	<u>157,388</u>
Noncurrent liabilities:		
Compensated absences payable - noncurrent	25,619	36,236
Bonds payable - noncurrent	1,177,824	365,000
Total noncurrent liabilities	<u>1,203,443</u>	<u>401,236</u>
Total liabilities	<u>2,037,185</u>	<u>558,624</u>
Net position:		
Net investments in capital assets	4,763,413	3,117,498
Restricted	71,771	-
Unrestricted	350,163	1,320,130
Total net position	<u>\$5,185,347</u>	<u>\$4,437,628</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds		
Net position of business-type activities		

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

Statement 6

Business-Type Activities - Enterprise Funds				
Refuse Utility Fund	Storm Sewer Utility	Liquor Fund	Total Enterprise	Internal Service Funds
	Fund		Funds	
			2013	2013
\$1,038,897	\$1,234,723	\$592,830	\$5,240,518	\$3,148,265
-	-	399,254	399,254	-
489,754	101,517	88	1,810,305	-
2,400	1,200	200	9,500	5,600
33,541	735	1,681	35,957	-
-	-	-	2,764	-
-	-	-	81,254	54,051
-	-	2,786,591	2,793,908	63,091
<u>1,564,592</u>	<u>1,338,175</u>	<u>3,780,644</u>	<u>10,373,460</u>	<u>3,271,007</u>
-	260,690	2,006,714	2,349,213	15,779
-	17,087	-	490,908	21,841
56,000	-	3,915,062	4,934,547	1,978,958
112,893	190,653	413,202	2,133,985	417,595
-	1,518,512	-	16,019,696	-
<u>168,893</u>	<u>1,986,942</u>	<u>6,334,978</u>	<u>25,928,349</u>	<u>2,434,173</u>
<u>(118,616)</u>	<u>(800,334)</u>	<u>(975,502)</u>	<u>(10,803,253)</u>	<u>(1,038,064)</u>
<u>50,277</u>	<u>1,186,608</u>	<u>5,359,476</u>	<u>15,125,096</u>	<u>1,396,109</u>
<u>50,277</u>	<u>1,186,608</u>	<u>5,359,476</u>	<u>15,125,096</u>	<u>1,396,109</u>
<u>1,614,869</u>	<u>2,524,783</u>	<u>9,140,120</u>	<u>25,498,556</u>	<u>4,667,116</u>
235,036	16,850	313,130	875,704	27,678
1,822	2,623	31,634	50,787	11,504
-	-	97,413	414,480	-
-	66,000	-	325,000	-
-	1,799	-	49,729	-
-	-	97,173	99,962	-
-	-	-	-	7,673
369	82	5,447	9,846	59,945
-	-	170,000	205,000	-
<u>237,227</u>	<u>87,354</u>	<u>714,797</u>	<u>2,030,508</u>	<u>106,800</u>
5,778	1,284	85,338	154,255	939,147
-	859,155	4,260,000	6,661,979	-
<u>5,778</u>	<u>860,439</u>	<u>4,345,338</u>	<u>6,816,234</u>	<u>939,147</u>
<u>243,005</u>	<u>947,793</u>	<u>5,060,135</u>	<u>8,846,742</u>	<u>1,045,947</u>
50,277	1,065,366	1,328,730	10,325,284	1,396,109
-	8,420	179,175	259,366	-
<u>1,321,587</u>	<u>503,204</u>	<u>2,572,080</u>	<u>6,067,164</u>	<u>2,225,060</u>
<u>\$1,371,864</u>	<u>\$1,576,990</u>	<u>\$4,079,985</u>	<u>16,651,814</u>	<u>\$3,621,169</u>
			<u>1,047,024</u>	
			<u>\$17,698,838</u>	

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, 2013

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
Operating revenues:			
Charges for services	\$203,139	\$1,592,145	\$1,826,226
Charges for sales, net of discounts (Note 1C)	2,811,909	-	-
Total operating revenues	<u>3,015,048</u>	<u>1,592,145</u>	<u>1,826,226</u>
Operating expenses:			
Cost of sales, services and goods sold	1,216,296	923,621	1,446,549
Operating expense	814,921	422,604	125,215
Depreciation	229,309	138,346	3,641
Total operating expenses	<u>2,260,526</u>	<u>1,484,571</u>	<u>1,575,405</u>
Net income (loss) from operations	<u>754,522</u>	<u>107,574</u>	<u>250,821</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest and dividends	13,200	15,300	11,900
Change in fair value	(49,300)	(56,800)	(44,200)
Intergovernmental	1,971	-	68,565
Miscellaneous revenues	5,126	1,641	-
Miscellaneous expense	-	-	-
Gain on sale of capital assets	-	25,000	-
Interest and fiscal charges	(62,763)	(5,000)	-
Total nonoperating revenues (expenses)	<u>(91,766)</u>	<u>(19,859)</u>	<u>36,265</u>
Net income (loss) before transfers	<u>662,756</u>	<u>87,715</u>	<u>287,086</u>
Transfers in	-	-	-
Transfers out	(127,647)	(527,646)	(115,544)
Total transfers and capital contributions	<u>(127,647)</u>	<u>(527,646)</u>	<u>(115,544)</u>
Change in net position	535,109	(439,931)	171,542
Total net position - January 1, as restated	<u>4,650,238</u>	<u>4,877,559</u>	<u>1,200,322</u>
Total net position - December 31	<u><u>\$5,185,347</u></u>	<u><u>\$4,437,628</u></u>	<u><u>\$1,371,864</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 2013	Internal Service Funds 2013
\$367,218	\$ -	\$ -	\$3,988,728	\$997,883
-	8,747,084	-	11,558,993	176,961
<u>367,218</u>	<u>8,747,084</u>	<u>0</u>	<u>15,547,721</u>	<u>1,174,844</u>
-	6,577,631	-	10,164,097	1,350,693
199,932	1,338,379	-	2,901,051	-
83,795	151,900	-	606,991	87,673
<u>283,727</u>	<u>8,067,910</u>	<u>0</u>	<u>13,672,139</u>	<u>1,438,366</u>
83,491	679,174	0	1,875,582	(263,522)
6,200	900	-	47,500	28,000
(23,100)	(3,400)	-	(176,800)	(103,900)
14,335	-	-	84,871	6,599
1,707	-	-	8,474	-
-	(11,040)	-	(11,040)	-
-	-	-	25,000	-
<u>(24,938)</u>	<u>(215,511)</u>	<u>-</u>	<u>(308,212)</u>	<u>-</u>
<u>(25,796)</u>	<u>(229,051)</u>	<u>0</u>	<u>(330,207)</u>	<u>(69,301)</u>
<u>57,695</u>	<u>450,123</u>	<u>0</u>	<u>1,545,375</u>	<u>(332,823)</u>
400,000	-	-	400,000	290,000
-	(132,334)	-	(903,171)	-
<u>400,000</u>	<u>(132,334)</u>	<u>0</u>	<u>(503,171)</u>	<u>290,000</u>
457,695	317,789	0	1,042,204	(42,823)
1,119,295	3,762,196	-	15,609,610	3,663,992
<u>\$1,576,990</u>	<u>\$4,079,985</u>	<u>\$0</u>	<u>\$16,651,814</u>	<u>\$3,621,169</u>
			\$1,042,204	
			(5,144)	
			<u>\$1,037,060</u>	
			Transfers - Net	
			(\$503,171)	
			215,000	
			<u>(\$288,171)</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, 2013

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>
Cash flows from operating activities:		
Cash received from customers	\$2,791,900	\$1,594,519
Cash received from interfund goods and services provided	-	-
Cash paid to suppliers for goods and services	(1,435,452)	(1,003,397)
Cash payments to employees for services	(363,810)	(254,079)
Net cash flows provided by (used in) operating activities	<u>992,638</u>	<u>337,043</u>
Cash flows from noncapital financing activities:		
Transfers in	-	-
Transfers out	(127,647)	(527,646)
Intergovernmental	1,971	-
Interfund receivable repaid by (advanced to) other funds	59,598	22,858
Interfund payable (repaid to) advanced by other funds	(140,497)	-
Net cash flows provided by (used in) noncapital financing activities	<u>(206,575)</u>	<u>(504,788)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(482,202)	(148,707)
Sale of capital assets	-	25,000
Bonds issued	987,824	365,000
Principal payments - bonds	(726,490)	-
Interest and fiscal charges - including capitalized interest	(74,560)	(5,000)
Net cash flows provided by (used in) capital and related financing activities	<u>(295,428)</u>	<u>236,293</u>
Cash flows from investing activities:		
Investment income		
Interest and dividends	15,100	16,700
Change in fair value	(49,300)	(56,800)
Net cash flows provided by (used in) investing activities	<u>(34,200)</u>	<u>(40,100)</u>
Net increase (decrease) in cash and cash equivalents	456,435	28,448
Total cash and cash equivalents - January 1	<u>542,181</u>	<u>1,347,004</u>
Total cash and cash equivalents - December 31	998,616	1,375,452
(Less) cash and cash equivalents with fiscal agent - December 31	<u>-</u>	<u>-</u>
Cash and cash equivalents - December 31	<u><u>\$998,616</u></u>	<u><u>\$1,375,452</u></u>

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	Enterprise Funds 2013	Internal Service Funds 2013
\$1,774,330	\$359,029	\$8,745,951	\$15,265,729	\$28,361
-	-	-	-	1,741,531
(1,352,865)	(81,956)	(7,264,578)	(11,138,248)	(907,512)
(66,773)	(98,714)	(977,506)	(1,760,882)	(1,020,710)
354,692	178,359	503,867	2,366,599	(158,330)
-	400,000	-	400,000	325,000
(115,544)	-	(132,334)	(903,171)	(35,000)
68,565	14,335	-	84,871	6,599
-	-	-	82,456	-
(28,507)	(20,862)	-	(189,866)	-
(75,486)	393,473	(132,334)	(525,710)	296,599
-	(17,086)	-	(647,995)	(133,349)
-	-	-	25,000	-
-	859,155	-	2,211,979	-
-	(171,780)	(165,000)	(1,063,270)	-
-	(27,776)	(218,901)	(326,237)	-
0	642,513	(383,901)	199,477	(133,349)
11,800	5,502	900	50,002	28,999
(44,200)	(23,100)	(3,400)	(176,800)	(103,900)
(32,400)	(17,598)	(2,500)	(126,798)	(74,901)
246,806	1,196,747	(14,868)	1,913,568	(69,981)
792,091	37,976	1,006,952	3,726,204	3,218,246
1,038,897	1,234,723	992,084	5,639,772	3,148,265
-	-	(399,254)	(399,254)	-
\$1,038,897	\$1,234,723	\$592,830	\$5,240,518	\$3,148,265

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, 2013

	<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)	<u>\$754,522</u>	<u>\$107,574</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	229,309	138,346
Miscellaneous revenues	5,127	1,641
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(228,275)	733
(Increase) decrease in due from other governmental units	-	-
(Increase) decrease in prepayments	-	(4,286)
(Increase) decrease in inventory, at cost	(3,132)	-
Increase (decrease) in accounts payable	186,628	102,224
Increase (decrease) in accrued salaries and withholdings payable	(651)	1,404
Increase (decrease) in contracts payable - retained percentage	16,830	(11,815)
Increase (decrease) in due to other governmental units	33,581	-
Increase (decrease) in deposits payable	(3,000)	-
Increase (decrease) in compensated absences payable	1,699	1,222
Increase (decrease) in deferred revenue	-	-
Total adjustments	<u>238,116</u>	<u>229,469</u>
Net cash flows from operating activities	<u>\$992,638</u>	<u>\$337,043</u>

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	Enterprise Funds 2013	Internal Service Funds 2013
\$250,821	\$83,491	\$679,174	\$1,875,582	(\$251,962)
3,641	83,795	151,900	606,991	87,673
-	1,707	(11,040)	(2,565)	(11,560)
(23,389)	(9,160)	73	(260,018)	2,819
-	(735)	(1,206)	(1,941)	-
-	-	-	(4,286)	(5,969)
-	-	(244,219)	(247,351)	5,587
122,138	16,808	(87,212)	340,586	(19,387)
355	689	8,270	10,067	1,856
-	1,799	-	6,814	-
-	-	4,380	37,961	-
-	-	-	(3,000)	-
1,126	(35)	3,747	7,759	32,390
-	-	-	-	223
103,871	94,868	(175,307)	491,017	93,632
\$354,692	\$178,359	\$503,867	\$2,366,599	(\$158,330)

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2013

Statement 9

Assets:	
Cash and investments	\$9,911
Total assets	<u>\$9,911</u>
Liabilities:	
Accounts payable	\$5,782
Due to other governmental units	<u>4,129</u>
Total liabilities	<u>\$9,911</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. It is this criterion that results in the HRA and EDA being reported as a blended component unit.

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 consist of Nonmajor Governmental Funds using the modified accrual basis of accounting, and as such are included in the other governmental 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, 2013

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 2013, liquor sales discounts were \$32,817. 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.

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

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, 2013, 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 property taxes, special assessments and utility bills form liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for 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 inflows of resources.

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 inflows of resources.

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.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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 are immaterial and are expensed in the year of bond issuance.

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

N. FUND BALANCE CLASSIFICATIONS

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

Nonspendable – consists of amounts that are not in spendable 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. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow or resources (revenue) until that time. The City has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenue from the following sources: property taxes, special assessments, due from other governmental units, and loans receivable. In addition, in both the government-wide – governmental activities statement of net position and the governmental funds balance sheet, the City reports a deferred inflow for grants receivable in advance of meeting time requirements.

S. 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 (\$18,082,629) difference are as follows:

Accrued interest payable	(\$308,454)
Other postemployment benefits payable	(152,154)
Bonds payable	<u>(17,622,021)</u>
Adjustment to fund balance - total governmental funds - to arrive at net position of governmental activities	<u><u>(\$18,082,629)</u></u>

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 depreciation exceeded capital assets in the current year.” The details of this (\$1,201,851) difference are as follows:

Total capital outlay in government fund financial statements	\$1,587,721
Adjustments for non-capital items	(68,712)
Adjustments to the carrying value of real estate held for resale	(566,900)
Depreciation expense	<u>(2,153,960)</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>(\$1,201,851)</u></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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

net position however. This amount is the net effect of these differences in the treatment of long-term debt.” The details of this \$996,709 difference are as follows:

Debt issued:	
General obligation bonds	(\$563,021)
Principal repayments:	
General obligation bonds	1,501,730
Revenue bonds	<u>58,000</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>\$996,709</u></u>

Another element of that reconciliation states, “Revenue earned in the current year, that is unavailable in the current year is not reported in the governmental funds. Whereas, this amount is reported in the statement of activities in the year in which it was earned”. The details of this \$139,022 difference are as follows:

Unavailable revenue - General property taxes:	
At December 31, 2012	(\$330,845)
At December 31, 2013	269,629
Unavailable revenue - Tax increment taxes:	
At December 31, 2012	(11,029)
At December 31, 2013	15,626
Unavailable revenue - Special assessments:	
At December 31, 2012	(2,788,639)
At December 31, 2013	2,680,036
Unavailable revenue - Due from other government:	
At December 31, 2012	-
At December 31, 2013	304,244
Unavailable revenue - State Aid:	
At December 31, 2012	(15,000)
At December 31, 2013	<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>\$139,022</u></u>

T. 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, 2013

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, 2013, 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, 2013 are as follows:

	Carrying Amount At Fair Value
Investments	\$19,995,230
Deposits	10,794,873
Cash on hand	8,360
(Less) fiduciary fund cash	(9,911)
	<u>\$30,788,552</u>
Cash and investments	\$30,389,298
Cash and investments with fiscal agent	399,254
	<u>\$30,788,552</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, 2013

Deposits as of December 31, 2013 are as follows:

	<u>Bank Balances</u>	<u>Carrying Amount At Fair Value</u>
Demand deposits	\$1,734,579	\$1,629,851
Time deposits	<u>9,152,559</u>	<u>9,165,022</u>
Total	<u><u>\$10,887,138</u></u>	<u><u>\$10,794,873</u></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, 2013

Investments as of December 31, 2013 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	9.8	\$11,458,587	57.3%
Federal Home Loan Mortgage Corporation	10.1	1,598,706	8.0%
Federal Farm Credit Bank	11.6	284,349	1.4%
Federal National Mortgage Association	13.6	3,430,475	17.2%
Money market mutual funds:			
Evergreen U.S. Government Fund	N/A	1,128,924	5.6%
Western Asset Government Fund	N/A	800,870	4.0%
Other issuers	N/A	<u>1,293,319</u>	<u>6.5%</u>
Total investments		<u>\$ 19,995,230</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 requires 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, 2013, 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, 2013, 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, 2013.
- 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 December 31, 2013, 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.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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.

Note 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2013 are as follows:

	Major Funds		Nonmajor Funds	Total
	2008A Taxable GO Housing Imp Area Bonds Fund	Capital Improvement PIR Fund	G.O. Imp Rev Bonds 2013A	
Special assessments receivable	\$706,935	\$1,443,032	\$80,255	\$2,230,222
Total	\$706,935	\$1,443,032	\$80,255	\$2,230,222

Note 4 UNAVAILABLE REVENUES

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

	Property Taxes	Tax Increment	Special Assessments	Due from Other Govt's	Total
Major Funds:					
General Fund	\$261,245	\$ -	\$ -	\$ -	\$261,245
2008A Taxable GO Housing Improvement Area Bonds Fund	-	-	764,094	-	764,094
Municipal State Aid Street Fund	-	-	-	15,000	15,000
Capital Improvements - PIR Funds	-	-	1,835,688	-	1,835,688
Nonmajor Governmental Funds:	8,383	15,625	80,255	304,244	408,507
Total unavailable revenue	\$269,628	\$15,625	\$2,680,037	\$319,244	\$3,284,534

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets - not depreciated:				
Land	\$5,325,624	\$ -	\$ -	\$5,325,624
Construction in progress	888,014	918,440	(916,062)	890,392
Total capital assets not being depreciated	<u>6,213,637</u>	<u>918,440</u>	<u>(916,062)</u>	<u>6,216,016</u>
Capital assets - being depreciated:				
Buildings	28,126,405	359,664	-	28,486,069
Equipment	8,307,494	164,652	(149,393)	8,322,753
Infrastructure	29,632,619	558,764	-	30,191,383
Total capital assets being depreciated	<u>66,066,518</u>	<u>1,083,080</u>	<u>(149,393)</u>	<u>67,000,205</u>
Less accumulated depreciation for:				
Buildings	11,366,977	726,008	-	12,092,985
Equipment	5,598,815	473,992	(144,293)	5,928,514
Infrastructure	13,186,171	1,022,039	-	14,208,210
Total accumulated depreciation	<u>30,151,963</u>	<u>2,222,039</u>	<u>(144,293)</u>	<u>32,229,709</u>
Capital assets being depreciated - net	<u>35,914,555</u>	<u>(1,138,959)</u>	<u>(5,100)</u>	<u>34,770,496</u>
Governmental activities capital assets - net	<u>42,128,192</u>	<u>(220,519)</u>	<u>(921,162)</u>	<u>40,986,511</u>
Business-type activities:				
Capital assets - not depreciated:				
Land	2,349,213	-	-	2,349,213
Construction in progress	259,930	534,178	(303,200)	490,908
Total capital assets not being depreciated	<u>2,609,143</u>	<u>534,178</u>	<u>(303,200)</u>	<u>2,840,121</u>
Capital assets - being depreciated:				
Buildings	4,631,314	303,232	-	4,934,546
Equipment	2,215,507	113,780	(126,000)	2,203,287
Infrastructure	16,019,696	-	-	16,019,696
Total capital assets being depreciated	<u>22,866,517</u>	<u>417,012</u>	<u>(126,000)</u>	<u>23,157,529</u>
Less accumulated depreciation for:				
Buildings	1,233,985	137,036	-	1,371,021
Equipment	1,615,051	125,268	(126,000)	1,614,319
Infrastructure	7,499,900	364,278	-	7,864,178
Total accumulated depreciation	<u>10,348,936</u>	<u>626,582</u>	<u>(126,000)</u>	<u>10,849,518</u>
Capital assets being depreciated - net	<u>12,517,581</u>	<u>(209,570)</u>	<u>-</u>	<u>12,308,011</u>
Business-type activities capital assets - net	<u>15,126,724</u>	<u>324,608</u>	<u>(303,200)</u>	<u>15,148,132</u>
Total capital assets - net	<u>\$57,254,916</u>	<u>\$104,089</u>	<u>(\$1,224,362)</u>	<u>\$56,134,643</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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

Governmental activities:	
General government	\$98,951
Public safety	513,958
Public works	1,132,944
Culture and recreation	297,179
Community development	110,927
Depreciation on capital assets held by governmental internal service activities is charged to each function based on use:	
Central garage	<u>68,080</u>
Total depreciation expense - capital assets held by governmental activities	<u><u>\$2,222,039</u></u>

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

Business-type activities:	
Water	\$229,309
Sewer	138,346
Refuse	3,641
Storm sewer	83,794
Liquor	151,900
Depreciation on capital assets held by business-type internal service activities is charged to each function based on use:	
Information systems	<u>19,592</u>
Total depreciation expense - capital assets held by business-type activities	<u><u>\$626,582</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

INTERFUND RECEIVABLES, PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2013 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
General Fund	\$9,733	\$ -
Municipal State Aid Street	-	7,289
Capital Equipment Replacement General Gov't	325,000	-
Capital Improvement PIR Fund	80,255	-
Capital Improvement Development	340,840	-
Water	2,764	259,000
Sewer	-	66,000
Nonmajor funds	<u>185,708</u>	<u>612,011</u>
Total	<u><u>\$944,300</u></u>	<u><u>\$944,300</u></u>

\$23,708 of these interfund balances are for services provided in 2013 and reimbursed in 2014. Also included in these balances is an interfund loan from the Capital Equipment Replacement – General Government Fund to the Water Fund for \$259,000, and to the Storm Sewer Fund for \$66,000; to finance utility infrastructure improvements. All other interfund balances at December 31, 2013, reflect lending arrangements to cover deficit cash balances at yearend. Substantially all such other amounts are expected to be repaid within one year.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2013 are as follows:

	Transfers In								Total
	Major Funds					Nonmajor Funds			
	Governmental					Enterprise	Governmental		
	General Fund	Capital Imprvmts Gen Govt Bldg	Capital Eqp Replacement Gen Govt	Capital Imp PIR Fund	Municipal State Aid Street Fund	Storm Sewer Funds	Other Govtl Funds	Internal Service	
Transfers out:									
Major funds:									
Governmental:									
General	\$ -	\$22,500	\$84,000	\$27,677	\$1,165	\$ -	\$275,000	\$45,000	\$455,342
Capital Imprvmts PIR	-	-	-	-	-	-	224,381	-	224,381
Enterprise:									
Water	82,647	-	-	-	-	-	-	45,000	127,647
Sewer	82,646	-	-	-	-	400,000	-	45,000	527,646
Refuse	70,544	-	-	-	-	-	-	45,000	115,544
Liquor	87,334	-	-	-	-	-	-	45,000	132,334
Nonmajor funds:									
Other governmental funds	59,329	-	-	-	-	-	636,736	65,000	761,065
Internal service funds	-	-	-	-	-	-	-	35,000	35,000
Total	\$382,500	\$22,500	\$84,000	\$27,677	\$1,165	\$400,000	\$1,136,117	\$325,000	\$2,378,959

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 7 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, 2013, are as follows:

	Pledged revenue, if any, in addition to general property taxes	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	\$565,000
GO Public safety center series 2008B	None	10,000,000	4.30-4.55%	8/6/2008	2/1/2038	9,405,000
GO Public facilities series 2009A	None	3,005,000	2.00-4.75%	7/1/2009	2/1/2038	2,715,000
Taxable GO tax increment bonds series 2009B	Tax increment	580,000	3.40-5.10%	7/1/2009	2/1/2021	525,000
GO Improvement series 2006A	Special assessments	2,759,550	4.00%	12/7/2006	2/1/2020	-
Taxable GO housing improvement area series 2008A	Special assessments	975,000	5.00-6.05%	7/16/2008	2/1/2024	790,000
GO Public Facilities series 2009A	Special assessments	605,000	2.00-4.75%	7/1/2009	2/1/2019	380,000
GO Improvement series 2013A	Special assessments	235,000	0.40-2.50%	11/21/2013	2/1/2024	235,000
GO Improvement series 2013A - Refunding	Special assessments	328,021	0.40-2.50%	11/21/2013	2/1/2020	328,021
Business-type activities:						
GO Improvement series 2006A	Utility revenues	645,450	4.00%	12/7/2006	2/1/2017	-
GO Utility revenue series 2006A	Utility revenues	670,000	4.00%	12/7/2006	2/1/2017	-
GO Public Facilities series 2009A	Utility revenues	325,000	2.00-4.75%	7/1/2009	2/1/2019	225,000
GO Utility revenue series 2013A	Utility revenues	1,685,000	0.40-2.50%	11/21/2013	2/1/2024	1,685,000
GO Improvement series 2013A - Refunding	Utility revenues	291,979	0.40-2.50%	11/21/2013	2/1/2024	291,979
GO Utility revenue series 2013A - Refunding	Utility revenues	235,000	0.40-2.50%	11/21/2013	2/1/2024	235,000
Total general obligation bonds outstanding						<u>\$17,380,000</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

As of December 31, 2013, 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
2014	\$600,000	\$627,121	\$35,000	\$29,457
2015	723,716	604,928	316,284	37,082
2016	761,670	578,871	308,330	34,799
2017	787,635	550,816	332,365	31,388
2018	745,000	520,658	225,000	27,450
2019	605,000	492,119	230,000	23,502
2020	595,000	466,266	190,000	19,758
2021	605,000	439,826	190,000	16,242
2022	540,000	414,403	200,000	12,143
2023	565,000	389,923	205,000	7,534
2024	590,000	364,115	205,000	2,562
2025	400,000	342,186	-	-
2026-2030	2,320,000	1,424,506	-	-
2031-2035	2,955,000	840,506	-	-
2036-2038	2,150,000	151,274	-	-
Total	<u>\$14,943,021</u>	<u>\$8,207,518</u>	<u>\$2,436,979</u>	<u>\$241,917</u>

CURRENT REFUNDING

On November 21, 2013, the City issued the \$2,775,000 General Obligation Improvement and Utility Revenue Bonds, Series 2013A. This issue was a combination refunding, new improvement and utility revenue bond. \$840,000 of the proceeds plus an additional \$502,667 of existing cash reserves went towards the redemption of the 2006A GO Improvement and Utility Revenue bonds on December 1, 2013.

The City refunded the 2006A General Obligations Improvement and Utility Revenue bonds to reduce interest rates from 4.0% to 0.4% - 2.5% yielding a net present value benefit of \$51,291.

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.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Revenue bonds outstanding at December 31, 2013 are as follows:

	<u>Pledged revenue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Balance End of Year</u>
Governmental activities:						
Tax increment revenue series 2007	Tax increment	\$2,890,000	5.00-5.375%	8/3/2007	2/15/2032	\$2,679,000
Business-type activities:						
Public facility lease revenue series 2007B	Liquor revenues	5,040,000	4.50-5.00%	9/19/2007	2/1/2030	<u>4,430,000</u>
Total revenue bonds outstanding						<u>\$7,109,000</u>

As of December 31, 2013, the annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year Ending December 31	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	109,000	110,288	240,000	144,020
2022	118,000	104,386	250,000	132,260
2023	127,000	97,905	265,000	119,900
2024	136,000	90,837	280,000	106,680
2025	146,000	83,259	295,000	92,592
2026-2030	900,000	282,294	1,720,000	223,105
2031-2032	<u>576,000</u>	<u>34,722</u>	-	-
Total	<u>\$2,679,000</u>	<u>\$1,707,163</u>	<u>\$4,430,000</u>	<u>\$2,101,918</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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, 2013, 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	\$1,018,272	95%	\$1,045,368	\$225,481
Project-specific special assessments	Private redevelopment	1,073,658	95%	96,995	104,013
Project-specific tax increment	Public/Private redevelopment	5,019,423	83%	281,538	235,116
Water and storm-sewer net revenues	Utility system improvements	2,678,897	60%	804,268	1,339,092
Annual appropriation of liquor net revenues	Municipal store construction	6,531,920	100%	381,568	385,168

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2013 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	\$12,308,431	\$ -	(\$410,000)	\$11,898,431	\$430,000
General obligation bonds with other pledged revenues	3,573,299	563,021	(1,091,730)	3,044,590	170,000
Revenue bonds	2,737,000	-	(58,000)	2,679,000	62,000
Total bonds payable	18,618,730	563,021	(1,559,730)	17,622,021	662,000
Compensated absences	950,937	594,703	(569,497)	976,143	58,568
Postemployment benefits other than pensions	105,492	76,467	(29,805)	152,154	-
Total governmental activity long-term liabilities	<u>\$19,675,159</u>	<u>\$1,234,191</u>	<u>(\$2,159,032)</u>	<u>\$18,750,318</u>	<u>\$720,568</u>
Business-type activities:					
Bonds payable:					
General obligation bonds with other pledged revenues	\$1,123,270	\$2,211,979	(\$898,270)	\$2,436,979	\$35,000
Revenue bonds	4,595,000	-	(165,000)	4,430,000	170,000
Total bonds payable	5,718,270	2,211,979	(1,063,270)	6,866,979	205,000
Compensated absences	172,107	139,209	(124,266)	187,050	11,223
Total business-type activity long-term liabilities	<u>\$5,890,377</u>	<u>\$2,351,188</u>	<u>(\$1,187,536)</u>	<u>\$7,054,029</u>	<u>\$216,223</u>

For governmental activities, compensated absences are generally liquidated by the compensated absences fund, an internal service fund; other postemployment benefit obligations are generally liquidated by the general fund and other nonmajor funds.

Note 8 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, 2013, there were Revenue Bonds of this type outstanding with an estimated aggregate principal amount payable of approximately \$19,819,670.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 9 FUND EQUITY

A. CLASSIFICATIONS

At December 31, 2013, 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 Eqp Replacement Gen Govt	PIR	Capital Improvement Development	Nonmajor Govt	Total
2013 Fund Balance:									
Nonspendable:									
Prepaid items	\$92,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,046	\$95,684
Interfund loans	-	-	-	-	325,000	-	-	-	325,000
Land Held for Resale	-	-	-	-	-	45,600	164,844	1,211,624	1,422,068
Total nonspendable	<u>\$92,638</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$325,000</u>	<u>\$45,600</u>	<u>\$164,844</u>	<u>\$1,214,670</u>	<u>\$1,842,752</u>
Restricted for:									
Tax Increment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400,497	\$ 1,400,497
Debt service	-	188,663	-	-	-	-	-	812,168	1,000,831
Police & Fire purposes	-	-	-	-	-	-	-	80,598	80,598
Culture and Recreation purposes	-	-	-	-	-	-	-	482,655	482,655
Housing and Redevelopment	-	-	-	-	-	-	-	915,125	915,125
Total restricted	<u>\$0</u>	<u>\$188,663</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,691,043</u>	<u>\$3,879,706</u>
Committed for:									
Cable TV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$578,463	\$578,463
Culture and Recreation	-	-	-	-	-	-	-	314,903	314,903
Housing and Redevelopment	-	-	-	-	-	-	1,843,013	1,821,643	3,664,656
Capital Improvement	-	-	267,309	1,074,093	-	988,908	-	1,267,375	3,597,685
Capital Equipment	-	-	-	-	3,947,136	-	-	126,638	4,073,774
Downtown Parking Maintenance	50,237	-	-	-	-	-	-	-	50,237
Total committed	<u>\$50,237</u>	<u>\$0</u>	<u>\$267,309</u>	<u>\$1,074,093</u>	<u>\$3,947,136</u>	<u>\$988,908</u>	<u>\$1,843,013</u>	<u>\$4,109,022</u>	<u>\$12,279,718</u>
Unassigned:	<u>\$6,254,402</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$39,344)</u>	<u>\$6,215,058</u>

B. DEFICIT FUND BALANCE

The following funds had fund deficits as of December 31, 2013. The City will finance these deficits through internal sources in future years:

Nonmajor Funds:	
Debt Service Funds:	
GO Improvement/Revenue Bonds 2013A	<u>(\$39,344)</u>
	<u>(\$39,344)</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, 2013, both funds have met this goal.

Note 10 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, 2013

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF 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. GERF Coordinated Plan members are required to contribute 6.25% of their annual covered salary in 2013. The PEPFF members are required to contribute 9.6% of their annual covered salary in 2013. The City is required to contribute the following percentages of annual covered payroll: 7.25% for Coordinated Plan GERF 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>GERF</u>	<u>PEPFF</u>
2011	\$364,288	\$391,573
2012	355,330	406,131
2013	354,692	404,623

Note 11 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 2013, state aid was contributed to the plan. This state aid revenue and the related contribution expense/expenditure of \$93,806 are recognized in the accompanying financial statements for the year ended December 31, 2013.

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 2013, plan members contributed \$1,860 and the City contributed \$1,860.

Note 12 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 2013, 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. 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, 2013

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:

Year Ended December 31, 2013	
Annual required contribution	\$78,606
Interest on net OPEB obligation	3,165
Adjustment to annual required contribution	<u>(5,304)</u>
Annual OPEB cost	76,467
Contributions made by City	<u>(29,805)</u>
Increase in net OPEB obligation	46,662
Net OPEB obligation-beginning of year	<u>105,492</u>
Net OPEB obligation-end of year	<u><u>\$152,154</u></u>

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

Year Ended December 31	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	26,152	60%	30,661
2011	78,016	59%	58,761
2012	77,340	40%	105,492
2013	76,467	39%	152,154

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 2004-2010
- Mortality – Life expectancies were based on the 2000 Retired Pensioners Mortality Rates for Male and Female

Note 13 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. As of December 31, 2013, this decision is still under review by HUD.

CONSTRUCTION

The City has entered into several contractual commitments for construction projects that are in process at yearend. At December 31, 2013, the City's obligation for such projects was approximately \$466,265.

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, 2013

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	\$ -	\$43,224	\$732,801	\$380,503
R8	2027	Col Hts Tran Block	-	16,415	175,089	48,239
K2	2019	Barnick	1,193	-	40,672	-
K2	2019	Miske	24,119	5,219	24,968	-
T6	2031	BNC Bank	-	73,802	6,650,000	2,361,027

Note 14 RECENTLY ISSUED ACCOUNTING STANDARDS

For the year ended December 31, 2013, the City implemented the following statements issued by the Governmental Accounting Standards Board (GASB):

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. This statement had no material effect on the accompanying financial statements.

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. See note 15.

Statement No. 66 *Technical Corrections – 2012.* The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. This statement had no material effect on the accompanying financial statements.

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. 67 *Financial Reporting for Pension – an amendment of GASB statement No. 25.* The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013.

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.

Statement No. 69 *Government Combinations and Disposal of Government Operations.* The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013.

Statement No. 70 *Financial Reporting for Nonexchange Financial Guarantees.* The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Statement No. 71 *Pension Translation for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No.68.* 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. However, Statement No. 68 (2015) will require for the first time the City to record a liability for its proportionate share of the net pension liability of cost-sharing multi-employer pension plans (i.e., PERA).

Note 15 CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2013, the City implemented GASB Statement No. 65. GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, resulted in accounts previously presented as liabilities being reclassified as deferred inflows of resources. In addition, GASB 65 results in the restatement of beginning net position to reflect a change in accounting for bond issuance costs. Prior to GASB 65, bond issuance costs were capitalized and amortized over the life of the bond. GASB 65 requires the expensing of issuance costs (excluding bond insurance) in the year of issuance.

The restatement of net position due to the elimination of issuance costs is summarized as follows:

	Business-Type Activities Liquor Fund <u>January 1, 2012</u>
Net position - as previously reported	\$3,476,484
Elimination of issuance costs	<u>(65,189)</u>
Net position - as restated	<u><u>\$3,411,295</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2013
With Comparative Actual Amounts For The Year Ended December 31, 2012

	2013			Variance with Final Budget Positive (Negative)	2012 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Taxes	\$7,973,404	\$7,973,404	\$8,142,980	\$169,576	\$7,626,258
Licenses and permits	168,600	168,600	192,362	23,762	200,954
Intergovernmental	1,372,069	1,378,899	1,420,796	41,897	1,495,889
Charges for services	554,000	565,287	579,455	14,168	574,708
Fines and forfeitures	141,000	141,000	129,132	(11,868)	128,543
Investment income:					
Interest and dividends	85,000	85,000	70,994	(14,006)	71,927
Change in fair value	-	-	(262,438)	(262,438)	4,761
Other revenues	8,000	8,000	5,146	(2,854)	6,485
Total revenues	<u>10,302,073</u>	<u>10,320,190</u>	<u>10,278,427</u>	<u>(41,763)</u>	<u>10,109,525</u>
Expenditures:					
General government:					
Council	146,105	146,711	140,126	6,585	140,750
Manager	416,072	423,901	409,338	14,563	412,427
Clerk	71,920	74,050	47,725	26,325	100,800
Legal	186,657	186,657	166,438	20,219	177,069
Finance	764,700	761,232	737,280	23,952	694,569
Assessing	131,569	131,691	122,395	9,296	118,117
General government buildings	201,700	183,514	109,771	73,743	132,279
Contingencies	181,194	51,247	30,548	20,699	-
Capital outlay	5,000	5,000	13,868	(8,868)	-
Total general government	<u>2,104,917</u>	<u>1,964,003</u>	<u>1,777,489</u>	<u>186,514</u>	<u>1,776,011</u>
Public safety:					
Police	3,809,356	3,881,426	3,699,070	182,356	3,711,051
Fire	1,350,422	1,382,170	1,410,766	(28,596)	1,354,114
Total public safety	<u>5,159,778</u>	<u>5,263,596</u>	<u>5,109,836</u>	<u>153,760</u>	<u>5,065,165</u>
Public works:					
Engineering	348,513	353,947	263,184	90,763	279,981
Maintenance	1,097,230	1,104,366	997,135	107,231	1,009,765
Sanitation	136,822	137,845	120,011	17,834	128,378
Capital outlay	-	-	117,946	(117,946)	195,687
Total public works	<u>1,582,565</u>	<u>1,596,158</u>	<u>1,498,276</u>	<u>97,882</u>	<u>1,613,811</u>
Other Departments:					
Parks and recreation	1,571,829	1,587,035	1,459,848	127,187	1,402,856
Capital outlay	27,317	27,317	39,768	(12,451)	15,934
Total recreation	<u>1,599,146</u>	<u>1,614,352</u>	<u>1,499,616</u>	<u>114,736</u>	<u>1,418,790</u>
Total expenditures	<u>10,446,406</u>	<u>10,438,109</u>	<u>9,885,217</u>	<u>552,892</u>	<u>9,873,777</u>
Revenues over (under) expenditures	<u>(144,333)</u>	<u>(117,919)</u>	<u>393,210</u>	<u>511,129</u>	<u>235,748</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2013
With Comparative Actual Amounts For The Year Ended December 31, 2012

	2013			Variance with Final Budget Positive (Negative)	2012 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Other financing sources (uses):					
Transfers in	\$382,500	\$382,500	\$382,500	\$ -	\$358,076
Transfers out	<u>(217,536)</u>	<u>(426,536)</u>	<u>(455,342)</u>	<u>(28,806)</u>	<u>(385,970)</u>
Total other financing sources (uses)	<u>164,964</u>	<u>(44,036)</u>	<u>(72,842)</u>	<u>(28,806)</u>	<u>(27,894)</u>
Net change in fund balance	<u>\$20,631</u>	<u>(\$161,955)</u>	320,368	<u>\$482,323</u>	207,854
Fund balance - January 1			<u>6,076,909</u>		<u>5,869,055</u>
Fund balance - December 31			<u>\$6,397,277</u>		<u>\$6,076,909</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
For The Year Ended December 31, 2013

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, 2013

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, 2013

Statement 12

Assets	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Cash and investments	\$4,120,614	\$2,284,735	\$1,386,516	\$7,791,865
Receivables:				
Accounts	62,742	150	-	62,892
Special assessments	-	80,255	-	80,255
Taxes	10,792	25,063	-	35,855
Interest	7,400	4,200	2,900	14,500
Due from other governmental units	308,390	-	4,864	313,254
Interfund receivable	185,708	-	-	185,708
Prepayments	3,046	-	-	3,046
Real estate held for resale	707,429	644,068	357,478	1,708,975
Total assets	\$5,406,121	\$3,038,471	\$1,751,758	\$10,196,350
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$22,232	\$24,600	\$267	\$47,099
Accrued salaries and withholdings payable	24,160	-	-	24,160
Due to other governmental units	40,270	9,649	-	49,919
Interfund payable	521,059	90,952	-	612,011
Unearned revenue	52,929	-	-	52,929
Deposits	26,333	-	-	26,333
Total liabilities	686,983	125,201	267	812,451
Deferred inflows of resources:				
Unavailable revenue	312,627	95,881	-	408,508
Total deferred inflows of resources	312,627	95,881	0	408,508
Fund balance:				
Nonspendable	213,124	644,068	357,478	1,214,670
Restricted	1,478,378	2,212,665	-	3,691,043
Committed	2,715,009	-	1,394,013	4,109,022
Unassigned	-	(39,344)	-	(39,344)
Total fund balance	4,406,511	2,817,389	1,751,491	8,975,391
Total liabilities, deferred inflows of resources, and fund balance	\$5,406,121	\$3,038,471	\$1,751,758	\$10,196,350

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, 2013

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$1,046,395	\$699,220	\$ -	\$1,745,615
Tax increment collections	-	527,928	-	527,928
Licenses and permits	219,846	-	-	219,846
Intergovernmental	805,731	-	(100)	805,631
Charges for services	952,740	-	-	952,740
Fines and forfeitures	18,891	-	-	18,891
Investment income:				
Interest and dividends	41,170	20,400	14,300	75,870
Change in fair value	(139,400)	(76,100)	(53,100)	(268,600)
Other revenues	37,203	-	43,503	80,706
Total revenues	<u>2,982,576</u>	<u>1,171,448</u>	<u>4,603</u>	<u>4,158,627</u>
Expenditures:				
Current:				
General government	25,104	-	-	25,104
Public safety	32,939	-	15,282	48,221
Public works	-	-	67,079	67,079
Culture and recreation	731,949	-	26,785	758,734
Community development	1,153,493	42,944	-	1,196,437
Capital outlay:				
Public works	-	-	3,858	3,858
Community development	411,826	135,062	17,613	564,501
Debt service:				
Principal retirement	-	1,509,730	-	1,509,730
Interest and fiscal charges	-	786,138	-	786,138
Developer incentives	-	163,972	-	163,972
Total expenditures	<u>2,355,311</u>	<u>2,637,846</u>	<u>130,617</u>	<u>5,123,774</u>
Revenues over (under) expenditures	<u>627,265</u>	<u>(1,466,398)</u>	<u>(126,014)</u>	<u>(965,147)</u>
Other financing sources (uses):				
Transfers in	3,582	1,032,535	100,000	1,136,117
Transfers out	(127,911)	(633,154)	-	(761,065)
Bonds issued	-	328,021	-	328,021
Sale of capital assets	-	35,054	-	35,054
Total other financing sources (uses)	<u>(124,329)</u>	<u>762,456</u>	<u>100,000</u>	<u>738,127</u>
Net change in fund balance	502,936	(703,942)	(26,014)	(227,020)
Fund balance - January 1	<u>3,903,575</u>	<u>3,521,331</u>	<u>1,777,505</u>	<u>9,202,411</u>
Fund balance - December 31	<u><u>\$4,406,511</u></u>	<u><u>\$2,817,389</u></u>	<u><u>\$1,751,491</u></u>	<u><u>\$8,975,391</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, 2013

	Cable Television Fund 225	Police Forfeiture Fund 265	Police Grants Fund 272	Library Fund 240	After-School Programs Fund 261
Assets					
Cash and investments	\$530,299	\$48,106	\$ -	\$344,474	\$190,340
Receivables:					
Accounts	46,864	-	-	-	-
Taxes	-	-	-	-	-
Interest	1,300	-	-	900	400
Due from other governmental units	-	-	-	-	4,146
Interfund receivable	-	-	-	-	-
Prepayments	-	-	-	3,046	-
Real estate held for resale	-	-	-	-	-
Total assets	\$578,463	\$48,106	\$0	\$348,420	\$194,886
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$42	\$ -	\$11,693	\$2,198
Accrued salaries and withholdings payable	-	-	-	13,017	594
Due to other governmental units	-	-	-	3,161	119
Interfund payable	-	-	-	-	-
Unearned revenue	-	14,313	-	-	-
Deposits	-	-	-	-	-
Total liabilities	0	14,355	0	27,871	2,911
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	0	0	0	0	0
Fund balance:					
Nonspendable	-	-	-	3,046	-
Restricted	-	33,751	-	-	191,975
Committed	578,463	-	-	317,503	-
Total fund balance	578,463	33,751	0	320,549	191,975
Total liabilities, deferred inflows of resources, and fund balance	\$578,463	\$48,106	\$0	\$348,420	\$194,886

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
\$131,144	\$202,983	\$558,522	\$227,093	\$ -	\$85,640	\$1,802,013	\$4,120,614
-	-	-	300	-	2,170	13,408	62,742
-	-	-	-	-	10,792	-	10,792
300	500	1,300	500	-	400	1,800	7,400
-	-	-	-	304,244	-	-	308,390
-	-	-	-	-	185,708	-	185,708
-	-	-	-	-	-	-	3,046
-	-	-	-	707,429	-	-	707,429
<u>\$131,444</u>	<u>\$203,483</u>	<u>\$559,822</u>	<u>\$227,893</u>	<u>\$1,011,673</u>	<u>\$284,710</u>	<u>\$1,817,221</u>	<u>\$5,406,121</u>
\$ -	\$ -	\$ -	\$91	\$ -	\$174	\$8,034	\$22,232
-	-	-	4,400	-	6,149	-	24,160
-	-	-	439	-	-	36,551	40,270
-	-	-	-	497,351	-	23,708	521,059
-	-	33,456	-	-	-	5,160	52,929
-	-	-	-	-	-	26,333	26,333
<u>0</u>	<u>0</u>	<u>33,456</u>	<u>4,930</u>	<u>497,351</u>	<u>6,323</u>	<u>99,786</u>	<u>686,983</u>
-	-	-	-	304,244	8,383	-	312,627
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>304,244</u>	<u>8,383</u>	<u>0</u>	<u>312,627</u>
-	-	-	-	210,078	-	-	213,124
131,444	203,483	-	-	-	-	917,725	1,478,378
-	-	526,366	222,963	-	270,004	799,710	2,715,009
<u>131,444</u>	<u>203,483</u>	<u>526,366</u>	<u>222,963</u>	<u>210,078</u>	<u>270,004</u>	<u>1,717,435</u>	<u>4,406,511</u>
<u>\$131,444</u>	<u>\$203,483</u>	<u>\$559,822</u>	<u>\$227,893</u>	<u>\$1,011,673</u>	<u>\$284,710</u>	<u>\$1,817,221</u>	<u>\$5,406,121</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, 2013

	Cable Television Fund 225	Police Forfeiture Fund 265	Police Grants Fund 272	Library Fund 240	After-School Programs Fund 261
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$777,000	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	27,200	-	56,069
Fees/program revenues	186,209	-	-	9,345	19,913
Rents	-	-	-	-	-
Fines and forfeitures	-	4,500	-	14,391	-
Investment income:					
Interest and dividends	6,400	-	-	4,600	2,200
Change in fair value	(23,800)	-	-	(17,200)	(8,100)
Other revenues:					
Contributions	-	-	-	-	-
Miscellaneous	-	-	2,411	145	-
Total revenues	<u>168,809</u>	<u>4,500</u>	<u>29,611</u>	<u>788,281</u>	<u>70,082</u>
Expenditures:					
Personal services	1,753	-	-	507,077	30,387
Supplies	110	2,528	-	95,176	7,186
Other services and charges	18,782	-	30,411	59,359	19,149
Capital outlay	-	-	-	-	-
Total expenditures	<u>20,645</u>	<u>2,528</u>	<u>30,411</u>	<u>661,612</u>	<u>56,722</u>
Revenues over (under) expenditures	<u>148,164</u>	<u>1,972</u>	<u>(800)</u>	<u>126,669</u>	<u>13,360</u>
Other financing sources (uses):					
Transfers in	-	-	3,582	-	-
Transfers out	(66,881)	-	-	(31,752)	-
Total other financing sources (uses)	<u>(66,881)</u>	<u>0</u>	<u>3,582</u>	<u>(31,752)</u>	<u>0</u>
Net change in fund balance	81,283	1,972	2,782	94,917	13,360
Fund balance - January 1	<u>497,180</u>	<u>31,779</u>	<u>(2,782)</u>	<u>225,632</u>	<u>178,615</u>
Fund balance - December 31	<u>\$578,463</u>	<u>\$33,751</u>	<u>\$0</u>	<u>\$320,549</u>	<u>\$191,975</u>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$269,395	\$ -	\$1,046,395
-	-	-	219,846	-	-	-	219,846
-	-	-	-	583,384	-	139,078	805,731
-	-	19,380	-	-	60	-	234,907
-	-	79,709	-	-	-	638,124	717,833
-	-	-	-	-	-	-	18,891
1,600	2,700	6,500	2,400	-	2,502	12,268	41,170
(6,100)	(9,800)	(24,200)	(8,800)	-	(7,600)	(33,800)	(139,400)
21,165	1,423	-	-	-	-	-	22,588
-	-	1,500	150	-	-	10,409	14,615
16,665	(5,677)	82,889	213,596	583,384	264,357	766,079	2,982,576
-	-	-	155,483	-	201,805	37,000	933,505
12,190	2,424	-	1,704	-	770	35,225	157,313
1,425	2,035	-	13,488	100,000	20,052	587,966	852,667
-	-	-	-	411,826	-	-	411,826
13,615	4,459	0	170,675	511,826	222,627	660,191	2,355,311
3,050	(10,136)	82,889	42,921	71,558	41,730	105,888	627,265
-	-	-	-	-	-	-	3,582
-	(3,582)	-	(12,848)	-	(12,848)	-	(127,911)
0	(3,582)	0	(12,848)	0	(12,848)	0	(124,329)
3,050	(13,718)	82,889	30,073	71,558	28,882	105,888	502,936
128,394	217,201	443,477	192,890	138,520	241,122	1,611,547	3,903,575
\$131,444	\$203,483	\$526,366	\$222,963	\$210,078	\$270,004	\$1,717,435	\$4,406,511

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, 2013
With Comparative Actual Amounts For The Year Ended December 31, 2012

Statement 16

	2013		Actual Amounts	Variance with Final Budget- Positive (Negative)	2012 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Franchise fees	\$176,600	\$176,600	\$186,209	\$9,609	\$181,597
Investment income:					
Interest and dividends	-	-	6,400	6,400	5,100
Change in fair value	-	-	(23,800)	(23,800)	300
Other revenues:					
Miscellaneous	-	-	-	-	115
Total revenues	<u>176,600</u>	<u>176,600</u>	<u>168,809</u>	<u>(7,791)</u>	<u>187,112</u>
Expenditures:					
Personal services	5,423	5,423	1,753	3,670	2,152
Supplies	100	100	110	(10)	187
Other services and charges	30,908	30,908	18,782	12,126	15,317
Total expenditures	<u>36,431</u>	<u>36,431</u>	<u>20,645</u>	<u>15,786</u>	<u>17,656</u>
Revenues over expenditures	140,169	140,169	148,164	7,995	169,456
Other financing sources (uses):					
Transfers out	<u>(66,881)</u>	<u>(66,881)</u>	<u>(66,881)</u>	-	<u>(66,881)</u>
Net change in fund balance	<u>\$73,288</u>	<u>\$73,288</u>	81,283	<u>\$7,995</u>	102,575
Fund balance - January 1			<u>497,180</u>		<u>394,605</u>
Fund balance - December 31			<u>\$578,463</u>		<u>\$497,180</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, 2013
With Comparative Amounts For The Year Ended December 31, 2012

Statement 17

	<u>2013</u>	<u>2012</u>
Revenues:		
Forfeitures	<u>\$4,500</u>	<u>\$18,399</u>
Expenditures:		
Supplies	<u>2,528</u>	<u>1,228</u>
Total expenditures	<u>2,528</u>	<u>1,228</u>
Revenues over expenditures	1,972	17,171
Fund balance - January 1	<u>31,779</u>	<u>14,608</u>
Fund balance - December 31	<u><u>\$33,751</u></u>	<u><u>\$31,779</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, 2013
With Comparative Amounts For The Year Ended December 31, 2012

Statement 18

	<u>2013</u>	<u>2012</u>
Revenues:		
Intergovernmental	\$27,200	\$ -
Other	2,411	-
Total revenues	<u>29,611</u>	<u>0</u>
Expenditures:		
Other services and charges	30,411	-
Total expenditures	<u>30,411</u>	<u>0</u>
Revenues over (under) expenditures	(800)	0
Other financing sources (uses):		
Transfers out	<u>3,582</u>	<u>-</u>
Net change in fund balance	2,782	0
Fund balance (deficit) - January 1	<u>(2,782)</u>	<u>(2,782)</u>
Fund balance (deficit) - December 31	<u>\$0</u>	<u>(\$2,782)</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, 2013
With Comparative Actual Amounts For The Year Ended December 31, 2012

Statement 19

	2013				2012 Actual Amounts
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	
	Original	Final			
Revenues:					
Taxes	\$777,000	\$777,000	\$777,000	\$ -	\$765,195
Charges for services	8,401	8,401	9,345	944	8,868
Fines	16,000	16,000	14,391	(1,609)	14,940
Investment income:					
Interest and dividends	3,500	3,500	4,600	1,100	3,300
Change in fair value	-	-	(17,200)	(17,200)	200
Other revenues:					
Miscellaneous	-	-	145	145	-
Total revenues	<u>804,901</u>	<u>804,901</u>	<u>788,281</u>	<u>(16,620)</u>	<u>792,503</u>
Expenditures:					
Personal services	586,525	586,525	507,077	79,448	529,819
Supplies	105,630	105,630	95,176	10,454	90,387
Other services and charges	80,994	80,994	59,359	21,635	65,093
Total expenditures	<u>773,149</u>	<u>773,149</u>	<u>661,612</u>	<u>111,537</u>	<u>685,299</u>
Revenues over expenditures	31,752	31,752	126,669	94,917	107,204
Other financing sources (uses):					
Transfers out	<u>(31,752)</u>	<u>(31,752)</u>	<u>(31,752)</u>	<u>-</u>	<u>(31,718)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	94,917	<u>\$94,917</u>	75,486
Fund balance - January 1			<u>225,632</u>		<u>150,146</u>
Fund balance - December 31			<u>\$320,549</u>		<u>\$225,632</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, 2013
With Comparative Amounts For The Year Ended December 31, 2012

Statement 20

	<u>2013</u>	<u>2012</u>
Revenues:		
Intergovernmental	\$56,069	\$57,337
Program revenue	19,913	19,468
Investment income:		
Interest and dividends	2,200	2,000
Change in fair value	(8,100)	100
Total revenues	<u>70,082</u>	<u>78,905</u>
Expenditures:		
Personal services	30,387	31,027
Supplies	7,186	11,176
Other services and charges	19,149	18,139
Total expenditures	<u>56,722</u>	<u>60,342</u>
Revenues over expenditures	13,360	18,563
Fund balance - January 1	<u>178,615</u>	<u>160,052</u>
Fund balance - December 31	<u><u>\$191,975</u></u>	<u><u>\$178,615</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, 2013
With Comparative Amounts For The Year Ended December 31, 2012

Statement 21

	<u>2013</u>	<u>2012</u>
Revenues:		
Investment income:		
Program revenue	\$ -	\$ -
Interest and dividends	1,600	1,600
Change in fair value	(6,100)	100
Other revenue:		
Contributions	21,165	19,488
Total revenues	<u>16,665</u>	<u>21,188</u>
Expenditures:		
Supplies	12,190	17,337
Other services and charges	1,425	4,175
Total expenditures	<u>13,615</u>	<u>21,512</u>
Revenues over (under) expenditures	3,050	(324)
Fund balance - January 1	<u>128,394</u>	<u>128,718</u>
Fund balance - December 31	<u><u>\$131,444</u></u>	<u><u>\$128,394</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, 2013
With Comparative Amounts For The Year Ended December 31, 2012

Statement 22

	<u>2013</u>	<u>2012</u>
Revenues:		
Investment income:		
Interest and dividends	\$2,700	\$2,700
Change in fair value	(9,800)	200
Contributions	1,423	3,317
Total revenues	<u>(5,677)</u>	<u>6,217</u>
Expenditures:		
Supplies	2,424	8,680
Other services and charges	2,035	1,988
Total expenditures	<u>4,459</u>	<u>10,668</u>
Revenues over (under) expenditures	<u>(10,136)</u>	<u>(4,451)</u>
Other financing sources (uses):		
Transfers out	(3,582)	(1,200)
Total other financing sources (uses)	<u>(3,582)</u>	<u>(1,200)</u>
Net change in fund balance	(13,718)	(5,651)
Fund balance - January 1	<u>217,201</u>	<u>222,852</u>
Fund balance - December 31	<u><u>\$203,483</u></u>	<u><u>\$217,201</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, 2013
With Comparative Amounts For The Year Ended December 31, 2012

Statement 23

	<u>2013</u>	<u>2012</u>
Revenues:		
Fees/program revenue	\$19,380	\$19,625
Rents	79,709	75,074
Investment income:		
Interest and dividends	6,500	5,300
Change in fair value	(24,200)	300
Other	1,500	-
Total revenues	<u>82,889</u>	<u>100,299</u>
Expenditures:		
Other services and charges	<u>-</u>	<u>262</u>
Revenues over expenditures	82,889	100,037
Fund balance - January 1	<u>443,477</u>	<u>343,440</u>
Fund balance - December 31	<u><u>\$526,366</u></u>	<u><u>\$443,477</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, 2013
With Comparative Actual Amounts For The Year Ended December 31, 2012

Statement 24

	2013		Actual Amounts	Variance with Final Budget- Positive (Negative)	2012 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Licenses and permits	\$162,200	\$162,200	\$219,846	\$57,646	\$195,272
Investment income:					
Interest and dividends	-	-	2,400	2,400	2,300
Change in fair value	-	-	(8,800)	(8,800)	200
Miscellaneous	-	-	150	150	137
Total revenues	<u>162,200</u>	<u>162,200</u>	<u>213,596</u>	<u>51,396</u>	<u>197,909</u>
Expenditures:					
Personal services	149,142	149,142	155,483	(6,341)	187,165
Supplies	2,620	2,620	1,704	916	3,481
Other services and charges	42,312	42,312	13,488	28,824	16,084
Total expenditures	<u>194,074</u>	<u>194,074</u>	<u>170,675</u>	<u>23,399</u>	<u>206,730</u>
Revenues over (under) expenditures	(31,874)	(31,874)	42,921	74,795	(8,821)
Other financing sources (uses):					
Transfers out	<u>(12,848)</u>	<u>(12,848)</u>	<u>(12,848)</u>	<u>-</u>	<u>(12,832)</u>
Net change in fund balance	<u>(\$44,722)</u>	<u>(\$44,722)</u>	30,073	<u>\$74,795</u>	(21,653)
Fund balance - January 1			<u>192,890</u>		<u>214,543</u>
Fund balance - December 31			<u>\$222,963</u>		<u>\$192,890</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, 2013
With Comparative Amounts For The Year Ended December 31, 2012

Statement 25

	<u>2013</u>	<u>2012</u>
Revenues:		
Intergovernmental	\$583,384	\$42,939
Investment income:		
Interest and dividends	-	200
Total revenues	<u>583,384</u>	<u>43,139</u>
Expenditures:		
Other services and charges	100,000	30,585
Capital outlay	<u>411,826</u>	<u>30,332</u>
Total expenditures	<u>511,826</u>	<u>60,917</u>
Revenues over (under) expenditures	71,558	(17,778)
Fund balance - January 1	<u>138,520</u>	<u>156,298</u>
Fund balance - December 31	<u><u>\$210,078</u></u>	<u><u>\$138,520</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, 2013

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

	2013		Actual Amounts	Variance with Final Budget- Positive (Negative)	2012 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Taxes	\$269,564	\$269,564	\$269,395	(\$169)	\$300,697
Fees/program revenues	37,000	37,000	60	(36,940)	90
Intergovernmental:					
Market value homestead credit	-	-	-	-	71
Investment income:					
Interest and dividends	-	-	2,502	2,502	1,400
Change in fair value	-	-	(7,600)	(7,600)	100
Total revenues	<u>306,564</u>	<u>306,564</u>	<u>264,357</u>	<u>(42,207)</u>	<u>302,358</u>
Expenditures:					
Personal services	239,812	239,812	201,805	38,007	245,731
Other services and charges	46,332	46,332	20,052	26,280	11,408
Supplies	725	725	770	(45)	724
Total expenditures	<u>286,869</u>	<u>286,869</u>	<u>222,627</u>	<u>64,242</u>	<u>257,863</u>
Revenues over (under) expenditures	19,695	19,695	41,730	22,035	44,495
Other financing sources (uses):					
Transfers out	<u>(12,848)</u>	<u>(12,848)</u>	<u>(12,848)</u>	<u>-</u>	<u>(25,997)</u>
Net change in fund balance	<u>\$6,847</u>	<u>\$6,847</u>	28,882	<u>\$22,035</u>	18,498
Fund balance - January 1			<u>241,122</u>		<u>222,624</u>
Fund balance - December 31			<u>\$270,004</u>		<u>\$241,122</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

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

Statement 27

COMBINING BALANCE SHEET

December 31, 2013

	Parkview Villa North Fund 203	Parkview Villa South Fund 213	Total Housing and Redevelopment Authority
Assets			
Cash and investments	\$979,075	\$822,938	\$1,802,013
Receivables:			
Accounts	7,234	6,174	13,408
Interest	-	1,800	1,800
Total assets	\$986,309	\$830,912	\$1,817,221
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$4,737	\$3,297	\$8,034
Due to other governmental units	24,638	11,913	36,551
Interfund payable	17,402	6,306	23,708
Unearned revenue	3,966	1,194	5,160
Deposits	17,841	8,492	26,333
Total liabilities	68,584	31,202	99,786
Fund balance:			
Restricted	917,725	-	917,725
Committed	-	799,710	799,710
Total fund balance	917,725	799,710	1,717,435
Total liabilities and fund balance	\$986,309	\$830,912	\$1,817,221

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, 2013

	Parkview Villa North Fund 203	Parkview Villa South Fund 213	Total Housing and Redevelopment Authority
Revenues:			
Intergovernmental	\$139,078	\$ -	\$139,078
Rents	358,201	279,923	638,124
Investment income:			
Interest and dividends	3,168	9,100	12,268
Change in fair value	-	(33,800)	(33,800)
Other revenues:			
Miscellaneous	7,349	3,060	10,409
Total revenues	<u>507,796</u>	<u>258,283</u>	<u>766,079</u>
Expenditures:			
Personal services	25,500	11,500	37,000
Supplies	18,412	16,813	35,225
Other services and charges	408,592	179,374	587,966
Total expenditures	<u>452,504</u>	<u>207,687</u>	<u>660,191</u>
Revenues over (under) expenditures	55,292	50,596	105,888
Fund balance - January 1	<u>862,433</u>	<u>749,114</u>	<u>1,611,547</u>
Fund balance - December 31	<u><u>\$917,725</u></u>	<u><u>\$799,710</u></u>	<u><u>\$1,717,435</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - HOUSING & REDEVELOPMENT AUTHORITY-

Statement 29

PARKVIEW VILLA NORTH FUND 203

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

For The Year Ended December 31, 2013

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

	2013			Variance with Final Budget- Positive (Negative)	2012 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Intergovernmental revenue	\$244,755	\$244,755	\$139,078	(\$105,677)	\$184,349
Rents	357,767	357,767	358,201	434	358,920
Investment income:					
Interest and dividends	6,304	6,304	3,168	(3,136)	4,042
Other revenues	500	500	7,349	6,849	11,476
Total revenues	<u>609,326</u>	<u>609,326</u>	<u>507,796</u>	<u>(101,530)</u>	<u>558,787</u>
Expenditures:					
Personal services	25,500	25,500	25,500	-	25,500
Supplies	25,190	25,190	18,412	6,778	30,095
Other services and charges	463,562	463,562	408,592	54,970	510,917
Capital outlay	92,200	92,200	-	92,200	128,191
Total expenditures	<u>606,452</u>	<u>606,452</u>	<u>452,504</u>	<u>153,948</u>	<u>694,703</u>
Revenues over (under) expenditures	<u>\$2,874</u>	<u>\$2,874</u>	55,292	<u>\$52,418</u>	(135,916)
Fund balance - January 1			862,434		998,350
Fund balance - December 31			<u>\$917,726</u>		<u>\$862,434</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, 2013

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

	2013				2012 Actual Amounts
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	
	Original	Final			
Revenues:					
Rents	\$315,104	\$315,104	\$279,923	(\$35,181)	\$294,651
Investment income:					
Interest and dividends	(3,500)	(3,500)	9,100	12,600	8,800
Change in fair value	-	-	(33,800)	(33,800)	600
Other	2,131	2,131	3,060	929	6,254
Total revenues	<u>313,735</u>	<u>313,735</u>	<u>258,283</u>	<u>(55,452)</u>	<u>310,305</u>
Expenditures:					
Personal services	11,500	11,500	11,500	-	11,500
Supplies	8,617	8,617	16,813	(8,196)	26,764
Other services and charges	228,451	228,451	179,374	49,077	216,376
Capital outlay	35,000	35,000	-	35,000	-
Total expenditures	<u>283,568</u>	<u>283,568</u>	<u>207,687</u>	<u>75,881</u>	<u>254,640</u>
Revenues over expenditures	<u>\$30,167</u>	<u>\$30,167</u>	50,596	<u>\$20,429</u>	55,665
Fund balance - January 1			<u>749,113</u>		<u>693,448</u>
Fund balance - December 31			<u>\$799,709</u>		<u>\$749,113</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, 2013

	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	G.O. Improvement / Revenue Bonds 2013A Fund 345
Assets					
Cash and investments	\$ -	\$127,410	\$436,942	\$240,643	\$40,561
Receivables:					
Accounts	-	-	-	-	150
Taxes	-	1,254	3,937	1,182	-
Assessments	-	-	-	-	80,255
Interest	-	100	400	300	200
Land held for resale	-	-	-	-	-
Total assets	\$0	\$128,764	\$441,279	\$242,125	\$121,166
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	-	-
Interfund payable	-	-	-	-	80,255
Total liabilities	0	0	0	0	80,255
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	80,255
Total deferred inflows of resources	0	0	0	0	80,255
Fund balance:					
Nonspendable	-	-	-	-	-
Restricted	-	128,764	441,279	242,125	-
Unassigned	-	-	-	-	(39,344)
Total fund balance	0	128,764	441,279	242,125	(39,344)
Total liabilities, deferred inflows of resources, and fund balance	\$0	\$128,764	\$441,279	\$242,125	\$121,166

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
\$290,324	\$150,237	\$68,791	\$68,474	\$393,878	\$215,902	\$251,573	\$2,284,735
-	-	-	-	-	-	-	150
-	4,082	91	-	200	14,317	-	25,063
-	-	-	-	-	-	-	80,255
700	300	200	200	900	500	400	4,200
394,980	-	-	-	249,088	-	-	644,068
<u>\$686,004</u>	<u>\$154,619</u>	<u>\$69,082</u>	<u>\$68,674</u>	<u>\$644,066</u>	<u>\$230,719</u>	<u>\$251,973</u>	<u>\$3,038,471</u>
\$ -	\$ -	\$2,700	\$19,628	\$ -	\$2,272	\$ -	\$24,600
1,208	1,003	519	584	2,520	3,815	-	9,649
-	-	10,697	-	-	-	-	90,952
1,208	1,003	13,916	20,212	2,520	6,087	0	125,201
-	3,318	-	-	267	12,041	-	95,881
0	3,318	0	0	267	12,041	0	95,881
394,980	-	-	-	249,088	-	-	644,068
289,816	150,298	55,166	48,462	392,191	212,591	251,973	2,212,665
-	-	-	-	-	-	-	(39,344)
684,796	150,298	55,166	48,462	641,279	212,591	251,973	2,817,389
<u>\$686,004</u>	<u>\$154,619</u>	<u>\$69,082</u>	<u>\$68,674</u>	<u>\$644,066</u>	<u>\$230,719</u>	<u>\$251,973</u>	<u>\$3,038,471</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, 2013

	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	G.O. Improvement / Revenue Bonds 2013A Fund 345
Revenues:					
Taxes	\$ -	\$135,369	\$435,075	\$128,776	\$ -
Tax increment collections	-	-	-	-	-
Investment income:					
Interest and dividends	1,000	500	2,000	1,400	100
Change in fair value	(3,800)	(1,900)	(7,300)	(5,400)	(200)
Total revenues	<u>(2,800)</u>	<u>133,969</u>	<u>429,775</u>	<u>124,776</u>	<u>(100)</u>
Expenditures:					
Current:					
Other services and charges	-	-	-	-	5,291
Capital outlay:					
Community development	-	-	-	-	-
Debt service:					
Principal retirement	926,730	100,000	205,000	165,000	-
Interest and fiscal charges	39,408	27,207	420,307	128,838	-
Developer incentives	-	-	-	-	-
Total expenditures	<u>966,138</u>	<u>127,207</u>	<u>625,307</u>	<u>293,838</u>	<u>5,291</u>
Revenues over (under) expenditures	<u>(968,938)</u>	<u>6,762</u>	<u>(195,532)</u>	<u>(169,062)</u>	<u>(5,391)</u>
Other financing sources (uses):					
Transfers in	509,245	-	175,000	77,110	63,180
Transfers out	-	-	-	-	(425,154)
Bonds issued	-	-	-	-	328,021
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>509,245</u>	<u>0</u>	<u>175,000</u>	<u>77,110</u>	<u>(33,953)</u>
Net change in fund balance	(459,693)	6,762	(20,532)	(91,952)	(39,344)
Fund balance - January 1	<u>459,693</u>	<u>122,002</u>	<u>461,811</u>	<u>334,077</u>	<u>0</u>
Fund balance - December 31	<u>\$0</u>	<u>\$128,764</u>	<u>\$441,279</u>	<u>\$242,125</u>	<u>(\$39,344)</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$699,220
-	73,249	26,550	43,693	76,719	307,717	-	-	527,928
3,500	1,300	900	800	4,400	2,400	2,100	-	20,400
(13,100)	(4,700)	(3,400)	(2,800)	(16,500)	(9,000)	(8,000)	-	(76,100)
(9,600)	69,849	24,050	41,693	64,619	301,117	(5,900)	0	1,171,448
11,612	2,629	1,721	1,844	5,482	14,365	-	-	42,944
56,001	-	-	-	79,061	-	-	-	135,062
-	-	-	-	55,000	-	58,000	-	1,509,730
-	-	-	-	25,807	-	144,571	-	786,138
-	-	30,531	59,639	-	73,802	-	-	163,972
67,613	2,629	32,252	61,483	165,350	88,167	202,571	0	2,637,846
(77,213)	67,220	(8,202)	(19,790)	(100,731)	212,950	(208,471)	0	(1,466,398)
-	-	-	-	-	-	208,000	-	1,032,535
-	-	-	-	-	(208,000)	-	-	(633,154)
-	-	-	-	-	-	-	-	328,021
35,054	-	-	-	-	-	-	-	35,054
35,054	0	0	0	0	(208,000)	208,000	0	762,456
(42,159)	67,220	(8,202)	(19,790)	(100,731)	4,950	(471)	0	(703,942)
726,955	83,078	63,368	68,252	742,010	207,641	252,444	-	3,521,331
\$684,796	\$150,298	\$55,166	\$48,462	\$641,279	\$212,591	\$251,973	\$0	\$2,817,389

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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, 2013

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	\$ -	\$52,062	\$952,712	\$59,838	\$66,400	\$255,504	\$1,386,516
Due from other governments	-	4,864	-	-	-	-	4,864
Receivables:							
Interest	-	100	2,400	200	200	-	2,900
Real estate held for resale	357,478	-	-	-	-	-	357,478
Total assets	\$357,478	\$57,026	\$955,112	\$60,038	\$66,600	\$255,504	\$1,751,758
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ -	\$175	\$92	\$ -	\$ -	\$ -	\$267
Total liabilities	0	175	92	0	0	0	267
Fund balance:							
Nonspendable	357,478	-	-	-	-	-	357,478
Committed	-	56,851	955,020	60,038	66,600	255,504	1,394,013
Total fund balance	357,478	56,851	955,020	60,038	66,600	255,504	1,751,491
Total liabilities and fund balance	\$357,478	\$57,026	\$955,112	\$60,038	\$66,600	\$255,504	\$1,751,758

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, 2013

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	\$ -	(\$100)	\$ -	\$ -	\$ -	\$ -	(\$100)
Investment income:							
Interest and dividends	-	600	12,000	900	800	-	14,300
Change in fair value	-	(2,400)	(44,400)	(3,200)	(3,100)	-	(53,100)
Contributions	-	1,500	42,003	-	-	-	43,503
Total revenues	<u>0</u>	<u>(400)</u>	<u>9,603</u>	<u>(2,300)</u>	<u>(2,300)</u>	<u>0</u>	<u>4,603</u>
Expenditures:							
Current:							
Other services and charges	-	26,785	67,079	15,282	-	-	109,146
Capital outlay	17,613	716	3,142	-	-	-	21,471
Total expenditures	<u>17,613</u>	<u>27,501</u>	<u>70,221</u>	<u>15,282</u>	<u>0</u>	<u>0</u>	<u>130,617</u>
Revenue over (under) expenditures	<u>(17,613)</u>	<u>(27,901)</u>	<u>(60,618)</u>	<u>(17,582)</u>	<u>(2,300)</u>	<u>0</u>	<u>(126,014)</u>
Other financing sources (uses):							
Transfers in	-	50,000	50,000	-	-	-	100,000
Total other financing sources (uses)	<u>0</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
Net change in fund balance	(17,613)	22,099	(10,618)	(17,582)	(2,300)	0	(26,014)
Fund balance - January 1	375,091	34,752	965,638	77,620	68,900	255,504	1,777,505
Fund balance - December 31	<u>\$357,478</u>	<u>\$56,851</u>	<u>\$955,020</u>	<u>\$60,038</u>	<u>\$66,600</u>	<u>\$255,504</u>	<u>\$1,751,491</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, 2013
With Comparative Totals for December 31, 2012

Statement 35

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Totals	
						2013	2012
Assets:							
Current assets:							
Cash and cash equivalents	\$5,623	\$131,491	\$787,392	\$74,110	\$ -	\$998,616	\$542,181
Receivables:							
Accounts (net of allowance for uncollectables)	622,185	-	177,463	250	-	799,898	571,623
Interest	1,500	1,000	-	200	-	2,700	4,600
Interfund receivable	2,764	-	-	-	-	2,764	62,362
Inventory - at cost	7,317	-	-	-	-	7,317	4,185
Total current assets	<u>639,389</u>	<u>132,491</u>	<u>964,855</u>	<u>74,560</u>	<u>0</u>	<u>1,811,295</u>	<u>1,184,951</u>
Noncurrent assets:							
Capital assets:							
Land	45,223	-	-	-	-	45,223	45,223
Buildings	559,826	-	-	-	-	559,826	559,826
Equipment	477,897	-	-	-	-	477,897	462,515
Infrastructure	8,346,965	-	-	-	-	8,346,965	8,346,965
Construction in process	-	-	473,821	-	-	473,821	7,006
Total capital assets	9,429,911	0	473,821	0	0	9,903,732	9,421,535
Less: accumulated depreciation	(4,492,495)	-	-	-	-	(4,492,495)	(4,263,186)
Total capital assets (net of accumulated depreciation)	4,937,416	0	473,821	0	0	5,411,237	5,158,349
Total noncurrent assets	<u>4,937,416</u>	<u>0</u>	<u>473,821</u>	<u>0</u>	<u>0</u>	<u>5,411,237</u>	<u>5,158,349</u>
Total assets	<u>5,576,805</u>	<u>132,491</u>	<u>1,438,676</u>	<u>74,560</u>	<u>0</u>	<u>7,222,532</u>	<u>6,343,300</u>
Liabilities :							
Current liabilities:							
Accounts payable	5,489	-	187,361	-	-	192,850	6,224
Accrued salaries and withholdings payable	8,480	-	91	-	-	8,571	9,222
Contracts payable - retained percentage	-	-	16,830	-	-	16,830	-
Due to other governmental units	107,067	-	210,000	-	-	317,067	283,486
Interfund payable	-	-	-	259,000	-	259,000	399,497
Accrued interest payable	-	-	-	2,789	-	2,789	14,588
Deposits	-	-	-	-	-	-	3,000
Compensated absences payable - current	1,635	-	-	-	-	1,635	1,533
Bonds payable - current	-	-	-	35,000	-	35,000	161,862
Total current liabilities	<u>122,671</u>	<u>0</u>	<u>414,282</u>	<u>296,789</u>	<u>0</u>	<u>833,742</u>	<u>879,412</u>
Noncurrent liabilities:							
Compensated absences payable - noncurrent	25,619	-	-	-	-	25,619	24,022
Bonds payable - noncurrent	-	-	-	1,177,824	-	1,177,824	789,628
Total noncurrent liabilities	<u>25,619</u>	<u>0</u>	<u>0</u>	<u>1,177,824</u>	<u>0</u>	<u>1,203,443</u>	<u>813,650</u>
Total liabilities	<u>148,290</u>	<u>0</u>	<u>414,282</u>	<u>1,474,613</u>	<u>0</u>	<u>2,037,185</u>	<u>1,693,062</u>
Net position:							
Net investments in capital assets	4,937,416	-	1,038,821	(1,212,824)	-	4,763,413	3,883,859
Restricted	-	-	-	71,771	-	71,771	178,374
Unrestricted	491,099	132,491	(14,427)	(259,000)	-	350,163	588,005
Total net position	<u>\$5,428,515</u>	<u>\$132,491</u>	<u>\$1,024,394</u>	<u>(\$1,400,053)</u>	<u>\$0</u>	<u>\$5,185,347</u>	<u>\$4,650,238</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, 2013

With Comparative Totals For The Year Ended December 31, 2012

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Totals	
						2013	2012
Operating revenues:							
Charges for services:							
Customer services	\$113,915	\$ -	\$ -	\$ -	\$ -	\$113,915	\$114,635
Penalties	89,224	-	-	-	-	89,224	68,095
Charges for sales:							
Water	2,538,362	-	-	-	-	2,538,362	2,508,525
Meter	8,968	74,974	189,605	-	-	273,547	80,508
Total operating revenues	<u>2,750,469</u>	<u>74,974</u>	<u>189,605</u>	<u>0</u>	<u>0</u>	<u>3,015,048</u>	<u>2,771,763</u>
Operating expenses:							
Cost of sales	1,216,296	-	-	-	-	1,216,296	1,232,031
Distribution	597,048	-	197,174	-	-	794,222	762,429
Administration	20,699	-	-	-	-	20,699	21,489
Depreciation	229,309	-	-	-	-	229,309	218,456
Total operating expenses	<u>2,063,352</u>	<u>0</u>	<u>197,174</u>	<u>0</u>	<u>0</u>	<u>2,260,526</u>	<u>2,234,405</u>
Net income (loss) from operations	<u>687,117</u>	<u>74,974</u>	<u>(7,569)</u>	<u>0</u>	<u>0</u>	<u>754,522</u>	<u>537,358</u>
Nonoperating revenues (expenses):							
Investment income:							
Interest and dividends	7,600	4,700	-	900	-	13,200	19,100
Change in fair value	(28,200)	(17,600)	-	(3,500)	-	(49,300)	1,300
Intergovernmental	1,971	-	-	-	-	1,971	-
Miscellaneous revenues	5,127	-	-	-	-	5,127	5,620
Miscellaneous expense	-	(1)	-	-	-	(1)	-
Interest and fiscal charges	-	-	-	(62,763)	-	(62,763)	(52,093)
Total nonoperating revenues (expenses)	<u>(13,502)</u>	<u>(12,901)</u>	<u>0</u>	<u>(65,363)</u>	<u>0</u>	<u>(91,766)</u>	<u>(26,073)</u>
Net income (loss) before transfers	<u>673,615</u>	<u>62,073</u>	<u>(7,569)</u>	<u>(65,363)</u>	<u>0</u>	<u>662,756</u>	<u>511,285</u>
Transfers in	-	25,000	1,640,211	312,000	(1,977,211)	-	-
Transfers out	(1,009,234)	(545,050)	-	(550,574)	1,977,211	(127,647)	(133,344)
Total transfers	<u>(1,009,234)</u>	<u>(520,050)</u>	<u>1,640,211</u>	<u>(238,574)</u>	<u>0</u>	<u>(127,647)</u>	<u>(133,344)</u>
Change in net position	(335,619)	(457,977)	1,632,642	(303,937)	0	535,109	377,941
Total net position - January 1	<u>5,764,134</u>	<u>590,468</u>	<u>(608,248)</u>	<u>(1,096,116)</u>	<u>-</u>	<u>4,650,238</u>	<u>4,272,297</u>
Total net position - December 31	<u>\$5,428,515</u>	<u>\$132,491</u>	<u>\$1,024,394</u>	<u>(\$1,400,053)</u>	<u>\$0</u>	<u>\$5,185,347</u>	<u>\$4,650,238</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
WATER UTILITY FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2013
With Comparative Totals For The Year Ended December 31, 2012

Statement 37

	2013	2012
Cash flows from operating activities:		
Cash received from customers	\$2,791,900	\$2,749,287
Cash paid to suppliers for goods and services	(1,435,452)	(1,706,743)
Cash payments to employees for services	(363,810)	(339,588)
Net cash provided by (used in) from operating activities	<u>992,638</u>	<u>702,956</u>
Cash flows from noncapital financing activities:		
Transfers out	(127,647)	(133,344)
Intergovernmental	1,971	-
Interfund receivable repaid by (advanced to) other funds	59,598	8,179
Interfund payable (repaid to) advanced by other funds	(140,497)	(57,003)
Net cash flows provided by (used in) noncapital financing activities	<u>(206,575)</u>	<u>(182,168)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(482,202)	(350,137)
Bonds issued	987,824	-
Principal payments - bonds	(726,490)	(152,880)
Interest and fiscal charges	(74,560)	(54,300)
Net cash flows provided by (used in) capital and related financing activities	<u>(295,428)</u>	<u>(557,317)</u>
Cash flows from investing activities:		
Investment income		
Interest and dividends	15,100	18,000
Change in fair value	(49,300)	1,300
Net cash flows provided by (used in) investing activities	<u>(34,200)</u>	<u>19,300</u>
Net increase (decrease) in cash and cash equivalents	456,435	(17,229)
Cash and cash equivalents - January 1	542,181	559,410
Cash and cash equivalents - December 31	<u>\$998,616</u>	<u>\$542,181</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$754,522</u>	<u>\$537,358</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	229,309	218,456
Miscellaneous revenues	5,127	5,620
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(228,275)	(28,096)
(Increase) decrease in inventory, at cost	(3,132)	(2,473)
Increase (decrease) in accounts payable	186,628	(12,045)
Increase (decrease) in accrued salaries and withholdings payable	(651)	3,345
Increase (decrease) in due to other governmental units	16,830	(19,212)
Adjustment for nonoperating portion	33,581	-
Increase (decrease) in deposits payable	(3,000)	3,000
Increase (decrease) in compensated absences payable	1,699	(2,997)
Total adjustments	<u>238,116</u>	<u>165,598</u>
Net cash flows provided by (used in) operating activities	<u>\$992,638</u>	<u>\$702,956</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2013
With Comparative Totals for December 31, 2012

Statement 38

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Totals	
					2013	2012
Assets:						
Current assets:						
Cash and cash equivalents	\$7,948	\$395,504	\$972,000	\$ -	\$1,375,452	\$1,347,004
Receivables:						
Accounts (net of allowance for uncollectibles)	419,048	-	-	-	419,048	419,781
Interest	-	1,200	1,800	-	3,000	4,400
Interfund receivables	-	-	-	-	-	22,858
Prepayments	81,254	-	-	-	81,254	76,968
Total current assets	<u>508,250</u>	<u>396,704</u>	<u>973,800</u>	<u>0</u>	<u>1,878,754</u>	<u>1,871,011</u>
Noncurrent assets:						
Capital assets:						
Land	36,586	-	-	-	36,586	36,586
Buildings	403,659	-	-	-	403,659	100,426
Equipment	939,340	-	-	-	939,340	840,942
Construction in progress	-	-	-	-	-	252,924
Infrastructure	6,154,219	-	-	-	6,154,219	6,154,219
Total capital assets	<u>7,533,804</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,533,804</u>	<u>7,385,097</u>
Less: accumulated depreciation	<u>(4,416,306)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,416,306)</u>	<u>(4,277,960)</u>
Net capital assets	<u>3,117,498</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,117,498</u>	<u>3,107,137</u>
Total noncurrent assets	<u>3,117,498</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,117,498</u>	<u>3,107,137</u>
Total assets	<u>3,625,748</u>	<u>396,704</u>	<u>973,800</u>	<u>0</u>	<u>4,996,252</u>	<u>4,978,148</u>
Liabilities:						
Current liabilities:						
Accounts payable	23,570	83,016	11,252	-	117,838	15,614
Accrued salaries and withholdings payable	6,046	-	91	-	6,137	4,733
Contracts payable - retained percentage	31,100	-	-	-	31,100	42,915
Compensated absences payable - current	2,313	-	-	-	2,313	2,240
Total current liabilities	<u>63,029</u>	<u>83,016</u>	<u>11,343</u>	<u>0</u>	<u>157,388</u>	<u>65,502</u>
Noncurrent liabilities:						
Compensated absences payable - noncurrent	36,236	-	-	-	36,236	35,087
Bonds payable - noncurrent	-	-	-	365,000	365,000	-
Total noncurrent liabilities	<u>36,236</u>	<u>0</u>	<u>0</u>	<u>365,000</u>	<u>401,236</u>	<u>35,087</u>
Total liabilities	<u>99,265</u>	<u>83,016</u>	<u>11,343</u>	<u>365,000</u>	<u>558,624</u>	<u>100,589</u>
Net position:						
Net investments in capital assets	3,117,498	-	365,000	(365,000)	3,117,498	3,107,137
Unrestricted	408,985	313,688	597,457	-	1,320,130	1,770,422
Total net position	<u>\$3,526,483</u>	<u>\$313,688</u>	<u>\$962,457</u>	<u>(\$365,000)</u>	<u>\$4,437,628</u>	<u>\$4,877,559</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SEWER UTILITY FUND

Statement 39

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2013

With Comparative Totals For The Year Ended December 31, 2012

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Interfund Eliminations	Totals	
						2013	2012
Operating revenues:							
Charges for services:							
Sewer service charges	\$1,592,145	\$ -	\$ -	\$ -	\$ -	\$1,592,145	\$1,579,864
Operating expenses:							
Disposal	923,621	-	-	-	-	923,621	899,008
Collection	384,333	-	10,019	-	-	394,352	379,462
Administration	28,252	-	-	-	-	28,252	21,378
Depreciation	138,346	-	-	-	-	138,346	131,755
Total operating expenses	1,474,552	0	10,019	0	0	1,484,571	1,431,603
Net income (loss) from operations	117,593	0	(10,019)	0	0	107,574	148,261
Nonoperating revenues (expenses):							
Investment income							
Interest and dividends	-	6,100	9,200	-	-	15,300	19,121
Change in fair value	-	(22,700)	(34,100)	-	-	(56,800)	1,300
Miscellaneous revenues	1,641	-	-	-	-	1,641	1,652
Gain on sale of capital assets	-	25,000	-	-	-	25,000	-
Interest and fiscal charges	-	-	-	(5,000)	-	(5,000)	-
Total nonoperating revenues (expenses)	1,641	8,400	(24,900)	(5,000)	0	(19,859)	22,073
Net income (loss) before transfers	119,234	8,400	(34,919)	(5,000)	0	87,715	170,334
Transfers in	303,232	25,000	363,231	-	(691,463)	-	-
Transfers out	(355,877)	(200,000)	(303,232)	(360,000)	691,463	(527,646)	(133,342)
Total transfers	(52,645)	(175,000)	59,999	(360,000)	0	(527,646)	(133,342)
Change in net position	66,589	(166,600)	25,080	(365,000)	0	(439,931)	36,992
Net position - January 1	3,459,894	480,288	937,377	-	-	4,877,559	4,840,567
Net position - December 31	\$3,526,483	\$313,688	\$962,457	(\$365,000)	\$0	\$4,437,628	\$4,877,559

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For Year Ended December 31, 2013
With Comparative Totals for Year Ended December 31, 2012

Statement 40

	2013	2012
Cash flows from operating activities:		
Cash received from customers	\$1,594,519	\$1,532,212
Cash paid to suppliers for goods and services	(1,003,397)	(1,285,953)
Cash payments to employees for services	(254,079)	(225,252)
Net cash flows provided by (used in) operating activities	<u>337,043</u>	<u>21,007</u>
Cash flows from noncapital financing activities:		
Transfers out	(527,646)	(133,342)
Interfund receivable repaid by (advanced to) other funds	22,858	52,371
Net cash flows provided by (used in) noncapital financing activities	<u>(504,788)</u>	<u>(80,971)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(148,707)	(373,690)
Sale of capital assets	25,000	-
Bonds issued	365,000	-
Interest and fiscal charges	(5,000)	-
Net cash flows provided by (used in) capital and related financing activities	<u>236,293</u>	<u>(373,690)</u>
Cash flows from investing activities:		
Investment income		
Interest and dividends	16,700	20,221
Change in fair value	(56,800)	1,300
Net cash flows provided by (used in) investing activities	<u>(40,100)</u>	<u>21,521</u>
Net increase (decrease) in cash and cash equivalents	28,448	(412,133)
Cash and cash equivalents - January 1	<u>1,347,004</u>	<u>1,759,137</u>
Cash and cash equivalents - December 31	<u><u>\$1,375,452</u></u>	<u><u>\$1,347,004</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>\$107,574</u>	<u>\$148,261</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	138,346	131,755
Miscellaneous revenues	1,641	1,652
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	733	(49,304)
(Increase) decrease in due from other governmental units	-	-
(Increase) decrease in prepayments	(4,286)	(2,051)
Increase (decrease) in accounts payable	102,224	(212,565)
Increase (decrease) in accrued salaries and withholdings payable	1,404	(2,232)
Increase (decrease) in contracts payable -retained percentage	(11,815)	155
Increase (decrease) compensated absences payable	1,222	5,336
Total adjustments	<u>229,469</u>	<u>(127,254)</u>
Net cash flows provided by (used in) operating activities	<u><u>\$337,043</u></u>	<u><u>\$21,007</u></u>
Noncash capital and related financing activities:		
Contribution of capital asset from government	\$ -	\$234,668

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REFUSE UTILITY FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2013
With Comparative Totals for December 31, 2012

Statement 41

	<u>2013</u>	<u>2012</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$1,038,897	\$792,091
Receivables:		
Accounts (net of allowance for uncollectibles)	489,754	466,365
Interest	2,400	2,300
Due from other governmental units	33,541	5,034
Total current assets	<u>1,564,592</u>	<u>1,265,790</u>
Noncurrent assets:		
Capital assets:		
Buildings	56,000	56,000
Equipment	112,893	112,893
Total capital assets	<u>168,893</u>	<u>168,893</u>
Less: accumulated depreciation	(118,616)	(114,975)
Total capital assets (net of accumulated depreciation)	<u>50,277</u>	<u>53,918</u>
Total noncurrent assets	<u>50,277</u>	<u>53,918</u>
Total assets	<u>1,614,869</u>	<u>1,319,708</u>
Liabilities:		
Current liabilities:		
Accounts payable	235,036	112,898
Accrued salaries and withholdings payable	1,822	1,467
Compensated absences payable - current	369	301
Total current liabilities	<u>237,227</u>	<u>114,666</u>
Noncurrent liabilities:		
Compensated absences payable - noncurrent	<u>5,778</u>	<u>4,720</u>
Total liabilities	<u>243,005</u>	<u>119,386</u>
Net position:		
Net investments in capital assets	50,277	53,918
Unrestricted	<u>1,321,587</u>	<u>1,146,404</u>
Total net position	<u><u>\$1,371,864</u></u>	<u><u>\$1,200,322</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, 2013

With Comparative Totals For The Year Ended December 31, 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Refuse service charges	<u>\$1,826,226</u>	<u>\$1,761,860</u>
Operating expenses:		
Collection and disposal	1,446,549	1,415,885
Administration	52,368	53,319
Recycling	67,545	84,855
Hazardous waste	5,302	3,249
Depreciation	3,641	1,485
Total operating expenses	<u>1,575,405</u>	<u>1,558,793</u>
Net income from operations	<u>250,821</u>	<u>203,067</u>
Nonoperating revenues:		
Investment income		
Interest and dividends	11,900	9,800
Change in fair value	(44,200)	700
Intergovernmental	68,565	112,471
Total nonoperating revenues	<u>36,265</u>	<u>122,971</u>
Net income before transfers	287,086	326,038
Transfers out	<u>(115,544)</u>	<u>(115,461)</u>
Change in net position	171,542	210,577
Total net position - January 1	<u>1,200,322</u>	<u>989,745</u>
Total net position - December 31	<u><u>\$1,371,864</u></u>	<u><u>\$1,200,322</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REFUSE UTILITY FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For Year Ended December 31, 2013
With Comparative Totals for Year Ended December 31, 2012

Statement 43

	2013	2012
Cash flows from operating activities:		
Cash received from customers	\$1,774,330	\$1,728,024
Cash paid to suppliers for goods and services	(1,352,865)	(1,597,081)
Cash payments to employees for services	(66,773)	(76,772)
Net cash flows provided by (used in) operating activities	<u>354,692</u>	<u>54,171</u>
Cash flows from noncapital financing activities:		
Transfers out	(115,544)	(115,461)
Intergovernmental	68,565	112,471
Interfund receivable repaid by (advanced to) other funds	(28,507)	(5,034)
Net cash flows provided by (used in) noncapital financing activities	<u>(75,486)</u>	<u>(8,024)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(54,203)
Cash flows from investing activities:		
Investment income		
Interest and dividends	11,800	9,700
Change in fair value	(44,200)	700
Net cash flows provided by (used in) investing activities	<u>(32,400)</u>	<u>10,400</u>
Net increase in cash and cash equivalents	246,806	2,344
Cash and cash equivalents - January 1	<u>792,091</u>	<u>789,747</u>
Cash and cash equivalents - December 31	<u>\$1,038,897</u>	<u>\$792,091</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income	<u>\$250,821</u>	<u>\$203,067</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	3,641	1,485
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(23,389)	(33,836)
Increase (decrease) in accounts payable	122,138	(114,987)
Increase (decrease) in accrued salaries and withholdings payable	355	(1,540)
Increase (decrease) compensated absences payable	1,126	(18)
Total adjustments	<u>103,871</u>	<u>(148,896)</u>
Net cash flows provided by (used in) operating activities	<u>\$354,692</u>	<u>\$54,171</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 STORM SEWER UTILITY FUND
 SUBCOMBINING SCHEDULE OF NET POSITION
 December 31, 2013
 With Comparative Totals for December 31, 2012

Statement 44

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Totals	
						2013	2012
Assets:							
Current assets:							
Cash and cash equivalents	\$312,995	\$ -	\$913,658	\$8,070	\$ -	\$1,234,723	\$37,976
Receivables:							
Accounts (net of allowance for uncollectibles)	101,167	-	-	350	-	101,517	92,357
Interest	400	-	800	-	-	1,200	502
Due from other governmental units	-	-	735	-	-	735	-
Total current assets	<u>414,562</u>	<u>0</u>	<u>915,193</u>	<u>8,420</u>	<u>0</u>	<u>1,338,175</u>	<u>130,835</u>
Noncurrent assets:							
Capital assets:							
Land	260,690	-	-	-	-	260,690	260,690
Equipment	190,653	-	-	-	-	190,653	190,653
Infrastructure	1,518,512	-	-	-	-	1,518,512	1,518,512
Construction in process	-	-	17,087	-	-	17,087	-
Total capital assets	<u>1,969,855</u>	<u>0</u>	<u>17,087</u>	<u>0</u>	<u>0</u>	<u>1,986,942</u>	<u>1,969,855</u>
Less: accumulated depreciation	<u>(800,334)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(800,334)</u>	<u>(716,540)</u>
Net capital assets	<u>1,169,521</u>	<u>0</u>	<u>17,087</u>	<u>0</u>	<u>0</u>	<u>1,186,608</u>	<u>1,253,315</u>
Total noncurrent assets	<u>1,169,521</u>	<u>0</u>	<u>17,087</u>	<u>0</u>	<u>0</u>	<u>1,186,608</u>	<u>1,253,315</u>
Total assets	<u>1,584,083</u>	<u>0</u>	<u>932,280</u>	<u>8,420</u>	<u>0</u>	<u>2,524,783</u>	<u>1,384,150</u>
Liabilities:							
Current liabilities:							
Accounts payable	14,463	-	2,387	-	-	16,850	40
Accrued salaries and withholdings payable	2,532	-	91	-	-	2,623	1,934
Interfund payable	-	-	-	66,000	-	66,000	86,862
Contracts payable	1,799	-	-	-	-	1,799	-
Accrued interest payable	-	-	-	-	-	-	2,838
Compensated absences payable - current	82	-	-	-	-	82	84
Bonds payable - current	-	-	-	-	-	-	30,638
Total current liabilities	<u>18,876</u>	<u>0</u>	<u>2,478</u>	<u>66,000</u>	<u>0</u>	<u>87,354</u>	<u>122,396</u>
Noncurrent liabilities:							
Compensated absences payable - noncurrent	1,284	-	-	-	-	1,284	1,317
Bonds payable - noncurrent	-	-	-	859,155	-	859,155	141,142
Total noncurrent liabilities	<u>1,284</u>	<u>0</u>	<u>0</u>	<u>859,155</u>	<u>0</u>	<u>860,439</u>	<u>142,459</u>
Total liabilities	<u>20,160</u>	<u>0</u>	<u>2,478</u>	<u>925,155</u>	<u>0</u>	<u>947,793</u>	<u>264,855</u>
Net position:							
Net investment in capital assets	1,169,521	-	755,000	(859,155)	-	1,065,366	1,081,535
Restricted	-	-	-	8420	-	8,420	-
Unrestricted	394,402	-	174,802	(66,000)	-	503,204	37,760
Total net position	<u>\$1,563,923</u>	<u>\$0</u>	<u>\$929,802</u>	<u>(\$916,735)</u>	<u>\$0</u>	<u>\$1,576,990</u>	<u>\$1,119,295</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, 2013
With Comparative Totals For The Year Ended December 31, 2012

Statement 45

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Totals	
						2013	2012
Operating revenues:							
Storm sewer service charges	\$367,218	\$ -	\$ -	\$ -	\$ -	\$367,218	\$349,457
Operating expenses:							
Collection	189,113	-	7,609	-	-	196,722	235,471
Administration	3,210	-	-	-	-	3,210	1,646
Depreciation	83,795	-	-	-	-	83,795	83,993
Total operating expenses	276,118	0	7,609	0	0	283,727	321,110
Net income (loss) from operations	91,100	0	(7,609)	0	0	83,491	28,347
Nonoperating revenues (expenses):							
Investment income							
Interest and dividends	2,200	-	3,800	200	-	6,200	2,100
Change in fair value	(8,200)	-	(14,200)	(700)	-	(23,100)	100
Intergovernmental	-	-	14,335	-	-	14,335	-
Miscellaneous revenues	1,707	-	-	-	-	1,707	3,886
Interest and fiscal charges	-	-	-	(24,938)	-	(24,938)	(10,801)
Total nonoperating revenues (expenses)	(4,293)	0	3,935	(25,438)	0	(25,796)	(4,715)
Net income (loss) before transfers	86,807	0	(3,674)	(25,438)	0	57,695	23,632
Transfers in	400,000	94,908	740,000	68,000	(902,908)	400,000	-
Transfers out	(162,908)	-	-	(740,000)	902,908	-	-
Total transfers and contributions	237,092	94,908	740,000	(672,000)	0	400,000	0
Change in net position	323,899	94,908	736,326	(697,438)	0	457,695	23,632
Net position - January 1	1,240,024	(94,908)	193,476	(219,297)	-	1,119,295	1,095,663
Net position - December 31	\$1,563,923	\$0	\$929,802	(\$916,735)	\$0	\$1,576,990	\$1,119,295

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STORM SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For Year Ended December 31, 2013
With Comparative Totals for Year Ended December 31, 2012

Statement 46

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers	\$359,029	\$346,576
Cash paid to suppliers for goods and services	(81,956)	(116,644)
Cash payments to employees for services	(98,714)	(123,513)
Net cash flows provided by (used in) operating activities	<u>178,359</u>	<u>106,419</u>
Cash flows from noncapital financing activities:		
Intergovernmental	14,335	-
Transfers in	400,000	-
Interfund payable (repaid to) advanced by other funds	(20,862)	(59,768)
Net cash flows provided by (used in) noncapital financing activities:	<u>393,473</u>	<u>(59,768)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(17,086)	(7,594)
Bonds issued	859,155	-
Principal payments - bonds	(171,780)	(28,120)
Interest and fiscal charges	(27,776)	(11,270)
Net cash flows provided by (used in) capital and related financing activities	<u>642,513</u>	<u>(46,984)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	5,502	2,098
Change in fair value	(23,100)	100
Net cash flows provided by (used in) investing activities	<u>(17,598)</u>	<u>2,198</u>
Net increase (decrease) in cash and cash equivalents	1,196,747	1,865
Cash and cash equivalents - January 1	<u>37,976</u>	<u>36,111</u>
Cash and cash equivalents - December 31	<u>\$1,234,723</u>	<u>\$37,976</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$83,491</u>	<u>\$28,347</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	83,795	83,993
Miscellaneous revenue	1,707	3,886
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(9,160)	(6,767)
(Increase) decrease in due from other governmental units	(735)	-
Increase (decrease) in accounts payable	16,808	(3,340)
Increase (decrease) in accrued salaries and withholdings payable	689	(317)
Increase (decrease) in contracts payable - retained percentage	1,799	-
Increase (decrease) compensated absences payable	(35)	617
Total adjustments	<u>94,868</u>	<u>78,072</u>
Net cash flows provided by (used in) operating activities	<u>\$178,359</u>	<u>\$106,419</u>

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CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

Statement 47

SUBCOMBINING SCHEDULE OF NET POSITION

December 31, 2013

With Comparative Totals for December 31, 2012

	Operating Account	Debt Service Account	Intrafund Eliminations	Totals	
				2013	2012
Assets:					
Current assets:					
Cash and cash equivalents	\$316,682	\$276,148	\$ -	\$592,830	\$607,698
Cash and cash equivalents with fiscal agent	-	399,254	-	399,254	399,254
Receivables:					
Accounts (net of allowance for uncollectables)	88	-	-	88	161
Interest	-	200	-	200	200
Due from other governmental units	1,681	-	-	1,681	475
Inventory - at cost	2,786,591	-	-	2,786,591	2,542,372
Total current assets	3,105,042	675,602	0	3,780,644	3,550,160
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	413,202
Total capital assets	6,334,978	0	0	6,334,978	6,334,978
Less: accumulated depreciation	(975,502)	-	-	(975,502)	(823,602)
Net capital assets	5,359,476	0	0	5,359,476	5,511,376
Total noncurrent assets	5,359,476	0	0	5,359,476	5,511,376
Total assets	8,464,518	675,602	0	9,140,120	9,061,536
Liabilities:					
Current liabilities:					
Accounts payable	313,130	-	-	313,130	400,342
Accrued salaries and withholdings payable	31,634	-	-	31,634	23,364
Due to other governmental units	97,413	-	-	97,413	93,033
Accrued interest payable	-	97,173	-	97,173	100,563
Compensated absences payable - current	5,447	-	-	5,447	5,222
Bonds payable - current	-	170,000	-	170,000	165,000
Total current liabilities	447,624	267,173	0	714,797	787,524
Noncurrent liabilities:					
Compensated absences payable - noncurrent	85,338	-	-	85,338	81,816
Bonds payable - noncurrent	-	4,260,000	-	4,260,000	4,430,000
Total noncurrent liabilities	85,338	4,260,000	0	4,345,338	4,511,816
Total liabilities	532,962	4,527,173	0	5,060,135	5,299,340
Net position:					
Net investments in capital assets	5,359,476	(4,030,746)	-	1,328,730	916,376
Restricted for debt service	-	179,175	-	179,175	571,440
Unrestricted	2,572,080	-	-	2,572,080	2,274,380
Total net position	\$7,931,556	(\$3,851,571)	\$0	\$4,079,985	\$3,762,196

CITY OF COLUMBIA HEIGHTS, MINNESOTA
LIQUOR FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2013
With Comparative Totals For The Year Ended December 31, 2012

	Operating Accounts		
	Top Valu	Top Valu II	Heights Liquor
Operating revenues:			
Charges for sales:			
Liquor	\$1,530,202	\$1,279,619	\$505,174
Beer	1,530,248	1,567,931	504,958
Wine	640,092	629,612	70,324
Other	167,295	186,424	135,205
Total operating revenues	<u>3,867,837</u>	<u>3,663,586</u>	<u>1,215,661</u>
Operating expenses:			
Cost of goods sold	2,904,189	2,722,276	951,166
Operating expense	642,633	510,096	185,650
Depreciation	83,587	64,729	3,584
Total operating expenses	<u>3,630,409</u>	<u>3,297,101</u>	<u>1,140,400</u>
Net income from operations	<u>\$237,428</u>	<u>\$366,485</u>	<u>\$75,261</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest and dividends			
Change in fair value			
Interest and fiscal charges			
Miscellaneous expense			
Total nonoperating revenues (expenses)			
Net income (loss) before transfers			
Transfers in			
Transfers out			
Total transfers			
Change in net position			
Net position - January 1, as previously reported			
Prior period adjustment			
Net position - January 1, as restated			
Net position - December 31			

Total Operating Accounts	Debt Service Account	Intrafund Eliminations	Totals	
			2013	2012
\$3,314,995	\$ -	\$ -	\$3,314,995	\$3,282,685
3,603,137	-	-	3,603,137	3,680,765
1,340,028	-	-	1,340,028	1,336,603
488,924	-	-	488,924	504,180
<u>8,747,084</u>	<u>0</u>	<u>0</u>	<u>8,747,084</u>	<u>8,804,233</u>
6,577,631	-	-	6,577,631	6,654,657
1,338,379	-	-	1,338,379	1,315,396
151,900	-	-	151,900	150,287
<u>8,067,910</u>	<u>0</u>	<u>0</u>	<u>8,067,910</u>	<u>8,120,340</u>
679,174	0	0	679,174	683,893
-	900	-	900	900
-	(3,400)	-	(3,400)	100
-	(215,511)	-	(215,511)	(237,325)
<u>(11,040)</u>	<u>-</u>	<u>-</u>	<u>(11,040)</u>	<u>-</u>
<u>(11,040)</u>	<u>(218,011)</u>	<u>0</u>	<u>(229,051)</u>	<u>(236,325)</u>
668,134	(218,011)	0	450,123	447,568
-	390,000	(390,000)	-	-
<u>(522,334)</u>	<u>-</u>	<u>390,000</u>	<u>(132,334)</u>	<u>(96,667)</u>
<u>(522,334)</u>	<u>390,000</u>	<u>0</u>	<u>(132,334)</u>	<u>(96,667)</u>
145,800	171,989	0	317,789	350,901
7,785,756	(4,023,560)	-	3,762,196	3,476,484
-	-	-	-	(65,189)
<u>7,785,756</u>	<u>(4,023,560)</u>	<u>0</u>	<u>3,762,196</u>	<u>3,411,295</u>
<u>\$7,931,556</u>	<u>(\$3,851,571)</u>	<u>\$0</u>	<u>\$4,079,985</u>	<u>\$3,762,196</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2013

With Comparative Amount for Year Ended December 31, 2012

Statement 49

Page 1 of 2

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers	\$8,745,951	\$8,805,094
Cash paid to suppliers for goods and services	(7,264,578)	(7,028,496)
Cash payments to employees for services	(977,506)	(960,860)
Net cash flows provided by (used in) operating activities	<u>503,867</u>	<u>815,738</u>
Cash flows from noncapital financing activities		
Transfers in	(132,334)	(96,667)
Net cash flows provided by (used in) noncapital financing activities	<u>(132,334)</u>	<u>(96,667)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	-	(26,887)
Principal payments - bonds	(165,000)	(155,000)
Interest and fiscal charges	(218,901)	(208,267)
Net cash flows provided by (used in) capital and related financing activities	<u>(383,901)</u>	<u>(390,154)</u>
Cash flows from investing activities:		
Investment income		
Interest and dividends	900	900
Change in fair value	(3,400)	100
Net cash flows provided by (used in) investing activities	<u>(2,500)</u>	<u>1,000</u>
Net increase (decrease) in cash and cash equivalents	(14,868)	329,917
Total cash and cash equivalents - January 1	<u>1,006,952</u>	<u>677,035</u>
Total cash and cash equivalents - December 31	992,084	1,006,952
(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>\$592,830</u>	<u>\$607,698</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2013

With Comparative Amount for Year Ended December 31, 2012

Statement 49

Page 2 of 2

	<u>2013</u>	<u>2012</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$679,174</u>	<u>\$683,893</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	151,900	150,287
Miscellaneous expense	(11,040)	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	73	108
(Increase) decrease in due from other governmental units	(1,206)	753
(Increase) decrease in inventory, at cost	(244,219)	(185,790)
Increase (decrease) in accounts payable	(87,212)	161,438
Increase (decrease) in contracts payable - retained percentage	8,270	3,237
Increase (decrease) in due to other governmental units	4,380	(2,065)
Increase (decrease) in compensated absences payable	3,747	3,877
Total adjustments	<u>(175,307)</u>	<u>131,845</u>
Net cash flows provided by (used in) operating activities	<u><u>\$503,867</u></u>	<u><u>\$815,738</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, 2013

Statement 50

	Central Garage	Information Systems	Insurance	Compensated Absences	Total Internal Service Funds
Assets:					
Current assets:					
Cash and cash equivalents	\$487,954	\$666,707	\$1,055,915	\$937,689	\$3,148,265
Interest receivable	1,300	1,700	2,600	-	5,600
Prepayments	-	-	54,051	-	54,051
Inventory - at cost	63,091	-	-	-	63,091
Total current assets	<u>552,345</u>	<u>668,407</u>	<u>1,112,566</u>	<u>937,689</u>	<u>3,271,007</u>
Noncurrent assets:					
Capital assets:					
Land	15,779	-	-	-	15,779
Buildings	1,978,958	-	-	-	1,978,958
Equipment	222,295	195,300	-	-	417,595
Construction in progress	21,841	-	-	-	21,841
Total capital assets	<u>2,238,873</u>	<u>195,300</u>	<u>0</u>	<u>0</u>	<u>2,434,173</u>
Less: accumulated depreciation	<u>(865,800)</u>	<u>(172,264)</u>	<u>-</u>	<u>-</u>	<u>(1,038,064)</u>
Net capital assets	<u>1,373,073</u>	<u>23,036</u>	<u>0</u>	<u>0</u>	<u>1,396,109</u>
Total noncurrent assets	<u>1,373,073</u>	<u>23,036</u>	<u>0</u>	<u>0</u>	<u>1,396,109</u>
Total assets	<u>1,925,418</u>	<u>691,443</u>	<u>1,112,566</u>	<u>937,689</u>	<u>4,667,116</u>
Liabilities:					
Current liabilities:					
Accounts payable	18,410	6,323	2,945	-	27,678
Accrued salaries and withholdings payable	5,179	6,325	-	-	11,504
Unearned revenue	7,673	-	-	-	7,673
Compensated absences payable - current	2,307	1,377	-	56,261	59,945
Total current liabilities	<u>33,569</u>	<u>14,025</u>	<u>2,945</u>	<u>56,261</u>	<u>106,800</u>
Noncurrent liabilities:					
Compensated absences payable - noncurrent	<u>36,147</u>	<u>21,572</u>	<u>-</u>	<u>881,428</u>	<u>939,147</u>
Total liabilities	<u>69,716</u>	<u>35,597</u>	<u>2,945</u>	<u>937,689</u>	<u>1,045,947</u>
Net position:					
Net investments in capital assets	1,373,073	23,036	-	-	1,396,109
Unrestricted	482,629	632,810	1,109,621	-	2,225,060
Total net position	<u>\$1,855,702</u>	<u>\$655,846</u>	<u>\$1,109,621</u>	<u>\$0</u>	<u>\$3,621,169</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, 2013

Statement 51

	Central Garage	Information Systems	Insurance	Compensated Absences	Interfund Eliminations	Total Internal Service Funds
Operating revenues:						
Charges for services:						
Services to departments	\$173,335	\$ -	\$498,710	1,413	\$ -	\$673,458
Use of space	296,064	-	-	-	-	296,064
Recovery of damages	-	-	28,361	-	-	28,361
Charges for sales:						
Sales of motor fuel	176,961	-	-	-	-	176,961
Total operating revenues	<u>646,360</u>	<u>0</u>	<u>527,071</u>	<u>1,413</u>	<u>0</u>	<u>1,174,844</u>
Operating expenses:						
Cost of services and space	548,974	327,129	474,590	-	-	1,350,693
Depreciation	68,080	19,593	-	-	-	87,673
Total operating expenses	<u>617,054</u>	<u>346,722</u>	<u>474,590</u>	<u>0</u>	<u>0</u>	<u>1,438,366</u>
Net income (loss) from operations	<u>29,306</u>	<u>(346,722)</u>	<u>52,481</u>	<u>1,413</u>	<u>0</u>	<u>(263,522)</u>
Nonoperating revenues (expenses):						
Investment income						
Interest and dividends	6,600	8,500	12,900	-	-	28,000
Change in fair value	(24,400)	(31,500)	(48,000)	-	-	(103,900)
Intergovernmental	6,599	-	-	-	-	6,599
Total nonoperating revenues (expenses)	<u>(11,201)</u>	<u>(23,000)</u>	<u>(35,100)</u>	<u>0</u>	<u>0</u>	<u>(69,301)</u>
Net income (loss) before transfers	<u>18,105</u>	<u>(369,722)</u>	<u>17,381</u>	<u>1,413</u>	<u>0</u>	<u>(332,823)</u>
Transfers in	-	325,000	-	-	(35,000)	290,000
Transfers out	<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
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	(16,895)	(44,722)	17,381	1,413	0	(42,823)
Net position - January 1	<u>1,872,597</u>	<u>700,568</u>	<u>1,092,240</u>	<u>(1,413)</u>	<u>-</u>	<u>3,663,992</u>
Net position - December 31	<u>\$1,855,702</u>	<u>\$655,846</u>	<u>\$1,109,621</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,621,169</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2013

Statement 52

	Central Garage	Information Systems	Insurance	Compensated Absences	Total Internal Service Funds
Cash flows from operating activities:					
Cash received from interfund goods and services provided	\$646,360	\$ -	\$498,710	\$596,461	\$1,741,531
Cash received for damages	-	-	28,361	-	28,361
Cash paid to suppliers for goods and services	(357,483)	(75,234)	(474,795)	-	(907,512)
Cash payments to employees for services	(210,618)	(239,182)	-	(570,910)	(1,020,710)
Net cash flows provided by (used in) operating activities	78,259	(314,416)	52,276	25,551	(158,330)
Cash flows from noncapital financing activities:					
Intergovernmental	6,599	-	-	-	6,599
Transfers in	-	325,000	-	-	325,000
Transfers out	(35,000)	-	-	-	(35,000)
Net cash flows provided by (used in) noncapital financing activities	(28,401)	325,000	0	0	296,599
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(133,349)	-	-	-	(133,349)
Net cash flows provided by (used in) capital and related financing activities	(133,349)	0	0	0	(133,349)
Cash flows from investing activities:					
Investment income:					
Interest and dividends	6,999	8,800	13,200	-	28,999
Change in fair value	(24,400)	(31,500)	(48,000)	-	(103,900)
Net cash flows provided by (used in) investing activities	(17,401)	(22,700)	(34,800)	0	(74,901)
Net increase (decrease) in cash and cash equivalents	(100,892)	(12,116)	17,476	25,551	(69,981)
Cash and cash equivalents - January 1	588,846	678,823	1,038,439	912,138	3,218,246
Cash and cash equivalents - December 31	\$487,954	\$666,707	\$1,055,915	\$937,689	\$3,148,265
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$29,306	(\$346,722)	\$64,041	\$1,413	(\$251,962)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Miscellaneous expense					
Miscellaneous expense	-	-	(11,560)	-	(11,560)
Depreciation expense					
Depreciation expense	68,080	19,593	-	-	87,673
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	-	-	2,819	-	2,819
(Increase) decrease in prepayments	-	-	(5,969)	-	(5,969)
(Increase) decrease in inventory, at cost	5,587	-	-	-	5,587
Increase (decrease) in accounts payable	(26,825)	4,493	2,945	-	(19,387)
Increase (decrease) in accrued salaries and withholdings payable					
salaries and withholdings payable	820	1,036	-	-	1,856
Increase (decrease) in deferred revenue					
deferred revenue	223	-	-	-	223
Increase (decrease) in compensated absences payable					
compensated absences payable	1,068	7,184	-	24,138	32,390
Total adjustments	48,953	32,306	(11,765)	24,138	93,632
Net cash flows provided by (used in) operating activities	\$78,259	(\$314,416)	\$52,276	\$25,551	(\$158,330)

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CENTRAL GARAGE FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2013
With Comparative Totals For December 31, 2012

Statement 53

	Operating Account	Capital Equipment Replacement Account	Totals	
			2013	2012
Assets:				
Current assets:				
Cash and cash equivalents	\$448,918	\$39,036	\$487,954	\$588,846
Interest receivable	1,200	100	1,300	1,700
Inventory - at cost	63,091	-	63,091	68,678
Total current assets	<u>513,209</u>	<u>39,136</u>	<u>552,345</u>	<u>659,224</u>
Noncurrent assets:				
Capital assets:				
Land	15,779	-	15,779	15,779
Buildings	1,978,958	-	1,978,958	1,812,838
Equipment	222,295	-	222,295	208,137
Construction in progress	21,841	-	21,841	68,770
Total capital assets	<u>2,238,873</u>	<u>0</u>	<u>2,238,873</u>	<u>2,105,524</u>
Less: Accumulated depreciation	<u>(865,800)</u>	<u>-</u>	<u>(865,800)</u>	<u>(797,721)</u>
Net capital assets	<u>1,373,073</u>	<u>0</u>	<u>1,373,073</u>	<u>1,307,803</u>
Total noncurrent assets	<u>1,373,073</u>	<u>0</u>	<u>1,373,073</u>	<u>1,307,803</u>
Total assets	<u>1,886,282</u>	<u>39,136</u>	<u>1,925,418</u>	<u>1,967,027</u>
Liabilities:				
Current liabilities:				
Accounts payable	18,410	-	18,410	45,235
Accrued salaries and withholdings payable	5,179	-	5,179	4,359
Unearned revenue	7,673	-	7,673	7,450
Compensated absences payable - current	2,307	-	2,307	2,243
Total current liabilities	<u>33,569</u>	<u>0</u>	<u>33,569</u>	<u>59,287</u>
Noncurrent liabilities:				
Compensated absences payable - noncurrent	<u>36,147</u>	<u>-</u>	<u>36,147</u>	<u>35,143</u>
Total liabilities	<u>69,716</u>	<u>0</u>	<u>69,716</u>	<u>94,430</u>
Net position:				
Net investments in capital assets	1,373,073	-	1,373,073	1,307,803
Unrestricted	<u>443,493</u>	<u>39,136</u>	<u>482,629</u>	<u>564,794</u>
Total net position	<u>\$1,816,566</u>	<u>\$39,136</u>	<u>\$1,855,702</u>	<u>\$1,872,597</u>

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, 2013
With Comparative Totals For The Year Ended December 31, 2012

Statement 54

	Operating Account	Capital Equipment Replacement Account	Intrafund Eliminations	Totals	
				2013	2012
Operating revenues:					
Charges for services:					
Services to departments	\$173,335	\$ -	\$ -	\$173,335	\$179,376
Use of space	296,064	-	-	296,064	300,478
Charges for sales:					
Sales of motor fuel	176,961	-	-	176,961	156,113
Total operating revenues	<u>646,360</u>	<u>0</u>	<u>0</u>	<u>646,360</u>	<u>635,967</u>
Operating expenses:					
Cost of services and space	548,974	-	-	548,974	505,056
Depreciation	68,080	-	-	68,080	62,656
Total operating expenses	<u>617,054</u>	<u>0</u>	<u>0</u>	<u>617,054</u>	<u>567,712</u>
Net income from operations	<u>29,306</u>	<u>0</u>	<u>0</u>	<u>29,306</u>	<u>68,255</u>
Nonoperating revenues:					
Investment income:					
Interest and dividends	6,200	400	-	6,600	7,000
Change in fair value	(23,000)	(1,400)	-	(24,400)	400
Intergovernmental	6,599	-	-	6,599	-
Total nonoperating revenues	<u>(10,201)</u>	<u>(1,000)</u>	<u>0</u>	<u>(11,201)</u>	<u>7,400</u>
Net income before transfers	<u>19,105</u>	<u>(1,000)</u>	<u>0</u>	<u>18,105</u>	<u>75,655</u>
Transfers in	-	4,000	(4,000)	-	4,000
Transfers out	(39,000)	-	4,000	(35,000)	(39,000)
Total transfers	<u>(39,000)</u>	<u>4,000</u>	<u>0</u>	<u>(35,000)</u>	<u>(35,000)</u>
Change in net position	(19,895)	3,000	0	(16,895)	40,655
Total net position - January 1	<u>1,836,461</u>	<u>36,136</u>	<u>-</u>	<u>1,872,597</u>	<u>1,831,942</u>
Total net position - December 31	<u>\$1,816,566</u>	<u>\$39,136</u>	<u>\$0</u>	<u>\$1,855,702</u>	<u>\$1,872,597</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

CENTRAL GARAGE FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2013

With Comparative Totals For The Year Ended December 31, 2012

Statement 55

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from interfund goods & services provided	\$646,360	\$635,967
Cash paid to suppliers for goods and services	(357,483)	(388,293)
Cash payments to employees for services	(210,618)	(214,609)
Net cash flows provided by (used in) operating activities	<u>78,259</u>	<u>33,065</u>
Cash flows from noncapital financing activities:		
Intergovernmental	6,599	-
Transfers out	(35,000)	(35,000)
Net cash flows provided by (used in) noncapital financing activities:	<u>(28,401)</u>	<u>(35,000)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(133,349)</u>	<u>(48,646)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	6,999	6,800
Change in fair value	(24,400)	400
Net cash flows provided by (used in) investing activities	<u>(17,401)</u>	<u>7,200</u>
Net increase (decrease) in cash and cash equivalents	(100,892)	(43,381)
Cash and cash equivalents - January 1	<u>588,846</u>	<u>632,227</u>
Cash and cash equivalents - December 31	<u><u>\$487,954</u></u>	<u><u>\$588,846</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$29,306</u>	<u>\$68,255</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	68,080	62,656
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	-	196
(Increase) decrease in inventory, at cost	5,587	(10,105)
Increase (decrease) in accounts payable	(26,825)	(90,082)
Increase (decrease) in accrued salaries and withholdings payable	820	703
Increase (decrease) in compensated absences payable	1,068	1,225
Increase (decrease) in deferred revenue	223	217
Total adjustments	<u>48,953</u>	<u>(35,190)</u>
Net cash flows provided by (used in) operating activities	<u><u>\$78,259</u></u>	<u><u>\$33,065</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INFORMATION SYSTEMS FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2013
With Comparative Totals For December 31, 2012

Statement 56

	Operating Account	Capital Equipment Replacement Account	Totals	
			2013	2012
Assets:				
Current assets:				
Cash and cash equivalents	\$229,428	\$437,279	\$666,707	\$678,823
Interest receivable	500	1,200	1,700	2,000
Total current assets	<u>229,928</u>	<u>438,479</u>	<u>668,407</u>	<u>680,823</u>
Noncurrent assets:				
Capital assets:				
Equipment	195,300	-	195,300	195,300
Less: accumulated depreciation	<u>(172,264)</u>	<u>-</u>	<u>(172,264)</u>	<u>(152,671)</u>
Net capital assets	<u>23,036</u>	<u>0</u>	<u>23,036</u>	<u>42,629</u>
Total noncurrent assets	<u>23,036</u>	<u>0</u>	<u>23,036</u>	<u>42,629</u>
Total assets	<u>252,964</u>	<u>438,479</u>	<u>691,443</u>	<u>723,452</u>
Liabilities:				
Current liabilities:				
Accounts payable	3,522	2,801	6,323	1,830
Accrued salaries and withholdings payable	6,325	-	6,325	5,289
Compensated absences payable - current	1,377	-	1,377	946
Total current liabilities	<u>11,224</u>	<u>2,801</u>	<u>14,025</u>	<u>8,065</u>
Noncurrent liabilities:				
Compensated absences payable - noncurrent	<u>21,572</u>	<u>-</u>	<u>21,572</u>	<u>14,819</u>
Total liabilities	<u>32,796</u>	<u>2,801</u>	<u>35,597</u>	<u>22,884</u>
Net position:				
Net investments in capital assets	23,036	-	23,036	42,629
Unrestricted	<u>197,132</u>	<u>435,678</u>	<u>632,810</u>	<u>657,939</u>
Total net position	<u>\$220,168</u>	<u>\$435,678</u>	<u>\$655,846</u>	<u>\$700,568</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, 2013
With Comparative Totals For The Year Ended December 31, 2012

Statement 57

	Operating Account	Capital Equipment Replacement Account	Intrafund Eliminations	Totals	
				2013	2012
Operating revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses:					
Cost of services	295,553	31,576	-	327,129	262,230
Depreciation	19,593	-	-	19,593	18,629
Total operating expenses	<u>315,146</u>	<u>31,576</u>	<u>0</u>	<u>346,722</u>	<u>280,859</u>
Net income (loss) from operations	(315,146)	(31,576)	0	(346,722)	(280,859)
Nonoperating revenues:					
Investment income					
Interest and dividends	2,700	5,800	-	8,500	8,200
Change in fair value	(9,900)	(21,600)	-	(31,500)	600
Total nonoperating revenues	<u>(7,200)</u>	<u>(15,800)</u>	<u>-</u>	<u>(23,000)</u>	<u>8,800</u>
Net income (loss) before transfers	(322,346)	(47,376)	0	(369,722)	(272,059)
Transfers in	<u>325,000</u>	<u>-</u>	<u>-</u>	<u>325,000</u>	<u>325,000</u>
Change in net position	2,654	(47,376)	0	(44,722)	52,941
Net position - January 1	<u>217,514</u>	<u>483,054</u>	<u>-</u>	<u>700,568</u>	<u>647,627</u>
Net position - December 31	<u>\$220,168</u>	<u>\$435,678</u>	<u>\$0</u>	<u>\$655,846</u>	<u>\$700,568</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

INFORMATION SYSTEMS FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2013

With Comparative Totals For The Year Ended December 31, 2012

Statement 58

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash paid to suppliers for goods and services	(\$75,234)	(\$47,896)
Cash payments to employees for services	<u>(239,182)</u>	<u>(214,827)</u>
Net cash flows provided by (used in) operating activities	<u>(314,416)</u>	<u>(262,723)</u>
Cash flows from noncapital financing activities:		
Transfers in	<u>325,000</u>	<u>325,000</u>
Net cash flows from noncapital financing activities	<u>325,000</u>	<u>325,000</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>-</u>	<u>(12,596)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	8,800	8,400
Change in fair value	<u>(31,500)</u>	<u>200</u>
Net cash flows provided by (used in) investing activities	<u>(22,700)</u>	<u>8,600</u>
Net increase in cash and cash equivalents	(12,116)	58,281
Cash and cash equivalents - January 1	<u>678,823</u>	<u>620,542</u>
Cash and cash equivalents - December 31	<u><u>\$666,707</u></u>	<u><u>\$678,823</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>(\$346,722)</u>	<u>(\$280,859)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	19,593	18,629
Changes in assets and liabilities:		
Increase (decrease) in accounts payable	4,493	(2,203)
Increase (decrease) in accrued salaries and withholdings payable	1,036	(2,473)
Increase (decrease) in compensated absences payable	<u>7,184</u>	<u>4,183</u>
Total adjustments	<u>32,306</u>	<u>18,136</u>
Net cash flows provided by (used in) operating activities	<u><u>(\$314,416)</u></u>	<u><u>(\$262,723)</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INSURANCE FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2013
With Comparative Totals For December 31, 2012

Statement 59

	<u>2013</u>	<u>2012</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$1,055,915	\$1,038,439
Interest receivable	2,600	2,900
Accounts receivable	-	2,819
Prepayments	<u>54,051</u>	<u>48,082</u>
Total assets	<u>1,112,566</u>	<u>1,092,240</u>
Liabilities:		
Current liabilities:		
Accounts payable	<u>2,945</u>	<u>-</u>
Total liabilities	<u>2,945</u>	<u>0</u>
Net position:		
Unrestricted	<u>1,109,621</u>	<u>1,092,240</u>
Total net position	<u><u>\$1,109,621</u></u>	<u><u>\$1,092,240</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INSURANCE FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2013
With Comparative Totals For The Year Ended December 31, 2012

Statement 60

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Insurance allocation	\$498,710	\$508,546
Recovery of damages	28,361	19,255
Total operating revenues	<u>527,071</u>	<u>527,801</u>
Operating expenses:		
Cost of services:		
Premiums	446,194	366,495
Claims	28,396	29,343
Total operating expenses	<u>474,590</u>	<u>395,838</u>
Net income from operations	<u>52,481</u>	<u>131,963</u>
Nonoperating revenues:		
Investment income		
Interest and dividends	12,900	12,000
Change in fair value	(48,000)	800
Total nonoperating revenues	<u>(35,100)</u>	<u>12,800</u>
Net income	<u>17,381</u>	<u>144,763</u>
Change in net position	17,381	144,763
Net position - January 1	<u>1,092,240</u>	<u>947,477</u>
Net position - December 31	<u><u>\$1,109,621</u></u>	<u><u>\$1,092,240</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

INSURANCE FUND

Statement 61

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2013

With Comparative Totals For The Year Ended December 31, 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from interfund services provided	\$498,710	\$508,546
Cash received for damages	28,361	19,255
Cash paid to suppliers for goods and services	<u>(474,795)</u>	<u>(399,133)</u>
Net cash flows provided by (used in) operating activities	<u>52,276</u>	<u>128,668</u>
Cash flows from investing activities:		
Investment income		
Interest and dividends	13,200	11,400
Change in fair value	<u>(48,000)</u>	<u>800</u>
Net cash flows provided by (used in) investing activities	<u>(34,800)</u>	<u>12,200</u>
Net increase in cash and cash equivalents	17,476	140,868
Cash and cash equivalents - January 1	<u>1,038,439</u>	<u>897,571</u>
Cash and cash equivalents - December 31	<u><u>\$1,055,915</u></u>	<u><u>\$1,038,439</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>\$64,041</u>	<u>\$152,982</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Miscellaneous expense	(11,560)	(21,019)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	2,819	(22)
(Increase) decrease in prepayments	(5,969)	(1,273)
Increase (decrease) in accounts payable	<u>2,945</u>	<u>(2,000)</u>
Total adjustments	<u>(11,765)</u>	<u>(24,314)</u>
Net cash flows provided by (used in) operating activities	<u><u>\$52,276</u></u>	<u><u>\$128,668</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
COMPENSATED ABSENCES FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2013
With Comparative Totals For December 31, 2012

Statement 62

	<u>2013</u>	<u>2012</u>
Assets:		
Current assets:		
Cash and cash equivalents	<u>\$937,689</u>	<u>\$912,138</u>
Total assets	<u>937,689</u>	<u>912,138</u>
Liabilities:		
Current liabilities:		
Compensated absences payable - current	56,261	54,813
Noncurrent liabilities:		
Compensated absences payable - noncurrent	<u>881,428</u>	<u>858,738</u>
Total liabilities	<u>937,689</u>	<u>913,551</u>
Net position:		
Unrestricted	<u>-</u>	<u>(1,413)</u>
Total net position	<u><u>\$0</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, 2013
With Comparative Totals For The Year Ended December 31, 2012

Statement 63

	<u>2013</u>	<u>2012</u>
Operating revenues	<u>\$1,413</u>	<u>\$ -</u>
Net income (loss) from operations	<u>1,413</u>	<u>0</u>
Change in net position	1,413	0
Net position - January 1	<u>(1,413)</u>	<u>(1,413)</u>
Net position - December 31	<u><u>\$0</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, 2013
With Comparative Totals For The Year Ended December 31, 2012

Statement 64

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from interfund services provided	\$596,461	\$438,786
Cash payments to employees for services	<u>(570,910)</u>	<u>(433,764)</u>
Net cash flows provided by (used in) operating activities	<u>25,551</u>	<u>5,022</u>
Net increase in cash and cash equivalents	25,551	5,022
Cash and cash equivalents - January 1	<u>912,138</u>	<u>907,116</u>
Cash and cash equivalents - December 31	<u><u>\$937,689</u></u>	<u><u>\$912,138</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>\$1,413</u>	<u>\$ -</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>24,138</u>	<u>5,022</u>
Total adjustments	<u>24,138</u>	<u>5,022</u>
Net cash flows provided by (used in) operating activities	<u><u>\$25,551</u></u>	<u><u>\$5,022</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, 2013

Statement 65

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
<u>Permit Surcharge Fund</u>				
Assets:				
Cash and investments	\$1,800	\$39,888	(\$40,164)	\$1,524
Total assets	<u>\$1,800</u>	<u>\$39,888</u>	<u>(\$40,164)</u>	<u>\$1,524</u>
Liabilities:				
Due to other governmental units	\$1,800	\$41,220	(\$41,496)	\$1,524
Total liabilities	<u>\$1,800</u>	<u>\$41,220</u>	<u>(\$41,496)</u>	<u>\$1,524</u>
<u>Tri-City GIS Fund</u>				
Assets:				
Cash and investments	\$7,947	\$80,695	(\$80,255)	\$8,387
Due from other governmental units	14	64,633	(64,647)	-
Total assets	<u>\$7,961</u>	<u>\$145,328</u>	<u>(\$144,902)</u>	<u>\$8,387</u>
Liabilities:				
Accounts payable	\$5,851	\$102,880	(\$102,949)	\$5,782
Due to other governmental units	2,110	65,127	(64,633)	2,605
Total liabilities	<u>\$7,961</u>	<u>\$168,007</u>	<u>(\$167,582)</u>	<u>\$8,387</u>
<u>Total</u>				
Assets:				
Cash and investments	\$9,747	\$120,583	(\$120,419)	\$9,911
Due from other governmental units	14	64,633	(64,647)	-
Total assets	<u>\$9,761</u>	<u>\$185,216</u>	<u>(\$185,066)</u>	<u>\$9,911</u>
Liabilities:				
Accounts payable	\$5,851	\$102,880	(\$102,949)	\$5,782
Due to other governmental units	3,910	106,347	(106,128)	4,129
Total liabilities	<u>\$9,761</u>	<u>\$209,227</u>	<u>(\$209,077)</u>	<u>\$9,911</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		
	2004	2005	2006
Governmental activities:			
Invested in capital assets, net of related debt	\$14,328,916	\$16,727,724	\$18,043,277
Restricted	2,285,305	2,302,056	2,224,384
Unrestricted	20,455,981	18,650,981	23,028,974
Total governmental activities net position	<u>\$37,070,202</u>	<u>\$37,680,761</u>	<u>\$43,296,635</u>
Business-type activities:			
Invested in capital assets, net of related debt	\$6,175,547	\$6,732,499	\$5,759,805
Restricted	337,389	375,652	455,227
Unrestricted	6,918,745	6,506,201	7,299,574
Total business-type activities net position	<u>\$13,431,681</u>	<u>\$13,614,352</u>	<u>\$13,514,606</u>
Primary government:			
Invested in capital assets, net of related debt	\$20,504,463	\$23,460,223	\$23,803,082
Restricted	2,622,694	2,677,708	2,679,611
Unrestricted	27,374,726	25,157,182	30,328,548
Total primary government net position	<u>\$50,501,883</u>	<u>\$51,295,113</u>	<u>\$56,811,241</u>

Note: The City implemented GASB statement No. 65 in fiscal 2012. 2011 net position information has been restated for this accounting change. Years prior to 2011 have not been restated.

Table 1

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$18,859,030	\$23,497,922	\$24,163,911	\$26,279,178	\$28,095,261	\$27,666,461	\$27,358,490
2,228,454	2,316,959	2,458,743	2,034,030	3,213,455	2,624,466	2,025,652
22,985,523	21,011,465	22,423,351	23,142,534	21,119,179	21,241,595	22,222,578
<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>	<u>\$51,606,720</u>
\$6,039,739	\$7,142,278	\$7,459,474	\$8,044,184	\$9,331,167	\$9,819,666	\$10,365,407
775,036	745,601	648,435	438,275	381,465	161,503	643,320
6,478,383	5,855,495	6,014,140	6,725,383	5,918,147	6,680,609	6,690,111
<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>\$16,661,778</u>	<u>\$17,698,838</u>
\$24,898,769	\$30,640,200	\$31,623,385	\$34,323,362	\$37,426,428	\$37,486,127	\$37,723,897
3,003,490	3,062,560	3,107,178	2,472,305	3,594,920	2,785,969	2,668,972
29,463,906	26,866,960	28,437,491	29,867,917	27,037,326	27,922,204	28,912,689
<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>\$68,194,300</u>	<u>\$69,305,558</u>

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

	Fiscal Year		
	2004	2005	2006
Expenses			
Governmental activities:			
General government	\$1,669,721	\$1,681,229	\$1,689,675
Public safety	3,640,970	4,052,905	3,992,930
Public works	2,109,060	2,391,726	2,353,032
Culture and recreation	1,904,848	2,017,816	2,135,633
Community development	2,171,407	5,360,442	2,579,084
Interest on long-term debt	387,544	288,532	118,760
Total governmental activities expenses	<u>11,883,550</u>	<u>15,792,650</u>	<u>12,869,114</u>
Business-type activities:			
Water	1,637,316	1,717,445	2,026,603
Sewer	1,219,200	1,333,420	1,393,679
Refuse	1,321,730	1,147,313	1,147,879
Storm sewer	158,374	162,915	184,764
Liquor	6,593,578	6,544,175	6,377,805
Total business-type activities expenses	<u>10,930,198</u>	<u>10,905,268</u>	<u>11,130,730</u>
Total primary government expenses	<u><u>\$22,813,748</u></u>	<u><u>\$26,697,918</u></u>	<u><u>\$23,999,844</u></u>
Program revenues			
Governmental activities:			
Charges for services:			
General government	\$203,344	\$228,740	\$171,146
Public safety	488,216	423,450	528,752
Public works	48,253	81,607	267,960
Culture and recreation	239,352	250,380	263,565
Community development	1,313,912	2,748,542	1,461,497
Operating grants and contributions:			
General government	-	79	2,769
Public safety	436,460	557,983	355,356
Public works	213,801	178,311	161,176
Culture and recreation	72,269	76,405	79,371
Community development	955,213	144,121	160,017
Capital grants and contributions:			
General government	-	-	-
Public safety	225,000	599,917	52,463
Public works	1,315,007	46,052	3,896,862
Culture and recreation	50,250	1,702,543	141,738
Community development	177,737	-	682,872
Total governmental activities program revenues	<u>5,738,814</u>	<u>7,038,130</u>	<u>8,225,544</u>

Table 2
Page 1 of 2

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$1,732,111	\$1,835,453	\$1,761,334	\$2,013,750	\$2,039,680	\$1,977,594	\$1,976,207
4,380,363	4,599,669	4,591,977	5,473,224	5,549,678	5,708,009	5,683,769
2,506,913	2,906,950	2,794,189	2,777,966	2,654,047	3,200,572	2,843,102
2,313,750	2,283,881	2,182,856	2,479,519	2,576,409	2,500,719	2,553,760
5,918,257	4,476,475	2,385,405	2,295,574	1,630,350	2,157,966	2,010,040
496,688	721,006	961,392	959,320	909,858	845,879	808,933
<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>	<u>15,875,811</u>
2,113,121	2,149,976	1,927,811	2,000,101	2,370,076	2,311,858	2,371,414
1,675,738	1,571,487	1,737,134	1,478,518	1,710,381	1,464,269	1,538,970
1,170,707	1,185,298	1,290,528	1,426,486	1,561,659	1,601,648	1,628,966
204,221	216,362	376,884	272,355	298,577	329,998	307,876
6,539,357	7,470,323	7,701,961	7,910,951	8,155,888	8,371,610	8,341,309
<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>14,079,383</u>	<u>14,188,535</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>\$30,470,122</u>	<u>\$30,064,346</u>
\$177,378	\$173,485	\$169,850	\$192,005	\$189,641	\$204,391	\$385,728
670,017	616,107	637,653	715,205	697,656	736,927	706,168
130,351	67,226	34,149	44,211	48,303	139,305	39,141
297,341	262,562	256,969	269,825	159,829	137,978	163,931
1,504,679	1,562,345	1,019,191	1,114,848	962,276	961,420	976,030
-	2,560	1,505	-	-	-	-
389,325	433,732	434,402	559,482	563,914	556,387	511,527
154,309	154,049	161,401	166,468	176,578	189,039	233,748
47,784	239,865	102,517	93,474	76,864	57,337	56,069
159,624	185,506	211,400	241,919	112,895	23,010	-
-	-	-	194,842	38,399	-	-
103,974	57,700	19,520	16,026	11,303	-	-
1,448,180	1,596,348	1,683,024	2,848,179	1,314,547	797,921	855,227
71,516	42,588	1,500	15,724	-	-	-
1,311,525	2,974,449	199,505	541,826	175,467	204,349	1,026,706
<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>	<u>4,954,275</u>

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

	Fiscal Year		
	2004	2005	2006
Business-type activities:			
Charges for services:			
Water	\$1,771,153	\$1,887,990	\$2,141,648
Sewer	1,019,532	1,145,810	1,374,217
Refuse	1,255,011	1,256,180	1,263,267
Storm sewer	284,223	274,907	270,467
Liquor	6,975,756	6,714,575	6,546,979
Operating grants and contributions:			
Water	-	-	-
Sewer	-	-	-
Refuse	46,635	46,170	47,755
Storm sewer	-	-	-
Capital grants and contributions:			
Water	-	-	22,822
Sewer	-	-	-
Refuse	-	-	-
Storm sewer	113,407	-	-
Total business-type activities program revenues	<u>11,465,717</u>	<u>11,325,632</u>	<u>11,667,155</u>
Total primary government program revenues	<u>\$17,204,531</u>	<u>\$18,363,762</u>	<u>\$19,892,699</u>
Net (expense) revenue:			
Governmental activities	(\$6,144,736)	(\$8,754,520)	(\$4,643,570)
Business-type activities	535,519	420,364	536,425
Total primary government net (expense) revenue	<u>(5,609,217)</u>	<u>(8,334,156)</u>	<u>(4,107,145)</u>
General revenues and other changes in net position			
Governmental activities:			
Taxes:			
Property taxes	4,989,205	5,662,368	5,953,722
Tax increment collections	972,208	1,088,267	1,086,298
Unrestricted grants and contributions	2,337,386	1,768,216	1,679,384
Investment earnings	729,456	471,142	706,231
Miscellaneous	-	18,980	15,930
Transfers	467,091	445,249	957,879
Total governmental activities	<u>9,495,346</u>	<u>9,454,222</u>	<u>10,399,444</u>
Business-type activities:			
Investment earnings	215,062	118,413	181,708
Transfers	(467,091)	(445,249)	(957,879)
Total business-type activities	<u>(252,029)</u>	<u>(326,836)</u>	<u>(776,171)</u>
Total primary government	<u>\$9,243,317</u>	<u>\$9,127,386</u>	<u>\$9,623,273</u>
Change in net position:			
Governmental activities	\$3,350,610	\$699,702	\$5,755,874
Business-type activities	283,490	93,528	(239,746)
Total primary government	<u>\$3,634,100</u>	<u>\$793,230</u>	<u>\$5,516,128</u>

Table 2
Page 2 of 2

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$2,273,980	\$2,414,316	\$2,471,257	\$2,503,506	\$2,530,803	\$2,777,383	\$3,020,174
1,419,252	1,440,165	1,465,496	1,594,322	1,523,852	1,581,516	1,618,786
1,303,472	1,341,014	1,383,979	1,542,312	1,682,178	1,761,860	1,826,226
290,419	314,238	370,590	345,086	350,618	353,343	368,925
6,722,622	7,490,942	7,962,884	8,158,259	8,494,962	8,804,233	8,747,084
-	-	-	-	-	-	1,971
-	1,718	-	-	-	-	-
36,060	50,572	50,105	36,653	66,163	62,471	68,565
-	-	-	-	-	-	14,335
-	-	-	-	-	-	-
-	54,774	-	-	-	-	-
-	-	-	-	-	50,000	-
-	-	-	-	-	-	-
<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>15,666,066</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>	<u>\$20,620,341</u>
(\$10,882,079)	(\$8,454,912)	(\$9,744,567)	(\$8,985,319)	(\$10,832,350)	(\$12,382,675)	(\$10,921,536)
342,661	514,293	669,993	1,091,727	551,995	1,311,423	1,477,531
<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>(11,071,252)</u>	<u>(9,444,005)</u>
6,321,467	6,762,129	8,046,318	8,825,502	9,069,092	9,363,598	9,827,378
1,183,062	1,557,891	1,244,684	812,965	558,861	553,050	532,524
1,844,516	1,516,412	1,731,185	1,176,934	1,278,195	1,003,552	1,000,513
1,379,726	1,050,827	475,345	487,612	598,880	295,950	(664,694)
44,000	40,877	82,704	-	34,485	7,338	11,842
456,537	280,115	383,990	92,044	264,990	263,814	288,171
<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>	<u>10,995,734</u>
321,571	216,038	92,672	86,110	135,932	63,321	(152,300)
(456,537)	(280,115)	(383,990)	(92,044)	(264,990)	(263,814)	(288,171)
<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>(440,471)</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>	<u>\$10,555,263</u>
\$347,229	\$2,753,339	\$2,219,659	\$2,409,738	\$972,153	(\$895,373)	\$74,198
207,695	450,216	378,675	1,085,793	422,937	1,110,930	1,037,060
<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>\$215,557</u>	<u>\$1,111,258</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year		
	2004	2005	2006
General fund:			
Reserved	\$23,302	\$10,484	\$35,323
Unreserved	4,116,808	3,339,644	3,560,525
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total general fund	<u>\$4,140,110</u>	<u>\$3,350,128</u>	<u>\$3,595,848</u>
All other governmental funds:			
Reserved	\$5,273,705	\$2,187,884	\$2,668,322
Unreserved, reported in:			
Special revenue funds	(652,449)	(612,434)	(506,084)
Debt service funds	1,044,647	621,250	809,062
Capital projects funds	12,367,589	12,784,744	15,034,968
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total all other governmental funds	<u>\$18,033,492</u>	<u>\$14,981,444</u>	<u>\$18,006,268</u>

Table 3

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$35,710	\$12,159	\$71,898	\$77,204	\$ -	\$ -	\$ -
3,943,436	3,743,798	4,724,253	5,265,035	-	-	-
-	-	-	-	80,767	87,341	92,638
-	-	-	-	-	-	-
-	-	-	-	132,595	74,594	50,237
-	-	-	-	-	-	-
-	-	-	-	5,655,693	5,914,974	6,254,402
<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>	<u>\$6,397,277</u>
\$2,382,354	\$968,602	\$1,643,915	\$1,550,071	\$ -	\$ -	\$ -
411,090	1,868,340	2,332,610	3,190,618	-	-	-
1,745,447	3,242,471	3,177,586	3,713,774	-	-	-
15,918,048	20,233,690	13,173,074	11,642,407	-	-	-
-	-	-	-	2,353,164	2,763,852	1,750,114
-	-	-	-	3,440,649	4,186,081	3,879,706
-	-	-	-	12,774,440	10,988,368	12,229,481
-	-	-	-	-	-	-
-	-	-	-	(1,041)	(2,782)	(39,344)
<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>	<u>\$17,819,957</u>

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

	2004	2005	2006
Revenues:			
Taxes	\$5,937,431	\$6,702,610	\$6,977,604
Special assessments	671,357	520,031	1,011,553
Licenses and permits	586,957	382,339	597,557
Intergovernmental	4,687,866	4,878,487	4,228,308
Charges for services	1,442,438	3,197,360	1,887,314
Fines and forfeitures	140,282	127,555	129,400
Investment earnings	695,275	432,959	648,744
Other revenues	176,575	90,956	251,414
Total revenues	<u>14,338,181</u>	<u>16,332,297</u>	<u>15,731,894</u>
Expenditures:			
Current:			
General government	1,576,233	1,575,863	1,577,484
Public safety	3,615,200	3,954,019	3,887,884
Public works	1,311,390	1,558,987	1,523,170
Culture and recreation	1,872,178	1,977,798	2,074,835
Community development	1,576,161	4,511,338	2,256,122
Capital outlay:			
General government	-	11,022	4,512
Public safety	476,511	95,125	82,986
Public works	1,637,559	1,912,738	4,202,665
Culture and recreation	83,955	62,700	117,909
Community development	682,939	1,436,724	266,144
Debt service:			
Principal retirement	514,789	1,449,035	782,273
Interest and fiscal charges	652,518	2,478,205	119,544
Issuance costs	29,918	-	25,114
Developer incentives	67,866	252,176	142,451
Total expenditures	<u>14,097,217</u>	<u>21,275,730</u>	<u>17,063,093</u>
Revenues over (under) expenditures	<u>240,964</u>	<u>(4,943,433)</u>	<u>(1,331,199)</u>

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$7,444,199	\$8,263,763	\$9,218,038	\$9,631,635	\$9,683,433	\$9,948,228	\$10,416,523
1,137,576	2,505,523	879,092	1,020,334	729,327	775,714	667,719
444,833	423,465	435,618	479,148	378,357	396,226	412,208
4,229,414	3,734,826	3,777,355	4,936,443	2,820,419	2,314,195	2,719,400
1,995,859	1,665,604	1,513,667	1,650,772	1,568,361	1,663,782	1,710,767
160,383	142,283	139,955	188,693	170,089	161,882	148,023
1,271,216	984,846	456,145	469,312	562,180	275,750	(611,794)
170,344	296,815	102,901	273,446	70,173	63,674	104,577
<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>	<u>15,567,423</u>
1,616,374	1,706,244	1,646,974	1,926,982	2,005,910	1,813,433	1,791,379
4,122,411	4,345,716	4,418,436	4,968,433	5,786,913	5,250,881	5,171,322
1,640,713	1,955,250	1,736,999	1,731,700	2,621,927	2,011,507	1,644,075
2,238,793	2,202,680	2,003,635	2,194,853	1,635,601	2,184,214	2,233,446
3,077,310	4,077,576	2,115,628	1,351,368	1,353,150	1,434,329	1,205,273
-	5,453	45,708	-	115,554	209,176	13,868
254,728	3,499,713	8,997,400	237,272	95,697	158,448	70,960
1,303,297	1,084,959	951,240	2,925,174	642,102	557,820	896,223
274,896	3,269,986	2,256,958	194,380	32,542	18,107	39,768
306,332	287,620	139,118	1,202,998	69,573	636,294	566,901
792,273	1,029,836	783,974	765,736	1,659,022	972,000	1,559,730
219,065	384,293	835,167	981,281	935,405	861,139	833,890
148,972	155,397	56,189	-	-	-	-
2,584,854	71,341	125,857	141,005	181,638	116,072	163,972
<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>16,190,807</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>	<u>(623,384)</u>

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

	2004	2005	2006
Other financing sources (uses):			
Bonds issued	\$1,985,000	\$ -	\$2,759,550
Bond premium (discount)	(5,935)	-	26,303
Transfers in	838,937	553,070	1,807,877
Transfers out	(370,489)	(80,321)	(70,000)
Sale of capital assets	-	628,654	78,013
Total other financing sources (uses)	<u>2,447,513</u>	<u>1,101,403</u>	<u>4,601,743</u>
Net change in fund balance	<u>\$2,688,477</u>	<u>(\$3,842,030)</u>	<u>\$3,270,544</u>
Expenditures capitalized for governmental activities reporting purposes	2,355,420	3,518,309	4,592,787
Debt service as a percentage of noncapital expenditures (A) (B)	9.9%	22.1%	7.2%
Debt service as a percentage of total expenditures (A) (B)	8.3%	18.5%	5.3%

(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.

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$3,890,000	\$10,975,000	\$4,190,000	\$ -	\$ -	\$ -	\$563,021
(22,108)	-	-	-	-	-	-
570,374	377,615	458,231	407,272	411,736	298,814	326,740
(70,000)	(88,941)	(99,224)	(120,100)	(302,881)	(110,000)	(113,569)
191,897	428,240	95,781	-	40,999	11,315	51,997
<u>4,560,163</u>	<u>11,691,914</u>	<u>4,644,788</u>	<u>287,172</u>	<u>149,854</u>	<u>200,129</u>	<u>828,189</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>	<u>\$204,805</u>
1,896,363	7,909,561	12,364,511	3,637,559	955,468	1,579,845	1,587,720
6.1%	8.7%	11.8%	11.7%	16.0%	12.5%	16.4%
5.4%	5.9%	6.2%	9.4%	15.1%	11.3%	14.8%

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				
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%	1,185,782,600	1.312%
2012	9,087,666	2,141,140	(521,306)	10,707,500	(710,709)	4,059,432	14,056,223	66.300%	1,134,720,200	1.239%
2013	7,692,288	1,946,245	(489,233)	9,149,300	(678,105)	4,051,497	12,522,692	80.871%	993,984,300	1.260%

- (A) 2012-2013 taxable market values used to calculate tax capacity values in this table are reduced by the market value homestead exclusion, which is new in 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)	
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%
2013	80.871%	27.636%	41.443%	12.464%	162.414%

(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 in 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 TAX PAYERS
 Current Year and Ten Years Ago

Table 7

Taxpayer	2013			2004		
	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	\$154,158	1	1.60%	\$171,960	1	1.50%
Centro Bradley SPE 5 LLC	120,718	2	1.25%	N/A	N/A	N/A
Crestview Corporation	95,532	3	0.99%	61,188	7	0.53%
Stadium Village Properties LLC	93,180	4	0.97%	N/A	N/A	N/A
Hart Lake Apartments LLC	90,570	5	0.94%	N/A	N/A	N/A
Columbia Park Properties	85,636	6	0.89%	83,842	4	0.73%
Columbia Heights Center LLC	70,616	7	0.73%	67,250	6	0.58%
Xcel Energy	69,296	8	0.72%	53,698	8	0.47%
Health Care Reit Inc	68,184	9	0.71%	N/A	N/A	N/A
Lynde Investment Co MN Partnership	67,018	10	0.70%	53,209	10	0.46%
Jeff's Bobby & Steve's Auto World	N/A	N/A	N/A	53,548	9	0.47%
Consolidated Realty of Mpls	N/A	N/A	N/A	91,724	3	0.80%
Equity Partners LLC	N/A	N/A	N/A	77,140	5	0.67%
Bradley Operating LP	N/A	N/A	N/A	127,658	2	1.11%
Total	<u>\$914,908</u>		<u>9.49%</u>	<u>\$841,217</u>		<u>7.32%</u>
Total All Property	<u>\$9,638,533</u>			<u>\$11,498,948</u>		

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

(B) 2013 taxable market values used to calculate tax capacity values in this table are reduced by the market value homestead exclusion effective 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
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
2013	9,536,888	(182)	-	9,536,706

(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
\$4,760,788	97.93%	\$53,838	\$4,814,626	99.03%
5,412,178	97.79%	86,085	5,498,263	99.35%
5,672,909	97.30%	129,051	5,801,960	99.52%
5,842,540	96.91%	158,375	6,000,915	99.54%
6,400,604	97.06%	158,208	6,558,812	99.46%
7,021,605	96.79%	169,823	7,191,428	99.13%
8,279,065	96.95%	131,843	8,410,908	98.49%
8,578,784	97.28%	98,627	8,677,411	98.40%
8,932,564	97.77%	96,669	8,932,564	97.77%
9,379,873	98.36%	N/A	9,379,873	98.36%

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	
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	2,211,730	2,737,000	18,618,730
2013	12,685,000	525,000	1,733,021	2,679,000	17,622,021

(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)
\$2,486,377	\$ -	\$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
1,123,270	4,595,000	5,718,270	24,337,000	4.8%	1,240
2,436,979	4,430,000	6,866,979	24,489,000	5.1%	1,245

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 Restricted for Repayment	Subtotal of Governmental Net General Obligation Bonded Debt	Percentage of Estimated Property Value (B)
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	1.23%
2012	15,881,730	1,559,985	14,321,745	1.26%
2013	14,943,021	1,000,831	13,942,190	1.40%

(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

Business-type General Obligation Bonds With Pledged Utility Revenues	Less: Business-type Restricted for Repayment	Subtotal of Business-type Net General Obligation Bonded Debt	Percentage of Utility Revenue	Total Net General Bonded Debt	Per Capita (A)
\$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	801
1,123,270	226,292	896,978	13.9%	\$15,218,723	632
2,436,979	80,191	2,356,788	36.5%	\$16,298,978	829

Governmental Unit (A)	Debt Outstanding	Estimated Percentage Applicable (B)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Anoka County	\$131,210,000	4.6474%	\$6,097,854
Independent School District 13	19,895,000	69.6933%	13,865,482
Metropolitan Council	189,450,000	0.4224%	800,237
Subtotal - overlapping debt			20,763,572
City direct debt - governmental activities			17,622,021
Total direct and overlapping debt			\$38,385,593

(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

Legal Debt Margin Calculation for Fiscal Year 2013

Taxable market value of property (C)	\$993,984,300
Debt limitation percentage (A)	<u>3%</u>
Debt limit	29,819,529
Net debt applicable to limit (B)	<u>12,685,000</u>
Legal debt margin	<u>\$17,134,529</u>
Legal debt margin as a percentage of limit	<u>57.46%</u>

Legal Debt Margin Calculation for Fiscal Years 2004 Through 2012

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%
2012	29,067,313	10,275,000	18,792,313	64.65%

(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.

	Fiscal Year						
	2004 - 2007	2008	2009	2010	2011	2012	2013
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	\$170,496
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>	<u>\$170,496</u>
Debt service:							
Principal	-	-	9,000	43,000	48,000	53,000	58,000
Interest	-	158,325	152,363	151,063	148,788	146,263	143,488
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>	<u>\$201,488</u>
Coverage	N/A	162%	178%	139%	125%	88%	85%
Economic Development Authority							
Lease Revenue Bonds Series 2007B:							
Annual appropriation of liquor net revenues	\$ -	\$210,264	\$497,200	\$364,000	\$390,000	\$386,000	\$390,000
Investment income	-	8,638	71	1,105	1,500	1,000	(2,500)
Issuance costs and administration (expense)	(A) -	(113,491)	(2,000)	(2,556)	(2,000)	(2,000)	(2,332)
Net available revenue	<u>\$0</u>	<u>\$105,411</u>	<u>\$495,271</u>	<u>\$362,549</u>	<u>\$389,500</u>	<u>\$385,000</u>	<u>\$385,168</u>
Debt service:							
Principal	\$ -	\$ -	\$ -	\$140,000	\$150,000	\$155,000	\$165,000
Interest	-	208,264	240,305	237,155	230,630	223,768	213,178
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>	<u>\$378,178</u>
Coverage	N/A	51%	206%	96%	102%	102%	102%

(A) Restated issuance costs

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>
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	8.00%
2010	19,496	472,037,152	24,212	7.40%
2011	19,568	487,243,200	24,900	6.50%
2012	19,667	507,408,600	25,800	5.60%
2013	19,667	478,616,112	24,336	4.80%

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 2011-2013 is estimated by the US Census.

Per Capita Income: Data for 2004 estimated as equal to per capita income reported in the 2000 U.S. Census. Data for 2005-2013 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	2013			2003 ^(B)		
	Employees	Rank	Percentage of Total Anoka County (A) Employment	Employees	Rank	Percentage of Total Anoka County (A) Employment
Medtronic Inc	600	1	0.33%	532	1	0.30%
Independent School District 13	484	2	0.26%	415	2	0.23%
Crestview Lutheran Home	245	3	0.13%	226	3	0.13%
City of Columbia Heights	208	4	0.11%	175	4	0.10%
Fairview - Columbia Heights Clinic	120	5	0.07%	70	7	0.04%
Unique Thrift Store	75	7	0.04%	N/A	N/A	N/A
Rainbow Foods	65	6	0.04%	120	5	0.07%
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	1,970		1.08%	1,773		1.00%

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

(B) 2004 data was not available

Sources:

The employee count for the City of Columbia Heights is from Table 16. 2013 data for other employers was compiled from ReferenceUSA, written and telephone survey (May 2013), and the Minnesota Department of Employment and Economic Development

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

Function/Program	Employees as of December 31,			
	2004	2005	2006	2007
General government				
Mayor/council	5	5	5	5
Administration	5	5	4	4
Finance	12	12	12	13
Public safety:				
Police	30	30	31	31
Fire	39	35	36	33
Public works	18	16	17	16
Culture and recreation:				
Library	19	21	22	22
Parks	5	5	5	5
Recreation	13	15	16	16
Community development	6	7	7	7
Water	4	4	4	5
Sewer	4	4	4	4
Refuse	-	-	-	-
Storm sewer	-	-	-	-
Liquor	37	37	37	42
Total	197	196	200	203

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,						
2008	2009	2010	2011	2012	2013	
5	5	5	5	5	5	5
4	5	10	11	11	11	9
13	14	13	14	13	13	13
34	35	36	35	35	35	35
29	31	30	32	32	32	33
17	18	17	16	16	16	15
25	21	19	21	21	21	23
5	5	5	5	5	5	5
17	14	13	16	16	16	15
6	6	5	5	4	4	4
4	4	4	4	4	4	4
3	3	3	3	3	3	4
-	-	-	-	-	-	-
1	1	1	1	1	1	1
38	40	41	39	39	39	42
201	202	202	207	205	208	

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

Function/Program	Fiscal Year			
	2004	2005	2006	2007
General government:				
Resolutions approved by City Council (A)	87	92	234	198
Ordinances adopted by City Council	7	20	14	12
Public safety:				
Police:				
Part I crimes (B)	1,229	1,280	1,167	1,246
Part II crimes (B)	3,435	3,496	3,184	3,144
Fire:				
Emergency medical calls (B)	1,653	1,873	1,806	1,888
Fire calls (B)	483	581	387	445
Inspections & Related Actions (B)	2,077	2,379	3,709	4,603
Public works:				
Street paving and patching (tons of asphalt)	1,271	409	710	1,910
Street sweeping (tons of debris)	1,064	658	637	648
Trees removed	261	296	188	357
Culture and recreation:				
Library:				
Items in collection	73,105	68,226	70,354	71,594
Circulation	116,533	115,598	119,593	125,222
Reference inquiries	14,670	17,225	15,106	13,715
Parks and recreation:				
Athletics participants (C)	2,139	1,988	1,654	1,537
Other programs, estimated attendance (D)	9,000	9,000	9,000	8,000
Number of paid room rentals	134	164	191	185
Community development:				
Number of business licenses issued	307	327	342	306
Number of building permits issued (E)	1,159	1,304	1,701	1,313
Construction value of permits issued	\$50,322,414 (F)	\$13,041,878	\$26,798,827	\$22,230,118
Water:				
Consumption (thousands of gallons)	538,358	527,621	529,581	538,844
Sewer (sanitary):				
Wastewater (thousands of gallons, 12 months ended June 30)	526,010	514,810	536,920	495,580
Miles of line cleaned/rodded/root-sawed	28	28	39	27
Refuse:				
Refuse (tons)	8,348	8,863	8,397	6,587
Recycling (tons)	1,783	1,863	1,721	1,522
Yardwaste (tons)	862	892	645	654
Storm sewer:				
No operating indicators available	not avail	not avail	not avail	not avail
Liquor:				
Number of units sold	not avail	798,900	758,000	768,000

- (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						
2008	2009	2010	2011	2012	2013	
247	170	115	159	159	94	
26	12	12	15	5	3	
1,098	882	768	756	743	not avail	
2,966	1,275	1,683	1,576	1,408	not avail	
2,093	1,694	1,664	1,722	1,839	1,942	
385	660	846	764	752	852	
6,955	3,724	5,720	6,073	5,413	5,249	
1,415	1,033	1,054	869	1,029	224	
420	581	638	712	350	574	
175	121	180	180	157	284	
72,420	69,702	72,055	71,303	72,985	76,658	
126,271	120,705	131,885	125,051	129,624	121,827	
13,793	17,771	14,352	16,601	14,547	16,068	
1,510	1,602	1,500	4,299	4,232	5,534	
8,000	8,000	8,000	8,000	9,000	10,485	
190	210	160	177	135	139	
363	379	393	334	323	346	
1,113	1,187	1,351	1,290	1,058	1,303	
\$21,917,792	\$13,376,732	\$14,481,712	\$7,986,467	\$7,203,199	\$7,388,271	
518,791	518,299	516,068	454,223	495,870	461,520	
511,090	437,520	444,820	485,000	455,210	455,310	
29	39	26	25	26	33	
7,323	7,239	6,770	6,789	6,563	6,684	
1,318	1,036	1,699	1,605	1,610	1,690	
727	773	1,100	1,270	1,270	1,169	
not avail	not avail	not avail	not avail	not avail	not avail	
920,121	1,029,139	1,028,160	1,060,150	1,103,790	1,045,188	

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

Function/Program	2004	2005	2006	2007
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					
2008	2009	2010	2011	2012	2013
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	47,088	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	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
3	3	3	3	3	3
-	-	-	-	-	-

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IV. OTHER REQUIRED REPORTS SECTION

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MINNESOTA LEGAL COMPLIANCE

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, 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, 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, 2013, and the related notes to the financial statements, and have issued our report thereon dated June 12, 2014.

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*, except as described at finding 2013-1. 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.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

HLB Tautges Redpath, Ltd.

HLB TAUTGES REDPATH, LTD.

June 12, 2014

2013-1 Deficiencies in Collateral for Deposits

Criteria: Minnesota Statute 118A provides certain specific collateral requirements for deposits, including a requirement that collateral be provided in an amount equal to or greater than 110% of uninsured deposits at a financial institution.

Condition: At July 31, 2013, the City held deposits in the amount of \$4,568,624 in its checking account, \$250,000 of these deposits were insured by the FDIC. Collateral required on the uninsured deposits was \$4,775,486 ($\$4,318,624 \times 110\%$). The market value of collateral provided at July 31, 2013 was \$3,600,000, resulting in a collateral deficiency of \$1,175,486.

Cause: The City temporarily and inadvertently misapplied the FDIC deposit insurance limit to each City account at one financial institution, instead of applying the FDIC limit to the total of all City accounts at that institution. A contributory factor in this misunderstanding was the circumstance that FDIC deposit insurance limits have changed in recent years.

Effect: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Insufficient collateral increases this risk.

Recommendation: We recommend the City verify sufficient collateral is maintained by the bank in order to comply with Minnesota Statute 118A.03 and reduce its custodial credit risk.

Views of Responsible Officials and Planned Corrective Action: This particular financial institution reviews and adjusts collateral approximately every 30 to 90 days. To supplement that procedure, the City reviews collateral coverage daily or weekly as conditions require. When the City's review indicates an adjustment is required, the City either requests that the institution acquire additional collateral, or the City transfers sufficient deposits to other institutions.

The City judges that these procedures are adequate to detect any noncompliance with Minnesota Statute 118A in a timely manner, as the City discovered and corrected the above condition approximately one month following its onset. The City also judges that these procedures are adequate to reasonably prevent noncompliance with Minnesota Statute 118A, as the majority of the City's deposits were collateralized during this period of noncompliance.

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, 2013, 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 12, 2014.

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

City of Columbia Heights, Minnesota
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Page 2

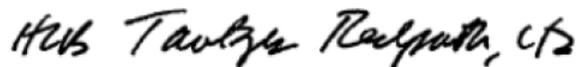
any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 12, 2014



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, 2013, and have issued our report thereon dated June 12, 2014. 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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.

HLB TAUTGES REDPATH, LTD.

June 12, 2014

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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, 2013

Line Item	Account Description	Total Projects
Assets:		
Current assets:		
111	Cash - unrestricted	\$62,076
114	Cash - tenant security deposits	18,625
100	Total cash	<u>80,701</u>
Accounts and notes receivable:		
122	Accounts receivable - HUD other projects	4,564
126	Accounts receivable - tenants	2,670
120	Total receivables, net of allowance	<u>7,234</u>
Investments:		
131	Investments - Unrestricted	898,374
150	Total current assets	<u>986,309</u>
Noncurrent assets:		
Capital assets:		
161	Land	177,375
162	Buildings	3,338,829
163	Furniture, equipment and machinery - dwellings	297,466
164	Furniture, equipment and machinery - administration	8,842
166	Less: accumulated depreciation	(2,702,235)
167	Construction in progress	5,976
160	Total capital assets, net of accumulated depreciation	<u>1,126,253</u>
180	Total noncurrent assets	<u>1,126,253</u>
190	Total assets	<u>2,112,562</u>
Liabilities:		
Current liabilities:		
312	Accounts payable <= 90 days	\$4,737
333	Accounts payable - other governments	24,638
341	Tenant security deposits	17,841
342	Unearned revenue	3,966
345	Other current liabilities	17,402
310	Total current liabilities	<u>68,584</u>
350	Total noncurrent liabilities	<u>0</u>
300	Total liabilities	<u>68,584</u>
Net Position:		
508.4	Net investment in capital assets	1,126,253
512.4	Unrestricted net position	917,725
513	Total net position	<u><u>\$2,043,978</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, 2013

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	\$353,581	\$ -	\$353,581
704	Tenant revenue - other	4,620	-	4,620
706	HUD PHA grants	139,078	-	139,078
715	Other revenue	7,349	-	7,349
711	Investment income -unrestricted	3,168	-	3,168
700	Total revenue	<u>507,796</u>	<u>0</u>	<u>507,796</u>
Expenses:				
911	Administrative salaries	25,500	-	25,500
912	Auditing fees	2,304	-	2,304
913	Outside management fees	162,288	-	162,288
914	Advertising and marketing	65	-	65
916	Office Expenses	17,173	-	17,173
917	Legal expense	9,450	-	9,450
919	Other expense	1,341	-	1,341
931	Water	8,096	-	8,096
932	Electricity	48,613	-	48,613
933	Gas	33,864	-	33,864
936	Sewer	3,725	-	3,725
938	Other utilities expense	14,108	-	14,108
942	Ordinary maintenance and operations - materials and other	5,866	-	5,866
943	Ordinary maint. and operations contracts - HVAC	24,006	-	24,006
943	Ordinary maint. and operations contracts - snow removal	3,192	-	3,192
943	Ordinary maint. and operations contracts - elevator	21,408	-	21,408
943	Ordinary maint. and operations contracts - grounds	2,705	-	2,705
943	Ordinary maint. and operations contracts - unit turnaround	12,403	-	12,403
943	Ordinary maint. and operations contracts - electrical	-	-	-
943	Ordinary maint. and operations contracts - plumbing	-	-	-
943	Ordinary maint. and operations contracts - extermination	670	-	670
943	Ordinary maint. and operations contracts - janitorial	458	-	458
943	Ordinary maint. and operations contracts - routine maintenance	5,265	-	5,265
943	Ordinary maint. and operations contracts - miscellaneous	887	-	887
952	Protective services	4,955	-	4,955
961	Insurance premiums	17,170	-	17,170
962	Other general expenses	1,808	-	1,808
963	Payments in lieu of taxes	25,183	-	25,183
969	Total operating expenses	<u>452,503</u>	<u>0</u>	<u>452,503</u>
974	Depreciation	<u>104,429</u>		<u>104,429</u>
900	Total expenses	<u>556,932</u>	<u>0</u>	<u>556,932</u>
1001	Operating transfers in	-	-	-
1002	Operating transfers out	-	-	0
1010	Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
1000	Excess (deficiency) of revenue over expenses and other financing uses (sources)	<u>(\$49,136)</u>	<u>\$0</u>	<u>(\$49,136)</u>
Memo account information:				
1103	Beginning equity	\$2,093,114	\$ -	\$2,093,114
1120	Unit months available	1,212	-	1,212
1121	Number of unit months leased	1,192	-	1,192

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 FINANCIAL DATA SCHEDULE - STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
 For The Year Ended December 31, 2013

	FY 2010 <u>MN 46P105501-10</u>	FY 2011 <u>MN 46P105501-11</u>	FY 2012 <u>MN 46P105501-12</u>	FY 2013 <u>MN 46P105501-12</u>
A. The actual modernization costs are as follows:				
Funds approved	\$110,976	\$92,207	\$84,944	\$81,917
Funds (expended)	<u>(110,976)</u>	<u>(75,706)</u>	<u>-</u>	<u>-</u>
Excess of funds approved (expended)	<u>\$0</u>	<u>\$16,501</u>	<u>\$84,944</u>	<u>\$81,917</u>
Funds advanced - HUD CFP Grants	\$110,976	\$75,706	\$ -	\$ -
Funds (expended):				
In prior years	(110,976)	(75,706)		
In current year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of funds advanced (expended)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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