

CITY OF COLUMBIA HEIGHTS

STATE OF MINNESOTA

PREPARED BY:

FINANCE DEPARTMENT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2015

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I. INTRODUCTORY SECTION

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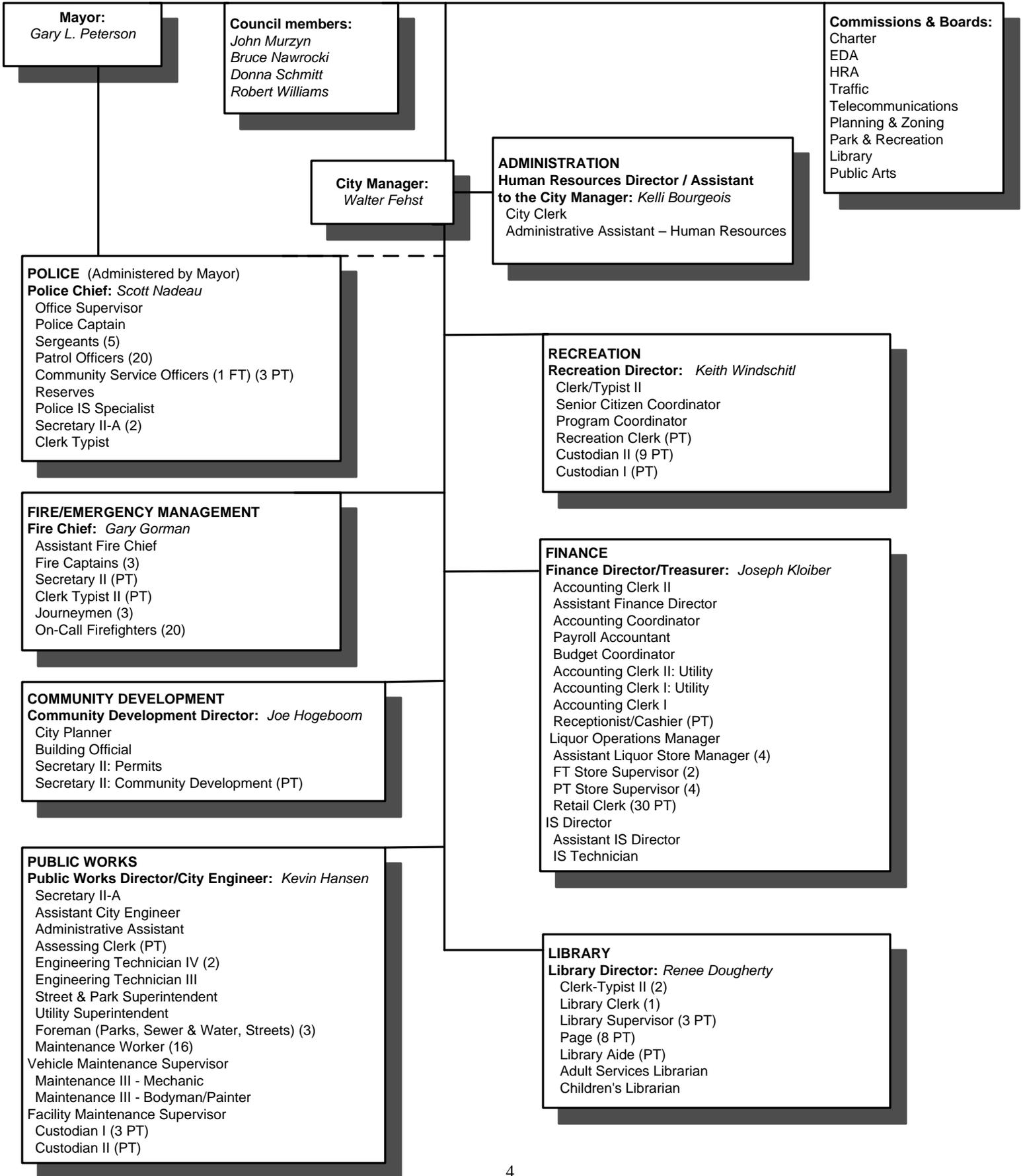
CITY OF COLUMBIA HEIGHTS, MINNESOTA

PRINCIPAL CITY OFFICIALS

December 31, 2015

Name	Official Title
Mayor and Council:	
Gary L. Peterson	Mayor
John Murzyn, Jr	Councilmember
Donna Schmitt	Councilmember
Bruce Nawrocki	Councilmember
Robert A. Williams	Councilmember
Administration:	
Walter Fehst	City Manager
Kelli Bourgeois	Human Resources Director, Assistant to City Manager
Joseph Kloiber	Finance Director, Treasurer
Jim Hoeft	City Attorney
Kevin Hansen	Public Works Director, City Engineer
Scott Nadeau	Chief of Police
Gary Gorman	Chief of Fire
Renee Dougherty	Library Director
Joe Hogeboom	Community Development Director
Keith Windschitl	Recreation Services Director
Larry Scott	Liquor Operations Manager

City of Columbia Heights Organizational Chart 2015





City of Columbia Heights | *Finance Department*

590 40th Avenue NE, Columbia Heights, MN 55421 ▪ Ph: 763-706-3600 ▪ Fax: 763-706-3637 ▪ www.columbiaheightsmn.gov

June 13, 2016

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, 2015, is hereby submitted. The City's management assumes responsibility for both the completeness and the 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.

Redpath and Company, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Columbia Heights financial statements for the year ended December 31, 2015. Their independent auditors' report is located at the front of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

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

The City Council consists of a Mayor and four Council Members. All are elected at-large, on a non-partisan basis. The Mayor serves a two-year term and the Council Members serve four-year terms. The City Manager is appointed by the City Council. The City covers an area of 3.52 square miles and currently has a population of 19,758. 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 2015, 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), and single family housing that is affordable compared to the metropolitan area average, there has been a relatively stable demand for housing in the City. However, as an older, fully developed, inner-ring suburb of a major city, the management and residents of the City of Columbia Heights are faced with the challenges of an aging infrastructure and dependency on state aid to supplement local revenues. 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, roadways, alleys, 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. Utility system improvements are funded by the utility rate structure, which is periodically reviewed for long-term sustainability. In some cases, the City issues bonds to initially finance the project, repaying the bonds with special assessments and/or utility revenues 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 from historical levels, and sometimes reduced retroactively. To provide for more stable operations, the City's management has developed a multi-year financial plan that gradually phases out the use of state aid in the City's operating budget using moderate increases in property taxes. Under the plan, available state aid is essentially treated as a one-time revenue source and is used for capital projects and equipment that would otherwise be purchased with property taxes. The current City Council has reached consensus of opinion in support of the plan. Implementation of this plan is, of course, dependent on the 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, 2015, 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 planning and inspections 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 and recognize all license and permit revenues in the general fund.

CURRENT MAJOR INITIATIVES

For a number of years, the City has emphasized a community-oriented approach to policing. This consists of specific initiatives and strategies involving key stakeholders, such as the local school district, as partners. Not only has this led to a reduction in crime and greater communication with stakeholders, but it has also led to some notable recognition of these successes. In 2012, the City was awarded with the International Chiefs of Police (IACP) Community Policing Award, which is only awarded to one agency in the world per year, in each of five population categories. In 2015, the City was also selected as a finalist for this award.

Given 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. These properties are currently being marketed and new homes are being built. In 2015, the Authority also entered into an agreement with a private developer to issue approximately \$27 million in 2016 conduit financing to assist the developer's construction of approximately 200 units of multi-family senior housing on an under-utilized former industrial site. The developer will repay the financing from rental income and other sources, at no cost to the City.

In 2014, by nearly a 2-to-1 majority, the City's voters approved by referendum the issuance of \$7 million in general obligation bonds to construct a replacement for the City's library building, using a redevelopment site previously purchased by the Economic Development Authority. The city council also committed an additional \$2.3 million of existing resources to the construction of this 22,600 square-foot facility. Completion is scheduled for mid-2016.

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, 2014. 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 program for review.

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,



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, 2014

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, 2015, 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, 2015, 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

As described in Note 10 to the financial statements, City of Columbia Heights, Minnesota adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* for the year ended December 31, 2015. Our opinion is not modified with respect to this matter.

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, the schedule of funding progress for the retiree health plan, the schedules of pension contributions and the schedules of proportionate share of pension liability, 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 13, 2016, 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.



REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 13, 2016

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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, 2015. 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 and deferred outflows of the City exceeded its liabilities and deferred inflows at December 31, 2015, by \$66,157,185 (net position). Of this amount, \$21,815,505 or 33% is unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.

Net position of the government-wide financial statements was negatively impacted in the current year by a \$7,711,530 due to the required implementation of a new accounting standard. This is more fully described in the analysis below and in the notes to the financial statements. Apart from the prior period adjustment for this change in accounting standards, the City's total net position otherwise increased during 2015 by \$2,142,643 or approximately 3% from the prior year. \$913,600 of this increase was from governmental activities, and \$1,229,043 of this increase was from the City's business-type activities.

As of December 31, 2015, the combined fund balances of the City's governmental funds were \$29,646,058. This is an increase of \$2,862,631 or 11% from the prior year. Also, approximately 23% of the combined fund balances of the City's governmental funds were unassigned fund balance, available for spending at the City Council's discretion.

As of December 31, 2015, unassigned fund balance in the General fund was \$6,873,054 or 98% of the total fund balance in the General fund. The City's minimum fund balance policy for the General fund, detailed both in the notes to the financial statements and the letter of transmittal, was met at December 31, 2015.

During 2015, the City's total bonded debt increased by \$5,615,863 to an end of year total of \$29,237,863 from the issuance of \$6,875,000 in general obligation bonds in 2015 for construction to replace the City's library building, offset by principal payments on existing bonded debt.

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.

Management's Discussion and Analysis

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.

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 2015 are as follows:

Management's Discussion and Analysis

- General fund
- Municipal state aid street fund
- Capital equipment replacement general government fund
- Capital improvements-PIR fund
- Capital building library fund
- HRA (component unit) Parkview villa north and south 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 basic governmental fund financial statements are presented as Statements 3 through 5 of 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.

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 municipal service center (for vehicle and facilities maintenance), information systems, insurance, and compensated absences. As the municipal service center, insurance and compensated absences transactions predominately benefit the governmental rather than the business-type functions, they have been included within governmental activities in the government-wide financial statements. Similarly, because the information systems support predominately benefits the business-type functions, it has been included within the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, refuse, storm sewer and liquor operations, all of which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements are presented as Statements 6 through 8 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement is presented as Statement 9 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Management's Discussion and Analysis

Other information. Required supplementary information for the General fund, and the HRA (component unit) Parkview villa north and south fund, are presented as Statement 10 and Statement 11 respectively, of this report. Certain required supplementary information on pensions and other post-employment benefits are presented as Statements 12 through 16 of this report. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds, together with individual fund statements and schedules, are presented as Statements 17 through 66 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, 2015, the City's assets exceeded its liabilities by \$66,157,185.

\$39,096,956 or 59% of the City's net position reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that, although net position invested in capital assets are reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves would not 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, \$21,815,505 or 33%, may be used to meet the City's ongoing obligations to citizens and creditors.

At December 31, 2015, 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	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$44,419,006	\$33,274,009	\$10,807,728	\$11,125,437	\$55,226,734	\$44,399,446
Capital assets	42,554,181	39,187,078	16,459,038	15,342,186	59,013,219	54,529,264
Total assets	<u>86,973,187</u>	<u>72,461,087</u>	<u>27,266,766</u>	<u>26,467,623</u>	<u>114,239,953</u>	<u>98,928,710</u>
Deferred outflows of resources (<i>see below</i>)	1,315,454	-	174,952	-	114,239,953	-
Liabilities:						
Current liabilities	4,260,525	2,185,473	1,638,922	1,609,947	5,899,447	3,795,420
Noncurrent liabilities (<i>see below</i>)	35,468,858	17,316,510	7,095,077	6,314,500	42,563,935	23,631,010
Total liabilities	<u>39,729,383</u>	<u>19,501,983</u>	<u>8,733,999</u>	<u>7,924,447</u>	<u>48,463,382</u>	<u>27,426,430</u>
Deferred inflows of resources (<i>see below</i>)	962,490	-	147,332	-	48,463,382	-
Net position:						
Net invested in capital assets	27,168,555	26,049,057	11,928,401	10,729,457	39,096,956	36,778,514
Restricted	4,710,968	3,752,839	533,756	543,822	5,244,724	4,296,661
Unrestricted	15,717,275	23,157,208	6,098,230	7,269,897	21,815,505	30,427,105
Total net position	<u>\$47,596,798</u>	<u>\$52,959,104</u>	<u>\$18,560,387</u>	<u>\$18,543,176</u>	<u>\$66,157,185</u>	<u>\$71,502,280</u>

Management's Discussion and Analysis

The City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* for the year ended December 31, 2015. Essentially, the standard required the unfunded portion of defined benefit pension plans to be reported by all participating employers. Recording the net pension liability and the pension related deferred outflows and inflows of resources do not change the City's future funding requirements or obligations under the plans, which are determined by Minnesota statutes.

Net position was negatively impacted by \$7,711,530 at December 31, 2015 due to the implementation of this standard. Pension-related amounts included in the above schedule related to the standard are as follows:

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Pension-related:						
Deferred outflows of resources	(\$1,315,454)	\$ -	(\$174,952)	\$ -	(\$1,490,406)	\$ -
Noncurrent liabilities	6,820,125	-	1,271,989	-	8,092,114	-
Deferred outflows of resources	962,490	-	147,332	-	1,109,822	-
Total related to pensions	<u>\$6,467,161</u>	<u>\$0</u>	<u>\$1,244,369</u>	<u>\$0</u>	<u>\$7,711,530</u>	<u>\$0</u>

Changes in net position - governmental activities. During the current year, governmental activities increased the City's net position by \$913,600 or 1%. Significant elements of this change included:

- Governmental activities revenue increased \$1,604,904 or 9% over the prior year. This was primarily from an increase in grant revenues of \$1,944,646 over the prior year, offset by a smaller increase in the fair value of investments in the current year, compared to the prior year. (We note that under the City's investment policy, interest-bearing investments are held to maturity to address such temporary fluctuations in fair value.)
- Governmental activities expenses increased \$1,124,219 or 7% over the prior year. This was primarily from an increase in grant-funded expenses, offset by a decrease in operating expenses for the government's public housing program which was terminated in 2015. The increase in grant-funded activity included two federally-funded fulltime firefighter positions, shoreline and park improvements at Labelle Pond, and street repairs funded by special assessments. (Within the statement of activities, special assessments are reported as program-specific grants.)
- The pending return of approximately \$927,142 of prior years' unspent grant funds to the U.S. Department of Housing and Redevelopment is reported as a special item for 2015 in the statement of activities, coinciding with the termination of the HRA's public housing program.
- Implementation of the new pension accounting standard mentioned above reduced the net position of the government activities at December 31, 2015, by \$6,467,161. This includes both the prior period adjustment shown below of \$6,275,906 and the current year expenses of \$191,255 which are distributed across the functional categories of the governmental activities.

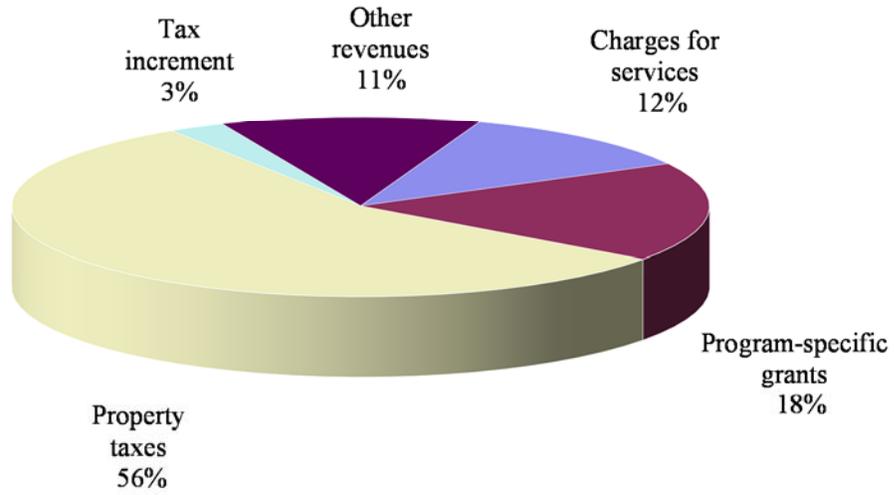
Management's Discussion and Analysis

CITY OF COLUMBIA HEIGHTS' CHANGES IN NET POSITION

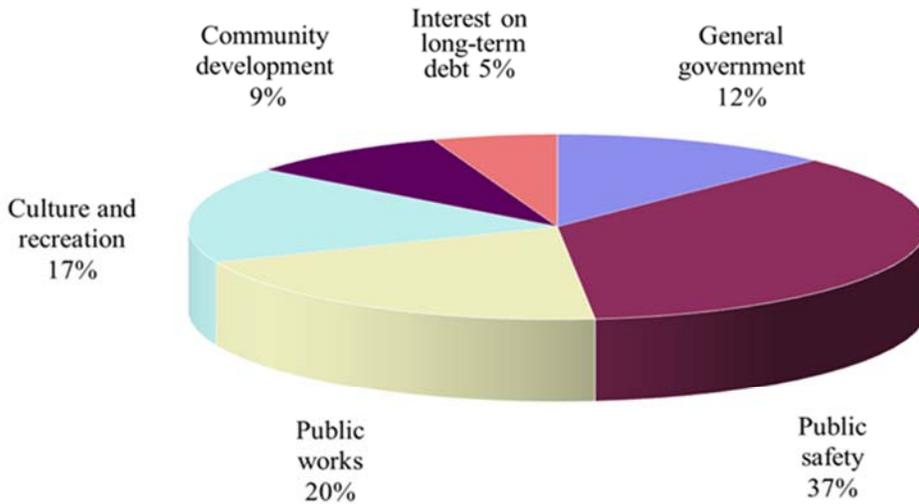
	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$2,190,975	\$2,258,503	\$15,101,749	\$15,100,943	\$17,292,724	\$17,359,446
Operating grants and contributions	1,914,513	993,119	96,518	91,421	2,011,031	1,084,540
Capital grants and contributions	1,444,055	606,479	747,334	47,369	2,191,389	653,848
General revenues:						
Property taxes	10,512,483	10,310,867	-	-	10,512,483	10,310,867
Tax increment collections	491,639	463,837	-	-	491,639	463,837
Grants and contributions not restricted to specific programs	1,682,480	1,496,804	-	-	1,682,480	1,496,804
Unrestricted investment earnings	342,384	1,091,263	62,521	252,360	404,905	1,343,623
Gain on sale of capital assets used in governmental activities	247,247	-	-	-	247,247	-
Total revenues	<u>18,825,776</u>	<u>17,220,872</u>	<u>16,008,122</u>	<u>15,492,093</u>	<u>34,833,898</u>	<u>32,712,965</u>
Expenses:						
General government	2,128,964	2,104,025	-	-	2,128,964	2,104,025
Public safety	6,265,485	5,801,747	-	-	6,265,485	5,801,747
Public works	3,529,547	3,052,844	-	-	3,529,547	3,052,844
Culture and recreation	2,926,004	2,565,755	-	-	2,926,004	2,565,755
Community development	1,555,640	1,943,576	-	-	1,555,640	1,943,576
Interest on long-term debt	948,493	761,967	-	-	948,493	761,967
Water	-	-	2,367,954	2,336,475	2,367,954	2,336,475
Sewer	-	-	1,621,506	1,789,260	1,621,506	1,789,260
Refuse	-	-	1,753,406	1,695,997	1,753,406	1,695,997
Storm sewer	-	-	541,926	315,809	541,926	315,809
Liquor	-	-	8,125,188	8,148,788	8,125,188	8,148,788
Total expenses	<u>17,354,133</u>	<u>16,229,914</u>	<u>14,409,980</u>	<u>14,286,329</u>	<u>31,764,113</u>	<u>30,516,243</u>
Increase (decrease) in net position before transfers and special items						
	1,471,643	990,958	1,598,142	1,205,764	3,069,785	2,196,722
Transfers	369,099	361,426	(369,099)	(361,426)	-	-
Special item	(927,142)	-	-	-	(927,142)	-
Increase in net position	<u>913,600</u>	<u>1,352,384</u>	<u>1,229,043</u>	<u>844,338</u>	<u>2,142,643</u>	<u>2,196,722</u>
Net position - January 1, as previously reported	52,959,104	51,606,720	18,543,176	17,698,838	71,502,280	69,305,558
Prior period adjustment	(6,275,906)	-	(1,211,832)	-	(7,487,738)	-
Net position - January 1, as restated	<u>46,683,198</u>	<u>51,606,720</u>	<u>17,331,344</u>	<u>17,698,838</u>	<u>64,014,542</u>	<u>69,305,558</u>
Net position - December 31	<u>\$47,596,798</u>	<u>\$52,959,104</u>	<u>\$18,560,387</u>	<u>\$18,543,176</u>	<u>\$66,157,185</u>	<u>\$71,502,280</u>

Management's Discussion and Analysis

Governmental Activities - 2015 Revenues (excluding one-time special item, see text)



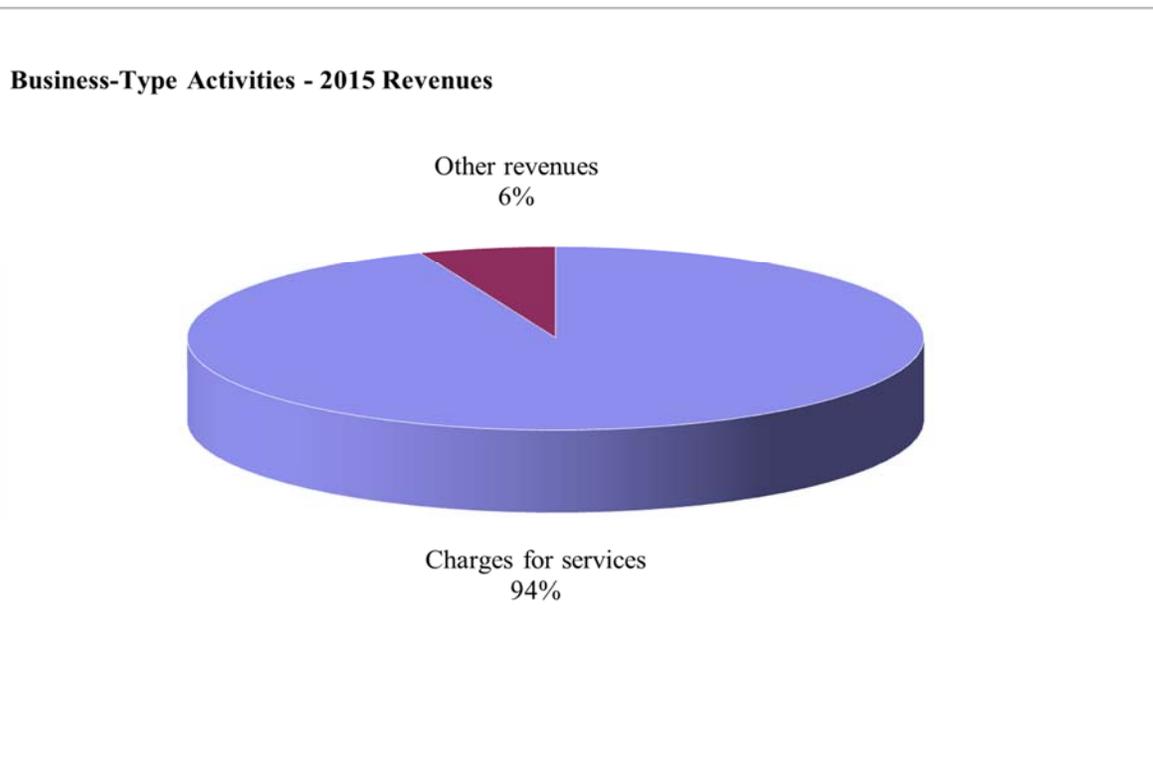
Governmental Activities - 2015 Expenses



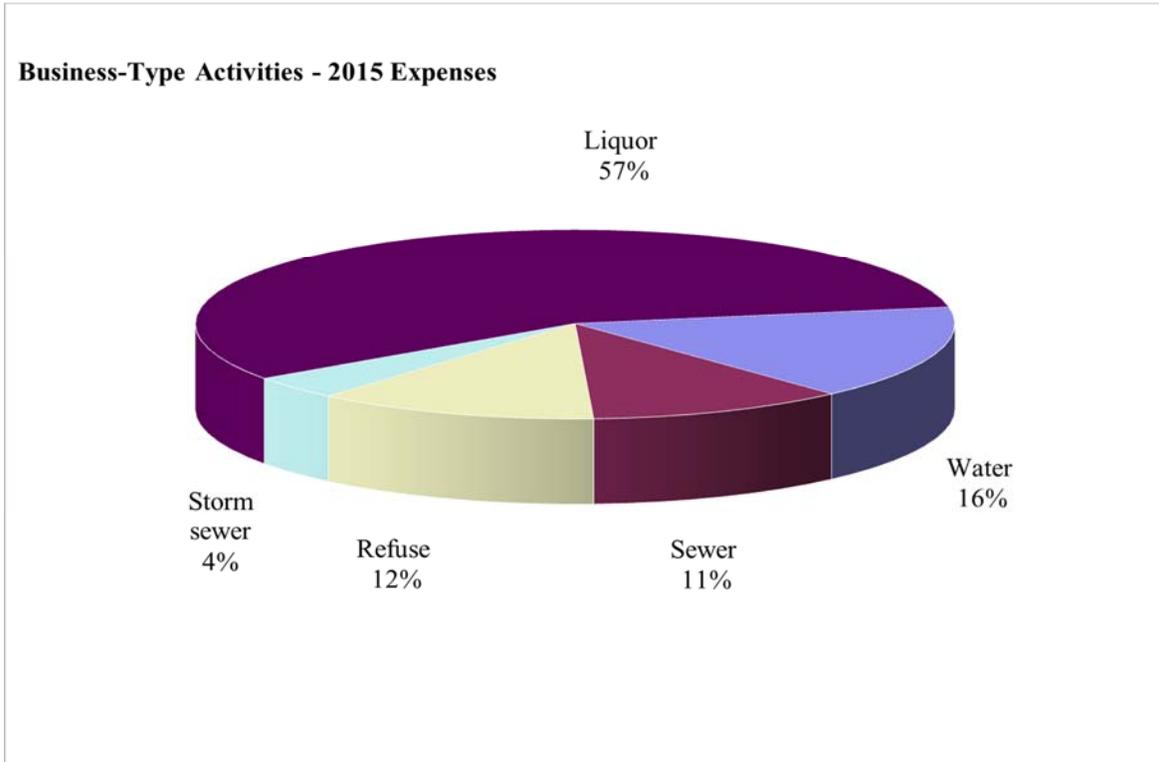
Management's Discussion and Analysis

Changes in net position - Business-type activities. In 2015, business-type activities increased the City's total net position by \$1,229,043 or 2%. The significant elements of this increase include:

- Business-type activities revenue increased by \$516,029 or 3% over the prior year. This was the result of an increase in grant revenues of \$700,000 for storm sewer improvements, offset by a smaller increase in the fair value of investments in the current year, compared to the prior year. (We note that under the City's investment policy, interest-bearing investments are held to maturity to address such temporary fluctuations in fair value.)
- Utility rates set by the City Council remained the same for 2015 as for 2014.
- Municipal liquor sales remained substantially the same for 2015 as for 2014.
- Changes in the expenses of the various business-type activities were largely offsetting, yielding an increase of \$123,651 or less than 1% over the prior year.
- Implementation of the new pension accounting standard mentioned above reduced the net position of the business-type activities at December 31, 2015, by \$1,244,369. This includes both the prior period adjustment shown above of \$1,211,832 and the current year expenses of \$32,537 which are distributed across the functional categories of the business-type activities.



Management's Discussion and Analysis



Financial Analysis of the City's Funds

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

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

At December 31, 2015, the City's governmental funds reported combined fund balances of \$29,646,058. Committed, assigned and unassigned fund balance, which is available for spending at the City's discretion, has a combined balance of \$ 19,727,179. 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 prepaid items (\$97,572), debt service (\$5,280,447), tax increment purposes (\$1,863,077), and various other purpose restrictions (\$2,677,783) detailed in the notes to the financial statements.

The General Fund is the chief operating fund of the City. During the current year, fund balance in the General Fund decreased by \$361,918 or 5%. Significant elements of this decrease include:

- Transfers from the General to the other funds increased by \$985,131 or 136% over the prior year, to fund the purchase of a firetruck (\$500,000 to the Capital Equipment Replacement

Management's Discussion and Analysis

Fund), to call and redeem certain general obligation bonded debt (\$236,000 to the non-major governmental funds), and for other internal funding purposes.

- General Fund expenditures increased by \$ 389,987 or 4% over the prior year. This reflects both planned inflationary increases of approximately 2.5%, and reduced staffing vacancies within the public safety and public works functions compared to the prior year.
- General Fund revenues increased by \$78,202 or less than 1% over the prior year. This included the offsetting factors of an increase in property taxes of \$229,891 or 3% over the prior year, which is consistent with the intended annual growth under the City's five-year financial plan, and \$208,585 less of an annual increase in the fair value of investments compared to the prior year. (We note that under the City's investment policy, interest-bearing investments are held to maturity to address such temporary fluctuations in fair value.)

The changes in fund balance of the other major governmental funds in 2015, and significant elements of those changes, were as follows:

- The Municipal State Aid Street Fund increased by \$668,288. Roughly half of this increase is the amount by which current year state grants restricted for reconstruction and maintenance of state roads within the City exceeded the related current year expenditures. The remainder of this increase was a transfer in from the Capital Improvements PIR Fund related to special assessments collected for portions of these street projects.
- The Capital Equipment Replacement General Government Fund decreased by \$116,523. This reflects the amount by which 2015 equipment purchases exceeded investment income and transfers-in.
- The Capital Improvements PIR Fund decreased by \$572,568. This decrease is the amount by which current year street project expenditures and a related transfer to street projects in the Municipal State Aid Street Fund, exceeded special assessments collected in the current year. PIR is the acronym for public improvement revolving fund.
- The Capital Building Library Fund increased by \$5,557,468. This is the amount by which transfers in from other funds and the issuance of general obligation bonds, exceeded the cost of construction-in-process for a new (replacement) library facility.
- The Housing and Redevelopment Authority (component unit) Parkview Villa North and South Fund decreased by \$821,803 primarily as a result of the \$927,142 special item described above for the governmental activities, in conjunction with the 2015 termination of the HRA's public housing program.
- The combined fund balances of the nonmajor governmental funds decreased by \$1,490,313 or 13% over the prior year. The most significant element of this decrease was the net transfers to the Capital Building Library Fund of \$1,929,609 to fund a portion of the new library facility with existing resources. Various other offsetting increases within the aggregated activities of the nonmajor governmental funds amounted to \$439,296 or 4% of their prior year combined fund balances.

Management's Discussion and Analysis

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, 2015, net position of the major proprietary funds included the following amounts of unrestricted net position:

- Water Fund \$79,759
- Sewer Fund \$1,068,999
- Refuse Fund \$1,738,167
- Storm Sewer Fund \$165,165
- Liquor Fund \$2,097,546

The 2015 changes in net position of the major proprietary funds, apart from the effect of the prior period adjustment described above for the business-type activities, included the following:

- Water Fund \$291,379
- Sewer Fund \$10,256
- Refuse Fund \$190,475
- Storm Sewer Fund \$584,879
- Liquor Fund \$119,956

Other factors concerning the finances of the proprietary funds are addressed above in the analysis of the City's business-type activities.

Budgetary Highlights

General Fund. The changes between the original and final 2015 General Fund budget consisted of:

- Several small budget amendments to increase intergovernmental revenue, charges for services, and miscellaneous other revenues, by a total of \$58,923. These changes were paired with related increases to budgeted police and fire expenditures of \$58,923. This reflects additional services and training funded by external entities in mid-year.
- Amendments to appropriate \$911,000 in additional transfers to other funds, for the purposes listed above in the description of the changes in the fund balance of the General fund.

Actual general fund revenues in 2015 were more than budgeted by \$118,252 or 1%:

- This was primarily the result of \$126,562 in excess tax increment was refunded to the City from tax increment financing districts. The City's practice is not to budget for such refunds. This item is reported within the line item for tax revenues.

Actual general fund expenditures in 2015 were less than budgeted by \$345,211 or 3%:

- Approximately \$153,000 of this variance was across various recreation programs. In most cases, this was from actual operating costs being less than estimated. In addition, some restricted resources available in the non-major governmental funds in 2015 was utilized, in

Management's Discussion and Analysis

accord with City policy, in lieu of assigned resources in the general fund annual budget.

- Approximately \$103,000 of this variance is attributable to the general government function. This was primarily the result of budgeting for various contingent matters which did not incur to the level budgeted. Also certain city hall rehabilitation initially included in the capital improvement plan was deferred or eliminated after adoption of the budget.
- Approximately \$92,000 of this variance reflects staff vacancies, and new hires at entry level wages instead of full level wages, within the public safety function in 2015.

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of December 31, 2015, amount to \$59,013,219 net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress.

City of Columbia Heights' Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets - not depreciated:				
Land	\$5,325,624	\$0	(\$177,375)	\$5,148,249
Construction in progress	1,019,899	6,175,149	(1,243,957)	5,951,091
Total capital assets not being depreciated	6,345,523	6,175,149	(1,421,332)	11,099,340
Capital assets - being depreciated:				
Buildings	28,567,589	29,500	(5,352,327)	23,244,762
Equipment	8,445,431	727,654	(524,132)	8,648,953
Infrastructure	30,171,790	912,449	-	31,084,239
Total capital assets being depreciated	67,184,810	1,669,603	(5,876,459)	62,977,954
Less accumulated depreciation for:				
Buildings	12,791,628	638,685	(4,462,956)	8,967,357
Equipment	6,314,033	473,076	(477,362)	6,309,747
Infrastructure	15,237,593	1,008,416	-	16,246,009
Total accumulated depreciation	34,343,254	2,120,177	(4,940,318)	31,523,113
Capital assets being depreciated - net	32,841,556	(450,574)	(936,141)	31,454,841
Governmental activities capital assets - net	39,187,079	5,724,575	(2,357,473)	42,554,181
Business-type activities:				
Capital assets - not depreciated:				
Land	2,349,213	-	-	2,349,213
Construction in progress	591,563	1,684,312	(508,276)	1,767,599
Total capital assets not being depreciated	2,940,776	1,684,312	(508,276)	4,116,812
Capital assets - being depreciated:				
Buildings	5,124,992	115,846	-	5,240,838
Equipment	2,509,940	80,224	(26,840)	2,563,324
Infrastructure	16,254,153	392,431	-	16,646,584
Total capital assets being depreciated	23,889,085	588,501	(26,840)	24,450,746
Less accumulated depreciation for:				
Buildings	1,516,779	152,718	-	1,669,497
Equipment	1,741,788	127,824	(26,840)	1,842,772
Infrastructure	8,229,109	367,145	-	8,596,254
Total accumulated depreciation	11,487,676	647,687	(26,840)	12,108,523
Capital assets being depreciated - net	12,401,409	(59,186)	-	12,342,223
Business-type activities capital assets - net	15,342,185	1,625,126	(508,276)	16,459,035
Total capital assets - net	54,529,264	7,349,701	(2,865,749)	59,013,216

Management's Discussion and Analysis

Significant capital asset activity during 2015 included the following:

Project	Year Started	As of December 31, 2015	
		Cost to Date	Status
Watermain Lining	2013	392,430	in-service
Street Reconstruction - Zone 3	2013	912,450	in-service
Jackson Pond Reconstruction	2013	1,148,632	in-progress
Watermain Lining	2014	476,460	in-progress
Concrete Alley Reconstruction	2014	727,810	in-progress
Library Building Replacement	2014	4,438,964	in-progress
Recreational Splash Pad	2015	458,418	in-progress
Street Reconstruction - Zone 1	2015	439,646	in-progress

At December 31, 2015, the City had \$6,379,995 of non-cancellable contractual commitments for construction in 2016, primarily for the new library. Additional information on the City's capital assets can be found in Note 5 to the financial statements.

Long-term debt. During 2015, the City's total bonded debt increased by \$5,615,863 to an end of year total of \$29,237,863 from the issuance of \$6,875,000 in general obligation bonds in 2015 for construction to replace the library building, offset by principal payments on existing bonded debt.

Bonded debt outstanding at year end included general obligation bonds, 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 estimated market value of property within a city's taxing jurisdiction. At December 31, 2015, the City's debt limit under this statute was \$32,815,845 and \$18,460,000 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	
	2015	2014	2015	2014	2015	2014
General obligation bonds:						
Repaid only with general taxes	\$18,460,000	\$12,260,000	\$ -	\$ -	\$18,460,000	\$12,260,000
Unamortized premium on above	273,863	-	-	-	273,863	-
With other pledged revenues	1,789,305	2,083,021	2,085,695	2,401,979	3,875,000	4,485,000
Revenue bonds	2,549,000	2,617,000	4,080,000	4,260,000	6,629,000	6,877,000
Due to other government	5,200,000	-	-	-	5,200,000	-
Compensated absences	1,068,743	1,007,424	162,942	156,637	1,231,685	1,164,061
Net pension liability	6,820,125	-	1,271,989	-	8,092,114	-
Postemployment benefits other than pensions	223,618	191,151	-	-	223,618	191,151
	<u>\$36,384,654</u>	<u>\$18,158,596</u>	<u>\$7,600,626</u>	<u>\$6,818,616</u>	<u>\$43,985,280</u>	<u>\$24,977,212</u>

Management's Discussion and Analysis

At December 31, 2015, 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, 2015, 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, 2015, are repaid only with tax increment and are unrated.

In conjunction with the 2015 sale of real property, the HRA owes a 30-year no-interest note payable to the U.S. Department of Housing and Redevelopment for \$5,200,000 with all principal due in 2045. This amount is included in the financial statements within the amount reported as due to other governments.

In addition to bonded debt and long-term amounts due to other governments, at yearend there was long-term debt in the amount of \$1,231,685 and \$223,618 and \$8,092,114; respectively, for compensated absences, post-employment health insurance, and net pension benefit. Additional information on the City's long-term debt can be found in Note 7 to the financial statements.

Economic Factors and Next Year's Budget

In 2014, the average annual unemployment rate for Anoka County, which includes the City, was 3.6%. This is a decrease from a rate of 4.1% from the prior year. This compares to the average annual 2015 state and national rates of 3.6% and 5.3% respectively. The Consumer Price Index in the region compares favorably to national trends. These factors were considered when preparing the City of Columbia Heights' 2016 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.

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BASIC FINANCIAL STATEMENTS

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STATEMENT OF NET POSITION

December 31, 2015

Statement 1

Page 1 of 2

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Current assets:			
Cash and investments	\$32,653,991	\$5,386,018	\$38,040,009
Restricted asset: cash and investments with fiscal agent	-	399,251	399,251
Receivables - current:			
Accounts (net of allowance for uncollectibles)	104,399	1,612,479	1,716,878
Special assessments	451,700	-	451,700
Taxes	426,356	-	426,356
Interest	47,017	9,450	56,467
Due from other governmental units - current	1,367,588	49,090	1,416,678
Internal balances	(265,352)	265,352	-
Prepayments	162,056	92,397	254,453
Inventory - at cost	53,856	2,993,694	3,047,550
Real estate held for resale	738,689	-	738,689
Total current assets	<u>35,740,300</u>	<u>10,807,731</u>	<u>46,548,031</u>
Noncurrent assets:			
Receivables - noncurrent:			
Special assessments	1,994,655	-	1,994,655
Loans	6,684,050	-	6,684,050
Capital assets (net of accumulated depreciation):			
Land	5,148,249	2,349,213	7,497,462
Buildings	14,277,406	3,571,342	17,848,748
Equipment	2,339,205	720,553	3,059,758
Infrastructure	14,838,231	8,050,328	22,888,559
Construction in process	5,951,091	1,767,599	7,718,690
Total noncurrent assets	<u>51,232,887</u>	<u>16,459,035</u>	<u>67,691,922</u>
Total assets	<u>86,973,187</u>	<u>27,266,766</u>	<u>114,239,953</u>
Deferred outflows of resources:			
Related to pensions	1,315,454	174,952	1,490,406

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STATEMENT OF NET POSITION

December 31, 2015

Statement 1

Page 2 of 2

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Liabilities:			
Current liabilities:			
Accounts payable	\$1,166,950	\$482,396	\$1,649,346
Accrued salaries and withholdings payable	321,197	67,031	388,228
Contracts payable - retained percentage	213,093	22,470	235,563
Due to other governmental units	1,058,003	458,325	1,516,328
Unearned revenue	214,247	-	214,247
Accrued interest payable	356,229	103,151	459,380
Deposits	14,980	-	14,980
Compensated absences payable - current	80,156	12,219	92,375
Bonds payable - current	835,670	493,330	1,329,000
Total current liabilities	<u>4,260,525</u>	<u>1,638,922</u>	<u>5,899,447</u>
Noncurrent liabilities:			
Compensated absences payable - noncurrent	988,587	150,723	1,139,310
Other postemployment benefits payable - noncurrent	223,618	-	223,618
Bonds payable - noncurrent	22,236,498	5,672,365	27,908,863
Due to other governmental units	5,200,000	-	5,200,000
Net pension liability	6,820,125	1,271,989	8,092,114
Total noncurrent liabilities	<u>35,468,828</u>	<u>7,095,077</u>	<u>42,563,905</u>
Total liabilities	<u>39,729,353</u>	<u>8,733,999</u>	<u>48,463,352</u>
Deferred inflows of resources:			
Related to pensions	962,490	147,332	1,109,822
Net position:			
Net investments in capital assets	27,168,555	11,928,401	39,096,956
Restricted for:			
Debt service	1,174,473	533,756	1,708,229
Tax increment purposes	858,712	-	858,712
Other purposes	2,677,783	-	2,677,783
Unrestricted	15,717,275	6,098,230	21,815,505
Total net position	<u>\$47,596,798</u>	<u>\$18,560,387</u>	<u>\$66,157,185</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, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges For Services</u>
Primary government:		
Governmental activities:		
General government	\$2,128,964	\$206,531
Public safety	6,265,485	703,489
Public works	3,529,547	51,991
Culture and recreation	2,926,004	227,224
Community development	1,555,640	1,001,740
Interest on long-term debt	948,493	-
Total governmental activities	<u>17,354,133</u>	<u>2,190,975</u>
Business-type activities:		
Water	2,367,954	2,730,516
Sewer	1,621,506	1,699,397
Refuse	1,753,406	1,896,230
Storm sewer	541,926	375,663
Liquor	8,125,188	8,399,943
	<u>14,409,980</u>	<u>15,101,749</u>
Total primary government	<u>\$31,764,113</u>	<u>\$17,292,724</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		
		Governmental	Business-Type Activities	Totals
\$ -	\$ -	(\$1,922,433)	\$ -	(\$1,922,433)
485,439	15,350	(5,061,207)	-	(5,061,207)
1,314,378	811,654	(1,351,524)	-	(1,351,524)
18,422	252,260	(2,428,098)	-	(2,428,098)
96,274	364,791	(92,835)	-	(92,835)
-	-	(948,493)	-	(948,493)
<u>1,914,513</u>	<u>1,444,055</u>	<u>(11,804,590)</u>	<u>0</u>	<u>(11,804,590)</u>
-	-	-	362,562	362,562
-	-	-	77,891	77,891
96,518	-	-	239,342	239,342
-	747,334	-	581,071	581,071
-	-	-	274,755	274,755
<u>96,518</u>	<u>747,334</u>	<u>0</u>	<u>1,535,621</u>	<u>1,535,621</u>
<u>\$2,011,031</u>	<u>\$2,191,389</u>	<u>(11,804,590)</u>	<u>1,535,621</u>	<u>(10,268,969)</u>
General revenues:				
Property taxes		10,512,483	-	10,512,483
Tax increment collections		491,639	-	491,639
Grants and contributions not restricted to specific programs		1,682,480	-	1,682,480
Unrestricted investment earnings		342,384	62,521	404,905
Gain on sale of capital assets used in governmental activities		247,247	-	247,247
Transfers		369,099	(369,099)	-
Special item		(927,142)	-	(927,142)
Total general revenues, transfers, and special items		<u>12,718,190</u>	<u>(306,578)</u>	<u>12,411,612</u>
Change in net position		<u>913,600</u>	<u>1,229,043</u>	<u>2,142,643</u>
Net position - January 1, as previously reported		52,959,104	18,543,176	71,502,280
Prior period adjustment		(6,275,906)	(1,211,832)	(7,487,738)
Net position - January 1, as restated		<u>46,683,198</u>	<u>17,331,344</u>	<u>64,014,542</u>
Net position - December 31		<u>\$47,596,798</u>	<u>\$18,560,387</u>	<u>\$66,157,185</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2015

	<u>General Fund</u>	<u>Municipal State Aid Street Fund</u>	<u>Capital Equipment Replacement General Gov't</u>
Assets			
Cash and investments	\$7,245,087	\$294,567	\$4,065,295
Receivables:			
Accounts	40,324	-	-
Special assessments	-	-	-
Taxes	399,374	-	-
Loans	-	-	-
Interest	12,837	-	7,600
Due from other governmental units	95,126	826,654	-
Interfund receivable	45,200	-	165,000
Prepayments	94,848	-	-
Real estate held for resale	-	-	-
Total assets	<u>\$7,932,796</u>	<u>\$1,121,221</u>	<u>\$4,237,895</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$110,914	\$5,169	\$ -
Accrued salaries and withholdings payable	271,874	1,707	-
Contracts payable - retained percentage	9,708	9,165	-
Due to other governmental units	118,635	393	-
Interfund payable	-	-	-
Unearned revenue	152,504	-	-
Deposits	-	-	-
Total liabilities	<u>663,635</u>	<u>16,434</u>	<u>0</u>
Deferred inflows of resources:			
Unavailable revenue	<u>257,259</u>	<u>15,000</u>	<u>-</u>
Total deferred inflows of resources	<u>257,259</u>	<u>15,000</u>	<u>-</u>
Fund balance:			
Nonspendable	94,848	-	-
Restricted	-	1,089,787	-
Committed	-	-	4,237,895
Assigned	44,000	-	-
Unassigned	<u>6,873,054</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>7,011,902</u>	<u>1,089,787</u>	<u>4,237,895</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$7,932,796</u>	<u>\$1,121,221</u>	<u>\$4,237,895</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 municipal service center, 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 PIR Fund	Capital Building Library Fund	HRA (Component Unit) Parkview Villa North & South Fund	Other Governmental Funds	Interfund Eliminations	Total Governmental Funds
\$571,714	\$7,054,119	\$1,937,849	\$8,655,318	\$ -	\$29,823,949
-	-	12,914	51,161	-	104,399
1,800,180	-	-	646,175	-	2,446,355
-	-	-	26,982	-	426,356
-	-	6,585,000	99,050	-	6,684,050
600	9,260	1,500	12,120	-	43,917
85,000	-	-	360,808	-	1,367,588
-	-	-	462,384	(507,584)	165,000
-	-	-	2,724	-	97,572
45,600	-	-	693,089	-	738,689
<u>\$2,503,094</u>	<u>\$7,063,379</u>	<u>\$8,537,263</u>	<u>\$11,009,811</u>	<u>(\$507,584)</u>	<u>\$41,897,875</u>
\$87,665	\$894,012	\$4,872	\$49,247	\$ -	\$1,151,879
1,091	-	-	36,147	-	310,819
56,787	128,533	-	8,900	-	213,093
-	-	927,140	11,835	-	1,058,003
-	-	-	507,584	(507,584)	-
-	-	-	53,602	-	206,106
11,945	-	-	3,035	-	14,980
<u>157,488</u>	<u>1,022,545</u>	<u>932,012</u>	<u>670,350</u>	<u>(507,584)</u>	<u>2,954,880</u>
<u>1,784,092</u>	<u>-</u>	<u>6,585,000</u>	<u>655,586</u>	<u>-</u>	<u>9,296,937</u>
<u>1,784,092</u>	<u>0</u>	<u>6,585,000</u>	<u>655,586</u>	<u>0</u>	<u>9,296,937</u>
-	-	-	2,724	-	97,572
-	3,773,678	1,020,251	3,937,591	-	9,821,307
561,514	2,267,156	-	5,835,600	-	12,902,165
-	-	-	-	-	44,000
-	-	-	(92,040)	-	6,781,014
<u>561,514</u>	<u>6,040,834</u>	<u>1,020,251</u>	<u>9,683,875</u>	<u>0</u>	<u>29,646,058</u>
<u>\$2,503,094</u>	<u>\$7,063,379</u>	<u>\$8,537,263</u>	<u>\$11,009,811</u>	<u>(\$507,584)</u>	<u>\$41,897,875</u>
					\$29,646,058
					41,337,766
					4,096,937
					2,433,761
					<u>(29,917,724)</u>
					<u>\$47,596,798</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, 2015

	General Fund	Municipal State Aid Street Fund	Capital Equipment Replacement General Gov't
Revenues:			
Taxes	\$8,781,533	\$ -	\$ -
Tax increment collections	-	-	-
Special assessments	-	-	-
Licenses and permits	213,408	-	-
Intergovernmental	1,666,889	1,047,041	-
Rents	-	-	-
Charges for services	592,599	197	-
Fines and forfeitures	96,551	-	-
Investment income:			
Interest and dividends	72,948	-	50,980
Change in fair value	30,339	-	16,800
Other revenues	23,950	-	-
Total revenues	<u>11,478,217</u>	<u>1,047,238</u>	<u>67,780</u>
Expenditures:			
Current:			
General government	1,881,711	-	-
Public safety	5,492,908	-	46,795
Public works	1,534,891	242,120	-
Culture and recreation	1,483,765	-	-
Community development	-	-	-
Capital outlay:			
Public safety	1,557	-	607,375
Public works	95,188	436,830	42,078
Culture and recreation	59,590	-	47,190
Community development	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Issuance costs	-	-	-
Developer incentives	-	-	-
Total expenditures	<u>10,549,610</u>	<u>678,950</u>	<u>743,438</u>
Revenues over (under) expenditures	<u>928,607</u>	<u>368,288</u>	<u>(675,658)</u>
Other financing sources (uses):			
Transfers in	417,106	300,000	550,000
Transfers out	(1,707,631)	-	-
Bonds issued	-	-	-
Bond premium	-	-	-
Sale of capital assets	-	-	9,135
Special item	-	-	-
Total other financing sources (uses)	<u>(1,290,525)</u>	<u>300,000</u>	<u>559,135</u>
Net change in fund balance	(361,918)	668,288	(116,523)
Fund balance - January 1	<u>7,373,820</u>	<u>421,499</u>	<u>4,354,418</u>
Fund balance - December 31	<u><u>\$7,011,902</u></u>	<u><u>\$1,089,787</u></u>	<u><u>\$4,237,895</u></u>

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

Capital Improvements PIR Fund	Capital Building Library Fund	HRA (Component Unit) Parkview Villa North & South Fund	Other Governmental Funds	Interfund Eliminations	Total Governmental Funds
\$ -	\$ -	\$ -	\$1,734,158	\$ -	\$10,515,691
-	-	-	506,733	-	506,733
1,006,079	-	-	110,655	-	1,116,734
-	-	-	413,139	-	626,547
-	-	161,065	1,204,189	-	4,079,184
-	-	492,304	-	-	492,304
26,188	-	-	329,073	-	948,057
-	-	-	27,516	-	124,067
3,300	30,320	11,117	65,260	-	233,925
1,300	8,470	3,400	24,050	-	84,359
-	2,260	8,711	154,152	-	189,073
<u>1,036,867</u>	<u>41,050</u>	<u>676,597</u>	<u>4,568,925</u>	<u>0</u>	<u>18,916,674</u>
-	-	-	68,351	-	1,950,062
-	-	-	55,412	-	5,595,115
441,863	-	-	1,183	-	2,220,057
-	-	-	1,098,228	-	2,581,993
-	-	571,258	564,962	-	1,136,220
-	-	-	-	-	608,932
421,719	-	-	731,673	-	1,727,488
-	4,066,826	-	-	-	4,173,606
-	-	-	507,472	-	507,472
-	-	-	1,036,716	-	1,036,716
-	-	-	826,921	-	826,921
-	85,016	-	-	-	85,016
-	-	-	164,188	-	164,188
<u>863,582</u>	<u>4,151,842</u>	<u>571,258</u>	<u>5,055,106</u>	<u>0</u>	<u>22,613,786</u>
<u>173,285</u>	<u>(4,110,792)</u>	<u>105,339</u>	<u>(486,181)</u>	<u>0</u>	<u>(3,697,112)</u>
1,131	2,683,399	-	1,455,274	(4,977,811)	429,099
(746,984)	(183,790)	-	(2,459,406)	4,977,811	(120,000)
-	6,875,000	-	-	-	6,875,000
-	293,651	-	-	-	293,651
-	-	-	-	-	9,135
-	-	(927,142)	-	-	(927,142)
<u>(745,853)</u>	<u>9,668,260</u>	<u>(927,142)</u>	<u>(1,004,132)</u>	<u>0</u>	<u>6,559,743</u>
<u>(572,568)</u>	<u>5,557,468</u>	<u>(821,803)</u>	<u>(1,490,313)</u>	<u>0</u>	<u>2,862,631</u>
<u>1,134,082</u>	<u>483,366</u>	<u>1,842,054</u>	<u>11,174,188</u>	<u>-</u>	<u>26,783,427</u>
<u>\$561,514</u>	<u>\$6,040,834</u>	<u>\$1,020,251</u>	<u>\$9,683,875</u>	<u>\$0</u>	<u>\$29,646,058</u>

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

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2015

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)	\$2,862,631
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.	4,559,820
The net effect of various miscellaneous transactions involving capital assets, such as sales, trade-ins and abandonments was a decrease in net position.	(1,115,477)
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.	(6,112,147)
Interest on long-term debt is reported in the governmental funds in the year it is paid. Whereas, this amount is reported in the statement of activities in the year in which it accrues.	(56,344)
Other postemployment employee benefits and net pension liabilities 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.	(218,455)
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.	1,004,231
The net revenues (expenses) of certain activities of internal service funds are reported within the governmental activities in the statement of activities.	<u>(10,659)</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$913,600</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, 2015

	Business-Type Activities - Enterprise Funds	
	Water Utility Fund	Sewer Utility Fund
Assets:		
Current assets:		
Cash and cash equivalents	\$951,626	\$1,065,067
Restricted asset: cash and cash equivalents with fiscal agent	-	-
Receivables:		
Accounts (net of allowance for uncollectibles)	583,272	435,259
Interest	2,290	2,160
Due from other governmental units - current	-	-
Prepayments	-	81,197
Inventory - at cost	8,011	-
Total current assets	<u>1,545,199</u>	<u>1,583,683</u>
Noncurrent assets:		
Capital assets:		
Land	45,223	36,586
Construction in progress	482,295	124,833
Buildings	866,118	403,659
Equipment	515,901	932,135
Infrastructure	8,973,852	6,154,219
Total capital assets	<u>10,883,389</u>	<u>7,651,432</u>
Less: accumulated depreciation	<u>(4,958,174)</u>	<u>(4,584,813)</u>
Net capital assets	<u>5,925,215</u>	<u>3,066,619</u>
Total noncurrent assets	<u>5,925,215</u>	<u>3,066,619</u>
Total assets	<u>7,470,414</u>	<u>4,650,302</u>
Deferred outflows of resources:		
Related to pensions	<u>23,580</u>	<u>23,580</u>
Liabilities:		
Current liabilities:		
Accounts payable	10,829	1,386
Accrued salaries and withholdings payable	7,692	8,474
Due to other governmental units	371,642	-
Interfund payable	131,000	-
Contracts payable	11,792	10,678
Accrued interest payable	6,682	2,271
Unearned revenue	-	-
Compensated absences payable - current	1,310	2,868
Bonds payable - current	170,042	35,000
Total current liabilities	<u>710,989</u>	<u>60,677</u>
Noncurrent liabilities:		
Compensated absences payable - noncurrent	16,163	35,370
Bonds payable - noncurrent	830,754	295,000
Net pension liability	171,438	171,438
Total noncurrent liabilities	<u>1,018,355</u>	<u>501,808</u>
Total liabilities	<u>1,729,344</u>	<u>562,485</u>
Deferred inflows of resources:		
Related to pensions	<u>19,857</u>	<u>19,857</u>
Net position:		
Net investments in capital assets	5,474,419	2,982,428
Restricted	190,615	40,113
Unrestricted	79,759	1,068,999
Total net position	<u>\$5,744,793</u>	<u>\$4,091,540</u>

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds
Net position of business-type activities

Business-Type Activities - Enterprise Funds				
Refuse Utility Fund	Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds	Internal Service Funds
\$1,504,837	\$709,362	\$439,271	\$4,670,163	\$3,545,898
-	-	399,251	399,251	-
495,402	98,225	321	1,612,479	-
2,500	1,150	50	8,150	4,400
48,544	-	546	49,090	-
-	-	-	81,197	75,684
-	-	2,985,683	2,993,694	53,856
<u>2,051,283</u>	<u>808,737</u>	<u>3,825,122</u>	<u>9,814,024</u>	<u>3,679,838</u>
-	260,690	2,006,714	2,349,213	15,779
-	1,160,471	-	1,767,599	-
56,000	-	3,915,062	5,240,839	1,978,957
112,893	340,692	436,380	2,338,001	486,425
-	<u>1,518,512</u>	-	<u>16,646,583</u>	-
168,893	3,280,365	6,358,156	28,342,235	2,481,161
(125,897)	(978,439)	(1,275,609)	(11,922,932)	(1,225,014)
42,996	2,301,926	5,082,547	16,419,303	1,256,147
42,996	2,301,926	5,082,547	16,419,303	1,256,147
<u>2,094,279</u>	<u>3,110,663</u>	<u>8,907,669</u>	<u>26,233,327</u>	<u>4,935,985</u>
6,977	6,489	90,750	151,376	51,898
258,188	147	201,869	472,419	25,048
2,757	2,536	36,267	57,726	19,683
-	-	86,683	458,325	-
-	34,000	-	165,000	-
-	-	-	22,470	-
-	4,215	89,983	103,151	-
-	-	-	-	8,141
191	10	6,105	10,484	81,891
-	103,288	185,000	493,330	-
<u>261,136</u>	<u>144,196</u>	<u>605,907</u>	<u>1,782,905</u>	<u>134,763</u>
2,361	129	75,300	129,323	1,009,987
-	651,611	3,895,000	5,672,365	-
50,721	47,171	659,807	1,100,575	288,419
53,082	698,911	4,630,107	6,902,263	1,298,406
314,218	843,107	5,236,014	8,685,168	1,433,169
5,875	5,464	76,424	127,477	43,707
42,996	1,987,027	1,401,798	11,888,668	1,256,147
-	116,389	186,637	533,754	-
1,738,167	165,165	2,097,546	5,149,636	2,254,860
<u>\$1,781,163</u>	<u>\$2,268,581</u>	<u>\$3,685,981</u>	<u>17,572,058</u>	<u>\$3,511,007</u>
			988,329	
			<u>\$18,560,387</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, 2015

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
Operating revenues:			
Charges for services	\$154,442	\$1,699,397	\$1,896,230
Charges for sales, net of discounts	2,570,676	-	-
Total operating revenues	<u>2,725,118</u>	<u>1,699,397</u>	<u>1,896,230</u>
Operating expenses:			
Cost of sales, services and goods sold	1,221,185	974,822	1,532,417
Operating expense	830,779	447,858	166,238
Depreciation	240,377	144,496	3,641
Total operating expenses	<u>2,292,341</u>	<u>1,567,176</u>	<u>1,702,296</u>
Net income (loss) from operations	<u>432,777</u>	<u>132,221</u>	<u>193,934</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest and dividends	10,170	10,660	13,800
Change in fair value	3,360	4,070	5,500
Intergovernmental	-	-	96,518
Miscellaneous revenues	5,398	-	-
Miscellaneous expense	(3,158)	-	-
Interest and fiscal charges	(26,151)	(5,679)	-
Total nonoperating revenues (expenses)	<u>(10,381)</u>	<u>9,051</u>	<u>115,818</u>
Net income (loss) before transfers and capital contributions	<u>422,396</u>	<u>141,272</u>	<u>309,752</u>
Transfers in	-	-	-
Transfers out	(131,017)	(131,016)	(119,277)
Capital contributions - intergovernmental	-	-	-
Total transfers and capital contributions	<u>(131,017)</u>	<u>(131,016)</u>	<u>(119,277)</u>
Change in net position	<u>291,379</u>	<u>10,256</u>	<u>190,475</u>
Net position - January 1, as previously reported	5,616,744	4,244,614	1,639,010
Prior period adjustment	(163,330)	(163,330)	(48,322)
Net position - January 1, as restated	<u>5,453,414</u>	<u>4,081,284</u>	<u>1,590,688</u>
Net position - December 31	<u>\$5,744,793</u>	<u>\$4,091,540</u>	<u>\$1,781,163</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:

 Capital contributions - intergovernmental reported as capital grants and contributions on the statement of activities

 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	Internal Service Funds
\$375,663	\$ -	\$ -	\$4,125,732	\$1,262,903
-	8,399,943	-	10,970,619	138,688
<u>375,663</u>	<u>8,399,943</u>	<u>0</u>	<u>15,096,351</u>	<u>1,401,591</u>
-	6,338,891	-	10,067,315	1,593,923
439,345	1,386,496	-	3,270,716	-
89,459	148,207	-	626,180	98,748
<u>528,804</u>	<u>7,873,594</u>	<u>0</u>	<u>13,964,211</u>	<u>1,692,671</u>
<u>(153,141)</u>	<u>526,349</u>	<u>0</u>	<u>1,132,140</u>	<u>(291,080)</u>
3,660	151	-	38,441	24,599
910	(60)	-	13,780	9,800
-	-	-	96,518	-
-	-	-	5,398	3,118
-	(3,571)	-	(6,729)	-
<u>(13,884)</u>	<u>(200,124)</u>	<u>-</u>	<u>(245,838)</u>	<u>-</u>
<u>(9,314)</u>	<u>(203,604)</u>	<u>0</u>	<u>(98,430)</u>	<u>37,517</u>
<u>(162,455)</u>	<u>322,745</u>	<u>0</u>	<u>1,033,710</u>	<u>(253,563)</u>
-	-	-	-	335,000
-	(202,789)	-	(584,099)	(60,000)
747,334	-	-	747,334	-
<u>747,334</u>	<u>(202,789)</u>	<u>0</u>	<u>163,235</u>	<u>275,000</u>
<u>584,879</u>	<u>119,956</u>	<u>0</u>	<u>1,196,945</u>	<u>21,437</u>
1,728,641	4,194,628	-	17,423,637	3,760,146
(44,939)	(628,603)	-	(1,048,524)	-
<u>1,683,702</u>	<u>3,566,025</u>	<u>-</u>	<u>16,375,113</u>	<u>3,760,146</u>
<u>\$2,268,581</u>	<u>\$3,685,981</u>	<u>\$0</u>	<u>\$17,572,058</u>	<u>\$3,781,583</u>
			\$1,196,945	
			32,098	
			<u>\$1,229,043</u>	
			Transfers - Net	
			\$163,235	
			(747,334)	
			215,000	
			<u>(\$369,099)</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, 2015

	<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	\$2,717,640	\$1,658,659
Cash received from interfund goods and services provided	-	-
Cash paid to suppliers for goods and services	(1,536,248)	(1,244,286)
Cash payments to employees for services	(470,118)	(185,718)
Net cash flows provided by (used in) operating activities	<u>711,274</u>	<u>228,655</u>
Cash flows from noncapital financing activities:		
Transfers in	-	-
Transfers out	(131,017)	(131,016)
Miscellaneous revenue	-	-
Increases in compensated absences payable	-	-
Decreases in compensated absences payable	-	-
Intergovernmental	-	-
Interfund receivable repaid by (advanced to) other funds	9,629	-
Interfund payable (repaid to) advanced by other funds	(64,000)	-
Net cash flows provided by (used in) noncapital financing activities	<u>(185,388)</u>	<u>(131,016)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(474,047)	(114,250)
Capital contribution	-	-
Principal payments - bonds	(177,028)	(35,000)
Interest and fiscal charges	(26,676)	(5,737)
Net cash flows provided by (used in) capital and related financing activities	<u>(677,751)</u>	<u>(154,987)</u>
Cash flows from investing activities:		
Investment income		
Interest and dividends	9,480	9,900
Change in fair value	3,360	4,070
Net cash flows provided by (used in) investing activities	<u>12,840</u>	<u>13,970</u>
Net increase (decrease) in cash and cash equivalents	(139,025)	(43,378)
Total cash and cash equivalents - January 1	<u>1,090,651</u>	<u>1,108,445</u>
Total cash and cash equivalents - December 31	951,626	1,065,067
(Less) Restricted asset: cash and cash equivalents with fiscal agent - December 31	<u>-</u>	<u>-</u>
Cash and cash equivalents - December 31	<u>\$951,626</u>	<u>\$1,065,067</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	Total Enterprise Funds	Internal Service Funds
\$1,907,682	\$413,352	\$8,312,054	\$15,009,387	\$ -
-	-	-	-	1,401,591
(1,476,652)	(322,067)	(6,803,924)	(11,383,177)	(955,067)
(85,780)	(115,731)	(996,676)	(1,854,023)	(598,424)
<u>345,250</u>	<u>(24,446)</u>	<u>511,454</u>	<u>1,772,187</u>	<u>(151,900)</u>
-	-	-	-	335,000
(119,277)	-	(202,789)	(584,099)	(60,000)
-	-	-	-	3,118
-	-	-	-	628,760
96,518	-	-	96,518	(575,356)
-	-	-	9,629	-
-	(16,000)	-	(80,000)	-
<u>(22,759)</u>	<u>(16,000)</u>	<u>(202,789)</u>	<u>(557,952)</u>	<u>331,522</u>
-	(1,138,093)	(23,178)	(1,749,568)	(14,968)
-	747,334	-	747,334	-
-	(104,256)	(180,000)	(496,284)	-
-	(14,016)	(203,818)	(250,247)	-
<u>0</u>	<u>(509,031)</u>	<u>(406,996)</u>	<u>(1,748,765)</u>	<u>(14,968)</u>
13,400	3,410	101	36,291	24,299
5,500	910	(60)	13,780	9,800
<u>18,900</u>	<u>4,320</u>	<u>41</u>	<u>50,071</u>	<u>34,099</u>
341,391	(545,157)	(98,290)	(484,459)	198,753
<u>1,163,446</u>	<u>1,254,519</u>	<u>936,812</u>	<u>5,553,873</u>	<u>3,347,145</u>
1,504,837	709,362	838,522	5,069,414	3,545,898
-	-	(399,251)	(399,251)	-
<u>\$1,504,837</u>	<u>\$709,362</u>	<u>\$439,271</u>	<u>\$4,670,163</u>	<u>\$3,545,898</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, 2015

	<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)	\$432,777	\$132,221
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	240,377	144,496
Miscellaneous revenues	5,398	-
Miscellaneous expense	(3,158)	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	19,879	(17,194)
(Increase) decrease in due from other governmental units	-	-
(Increase) decrease in prepayments	-	36
(Increase) decrease in inventory, at cost	(619)	-
(Increase) decrease in deferred pension outflows	(23,580)	(23,580)
Increase (decrease) in accounts payable	(27,489)	(14,904)
Increase (decrease) in accrued salaries and withholdings payable	(1,434)	2,576
Increase (decrease) in contracts payable - retained percentage	6,109	(25,493)
Increase (decrease) in due to other governmental units	36,066	-
Increase (decrease) in compensated absences payable	(1,017)	2,532
Increase (decrease) in deferred revenue	-	-
Increase (decrease) in net pension liability	8,108	8,108
Increase (decrease) in deferred pension inflows	19,857	19,857
Total adjustments	278,497	96,434
Net cash flows from operating activities	<u>\$711,274</u>	<u>\$228,655</u>
Noncash capital and related financing activities:	\$ -	\$ -

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

Business-Type Activities - Enterprise Funds				
Refuse Utility Fund	Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds	Internal Service Funds
\$193,934	(\$153,141)	\$526,349	\$1,132,140	(\$291,080)
3,641	89,459	148,207	626,180	98,748
-	-	(3,571)	1,827	-
-	-	-	(3,158)	-
2,639	(3,926)	(300)	1,098	-
15,790	48,104	3,161	67,055	-
-	-	-	36	(13,908)
-	-	(108,878)	(109,497)	(51,898)
(6,977)	(6,489)	(90,750)	(151,376)	14,706
129,311	(3,641)	(66,799)	16,478	16,311
492	(704)	(6,655)	(5,725)	5,644
-	-	-	(19,384)	-
-	-	(5,511)	30,555	-
(1,854)	(1,804)	8,573	6,430	7,790
-	-	-	-	237
2,399	2,232	31,204	52,051	17,843
5,875	5,464	76,424	127,477	43,707
151,316	128,695	(14,895)	640,047	139,180
\$345,250	(\$24,446)	\$511,454	\$1,772,187	(\$151,900)
\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015

Statement 9

Assets:	
Cash and investments	\$28,045
Due from other governmental units	<u>79</u>
Total assets	<u><u>\$28,124</u></u>
Liabilities:	
Accounts payable	\$19,284
Due to other governmental units	<u>8,840</u>
Total liabilities	<u><u>\$28,124</u></u>

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. FINANCIAL REPORTING ENTITY

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

The City has two component units - the Housing and Redevelopment Authority (HRA) and the Economic Development Authority (EDA). The HRA and the EDA are considered component units because the governing boards are substantively the same as that of the City and because the City is in a relationship of financial benefit or burden with each of the entities. 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 *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 equipment replacement – general government fund* was established to account for the replacement of capital assets as needed.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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

The *capital building library fund* was established to account for replacement of the library building.

The *HRA (component unit) Parkview Villa North & South fund* was established to account for the revenue and expenditures of the senior housing complex.

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 municipal service center, 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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

provides discounts. For 2015, liquor sales discounts were \$257,032. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. BUDGETARY DATA

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

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

Housing and Redevelopment Authority (component unit):

Parkview villa north & south fund

Nonmajor special revenue funds:

Cable television fund

Library fund

Community development fund

Economic Development Authority (component unit):

Economic Development Authority administration 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.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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, 2015, 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. Interfund loans are classified as “interfund receivables/payables.” 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 inflow 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 inflow 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.

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, are 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 to certain limits. 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.

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 unless proceeds from the sale are committed or restricted.

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. Once adopted, the limitation imposed requires a similar action be taken to remove or revise the limitation.

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 2010-138, the City Manager 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 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

Deferred outflows 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 one item that qualifies for reporting in this category. It is the pension related deferred outflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

Deferred Inflows of resources: 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 pension related deferred inflows of resources reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position. The City also has a type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes, special assessments, due from other governments and loans receivable.

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 (\$29,917,724) difference are as follows:

Accrued interest payable	(\$356,229)
Other postemployment benefits payable	(223,618)
Bonds payable	(23,072,168)
Net Pension Liability	<u>(6,265,709)</u>
Adjustment to fund balance - total governmental funds - to arrive at net position of governmental activities	<u><u>(\$29,917,724)</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 depreciation exceeded capital outlay in the current year.” The details of this \$4,559,820 difference are as follows:

Total capital outlay in government fund financial statements	\$7,017,498
Adjustments for items not capitalized	(201,296)
Adjustments to the carrying value of real estate held for resale	(213,447)
Depreciation expense	<u>(2,042,935)</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>\$4,559,820</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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Another element of that reconciliation states, “The issuance of long-term debt provides current financial resources to the governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position however. This amount is the net effect of these differences in the treatment of long-term debt.” The details of this (\$6,112,147) difference are as follows:

Debt issued:	
General obligation bonds	(\$7,148,863)
Principal repayments:	
General obligation bonds	968,716
Revenue bonds	<u>68,000</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>(\$6,112,147)</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 \$1,004,231 difference are as follows:

Unavailable revenue - General property taxes:	
At December 31, 2014	(\$267,687)
At December 31, 2015	264,479
Unavailable revenue - Tax increment taxes:	
At December 31, 2014	(17,283)
At December 31, 2015	2,189
Unavailable revenue - Special assessments:	
At December 31, 2014	(2,488,491)
At December 31, 2015	2,430,268
Unavailable revenue - Intergovernmental revenue:	
At December 31, 2014	(319,244)
At December 31, 2015	15,000
Unavailable revenue - Sale of capital asset:	
At December 31, 2014	-
At December 31, 2015	<u>1,385,000</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>\$1,004,231</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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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.

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, 2015, 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, 2015 are as follows:

	<u>Carrying Amount At Fair Value</u>
Investments	\$14,916,421
Deposits	23,542,870
Cash on hand	8,014
(Less) fiduciary fund cash	<u>(28,045)</u>
	<u>\$38,439,260</u>
Cash and investments	\$38,040,009
Restricted asset: Cash and investments with fiscal agent	<u>399,251</u>
	<u>\$38,439,260</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;

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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- (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.

Deposits as of December 31, 2015 are as follows:

	<u>Bank Balances</u>	<u>Carrying Amount At Fair Value</u>
Demand deposits	\$1,847,596	\$1,721,190
Time deposits	<u>21,835,646</u>	<u>21,821,680</u>
Total	<u>\$23,683,242</u>	<u>\$23,542,870</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.
 - (4) any security which is an obligation of a school district with an original maturity not exceeding 13 months and rated in the highest category by a national bond rating service, or enrolled in the credit enhancement program pursuant to Section 126C.55.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) 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.
- g) Funds held in a debt service fund may be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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Investments as of December 31, 2015 are as follows:

	Weighted Average Maturities <u>In Years</u>	Carrying Amount At Fair Value	Percentage of Fair Value Per Issuer
Notes issued by U.S. government agencies:			
Federal Home Loan Bank	10.6	\$2,732,943	18.3%
Federal National Mortgage Association	10.6	3,514,882	23.6%
Federal Home Loan Mortgage Corporation	5.3	3,921,610	26.3%
Federal Farm Credit Bank	6.2	1,310,518	8.8%
Money market mutual funds:			
Evergreen U.S. Government Fund	Less than 1yr	1,648,106	11.0%
Western Asset Government Fund	Less than 1yr	718,340	4.8%
Other issuers	Less than 1yr	<u>1,070,022</u>	<u>7.2%</u>
Total investments		<u>\$14,916,421</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. To address this risk, the City's policy is to generally hold investments to maturity.
- 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, 2015, 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, 2015, 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, 2015.
- 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, 2015, investments in securities are held by the City's three broker-dealers in the City's name, with \$500,000 of those securities at each broker-dealer insured by SIPC. Each broker-dealer has provided additional protection by providing additional insurance. This additional insurance is subject to aggregate limits applied to all of the broker-dealer's accounts. Investments in money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2015 are as follows:

	Major Funds		Nonmajor Funds		Total
	HRA (component unit) Parkview Villa North &	Capital Improvement PIR Fund	2008A Taxable GO Housing Imp Area Bonds Fund	Capital Improvement Development	
Special assessments receivable	\$ -	\$1,413,067	\$581,588	\$ -	\$1,994,655
Loan receivable	6,585,000	-	-	99,050	6,684,050
Total	\$6,585,000	\$1,413,067	\$581,588	\$99,050	\$8,678,705

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	Sale of Capital Asset	Intergovernmental Revenue	Total
Major Funds:						
General Fund	\$257,259	\$0	\$0	\$0	\$0	\$257,259
Municipal State Aid Street Fund	-	-	-	-	15,000	15,000
Capital Improvements - PIR Funds	-	-	1,784,092	-	-	1,784,092
HRA Parkview Villa North & South	-	-	-	6,585,000	-	6,585,000
Nonmajor Governmental Funds:	7,220	2,189	646,177	-	-	655,586
Total unavailable revenue	264,479	2,189	2,430,269	6,585,000	15,000	9,296,937

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets - not depreciated:				
Land	\$5,325,624	\$0	(\$177,375)	\$5,148,249
Construction in progress	1,019,899	6,175,149	(1,243,957)	5,951,091
Total capital assets not being depreciated	<u>6,345,523</u>	<u>6,175,149</u>	<u>(1,421,332)</u>	<u>11,099,340</u>
Capital assets - being depreciated:				
Buildings	28,567,589	29,500	(5,352,327)	23,244,762
Equipment	8,445,431	727,654	(524,132)	8,648,953
Infrastructure	30,171,790	912,449	-	31,084,239
Total capital assets being depreciated	<u>67,184,810</u>	<u>1,669,603</u>	<u>(5,876,459)</u>	<u>62,977,954</u>
Less accumulated depreciation for:				
Buildings	12,791,628	638,685	(4,462,956)	8,967,357
Equipment	6,314,033	473,076	(477,362)	6,309,747
Infrastructure	15,237,593	1,008,416	-	16,246,009
Total accumulated depreciation	<u>34,343,254</u>	<u>2,120,177</u>	<u>(4,940,318)</u>	<u>31,523,113</u>
Capital assets being depreciated - net	<u>32,841,556</u>	<u>(450,574)</u>	<u>(936,141)</u>	<u>31,454,841</u>
Governmental activities capital assets - net	<u>39,187,079</u>	<u>5,724,575</u>	<u>(2,357,473)</u>	<u>42,554,181</u>
Business-type activities:				
Capital assets - not depreciated:				
Land	2,349,213	-	-	2,349,213
Construction in progress	591,563	1,684,312	(508,276)	1,767,599
Total capital assets not being depreciated	<u>2,940,776</u>	<u>1,684,312</u>	<u>(508,276)</u>	<u>4,116,812</u>
Capital assets - being depreciated:				
Buildings	5,124,992	115,846	-	5,240,838
Equipment	2,509,940	80,224	(26,840)	2,563,324
Infrastructure	16,254,153	392,431	-	16,646,584
Total capital assets being depreciated	<u>23,889,085</u>	<u>588,501</u>	<u>(26,840)</u>	<u>24,450,746</u>
Less accumulated depreciation for:				
Buildings	1,516,779	152,718	-	1,669,497
Equipment	1,741,788	127,824	(26,840)	1,842,772
Infrastructure	8,229,109	367,145	-	8,596,254
Total accumulated depreciation	<u>11,487,676</u>	<u>647,687</u>	<u>(26,840)</u>	<u>12,108,523</u>
Capital assets being depreciated - net	<u>12,401,409</u>	<u>(59,186)</u>	<u>-</u>	<u>12,342,223</u>
Business-type activities capital assets - net	<u>15,342,185</u>	<u>1,625,126</u>	<u>(508,276)</u>	<u>16,459,035</u>
Total capital assets - net	<u>54,529,264</u>	<u>7,349,701</u>	<u>(2,865,749)</u>	<u>59,013,216</u>

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

Governmental activities:	
General government	\$76,311
Public safety	515,247
Public works	1,093,601
Culture and recreation	294,542
Community development	67,022
Depreciation on capital assets held by governmental internal service activities is charged to each function based on use:	
Municipal Service Center - Garage	<u>73,454</u>
Total depreciation expense - capital assets held by governmental activities	<u><u>\$2,120,177</u></u>

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

Business-type activities:	
Water	\$240,377
Sewer	144,496
Refuse	3,641
Storm sewer	89,458
Liquor	148,207
Depreciation on capital assets held by business-type internal service activities is charged to each function based on use:	
Information systems	<u>21,508</u>
Total depreciation expense - capital assets held by business-type activities	<u><u>\$647,687</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

INTERFUND RECEIVABLES, PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2015 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
General Fund	\$45,200	\$ -
Capital Equipment Replacement General Gov't	165,000	-
Water	-	131,000
Storm Sewer	-	34,000
Nonmajor funds	<u>462,384</u>	<u>507,584</u>
Total	<u><u>\$672,584</u></u>	<u><u>\$672,584</u></u>

Included in these balances is an interfund loan from the Capital Equipment Replacement – General Government Fund to the Water Fund for \$131,000, and to the Storm Sewer Fund for \$34,000; to finance utility infrastructure improvements. All other interfund balances at December 31, 2015, 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
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INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2015 are as follows:

	Transfers In							Total
	Major Funds					Nonmajor Funds		
	Governmental							
	General Fund	Municipal State Aid Street Fund	Capital Imprvmts Gen Govt Bldg	Capital Imp PIR Fund	Capital Bldg Lib Fund	Other Govtl Funds	Internal Service	
Transfers out:								
Major funds:								
Governmental:								
General Fund	\$ -	\$ -	\$550,000	\$1,131	\$545,000	\$558,500	\$53,000	\$1,707,631
Capital Imprvmts PIR	-	300,000	-	-	-	446,984	-	746,984
Capital Bldg Lib Fund	-	-	-	-	-	183,790	-	183,790
Enterprise:								
Water	86,017	-	-	-	-	-	45,000	131,017
Sewer	86,017	-	-	-	-	-	45,000	131,017
Refuse	74,277	-	-	-	-	-	45,000	119,277
Liquor	107,789	-	-	-	-	50,000	45,000	202,789
Nonmajor funds:								
Other governmental funds	63,007	-	-	-	2,113,399	216,000	67,000	2,459,406
Internal service funds	-	-	-	-	25,000	-	35,000	60,000
Total	\$417,107	\$300,000	\$550,000	\$1,131	\$2,683,399	\$1,455,274	\$335,000	\$5,741,911

2015 interfund transfers were primarily for the following purposes:

- a) To fund debt service funds with pledged resources from the funds authorized to collect those resources.
- b) To fund capital projects, equipment replacement, and information systems with certain resources from operating budgets.
- c) To fund general government functions of the General Fund which are broadly applicable to all activities of the primary government.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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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, 2015, 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	\$110,000
GO Public safety center series 2008B	None	10,000,000	4.30-4.55%	8/6/2008	2/1/2038	8,970,000
GO Public facilities series 2009A	None	3,005,000	2.00-4.75%	7/1/2009	2/1/2038	2,505,000
GO Library series 2015A	None	6,875,000	2.50-3.25%	3/4/2015	2/1/2036	6,875,000
Taxable GO tax increment bonds series 2009B	Tax increment	580,000	3.40-5.10%	7/1/2009	2/1/2021	410,000
Taxable GO housing imprvmt area series 2008A	Special assessments	975,000	5.00-6.05%	7/16/2008	2/1/2024	680,000
GO Public Facilities series 2009A	Special assessments	605,000	2.00-4.75%	7/1/2009	2/1/2019	250,000
GO Improvement series 2013A	Special assessments	235,000	0.40-2.50%	11/21/2013	2/1/2024	210,000
GO Improvement series 2013A - Refunding	Special assessments	328,021	0.40-2.50%	11/21/2013	2/1/2020	239,305
Business-type activities:						
GO Public Facilities series 2009A	Utility revenues	325,000	2.00-4.75%	7/1/2009	2/1/2019	155,000
GO Utility revenue series 2013A	Utility revenues	1,685,000	0.40-2.50%	11/21/2013	2/1/2024	1,580,000
GO Improvement series 2013A - Refunding	Utility revenues	291,979	0.40-2.50%	11/21/2013	2/1/2024	195,695
GO Utility revenue series 2013A - Refunding	Utility revenues	235,000	0.40-2.50%	11/21/2013	2/1/2024	155,000
Total general obligation bonds outstanding						<u>\$22,335,000</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

As of December 31, 2015, 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
2016	\$761,670	\$746,507	\$308,330	\$34,799
2017	927,635	718,147	332,365	31,388
2018	885,000	686,396	225,000	27,450
2019	880,000	653,448	230,000	23,502
2020	875,000	620,190	190,000	19,758
2021	895,000	586,264	190,000	16,242
2022	840,000	553,033	200,000	12,143
2023	875,000	520,482	205,000	7,534
2024	905,000	486,352	205,000	2,562
2025	725,000	456,809	-	-
2026-2030	4,085,000	1,879,418	-	-
2031-2035	5,000,000	1,047,524	-	-
2036-2038	2,595,000	158,506	-	-
Total	\$20,249,305	\$9,113,076	\$2,085,695	\$175,378

REVENUE BONDS

The City issues revenue bonds for which the City pledges only the income derived from the acquired or constructed assets or redevelopment to pay the debt service. All of the bonds are serial bonds, which require semiannual payments of principal and/or interest from the date the bonds are issued. There are a number of limitations and restrictions contained in the bond indentures. The City is in compliance with all significant limitations and restrictions. Revenue bonds outstanding at December 31, 2015 are as follows:

	Pledged revenue	Original Issue	Interest Rate	Issue Date	Final Maturity	Balance End of Year
Governmental activities:						
Tax increment revenue series 2007	Tax increment	\$2,890,000	5.00-5.375%	8/3/2007	2/15/2032	\$2,549,000
Business-type activities:						
Public facility lease revenue series 2007B	Liquor revenues	5,040,000	4.50-5.00%	9/19/2007	2/1/2030	4,080,000
Total revenue bonds outstanding						\$6,629,000

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

As of December 31, 2015, the annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
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	576,000	34,722	-	-
Total	<u>\$2,549,000</u>	<u>\$1,429,437</u>	<u>\$4,080,000</u>	<u>\$1,691,733</u>

PLEDGED REVENUES

Refer to the schedules above for the terms of bonds with pledged revenues. Additional information on pledged revenues by type, as of December 31, 2015, 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	\$826,556	95%	\$1,242,307	\$447,364
Project-specific special assessments	Private redevelopment	877,943	95%	96,414	110,826
Project-specific tax increment	Public/Private redevelopment	4,452,517	83%	286,239	260,412
Water, sewer and storm- sewer net revenues	Utility system improvements	2,261,074	36%	353,366	991,499
Annual appropriation of liquor net revenues	Municipal store construction	5,771,735	100%	381,155	377,544

CITY OF COLUMBIA HEIGHTS, MINNESOTA
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December 31, 2015

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2015 is as follows:

	Beginning Balance as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds repaid only with general taxes	\$12,260,000	\$6,875,000	(\$675,000)	\$18,460,000	\$455,000
Unamortized premium on above	-	293,651	(19,788)	273,863	-
General obligation bonds with other pledged revenues	2,083,021	-	(293,716)	1,789,305	306,670
Revenue bonds	2,617,000	-	(68,000)	2,549,000	74,000
Total bonds payable	16,960,021	7,168,651	(1,056,504)	23,072,168	835,670
Due to Other Government	-	5,200,000	-	5,200,000	-
Compensated absences	1,007,424	636,675	(575,356)	1,068,743	80,156
Net pension liability	6,275,906	1,511,117	(966,898)	6,820,125	-
Postemployment benefits other than pensions	191,151	75,212	(42,745)	223,618	-
Total governmental activity long-term liabilities	<u>\$24,434,502</u>	<u>\$14,591,655</u>	<u>(\$2,641,503)</u>	<u>\$36,384,654</u>	<u>\$915,826</u>
Business-type activities:					
Bonds payable:					
General obligation bonds with other pledged revenues	\$2,401,979	\$ -	(\$316,284)	\$2,085,695	\$308,330
Revenue bonds	4,260,000	-	(180,000)	4,080,000	185,000
Total bonds payable	6,661,979	-	(496,284)	6,165,695	493,330
Compensated absences	156,637	121,793	(115,488)	162,942	12,219
Net pension liability	1,211,832	231,341	(171,184)	1,271,989	-
Total business-type activity long-term liabilities	<u>\$8,030,448</u>	<u>\$353,134</u>	<u>(\$782,956)</u>	<u>\$7,600,626</u>	<u>\$505,549</u>

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

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, 2015, there were no Revenue Bonds of this type outstanding.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 9 FUND EQUITY

A. CLASSIFICATIONS

At December 31, 2015, the City has various fund equities through legal restrictions and City Council authorizations. A summary of such classifications are as follows:

	General Fund	Municipal State Aid Street	Cap Eqp Replacement Gen Govt	PIR	Capital Building Library	HRA (component unit) Parkview Villa No & So	Nonmajor Gov't	Total
2015 Fund Balance:								
Nonspendable:								
Prepaid items	\$94,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,724	\$97,572
Total nonspendable	94,848	-	-	-	-	-	2,724	97,572
Restricted for:								
Debt service	-	-	-	-	3,773,678	-	1,506,769	5,280,447
Streets	-	1,089,787	-	-	-	-	-	1,089,787
Tax Increment	-	-	-	-	-	-	1,863,077	1,863,077
Police Forfeiture	-	-	-	-	-	-	46,631	46,631
Grant sponsored Rec Programs	-	-	-	-	-	-	171,763	171,763
Capital Improvements/Replacement	-	-	-	-	-	-	349,351	349,351
Public Housing	-	-	-	-	-	1,020,251	-	1,020,251
Total restricted	-	1,089,787	-	-	3,773,678	1,020,251	3,937,591	9,821,307
Committed for:								
Downtown Parking Maint	-	-	-	-	-	-	25,000	25,000
Capital Improvements/Replacement	-	-	4,237,895	561,514	2,267,156	-	3,867,448	10,934,013
Cable TV Operations	-	-	-	-	-	-	523,650	523,650
Library Operations	-	-	-	-	-	-	504,163	504,163
Redevelopment	-	-	-	-	-	-	915,339	915,339
Total committed	-	-	4,237,895	561,514	2,267,156	-	5,835,600	12,902,165
Assigned for:								
2016 Appropriation	44,000	-	-	-	-	-	-	44,000
Unassigned:	\$6,873,054	\$ -	\$ -	\$ -	\$ -	\$ -	(\$92,040)	\$6,781,014

B. DEFICIT FUND BALANCE

The following funds had fund deficits as of December 31, 2015. The City will finance these deficits through TIF collections and other revenues in future years.

Nonmajor Funds:	
Special Revenue Fund	
Anoka County Community Dev Program	(\$24,102)
Debt Service Funds:	
TIF Scattered Site	(\$67,938)
	<u>(\$92,040)</u>

C. MINIMUM FUND BALANCE POLICY

The City Council has formally adopted a fund balance policy for the General Fund and the Library Fund (a non-major fund). 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 Library fund equal to at least 45% of the next year’s budgeted expenditures. At December 31, 2015, both funds have met this goal.

Note 10 DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. PLAN DESCRIPTION

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

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). 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.

Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

Benefits provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. 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
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GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

B. CONTRIBUTIONS

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

GERF Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in calendar year 2015. The City of Columbia Heights was required to contribute 7.50% for Coordinated Plan members in calendar year 2015. The City of Columbia Heights' contributions to the GERF for the year ended December 31, 2015, were \$388,736. The City of Columbia Heights' contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Plan members were required to contribute 10.8% of their annual covered salary in calendar year 2015. The City of Columbia Heights was required to contribute 16.20% of pay for PEPFF members in calendar year 2015. The City of Columbia Heights' regular contributions to the PEPFF for the year ended December 31, 2015, were \$478,016 and the city paid an additional \$3,994 in miscellaneous contributions. The City of Columbia Heights' contributions were equal to the required contributions as set by state statute.

C. PENSION COSTS

GERF Pension Costs

At December 31, 2015, the City of Columbia Heights reported a liability of \$4,524,339 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Columbia Heights' proportion of the net pension liability was based on the City of Columbia Heights' contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer

CITY OF COLUMBIA HEIGHTS, MINNESOTA
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contributions received from all of PERA’s participating employers. At June 30, 2015, the City of Columbia Heights’ proportion share was 0.0873 % which was a decrease of 0.0084 % from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City of Columbia Heights recognized pension expense of \$504,469 for its proportionate share of the GERF’s pension expense.

At December 31, 2015, the City of Columbia Heights reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 228,104
Changes in actuarial assumptions	-	-
Differences between projected and actual investment earnings	428,298	-
Changes in proportions	-	295,942
Contributions paid to PERA subsequent to the measurement date	<u>193,985</u>	<u>-</u>
Total	<u>\$ 622,283</u>	<u>\$ 524,046</u>

\$193,985 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2016	(\$67,607)
2017	(67,607)
2018	(67,608)
2019	107,074
2020	-
Thereafter	-

PEPPF Pension Costs

At December 31, 2015, the City of Columbia Heights reported a liability of \$3,567,775 for its proportionate share of the PEPFF’s net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the City's proportion was 0.314 % which was a decrease of 0.001 % from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City of Columbia Heights recognized pension expense of \$614,337 for its proportionate share of the PEPFF's pension expense. The City also recognized \$28,260 for the year ended December 31, 2015, as revenue for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

At December 31, 2015, the City of Columbia Heights reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual economic experience	\$ -	\$578,576
Changes in actuarial assumptions	-	-
Differences between projected and actual investment earnings	621,626	-
Changes in proportions	-	7,200
Contributions paid to PERA subsequent to the measurement date	<u>246,497</u>	<u>-</u>
Total	<u><u>\$868,123</u></u>	<u><u>\$585,776</u></u>

\$246,497 reported as deferred outflows of resources related to pensions resulting from the City of Columbia Heights' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Pension Expense Amount</u>
2016	\$38,252
2017	38,252
2018	38,251
2019	38,251
2020	(117,156)
Thereafter	-

D. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Active Member Payroll Growth	3.50% per year
Investment Rate of Return	7.90%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1% effective every January 1st until 2034, then 2.5% for GERP and PEPFF.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the GERP was for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014. The experience study for PEPFF was for the period July 1, 2004, through June 30, 2009.

There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	45%	5.50%
International Stocks	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Cash	2%	0.50%

E. DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.9%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F. PENSION LIABILITY SENSITIVITY

The following presents the City of Columbia Heights' proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1% Decrease in		1% Increase in
	Discount Rate (6.9%)	Discount Rate (7.9%)	Discount Rate (8.9%)
GERF	\$7,113,869	\$4,524,339	\$2,385,785
PEPFF	6,953,630	3,567,778	770,468

G. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org; by writing to PERA at 60 Empire Drive #200, St Paul, Minnesota, 55103-2088; or by calling (651)296-7460 or (800)652-9026.

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 2015, state aid was contributed to the plan. This state aid revenue and the related contribution expense/expenditure of \$96,681 are recognized in the accompanying financial statements for the year ended December 31, 2015.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
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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. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member's account annually.

Total contributions made by the City of Columbia Heights for the last three fiscal years were:

For the Year Ended:	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
December 31, 2015	\$1,482	\$1,482	5%	5%	5%
December 31, 2014	1,860	1,860	5%	5%	5%
December 31, 2013	1,860	1,860	5%	5%	5%

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 2015, 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.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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.

C. ANNUAL OPEB COST AND NET OPEB OBLIGATION

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

<u>Year Ended December 31, 2015</u>	
Annual required contribution	\$79,088
Interest on net OPEB obligation	5,735
Adjustment to annual required contribution	<u>(9,611)</u>
Annual OPEB cost	75,212
Contributions made by City	<u>(42,745)</u>
Increase in net OPEB obligation	32,467
Net OPEB obligation-beginning of year	<u>191,151</u>
Net OPEB obligation-end of year	<u><u>\$223,618</u></u>

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

<u>Year Ended</u> <u>December 31</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2012	\$77,340	40%	\$105,492
2013	76,467	39%	152,154
2014	76,003	49%	191,151
2015	75,212	57%	223,618

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

D. FUNDED STATUS AND FUNDING PROGRESS

Most Recent Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2014	\$ -	\$1,042,604	\$1,042,604	0%	\$6,881,033	15%

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 – 7%, declining to 5% after three years
- Inflation rate assumed – less than 5% annual
- Investment return assumed – 3% annual
- Retirement age assumed - Public safety employees age 53, 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 carries commercial insurance for 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

PROPERTY SALE

On September 24, 2015, the Housing and Redevelopment Authority (HRA) finalized the sale of the 150 unit senior apartment facility (Parkview Villa North and South) to Aeon, a regional non-profit housing entity. The terms of the sale included a 30 year \$6,585,000 long-term note receivable from Aeon, secured by an interest in the property. This note is included in the amount reported in these financial statements for loans receivable. Once the note is collected, the HRA will remit \$5,200,000 to U.S. Department of Housing and Urban Development (HUD), for the dissolution and conversion of the Parkview Villa North portion of the facility as a Public Housing Agency project.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

SPECIAL ITEM

In conjunction with the dissolution of the PHA the HRA must remit unspent HUD operating grant. As of December 31, 2015 the balance was \$927,142.

CONSTRUCTION

The City has entered into several contractual commitments for construction projects that are in process at yearend. At December 31, 2015, the City's obligation for such projects was approximately \$6,379,995.

TAX INCREMENT FINANCING AGREEMENTS

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. 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	\$ -	\$27,642	\$732,801	\$487,359
R8	2027	Col Hts Tran Block	-	10,330	175,089	60,416
K2	2019	Barnick	-	-	40,672	-
K2	2019	Miske	9,584	480	-	-
T6	2031	Columbia Heights Leased Housing Associates I, LLP	-	116,151	6,650,000	2,895,812

Note 15 CHANGE IN ACCOUNTING PRINCIPLE

During 2015, the City implemented several new accounting pronouncements issued by the Governmental Accounting Standards Board (GASB), including Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Translation for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No.68*, for the year ended December 31, 2015. These standards required a retroactive implementation which resulted in the restatement of net position as of December 31, 2014. Changes related to these standards are reflected in the financial statements and schedules and related disclosures are included in Note 10.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

As a result the restatement of beginning balances, the following schedule reconciles the previously reported December 31, 2014 balances to the December 31, 2015 financial statements:

<u>Fund</u>	December 31, 2015		
	Net Position January 1, 2015 as Previously Reported	Prior Period Restatement (1)	Net Position January 1, 2015 as Restated
Governmental activities	\$52,959,104	(\$6,275,906)	\$46,683,198
Business-type activities			
Water Utility	\$5,616,744	(\$163,330)	\$5,453,414
Sewer Utility	4,244,614	(163,330)	4,081,284
Refuse Utility	1,639,010	(48,322)	1,590,688
Storm Sewer Utility	1,728,641	(44,941)	1,683,700
Liquor	4,194,628	(628,603)	3,566,025
Internal Service	1,119,539	(163,306)	956,233
Total business-type activities	<u>\$18,543,176</u>	<u>(\$1,211,832)</u>	<u>\$17,331,344</u>

(1) To record the beginning net position liability and deferred outflows of resources at December 31, 2014.

Note 16 RECENTLY ISSUED ACCOUNTING STANDARDS

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

Statement No. 72 *Fair Value Measurement and Application*. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015.

Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016.

Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016.

Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Statement No. 77 *Tax Abatement Disclosures.* The provisions of this Statement are effective for reporting periods beginning after December 31, 2015.

Statement No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.* The provisions of this Statement are effective for reporting periods beginning after December 15, 2015.

Statement No. 79 *Certain External Investment Pools and Pool Participants.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing which are effective for reporting periods beginning after December 15, 2015.

Statement No. 80 *Blending Requirements for Certain Component Units.* The provisions of this Statement are effective for reporting periods beginning after June 15, 2016.

Statement No. 81 *Irrevocable Split-Interest Agreements.* The provisions of this Statement are effective for reporting periods beginning after December 15, 2016

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 75 will have a material impact.

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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, 2015
With Comparative Actual Amounts For The Year Ended December 31, 2014

	2015		Actual Amounts	Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Taxes	\$8,673,000	\$8,673,000	\$8,781,533	\$108,533	\$8,551,642
Licenses and permits	199,000	199,000	213,408	14,408	199,108
Intergovernmental	1,619,541	1,643,905	1,666,889	22,984	1,558,816
Charges for services	600,500	626,110	592,599	(33,511)	629,632
Fines and forfeitures	126,000	126,000	96,551	(29,449)	123,633
Investment income:					
Interest and dividends	70,000	70,000	72,948	2,948	84,643
Change in fair value	-	-	30,339	30,339	238,924
Other revenues	13,000	21,950	23,950	2,000	13,617
Total revenues	<u>11,301,041</u>	<u>11,359,965</u>	<u>11,478,217</u>	<u>118,252</u>	<u>11,400,015</u>
Expenditures:					
General government:					
Council	149,893	149,893	137,176	12,717	137,694
Manager	435,980	435,980	430,982	4,998	416,358
Clerk	52,614	52,614	50,346	2,268	91,801
Legal	186,500	186,500	166,589	19,911	167,182
Finance	803,000	803,000	800,894	2,106	771,577
Assessing	123,839	123,839	122,792	1,047	124,571
General government buildings	158,000	158,000	132,556	25,444	152,680
Contingencies	55,000	55,000	40,376	14,624	19,689
Capital outlay	20,000	20,000	-	20,000	-
Total general government	<u>1,984,826</u>	<u>1,984,826</u>	<u>1,881,711</u>	<u>103,115</u>	<u>1,881,552</u>
Public safety:					
Police	4,065,179	4,100,195	3,983,332	116,863	3,788,095
Fire	1,463,000	1,486,907	1,509,576	(22,669)	1,455,204
Capital outlay	-	-	1,557	(1,557)	4,073
Total public safety	<u>5,528,179</u>	<u>5,587,102</u>	<u>5,494,465</u>	<u>92,637</u>	<u>5,247,372</u>
Public works:					
Engineering	364,296	364,296	307,926	56,370	280,162
Maintenance	1,283,530	1,283,530	1,226,965	56,565	1,194,548
Capital outlay	-	-	95,188	(95,188)	62,896
Total public works	<u>1,647,826</u>	<u>1,647,826</u>	<u>1,630,079</u>	<u>17,747</u>	<u>1,537,606</u>
Other Departments:					
Parks and recreation	1,638,705	1,638,705	1,483,765	154,940	1,463,093
Capital outlay	36,362	36,362	59,590	(23,228)	-
Total recreation	<u>1,675,067</u>	<u>1,675,067</u>	<u>1,543,355</u>	<u>131,712</u>	<u>1,463,093</u>
Total expenditures	<u>10,835,898</u>	<u>10,894,821</u>	<u>10,549,610</u>	<u>345,211</u>	<u>10,129,623</u>
Revenues over (under) expenditures	<u>465,143</u>	<u>465,144</u>	<u>928,607</u>	<u>463,463</u>	<u>1,270,392</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2015
With Comparative Actual Amounts For The Year Ended December 31, 2014

	2015			Variance with Final Budget Positive (Negative)	2014 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Other financing sources (uses):					
Transfers in	\$417,106	\$417,106	\$417,106	\$ -	\$428,651
Transfers out	(795,500)	(1,706,500)	(1,707,631)	(1,131)	(722,500)
Total other financing sources (uses)	<u>(378,394)</u>	<u>(1,289,394)</u>	<u>(1,290,525)</u>	<u>(1,131)</u>	<u>(293,849)</u>
Net change in fund balance	<u>\$86,749</u>	<u>(\$824,250)</u>	(361,918)	<u>\$462,332</u>	976,543
Fund balance - January 1			<u>7,373,820</u>		<u>6,397,277</u>
Fund balance - December 31			<u>\$7,011,902</u>		<u>\$7,373,820</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HRA (COMPONENT UNIT)
PARKVIEW VILLA NORTH & SOUTH FUND 203 & 213
For The Year Ended December 31, 2015
With Comparative Actual Amounts For The Year Ended December 31, 2014

Statement 11

	2015			Variance with Final Budget- Positive (Negative)	2014 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Intergovernmental revenue	\$100,000	\$100,000	\$161,065	\$61,065	\$299,558
Rents	670,994	670,994	492,304	(178,690)	653,019
Investment income:					
Interest and dividends	-	-	11,117	11,117	12,098
Change in fair value	-	-	3,400	3,400	27,400
Other revenues	13,525	13,525	8,711	(4,814)	11,551
Total revenues	784,519	784,519	676,597	(107,922)	1,003,626
Expenditures:					
Personal services	19,000	19,000	27,750	(8,750)	37,000
Supplies	39,055	39,055	17,243	21,812	39,421
Other services and charges	640,620	640,620	526,265	114,355	681,003
Capital outlay	-	-	-	-	121,583
Total expenditures	698,675	698,675	571,258	127,417	879,007
Revenues over (under) expenditures	\$85,844	\$85,844	105,339	\$19,495	124,619
Fund balance - January 1			1,842,055		1,717,436
Fund balance - December 31			<u>\$1,947,394</u>		<u>\$1,842,055</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
For The Year Ended December 31, 2015

Statement 12

<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%	\$6,242,641	4%
1/1/2011	-	775,238	775,238	0%	6,923,108	11%
1/1/2014	-	1,042,604	1,042,604	0%	6,881,033	15%

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF PLAN NET PENSION LIABILITY -
GENERAL EMPLOYEES RETIREMENT FUND
For The Year Ended December 31, 2015

Statement 13

<u>Measurement Date</u>	<u>Fiscal Year Ending</u>	<u>Proportion (Percentage) of the Net Pension Liability</u>	<u>Proportionate Share (Amount) of the Net Pension Liability (a)</u>	<u>Covered-Employee Payroll (b)</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2015	December 31, 2015	0.0873%	\$4,524,339	\$5,065,173	89.3%	78.2%

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND
 For The Year Ended December 31, 2015

Statement 14

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered- Employee Payroll (c)	Contributions as a Percentage of Covered-Employee Payroll (b/c)
December 31, 2015	\$388,736	\$388,736	\$0	\$5,183,147	7.5%

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF PLAN NET PENSION LIABILITY -
PUBLIC EMPLOYEES POLICE AND FIRE FUND
For The Year Ended December 31, 2015

Statement 15

<u>Measurement Date</u>	<u>Fiscal Year Ending</u>	<u>Proportion (Percentage) of the Net Pension Liability</u>	<u>Proportionate Share (Amount) of the Net Pension Liability (a)</u>	<u>Covered-Employee Payroll (b)</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll (a/b)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
June 30, 2015	December 31, 2015	0.0920%	\$3,567,778	\$2,816,543	126.7%	86.6%

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND
 For The Year Ended December 31, 2015

Statement 16

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered- Employee Payroll (c)	Contributions as a Percentage of Covered-Employee Payroll (b/c)
December 31, 2015	\$478,016	\$478,016	\$0	\$2,950,716	16.2%

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTES TO RSI
December 31, 2015

Note A LEGAL COMPLIANCE – 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
 - Planning and Inspections Fund
 - Economic Development Authority (Component Unit):
 - Economic Development Authority Administration Fund

Note B PENSION INFORMATION

PERA – General Employees Retirement Fund

There are no factors that affect trends in the amounts reported, such as change of benefit terms or assumptions. With only one year reported in the RSI, there is no additional information to include in the notes. Details can be obtained from the financial reports of PERA.

PERA – Public Employees Police and Fire Fund

There are no factors that affect trends in the amounts reported, such as change of benefit terms or assumptions. With only one year reported in the RSI, there is no additional information to include in the notes. Details can be obtained from the financial reports of PERA.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

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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, 2015

Statement 17

Assets	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Cash and investments	\$2,560,099	\$2,795,546	\$3,299,673	\$8,655,318
Receivables:				
Accounts	51,161	-	-	51,161
Special assessments	-	646,175	-	646,175
Taxes	11,036	15,946	-	26,982
Loans	-	-	99,050	99,050
Interest	3,700	1,820	6,600	12,120
Due from other governmental units	342,085	-	18,723	360,808
Interfund receivable	46,155	75,389	340,840	462,384
Prepayments	2,724	-	-	2,724
Real estate held for resale	66,152	517,726	109,211	693,089
Total assets	\$3,083,112	\$4,052,602	\$3,874,097	\$11,009,811
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$22,849	\$22,784	\$3,614	\$49,247
Accrued salaries and withholdings payable	36,147	-	-	36,147
Contracts payable	8,900	-	-	8,900
Due to other governmental units	11,835	-	-	11,835
Interfund payable	428,040	79,544	-	507,584
Unearned revenue	53,602	-	-	53,602
Deposits	-	-	3,035	3,035
Total liabilities	561,373	102,328	6,649	670,350
Deferred inflows of resources:				
Unavailable revenue	7,220	648,366	-	655,586
Total deferred inflows of resources	7,220	648,366	0	655,586
Fund balance:				
Nonspendable	2,724	-	-	2,724
Restricted	567,745	3,369,846	-	3,937,591
Committed	1,968,152	-	3,867,448	5,835,600
Unassigned	(24,102)	(67,938)	-	(92,040)
Total fund balance	2,514,519	3,301,908	3,867,448	9,683,875
Total liabilities, deferred inflows of resources, and fund balance	\$3,083,112	\$4,052,602	\$3,874,097	\$11,009,811

CITY OF COLUMBIA HEIGHTS, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Statement 18

NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2015

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$1,064,456	\$669,702	\$ -	\$1,734,158
Tax increment collections	-	506,733	-	506,733
Special assessments	-	110,655	-	110,655
Licenses and permits	413,139	-	-	413,139
Intergovernmental	654,189	300,000	250,000	1,204,189
Charges for services	329,073	-	-	329,073
Fines and forfeitures	27,516	-	-	27,516
Investment income:				
Interest and dividends	20,400	8,260	36,600	65,260
Change in fair value	8,100	1,450	14,500	24,050
Other revenues	41,906	-	112,246	154,152
Total revenues	<u>2,558,779</u>	<u>1,596,800</u>	<u>413,346</u>	<u>4,568,925</u>
Expenditures:				
Current:				
General government	45,636	-	22,715	68,351
Public safety	19,135	-	36,277	55,412
Public works	-	-	1,183	1,183
Culture and recreation	804,745	-	293,483	1,098,228
Community development	500,626	27,957	36,379	564,962
Capital outlay:				
Public works	-	-	731,673	731,673
Community development	349,601	146,118	11,753	507,472
Debt service:				
Principal retirement	-	1,036,716	-	1,036,716
Interest and fiscal charges	-	826,921	-	826,921
Developer incentives	-	164,188	-	164,188
Total expenditures	<u>1,719,743</u>	<u>2,201,900</u>	<u>1,133,463</u>	<u>5,055,106</u>
Revenues over (under) expenditures	<u>839,036</u>	<u>(605,100)</u>	<u>(720,117)</u>	<u>(486,181)</u>
Other financing sources (uses):				
Transfers in	-	1,082,774	372,500	1,455,274
Transfers out	(1,481,324)	(216,000)	(762,082)	(2,459,406)
Total other financing sources (uses)	<u>(1,481,324)</u>	<u>866,774</u>	<u>(389,582)</u>	<u>(1,004,132)</u>
Net change in fund balance	(642,288)	261,674	(1,109,699)	(1,490,313)
Fund balance - January 1	<u>3,156,807</u>	<u>3,040,234</u>	<u>4,977,147</u>	<u>11,174,188</u>
Fund balance - December 31	<u><u>\$2,514,519</u></u>	<u><u>\$3,301,908</u></u>	<u><u>\$3,867,448</u></u>	<u><u>\$9,683,875</u></u>

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.

Public Safety Grants Fund 272 – established to account for revenues and expenditures of various grants for public safety 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.

Planning and Inspections Fund 201 – established to account for revenues and expenditures associated with planning and building inspections 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.

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.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2015

	Cable Television Fund 225	Police Forfeiture Fund 265	Public Safety Grants Fund 272	Library Fund 240
Assets				
Cash and investments	\$474,879	\$63,570	\$65	\$543,762
Receivables:				
Accounts	51,161	-	-	-
Taxes	-	-	-	-
Interest	800	-	-	500
Due from other governmental units	-	-	49,945	-
Interfund receivable	-	-	-	-
Prepayments	-	-	-	2,724
Real estate held for resale	-	-	-	-
Total assets	\$526,840	\$63,570	\$50,010	\$546,986
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$3,190	\$ -	\$ -	\$10,981
Accrued salaries and withholdings payable	-	-	4,810	17,283
Contracts payable	-	-	-	-
Due to other governmental units	-	-	-	11,835
Interfund payable	-	-	45,200	-
Unearned revenue	-	16,939	-	-
Total liabilities	3,190	16,939	50,010	40,099
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	0	0	0	0
Fund balance:				
Nonspendable	-	-	-	2,724
Restricted	-	46,631	-	-
Committed	523,650	-	-	504,163
Unassigned	-	-	-	-
Total fund balance	523,650	46,631	0	506,887
Total liabilities, deferred inflows of resources, and fund balance	\$526,840	\$63,570	\$50,010	\$546,986

After-School Programs Fund 261	Contributed Projects - Recreation - Fund 881	Contributed Projects - Other - Fund 883	Special Projects Fund 226	Planning and Inspections Fund 201	Anoka County Comm Dev Programs Fund 202	EDA Administration Fund 204 (Component Unit)	Total Nonmajor Special Revenue Funds
\$174,671	\$151,304	\$202,905	\$244,732	\$335,872	\$446	\$367,893	\$2,560,099
-	-	-	-	-	-	-	51,161
-	-	-	-	-	-	11,036	11,036
300	300	400	400	400	-	600	3,700
-	-	-	-	-	292,140	-	342,085
-	-	-	-	-	-	46,155	46,155
-	-	-	-	-	-	-	2,724
-	-	-	-	-	66,152	-	66,152
<u>\$174,971</u>	<u>\$151,604</u>	<u>\$203,305</u>	<u>\$245,132</u>	<u>\$336,272</u>	<u>\$358,738</u>	<u>\$425,684</u>	<u>\$3,083,112</u>
\$2,533	\$2,340	\$3,218	\$ -	\$551	\$ -	\$36	\$22,849
675	-	-	-	8,982	-	4,397	36,147
-	-	-	8,900	-	-	-	8,900
-	-	-	-	-	-	-	11,835
-	-	-	-	-	382,840	-	428,040
-	-	-	36,663	-	-	-	53,602
<u>3,208</u>	<u>2,340</u>	<u>3,218</u>	<u>45,563</u>	<u>9,533</u>	<u>382,840</u>	<u>4,433</u>	<u>561,373</u>
-	-	-	-	-	-	7,220	7,220
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,220</u>	<u>7,220</u>
-	-	-	-	-	-	-	2,724
171,763	149,264	200,087	-	-	-	-	567,745
-	-	-	199,569	326,739	-	414,031	1,968,152
-	-	-	-	-	(24,102)	-	(24,102)
<u>171,763</u>	<u>149,264</u>	<u>200,087</u>	<u>199,569</u>	<u>326,739</u>	<u>(24,102)</u>	<u>414,031</u>	<u>2,514,519</u>
<u>\$174,971</u>	<u>\$151,604</u>	<u>\$203,305</u>	<u>\$245,132</u>	<u>\$336,272</u>	<u>\$358,738</u>	<u>\$425,684</u>	<u>\$3,083,112</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, 2015

	Cable Television Fund 225	Police Forfeiture Fund 265	Public Safety Grants Fund 272	Library Fund 240
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$804,389
Licenses and permits	-	-	-	-
Intergovernmental	-	-	49,945	-
Fees/program revenues	203,357	-	-	10,510
Rents	-	-	-	-
Fines and forfeitures	-	14,398	-	13,118
Investment income:				
Interest and dividends	4,400	-	-	3,000
Change in fair value	1,800	-	-	1,200
Other revenues:				
Contributions	-	-	-	-
Miscellaneous	22,500	-	-	-
Total revenues	<u>232,057</u>	<u>14,398</u>	<u>49,945</u>	<u>832,217</u>
Expenditures:				
Personal services	2,699	-	49,945	528,587
Supplies	465	1,344	-	92,734
Other services and charges	42,472	-	-	83,088
Capital outlay	-	-	-	-
Total expenditures	<u>45,636</u>	<u>1,344</u>	<u>49,945</u>	<u>704,409</u>
Revenues over (under) expenditures	<u>186,421</u>	<u>13,054</u>	<u>0</u>	<u>127,808</u>
Other financing sources (uses):				
Transfers out	(367,614)	-	-	(34,881)
Total other financing sources (uses)	<u>(367,614)</u>	<u>0</u>	<u>0</u>	<u>(34,881)</u>
Net change in fund balance	(181,193)	13,054	0	92,927
Fund balance - January 1	<u>704,843</u>	<u>33,577</u>	<u>-</u>	<u>413,960</u>
Fund balance - December 31	<u><u>\$523,650</u></u>	<u><u>\$46,631</u></u>	<u><u>\$0</u></u>	<u><u>\$506,887</u></u>

After-School Programs Fund 261	Contributed Projects - Recreation - Fund 881	Contributed Projects - Other - Fund 883	Special Projects Fund 226	Planning and Inspections Fund 201	Anoka County Comm Dev Programs Fund 202	EDA Administration Fund 204 (Component Unit)	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$260,067	\$1,064,456
-	-	-	-	413,139	-	-	413,139
-	-	-	-	-	604,244	-	654,189
18,911	-	-	9,893	-	-	-	242,671
-	-	-	86,402	-	-	-	86,402
-	-	-	-	-	-	-	27,516
1,900	1,500	2,100	2,100	2,100	200	3,100	20,400
800	600	800	800	800	100	1,200	8,100
-	18,215	207	-	-	-	-	18,422
-	-	-	-	984	-	-	23,484
<u>21,611</u>	<u>20,315</u>	<u>3,107</u>	<u>99,195</u>	<u>417,023</u>	<u>604,544</u>	<u>264,367</u>	<u>2,558,779</u>
30,704	-	-	-	258,992	-	176,373	1,047,300
3,116	16,936	12,054	-	3,863	-	1,079	131,591
16,571	855	39	19,347	15,991	-	12,888	191,251
-	-	-	-	-	349,601	-	349,601
<u>50,391</u>	<u>17,791</u>	<u>12,093</u>	<u>19,347</u>	<u>278,846</u>	<u>349,601</u>	<u>190,340</u>	<u>1,719,743</u>
(28,780)	2,524	(8,986)	79,848	138,177	254,943	74,027	839,036
-	-	-	(500,000)	(13,756)	(551,317)	(13,756)	(1,481,324)
0	0	0	(500,000)	(13,756)	(551,317)	(13,756)	(1,481,324)
(28,780)	2,524	(8,986)	(420,152)	124,421	(296,374)	60,271	(642,288)
200,543	146,740	209,073	619,721	202,318	272,272	353,760	3,156,807
<u>\$171,763</u>	<u>\$149,264</u>	<u>\$200,087</u>	<u>\$199,569</u>	<u>\$326,739</u>	<u>(\$24,102)</u>	<u>\$414,031</u>	<u>\$2,514,519</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - CABLE TELEVISION FUND 225
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2015
With Comparative Actual Amounts For The Year Ended December 31, 2014

Statement 21

	2015		Actual Amounts	Variance with Final Budget- Positive (Negative)	2014 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Franchise fees	\$188,000	\$188,000	\$203,357	\$15,357	\$191,278
Investment income:					
Interest and dividends	-	-	4,400	4,400	7,900
Change in fair value	-	-	1,800	1,800	22,600
Other revenues:					
Miscellaneous	-	22,500	22,500	-	-
Total revenues	<u>188,000</u>	<u>210,500</u>	<u>232,057</u>	<u>21,557</u>	<u>221,778</u>
Expenditures:					
Personal services	5,528	5,528	2,699	2,829	1,950
Supplies	600	600	465	135	1,989
Other services and charges	32,713	55,213	42,472	12,741	23,822
Total expenditures	<u>38,841</u>	<u>61,341</u>	<u>45,636</u>	<u>15,705</u>	<u>27,761</u>
Revenues over expenditures	149,159	149,159	186,421	37,262	194,017
Other financing sources (uses):					
Transfers out	<u>(67,614)</u>	<u>(367,614)</u>	<u>(367,614)</u>	-	<u>(67,636)</u>
Net change in fund balance	<u>\$81,545</u>	<u>(\$218,455)</u>	(181,193)	<u>\$37,262</u>	126,381
Fund balance - January 1			<u>704,843</u>		<u>578,462</u>
Fund balance - December 31			<u>\$523,650</u>		<u>\$704,843</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, 2015
With Comparative Amounts For The Year Ended December 31, 2014

Statement 22

	<u>2015</u>	<u>2014</u>
Revenues:		
Forfeitures	<u>\$14,398</u>	<u>\$2,479</u>
Expenditures:		
Supplies	1,344	2,026
Other services and charges	-	627
Total expenditures	<u>1,344</u>	<u>2,653</u>
Revenues over expenditures	13,054	(174)
Fund balance - January 1	<u>33,577</u>	<u>33,751</u>
Fund balance - December 31	<u><u>\$46,631</u></u>	<u><u>\$33,577</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - PUBLIC SAFETY GRANTS FUND 272
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL
For The Year Ended December 31, 2015
With Comparative Amounts For The Year Ended December 31, 2014

Statement 23

	<u>2015</u>	<u>2014</u>
Revenues:		
Intergovernmental	\$49,945	\$ -
Total revenues	<u>49,945</u>	<u>0</u>
Expenditures:		
Personal services	49,945	-
Total expenditures	<u>49,945</u>	<u>0</u>
Revenues over (under) expenditures	0	0
Other financing sources (uses):		
Transfers out	<u>-</u>	<u>-</u>
Net change in fund balance	0	0
Fund balance (deficit) - January 1	<u>-</u>	<u>-</u>
Fund balance (deficit) - December 31	<u><u>\$0</u></u>	<u><u>\$0</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - LIBRARY FUND 240
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2015
With Comparative Actual Amounts For The Year Ended December 31, 2014

Statement 24

	2015		Actual Amounts	Variance with Final Budget- Positive (Negative)	2014 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Taxes	\$804,389	\$804,389	\$804,389	\$ -	\$784,770
Charges for services	10,232	10,232	10,510	278	9,679
Fines	14,750	14,750	13,118	(1,632)	14,459
Investment income:					
Interest and dividends	4,600	4,600	3,000	(1,600)	7,400
Change in fair value	-	-	1,200	1,200	20,100
Total revenues	<u>833,971</u>	<u>833,971</u>	<u>832,217</u>	<u>(1,754)</u>	<u>836,408</u>
Expenditures:					
Personal services	575,253	575,253	528,587	46,666	559,897
Supplies	111,675	111,675	92,734	18,941	91,565
Other services and charges	112,162	112,162	83,088	29,074	58,856
Total expenditures	<u>799,090</u>	<u>799,090</u>	<u>704,409</u>	<u>94,681</u>	<u>710,318</u>
Revenues over expenditures	34,881	34,881	127,808	92,927	126,090
Other financing sources (uses):					
Transfers out	<u>(34,881)</u>	<u>(34,881)</u>	<u>(34,881)</u>	<u>-</u>	<u>(32,679)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	92,927	<u>\$92,927</u>	93,411
Fund balance - January 1			<u>413,960</u>		<u>320,549</u>
Fund balance - December 31			<u>\$506,887</u>		<u>\$413,960</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, 2015
With Comparative Amounts For The Year Ended December 31, 2014

Statement 25

	<u>2015</u>	<u>2014</u>
Revenues:		
Intergovernmental	\$ -	\$31,521
Program revenue	18,911	18,147
Investment income:		
Interest and dividends	1,900	2,500
Change in fair value	800	7,400
Total revenues	<u>21,611</u>	<u>59,568</u>
Expenditures:		
Personal services	30,704	28,124
Supplies	3,116	6,167
Other services and charges	<u>16,571</u>	<u>16,709</u>
Total expenditures	<u>50,391</u>	<u>51,000</u>
Revenues over expenditures	(28,780)	8,568
Fund balance - January 1	<u>200,543</u>	<u>191,975</u>
Fund balance - December 31	<u><u>\$171,763</u></u>	<u><u>\$200,543</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, 2015
With Comparative Amounts For The Year Ended December 31, 2014

Statement 26

	<u>2015</u>	<u>2014</u>
Revenues:		
Investment income:		
Interest and dividends	\$1,500	\$1,700
Change in fair value	600	4,900
Other revenue:		
Contributions	18,215	27,335
Total revenues	<u>20,315</u>	<u>33,935</u>
Expenditures:		
Supplies	16,936	18,159
Other services and charges	855	480
Total expenditures	<u>17,791</u>	<u>18,639</u>
Revenues over (under) expenditures	2,524	15,296
Fund balance - January 1	<u>146,740</u>	<u>131,444</u>
Fund balance - December 31	<u>\$149,264</u>	<u>\$146,740</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, 2015
With Comparative Amounts For The Year Ended December 31, 2014

Statement 27

	<u>2015</u>	<u>2014</u>
Revenues:		
Investment income:		
Interest and dividends	\$2,100	\$2,700
Change in fair value	800	7,900
Contributions	207	5,033
Total revenues	<u>3,107</u>	<u>15,633</u>
Expenditures:		
Supplies	12,054	7,536
Other services and charges	39	2,507
Total expenditures	<u>12,093</u>	<u>10,043</u>
Revenues over (under) expenditures	(8,986)	5,590
Fund balance - January 1	<u>209,073</u>	<u>203,483</u>
Fund balance - December 31	<u><u>\$200,087</u></u>	<u><u>\$209,073</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, 2015
With Comparative Amounts For The Year Ended December 31, 2014

Statement 28

	<u>2015</u>	<u>2014</u>
Revenues:		
Fees/program revenue	\$9,893	\$19,120
Rents	86,402	82,984
Investment income:		
Interest and dividends	2,100	8,000
Change in fair value	800	23,000
Other	-	8,000
Total revenues	<u>99,195</u>	<u>141,104</u>
Expenditures:		
Other services and charges	<u>19,347</u>	<u>47,749</u>
Revenues over expenditures	79,848	93,355
Other financing sources (uses):		
Transfers out	<u>(500,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(500,000)</u>	<u>0</u>
Net change in fund balance	(420,152)	93,355
Fund balance - January 1	<u>619,721</u>	<u>526,366</u>
Fund balance - December 31	<u><u>\$199,569</u></u>	<u><u>\$619,721</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - PLANNING AND INSPECTIONS FUND 201

Statement 29

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2015

With Comparative Actual Amounts For The Year Ended December 31, 2014

	2015		Actual Amounts	Variance with Final Budget- Positive (Negative)	2014 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Licenses and permits	\$205,900	\$205,900	\$413,139	\$207,239	\$215,924
Intergovernmental	-	-	-	-	60
Investment income:					
Interest and dividends	-	-	2,100	2,100	2,400
Change in fair value	-	-	800	800	7,300
Miscellaneous	300	300	984	684	390
Total revenues	<u>206,200</u>	<u>206,200</u>	<u>417,023</u>	<u>210,823</u>	<u>226,074</u>
Expenditures:					
Personal services	239,657	239,657	258,992	(19,335)	215,006
Supplies	1,800	1,800	3,863	(2,063)	2,578
Other services and charges	17,530	17,530	15,991	1,539	15,476
Total expenditures	<u>258,987</u>	<u>258,987</u>	<u>278,846</u>	<u>(19,859)</u>	<u>233,060</u>
Revenues over (under) expenditures	(52,787)	(52,787)	138,177	190,964	(6,986)
Other financing sources (uses):					
Transfers out	<u>(13,756)</u>	<u>(13,756)</u>	<u>(13,756)</u>	-	<u>(13,659)</u>
Net change in fund balance	<u>(\$66,543)</u>	<u>(\$66,543)</u>	124,421	<u>\$190,964</u>	(20,645)
Fund balance - January 1			<u>202,318</u>		<u>222,963</u>
Fund balance - December 31			<u>\$326,739</u>		<u>\$202,318</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, 2015
With Comparative Amounts For The Year Ended December 31, 2014

Statement 30

	<u>2015</u>	<u>2014</u>
Revenues:		
Intergovernmental	\$604,244	\$123,215
Total revenues	<u>604,244</u>	<u>123,215</u>
Expenditures:		
Capital outlay	349,601	61,021
Total expenditures	<u>349,601</u>	<u>61,021</u>
Revenues over (under) expenditures	254,643	62,194
Other financing sources (uses):		
Transfers out	(551,317)	-
Total other financing sources (uses)	<u>(551,317)</u>	<u>0</u>
Net change in fund balance	(296,674)	62,194
Fund balance - January 1	<u>272,272</u>	<u>210,078</u>
Fund balance - December 31	<u><u>(\$24,402)</u></u>	<u><u>\$272,272</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 31

BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT AUTHORITY ADMINISTRATION FUND 204
(COMPONENT UNIT)

For The Year Ended December 31, 2015

With Comparative Actual Amounts For The Year Ended December 31, 2014

	2015			Variance with Final Budget- Positive (Negative)	2014 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Taxes	\$260,578	\$260,578	\$260,067	(\$511)	\$266,778
Fees/program revenues	-	-	-	-	30
Investment income:					
Interest and dividends	-	-	3,100	3,100	4,098
Change in fair value	-	-	1,200	1,200	7,300
Total revenues	<u>260,578</u>	<u>260,578</u>	<u>264,367</u>	<u>3,789</u>	<u>278,206</u>
Expenditures:					
Personal services	196,455	196,455	176,373	20,082	154,803
Other services and charges	19,939	19,939	12,888	7,051	21,952
Supplies	625	625	1,079	(454)	4,037
Capital outlay	-	-	-	-	-
Total expenditures	<u>217,019</u>	<u>217,019</u>	<u>190,340</u>	<u>26,679</u>	<u>180,792</u>
Revenues over (under) expenditures	43,559	43,559	74,027	30,468	97,414
Other financing sources (uses):					
Transfers out	<u>(13,756)</u>	<u>(13,756)</u>	<u>(13,756)</u>	<u>-</u>	<u>(13,658)</u>
Net change in fund balance	<u>\$29,803</u>	<u>\$29,803</u>	60,271	<u>\$30,468</u>	83,756
Fund balance - January 1			<u>353,760</u>		<u>270,004</u>
Fund balance - December 31			<u>\$414,031</u>		<u>\$353,760</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. Both the City and the Economic Development Authority issue bonds.

Tax Increment Financing Funds – are separate funds used to account for the revenues and expenditures of each separate Tax Increment Financing District. The Economic Development Authority authorizes and administers tax increment activities within the City.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 SUBCOMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2015

	G.O. Street Rehabilitation Bonds 2007 Fund 341	2008A Taxable GO Housing Improvement Area Bonds Fund 315	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	\$123,442	\$207,284	\$461,611	\$256,643	\$346,855
Receivables:					
Taxes	1,831	-	4,677	3,205	-
Assessments	-	646,175	-	-	-
Interest	40	100	50	60	130
Interfund receivable	-	-	-	-	-
Real estate for resale	-	-	-	-	-
Total assets	\$125,313	\$853,559	\$466,338	\$259,908	\$346,985
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-	-
Total liabilities	0	0	0	0	0
Deferred inflows of resources:					
Unavailable revenue	-	646,176	-	-	-
Total deferred inflows of resources	0	646,176	0	0	0
Fund balance:					
Restricted	125,313	207,383	466,338	259,908	346,985
Unassigned	-	-	-	-	-
Total fund balance	125,313	207,383	466,338	259,908	346,985
Total liabilities, deferred inflows of resources, and fund balance	\$125,313	\$853,559	\$466,338	\$259,908	\$346,985

EDA Component Unit								
GO Library Bonds 2015A Fund 346	Tax Increment Bonds Fund 376	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	TIF Scattered Site Fund 391	Total Nonmajor Debt Service Funds
\$100,762	\$192,883	\$83,384	\$76,486	\$355,435	\$315,490	\$268,158	\$7,113	\$2,795,546
-	-	332	-	629	4,934	-	338	15,946
-	-	-	-	-	-	-	-	646,175
80	300	100	100	230	500	130	-	1,820
-	75,389	-	-	-	-	-	-	75,389
-	259,572	-	-	258,154	-	-	-	517,726
<u>\$100,842</u>	<u>\$528,144</u>	<u>\$83,816</u>	<u>\$76,586</u>	<u>\$614,448</u>	<u>\$320,924</u>	<u>\$268,288</u>	<u>\$7,451</u>	<u>\$4,052,602</u>
\$ -	\$1,990	\$1,141	\$18,986	\$667	\$ -	\$ -	\$ -	\$22,784
-	-	4,155	-	-	-	-	75,389	79,544
0	1,990	5,296	18,986	667	0	0	75,389	102,328
-	-	233	-	314	1,643	-	-	648,366
0	0	233	0	314	1,643	0	0	648,366
100,842	526,154	78,287	57,600	613,467	319,281	268,288	-	3,369,846
-	-	-	-	-	-	-	(67,938)	(67,938)
100,842	526,154	78,287	57,600	613,467	319,281	268,288	(67,938)	3,301,908
<u>\$100,842</u>	<u>\$528,144</u>	<u>\$83,816</u>	<u>\$76,586</u>	<u>\$614,448</u>	<u>\$320,924</u>	<u>\$268,288</u>	<u>\$7,451</u>	<u>\$4,052,602</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, 2015

	G.O. Street Rehabilitation Bonds 2007 Fund 341	2008A Taxable GO Housing Improvement Area Bonds Fund 315	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	\$121,453	\$ -	\$316,643	\$231,606	\$ -
Tax increment collections	-	-	-	-	-
Special assessments	-	110,655	-	-	-
Intergovernmental	-	-	300,000	-	-
Investment income:					
Interest and dividends	130	290	140	170	380
Change in fair value	(50)	(120)	(60)	(70)	(150)
Total revenues	<u>121,533</u>	<u>110,825</u>	<u>616,723</u>	<u>231,706</u>	<u>230</u>
Expenditures:					
Community development:					
Other services and charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	350,000	55,000	220,000	170,000	113,716
Interest and fiscal charges	14,433	42,331	401,984	119,441	5,396
Developer incentives	-	-	-	-	-
Total expenditures	<u>364,433</u>	<u>97,331</u>	<u>621,984</u>	<u>289,441</u>	<u>119,112</u>
Revenues over (under) expenditures	<u>(242,900)</u>	<u>13,494</u>	<u>(5,261)</u>	<u>(57,735)</u>	<u>(118,882)</u>
Other financing sources (uses):					
Transfers in	236,000	-	-	68,134	378,850
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>236,000</u>	<u>0</u>	<u>0</u>	<u>68,134</u>	<u>378,850</u>
Net change in fund balance	(6,900)	13,494	(5,261)	10,399	259,968
Fund balance - January 1	<u>132,213</u>	<u>193,889</u>	<u>471,599</u>	<u>249,509</u>	<u>87,017</u>
Fund balance - December 31	<u>\$125,313</u>	<u>\$207,383</u>	<u>\$466,338</u>	<u>\$259,908</u>	<u>\$346,985</u>

EDA Component Unit

GO Library Bonds 2015A Fund 346	Tax Increment Bonds Fund 376	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	TIF Scattered Site Fund 391	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$669,702
-	-	25,031	42,234	63,988	368,029	-	7,451	506,733
-	-	-	-	-	-	-	-	110,655
-	-	-	-	-	-	-	-	300,000
230	1,900	700	600	660	2,700	360	-	8,260
(90)	800	300	200	(260)	1,100	(150)	-	1,450
140	2,700	26,031	43,034	64,388	371,829	210	7,451	1,596,800
-	5,604	1,615	1,436	3,837	15,465	-	-	27,957
-	154,517	-	-	(8,399)	-	-	-	146,118
-	-	-	-	60,000	-	68,000	-	1,036,716
83,088	-	-	-	21,892	-	138,356	-	826,921
-	-	10,064	37,973	-	116,151	-	-	164,188
83,088	160,121	11,679	39,409	77,330	131,616	206,356	0	2,201,900
(82,948)	(157,421)	14,352	3,625	(12,942)	240,213	(206,146)	7,451	(605,100)
183,790	-	-	-	-	-	216,000	-	1,082,774
-	-	-	-	-	(216,000)	-	-	(216,000)
183,790	0	0	0	0	(216,000)	216,000	0	866,774
100,842	(157,421)	14,352	3,625	(12,942)	24,213	9,854	7,451	261,674
-	683,575	63,935	53,975	626,409	295,068	258,434	(75,389)	3,040,234
\$100,842	\$526,154	\$78,287	\$57,600	\$613,467	\$319,281	\$268,288	(\$67,938)	\$3,301,908

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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.

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

Capital Improvement General Government Buildings Fund 411 – used to account for improvements to City buildings.

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.

Capital Improvement Development Fund 420 – used to account for improvements to various development areas within the City.

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.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2015

Statement 34

	EDA (Component Unit) Housing Maintenance Fund 408	Capital Improvements General Gov't Buildings Fund 411	Capital Improvement Parks Fund 412	Capital Improvement Development Fund 420	Infrastructure Replacement Fund 430	Capital Equipment Fire Fund 439	Capital Equipment Cable TV Fund 440	Total Nonmajor Capital Project Funds
Assets								
Cash and investments	\$ -	\$1,167,138	\$80,914	\$1,041,199	\$918,867	\$20,655	\$70,900	\$3,299,673
Due from other governments	-	-	18,723	-	-	-	-	18,723
Interfund receivable	-	-	-	340,840	-	-	-	340,840
Receivables:								
Loans	-	-	-	99,050	-	-	-	99,050
Interest	-	2,100	300	1,900	2,100	100	100	6,600
Real estate held for resale	21,113	-	-	88,098	-	-	-	109,211
Total assets	\$21,113	\$1,169,238	\$99,937	\$1,571,087	\$920,967	\$20,755	\$71,000	\$3,874,097
Liabilities and Fund Balance								
Liabilities:								
Accounts payable	-	260	-	385	-	2,969	-	3,614
Deposits	-	-	-	3,035	-	-	-	3,035
Total liabilities	0	260	0	3,420	0	2,969	0	6,649
Fund balance:								
Committed	21,113	1,168,978	99,937	1,567,667	920,967	17,786	71,000	3,867,448
Total fund balance	21,113	1,168,978	99,937	1,567,667	920,967	17,786	71,000	3,867,448
Total liabilities and fund balance	\$21,113	\$1,169,238	\$99,937	\$1,571,087	\$920,967	\$20,755	\$71,000	\$3,874,097

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, 2015

Statement 35

	EDA (Component Unit) Housing Maintenance Fund 408	Capital Improvements General Gov't Buildings Fund 411	Capital Improvement Parks Fund 412	Capital Improvement Development Fund 420	Infrastructure Replacement Fund 430	Capital Equipment Fire Fund 439	Capital Equipment Cable TV Fund 440	Total Nonmajor Capital Project Funds
Revenues:								
Intergovernmental	\$ -	\$ -	\$250,000	\$ -	\$ -	\$ -	\$ -	\$250,000
Investment income:								
Interest and dividends	-	11,900	1,500	10,500	11,700	300	700	36,600
Change in fair value	-	4,700	600	4,200	4,600	100	300	14,500
Program revenue	-	-	5,546	106,700	-	-	-	112,246
Total revenues	<u>0</u>	<u>16,600</u>	<u>257,646</u>	<u>121,400</u>	<u>16,300</u>	<u>400</u>	<u>1,000</u>	<u>413,346</u>
Expenditures:								
Current:								
Other services and charges	-	22,715	293,483	36,379	1,183	36,277	-	390,037
Capital outlay	-	-	431,516	11,753	300,157	-	-	743,426
Total expenditures	<u>0</u>	<u>22,715</u>	<u>724,999</u>	<u>48,132</u>	<u>301,340</u>	<u>36,277</u>	<u>0</u>	<u>1,133,463</u>
Revenue over (under) expenditures	<u>0</u>	<u>(6,115)</u>	<u>(467,353)</u>	<u>73,268</u>	<u>(285,040)</u>	<u>(35,877)</u>	<u>1,000</u>	<u>(720,117)</u>
Other financing sources (uses):								
Transfers in	-	22,500	250,000	-	100,000	-	-	372,500
Transfers out	(336,365)	-	-	(425,717)	-	-	-	(762,082)
Total other financing sources (uses)	<u>(336,365)</u>	<u>22,500</u>	<u>250,000</u>	<u>(425,717)</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>(389,582)</u>
Net change in fund balance	(336,365)	16,385	(217,353)	(352,449)	(185,040)	(35,877)	1,000	(1,109,699)
Fund balance - January 1	<u>357,478</u>	<u>1,152,593</u>	<u>317,290</u>	<u>1,920,116</u>	<u>1,106,007</u>	<u>53,663</u>	<u>70,000</u>	<u>4,977,147</u>
Fund balance - December 31	<u>\$21,113</u>	<u>\$1,168,978</u>	<u>\$99,937</u>	<u>\$1,567,667</u>	<u>\$920,967</u>	<u>\$17,786</u>	<u>\$71,000</u>	<u>\$3,867,448</u>

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ENTERPRISE FUNDS

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 sanitary 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 management.

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, 2015

Statement 36

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total
Assets:						
Current assets:						
Cash and cash equivalents	\$4,200	\$171,967	\$550,309	\$225,150	\$ -	\$951,626
Receivables:						
Accounts (net of allowance for uncollectables)	583,272	-	-	-	-	583,272
Interest	1,000	600	600	90	-	2,290
Interfund receivable	-	185,100	-	-	(185,100)	-
Inventory - at cost	8,011	-	-	-	-	8,011
Total current assets	<u>596,483</u>	<u>357,667</u>	<u>550,909</u>	<u>225,240</u>	<u>(185,100)</u>	<u>1,545,199</u>
Noncurrent assets:						
Capital assets:						
Land	45,223	-	-	-	-	45,223
Buildings	866,118	-	-	-	-	866,118
Equipment	515,901	-	-	-	-	515,901
Infrastructure	8,973,852	-	-	-	-	8,973,852
Construction in process	-	-	482,295	-	-	482,295
Total capital assets	<u>10,401,094</u>	<u>0</u>	<u>482,295</u>	<u>0</u>	<u>0</u>	<u>10,883,389</u>
Less: accumulated depreciation	(4,958,174)	-	-	-	-	(4,958,174)
Total capital assets (net of accumulated depreciation)	<u>5,442,920</u>	<u>-</u>	<u>482,295</u>	<u>-</u>	<u>-</u>	<u>5,925,215</u>
Total noncurrent assets	<u>5,442,920</u>	<u>0</u>	<u>482,295</u>	<u>0</u>	<u>0</u>	<u>5,925,215</u>
Total assets	<u>6,039,403</u>	<u>357,667</u>	<u>1,033,204</u>	<u>225,240</u>	<u>(185,100)</u>	<u>7,470,414</u>
Deferred outflows of resources:						
Related to pensions	23,580	-	-	-	-	23,580
Liabilities :						
Current liabilities:						
Accounts payable	10,829	-	-	-	-	10,829
Accrued salaries and withholdings payable	7,692	-	-	-	-	7,692
Contracts payable - retained percentage	-	-	11,792	-	-	11,792
Due to other governmental units	101,980	-	269,662	-	-	371,642
Interfund payable	107,400	-	77,700	131,000	(185,100)	131,000
Accrued interest payable	-	-	-	6,682	-	6,682
Compensated absences payable - current	1,310	-	-	-	-	1,310
Bonds payable - current	-	-	-	170,042	-	170,042
Total current liabilities	<u>229,211</u>	<u>0</u>	<u>359,154</u>	<u>307,724</u>	<u>(185,100)</u>	<u>797,865</u>
Noncurrent liabilities:						
Compensated absences payable - noncurrent	16,163	-	-	-	-	16,163
Bonds payable - noncurrent	-	-	-	830,754	-	830,754
Net pension liability	171,438	-	-	-	-	171,438
Total noncurrent liabilities	<u>187,601</u>	<u>0</u>	<u>0</u>	<u>830,754</u>	<u>0</u>	<u>1,018,355</u>
Total liabilities	<u>416,812</u>	<u>0</u>	<u>359,154</u>	<u>1,138,478</u>	<u>(185,100)</u>	<u>1,644,782</u>
Deferred inflows of resources:						
Related to pensions	19,857	-	-	-	-	19,857
Net position:						
Net investments in capital assets	5,442,920	-	482,295	(450,796)	-	5,474,419
Restricted	-	-	550,000	(359,385)	-	190,615
Unrestricted	183,394	357,667	(358,245)	(103,057)	-	79,759
Total net position	<u>\$5,626,314</u>	<u>\$357,667</u>	<u>\$674,050</u>	<u>(\$913,238)</u>	<u>\$0</u>	<u>\$5,744,793</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
WATER UTILITY FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
For The Year Ended December 31, 2015

Statement 37

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total
Operating revenues:						
Charges for services:						
Customer services	\$58,883	\$ -	\$ -	\$ -	\$ -	\$58,883
Penalties	95,559	-	-	-	-	95,559
Charges for sales:						
Water	2,482,751	-	-	-	-	2,482,751
Meter	8,879	79,046	-	-	-	87,925
Total operating revenues	<u>2,646,072</u>	<u>79,046</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,725,118</u>
Operating expenses:						
Cost of sales	1,221,185	-	-	-	-	1,221,185
Distribution	624,045	-	175,089	-	-	799,134
Administration	31,645	-	-	-	-	31,645
Depreciation	240,377	-	-	-	-	240,377
Total operating expenses	<u>2,117,252</u>	<u>0</u>	<u>175,089</u>	<u>0</u>	<u>0</u>	<u>2,292,341</u>
Net income (loss) from operations	<u>528,820</u>	<u>79,046</u>	<u>(175,089)</u>	<u>0</u>	<u>0</u>	<u>432,777</u>
Nonoperating revenues (expenses):						
Investment income:						
Interest and dividends	5,900	3,100	910	260	-	10,170
Change in fair value	2,300	1,200	(40)	(100)	-	3,360
Miscellaneous revenues	5,098	-	300	-	-	5,398
Miscellaneous expense	(3,158)	-	-	-	-	(3,158)
Interest and fiscal charges	-	-	-	(26,151)	-	(26,151)
Total nonoperating revenues (expenses)	<u>10,140</u>	<u>4,300</u>	<u>1,170</u>	<u>(25,991)</u>	<u>0</u>	<u>(10,381)</u>
Net income (loss) before transfers	<u>538,960</u>	<u>83,346</u>	<u>(173,919)</u>	<u>(25,991)</u>	<u>0</u>	<u>422,396</u>
Transfers in	115,846	25,000	136,827	256,000	(533,673)	-
Transfers out	(548,844)	-	(115,846)	-	533,673	(131,017)
Total transfers	<u>(432,998)</u>	<u>25,000</u>	<u>20,981</u>	<u>256,000</u>	<u>0</u>	<u>(131,017)</u>
Change in net position	<u>105,962</u>	<u>108,346</u>	<u>(152,938)</u>	<u>230,009</u>	<u>0</u>	<u>291,379</u>
Total net position - January 1, as previously reported	5,683,682	249,321	826,988	(1,143,247)	-	5,616,744
Prior period adjustment	(163,330)	-	-	-	-	(163,330)
Total net position - January 1, as restated	<u>5,520,352</u>	<u>249,321</u>	<u>826,988</u>	<u>(1,143,247)</u>	<u>-</u>	<u>5,453,414</u>
Total net position - December 31	<u>\$5,626,314</u>	<u>\$357,667</u>	<u>\$674,050</u>	<u>(\$913,238)</u>	<u>\$0</u>	<u>\$5,744,793</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
WATER UTILITY FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2015

Statement 38

	<u>2015</u>
Cash flows from operating activities:	
Cash received from customers	\$2,717,640
Cash paid to suppliers for goods and services	(1,536,248)
Cash payments to employees for services	(470,118)
Net cash flows from operating activities	<u>711,274</u>
Cash flows from noncapital financing activities:	
Transfers out	(131,017)
Interfund receivable repaid by (advanced to) other funds	9,629
Interfund payable (repaid to) advanced by other funds	(64,000)
Net cash flows from noncapital financing activities	<u>(185,388)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(474,047)
Principal payments - bonds	(177,028)
Interest and fiscal charges	(26,676)
Net cash flows from capital and related financing activities	<u>(677,751)</u>
Cash flows from investing activities:	
Investment income:	
Interest and dividends	9,480
Change in fair value	3,360
Net cash flows from investing activities	<u>12,840</u>
Net increase (decrease) in cash and cash equivalents	(139,025)
Cash and cash equivalents - January 1	<u>1,090,651</u>
Cash and cash equivalents - December 31	<u><u>\$951,626</u></u>
Reconciliation of operating income to net cash flows from operating activities:	
Operating income	<u>\$432,777</u>
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation expense	240,377
Miscellaneous revenues	5,398
Miscellaneous expenses	(3,158)
Changes in assets, liabilities, deferred outflows and inflows:	
(Increase) decrease in accounts receivable	19,879
(Increase) decrease in inventory, at cost	(619)
(Increase) decrease in deferred pension outflows	(23,580)
Increase (decrease) in accounts payable	(27,489)
Increase (decrease) in accrued salaries and withholdings payable	(1,434)
Increase (decrease) in contracts payable -retained percentage	6,109
Increase (decrease) in due to other governmental units	36,066
Increase (decrease) in compensated absences payable	(1,017)
Increase (decrease) in net pension liability	8,108
Increase (decrease) in deferred pension inflows	19,857
Total adjustments	<u>278,497</u>
Net cash flows from operating activities	<u><u>\$711,274</u></u>
Noncash capital and related financing activities:	\$ -

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 SEWER UTILITY FUND
 SUBCOMBINING SCHEDULE OF NET POSITION
 December 31, 2015

Statement 39

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total
Assets:						
Current assets:						
Cash and cash equivalents	(\$2,028)	\$380,788	\$646,895	\$39,412	\$ -	\$1,065,067
Receivables:						
Accounts (net of allowance for uncollectibles)	435,259	-	-	-	-	435,259
Interest	-	700	1,450	10	-	2,160
Interfund receivables	-	-	299,200	-	(299,200)	-
Prepayments	81,197	-	-	-	-	81,197
Total current assets	514,428	381,488	947,545	39,422	(299,200)	1,583,683
Noncurrent assets:						
Capital assets:						
Land	36,586	-	-	-	-	36,586
Buildings	403,659	-	-	-	-	403,659
Equipment	932,135	-	-	-	-	932,135
Construction in progress	-	-	124,833	-	-	124,833
Infrastructure	6,154,219	-	-	-	-	6,154,219
Total capital assets	7,526,599	0	124,833	0	0	7,651,432
Less: accumulated depreciation	(4,584,813)	-	-	-	-	(4,584,813)
Net capital assets	2,941,786	0	124,833	0	0	3,066,619
Total noncurrent assets	2,941,786	0	124,833	0	0	3,066,619
Total assets	3,456,214	381,488	1,072,378	39,422	(299,200)	4,650,302
Deferred outflows of resources:						
Related to pensions	23,580	-	-	-	-	23,580
Liabilities:						
Current liabilities:						
Accounts payable	1,386	-	-	-	-	1,386
Accrued salaries and withholdings payable	8,413	-	61	-	-	8,474
Contracts payable - retained percentage	-	-	10,678	-	-	10,678
Interfund payable	299,200	-	-	-	(299,200)	-
Accrued interest payable	-	-	-	2,271	-	2,271
Compensated absences payable - current	2,868	-	-	-	-	2,868
Bonds payable - current	-	-	-	35,000	-	35,000
Total current liabilities	311,867	0	10,739	37,271	(299,200)	60,677
Noncurrent liabilities:						
Compensated absences payable - noncurrent	35,370	-	-	-	-	35,370
Bonds payable - noncurrent	-	-	-	295,000	-	295,000
Net pension liability	171,438	-	-	-	-	171,438
Total noncurrent liabilities	206,808	0	0	295,000	0	501,808
Total liabilities	518,675	0	10,739	332,271	(299,200)	562,485
Deferred inflows of resources:						
Related to pensions	19,857	-	-	-	-	19,857
Net position:						
Net investments in capital assets	2,941,786	-	124,833	(84,191)	-	2,982,428
Restricted	-	-	245,809	(205,696)	-	40,113
Unrestricted	2,676	381,488	687,797	(2,962)	-	1,068,999
Total net position	\$2,944,462	\$381,488	\$1,058,439	(\$292,849)	\$0	\$4,091,540

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
For The Year Ended December 31, 2015

Statement 40

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Interfund Eliminations	Total
Operating revenues:						
Charges for services:						
Sewer service charges	\$1,640,962	\$ -	\$ -	\$ -	\$ -	\$1,640,962
Other	58,435	-	-	-	-	58,435
Total operating revenues	<u>1,699,397</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,699,397</u>
Operating expenses:						
Disposal	974,822	-	-	-	-	974,822
Collection	341,897	-	66,967	-	-	408,864
Administration	38,994	-	-	-	-	38,994
Depreciation	144,496	-	-	-	-	144,496
Total operating expenses	<u>1,500,209</u>	<u>0</u>	<u>66,967</u>	<u>0</u>	<u>0</u>	<u>1,567,176</u>
Net income (loss) from operations	<u>199,188</u>	<u>0</u>	<u>(66,967)</u>	<u>0</u>	<u>0</u>	<u>132,221</u>
Nonoperating revenues (expenses):						
Investment income						
Interest and dividends	-	3,700	6,930	30	-	10,660
Change in fair value	-	1,500	2,580	(10)	-	4,070
Interest and fiscal charges	-	-	-	(5,679)	-	(5,679)
Total nonoperating revenues (expenses)	<u>0</u>	<u>5,200</u>	<u>9,510</u>	<u>(5,659)</u>	<u>0</u>	<u>9,051</u>
Net income (loss) before transfers	<u>199,188</u>	<u>5,200</u>	<u>(57,457)</u>	<u>(5,659)</u>	<u>0</u>	<u>141,272</u>
Transfers in	-	25,000	215,000	37,000	(277,000)	-
Transfers out	(408,016)	-	-	-	277,000	(131,016)
Total transfers	<u>(408,016)</u>	<u>25,000</u>	<u>215,000</u>	<u>37,000</u>	<u>0</u>	<u>(131,016)</u>
Change in net position	<u>(208,828)</u>	<u>30,200</u>	<u>157,543</u>	<u>31,341</u>	<u>-</u>	<u>10,256</u>
Total net position - January 1, as previously reported	3,316,620	351,288	900,896	(324,190)	-	4,244,614
Prior period adjustment	(163,330)	-	-	-	-	(163,330)
Total net position - January 1, as restated	<u>3,153,290</u>	<u>351,288</u>	<u>900,896</u>	<u>(324,190)</u>	<u>0</u>	<u>4,081,284</u>
Net position - December 31	<u>\$2,944,462</u>	<u>\$381,488</u>	<u>\$1,058,439</u>	<u>(\$292,849)</u>	<u>\$0</u>	<u>\$4,091,540</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For Year Ended December 31, 2015

Statement 41

	<u>2015</u>
Cash flows from operating activities:	
Cash received from customers	\$1,658,659
Cash paid to suppliers for goods and services	(1,244,286)
Cash payments to employees for services	(185,718)
Net cash flows from operating activities	<u>228,655</u>
Cash flows from noncapital financing activities:	
Transfers out	(131,016)
Net cash flows from noncapital financing activities	<u>(131,016)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(114,250)
Principal payments - bonds	(35,000)
Interest and fiscal charges	(5,737)
Net cash flows from capital and related financing activities	<u>(154,987)</u>
Cash flows from investing activities:	
Investment income:	
Interest and dividends	9,900
Change in fair value	4,070
Net cash flows from investing activities	<u>13,970</u>
Net increase (decrease) in cash and cash equivalents	(43,378)
Cash and cash equivalents - January 1	<u>1,108,445</u>
Cash and cash equivalents - December 31	<u><u>\$1,065,067</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:	
Operating income (loss)	<u>\$132,221</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:	
Depreciation expense	144,496
Changes in assets, liabilities, deferred outflows and inflows:	
(Increase) decrease in accounts receivable	(17,194)
(Increase) decrease in prepayments	36
(Increase) decrease in deferred pension outflows	(23,580)
Increase (decrease) in accounts payable	(14,904)
Increase (decrease) in accrued salaries and withholdings payable	2,576
Increase (decrease) in contracts payable -retained percentage	(25,493)
Increase (decrease) compensated absences payable	2,532
Increase (decrease) in net pension liability	8,108
Increase (decrease) in deferred pension inflows	19,857
Total adjustments	<u>96,434</u>
Net cash flows from operating activities	<u><u>\$228,655</u></u>
Noncash capital and related financing activities:	\$ -

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REFUSE UTILITY FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2015

Statement 42

	<u>2015</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$1,504,837
Receivables:	
Accounts (net of allowance for uncollectibles)	495,402
Interest	2,500
Due from other governmental units	48,544
Total current assets	<u>2,051,283</u>
Noncurrent assets:	
Capital assets:	
Buildings	56,000
Equipment	112,893
Total capital assets	<u>168,893</u>
Less: accumulated depreciation	<u>(125,897)</u>
Total capital assets (net of accumulated depreciation)	<u>42,996</u>
Total noncurrent assets	<u>42,996</u>
Total assets	<u>2,094,279</u>
Deferred outflows of resources:	
Related to pensions	<u>6,977</u>
Liabilities:	
Current liabilities:	
Accounts payable	258,188
Accrued salaries and withholdings payable	2,757
Compensated absences payable - current	191
Total current liabilities	<u>261,136</u>
Noncurrent liabilities:	
Compensated absences payable - noncurrent	2,361
Net pension liability	50,721
Total noncurrent liabilities	<u>53,082</u>
Total liabilities	<u>314,218</u>
Deferred inflows of resources:	
Related to pensions	<u>5,875</u>
Net position:	
Net investments in capital assets	42,996
Unrestricted	1,738,167
Total net position	<u><u>\$1,781,163</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REFUSE UTILITY FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
For The Year Ended December 31, 2015

Statement 43

	<u>2015</u>
Operating revenues:	
Refuse service charges	<u>\$1,896,230</u>
Operating expenses:	
Collection and disposal	1,532,417
Administration	67,299
Recycling	87,216
Hazardous waste	11,723
Depreciation	3,641
Total operating expenses	<u>1,702,296</u>
Net income from operations	<u>193,934</u>
Nonoperating revenues:	
Investment income	
Interest and dividends	13,800
Change in fair value	5,500
Intergovernmental	96,518
Total nonoperating revenues	<u>115,818</u>
Net income before transfers	309,752
Transfers out	<u>(119,277)</u>
Change in net position	<u>190,475</u>
Total net position - January 1, as previously reported	1,639,010
Prior period adjustment	<u>(48,322)</u>
Total net position - January 1, as restated	<u>1,590,688</u>
Total net position - December 31	<u><u>\$1,781,163</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REFUSE UTILITY FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For Year Ended December 31, 2015

Statement 44

	<u>2015</u>
Cash flows from operating activities:	
Cash received from customers	\$1,907,682
Cash paid to suppliers for goods and services	(1,476,652)
Cash payments to employees for services	(85,780)
Net cash flows from operating activities	<u>345,250</u>
Cash flows from noncapital financing activities:	
Transfers out	(119,277)
Intergovernmental	96,518
Net cash flows from noncapital financing activities	<u>(22,759)</u>
Cash flows from investing activities:	
Investment income:	
Interest and dividends	13,400
Change in fair value	5,500
Net cash flows from investing activities	<u>18,900</u>
Net increase in cash and cash equivalents	341,391
Cash and cash equivalents - January 1	<u>1,163,446</u>
Cash and cash equivalents - December 31	<u><u>\$1,504,837</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:	
Operating income	<u>\$193,934</u>
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation expense	3,641
Changes in assets, liabilities, deferred outflows and inflows:	
(Increase) decrease in accounts receivable	2,639
(Increase) decrease in due from other governmental units	15,790
(Increase) decrease in deferred pension outflows	(6,977)
Increase (decrease) in accounts payable	129,311
Increase (decrease) in accrued salaries and withholdings payable	492
Increase (decrease) compensated absences payable	(1,854)
Increase (decrease) in net pension liability	2,399
Increase (decrease) in deferred pension inflows	5,875
Total adjustments	<u>151,316</u>
Net cash flows from operating activities	<u><u>\$345,250</u></u>
Noncash capital and related financing activities:	\$ -

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Total
Assets:					
Current assets:					
Cash and cash equivalents	\$68,133	\$10,000	\$500,056	\$131,173	\$709,362
Receivables:					
Accounts (net of allowance for uncollectibles)	98,225	-	-	-	98,225
Interest	500	-	610	40	1,150
Total current assets	166,858	10,000	500,666	131,213	808,737
Noncurrent assets:					
Capital assets:					
Land	260,690	-	-	-	260,690
Equipment	340,692	-	-	-	340,692
Infrastructure	1,518,512	-	-	-	1,518,512
Construction in process	-	-	1,160,471	-	1,160,471
Total capital assets	2,119,894	0	1,160,471	0	3,280,365
Less: accumulated depreciation	(978,439)	-	-	-	(978,439)
Net capital assets	1,141,455	0	1,160,471	0	2,301,926
Total noncurrent assets	1,141,455	0	1,160,471	0	2,301,926
Total assets	1,308,313	10,000	1,661,137	131,213	3,110,663
Deferred outflows of resources:					
Related to pensions	6,489	-	-	-	6,489
Liabilities:					
Current liabilities:					
Accounts payable	147	-	-	-	147
Accrued salaries and withholdings payable	2,475	-	61	-	2,536
Interfund payable	-	-	-	34,000	34,000
Accrued interest payable	-	-	-	4,215	4,215
Compensated absences payable - current	10	-	-	-	10
Bonds payable - current	-	-	-	103,288	103,288
Total current liabilities	2,632	0	61	141,503	144,196
Noncurrent liabilities:					
Compensated absences payable - noncurrent	129	-	-	-	129
Bonds payable - noncurrent	-	-	-	651,611	651,611
Net pension liability	47,171	-	-	-	47,171
Total noncurrent liabilities	47,300	0	0	651,611	698,911
Total liabilities	49,932	0	61	793,114	843,107
Deferred inflows of resources:					
Related to pensions	5,464	-	-	-	5,464
Net position:					
Net investment in capital assets	1,141,455	-	1,160,471	(314,899)	1,987,027
Restricted	-	-	440,000	(323,611)	116,389
Unrestricted	117,951	10,000	60,605	(23,391)	165,165
Total net position	\$1,259,406	\$10,000	\$1,661,076	(\$661,901)	\$2,268,581

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, 2015

Statement 46

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total
Operating revenues:						
Storm sewer service charges	\$375,663	\$ -	\$ -	\$ -	\$ -	\$375,663
Operating expenses:						
Collection	338,099	-	100,286	-	-	438,385
Administration	960	-	-	-	-	960
Depreciation	89,459	-	-	-	-	89,459
Total operating expenses	428,518	0	100,286	0	0	528,804
Net income (loss) from operations	(52,855)	0	(100,286)	0	0	(153,141)
Nonoperating revenues (expenses):						
Investment income						
Interest and dividends	2,600	-	940	120	-	3,660
Change in fair value	1,000	-	(40)	(50)	-	910
Interest and fiscal charges	-	-	-	(13,884)	-	(13,884)
Total nonoperating revenues (expenses)	3,600	0	900	(13,814)	0	(9,314)
Net income (loss) before transfers and capital contributions	(49,255)	0	(99,386)	(13,814)	0	(162,455)
Transfers in	-	5,000	446	142,000	(147,446)	-
Transfers out	(147,446)	-	-	-	147,446	-
Capital contributions - intergovernmental	438	-	746,896	-	-	747,334
Total transfers and contributions	(147,008)	5,000	747,342	142,000	0	747,334
Change in net position	(196,263)	5,000	647,956	128,186	0	584,879
Total net position - January 1, as previously reported	1,500,608	5,000	1,013,120	(790,087)	-	1,728,641
Prior period adjustment	(44,939)	-	-	-	-	(44,939)
Total net position - January 1, as restated	1,455,669	5,000	1,013,120	(790,087)	0	1,683,702
Net position - December 31	\$1,259,406	\$10,000	\$1,661,076	(\$661,901)	\$0	\$2,268,581

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STORM SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For Year Ended December 31, 2015

Statement 47

	<u>2015</u>
Cash flows from operating activities:	
Cash received from customers	\$413,352
Cash paid to suppliers for goods and services	(322,067)
Cash payments to employees for services	(115,731)
Net cash flows from operating activities	<u>(24,446)</u>
Cash flows from noncapital financing activities:	
Interfund payable (repaid to) advanced by other funds	(16,000)
Net cash flows from noncapital financing activities:	<u>(16,000)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(1,138,093)
Capital contribution	747,334
Principal payments - bonds	(104,256)
Interest and fiscal charges	(14,016)
Net cash flows from capital and related financing activities	<u>(509,031)</u>
Cash flows from investing activities:	
Investment income:	
Interest and dividends	3,410
Change in fair value	910
Net cash flows from investing activities	<u>4,320</u>
Net increase (decrease) in cash and cash equivalents	(545,157)
Cash and cash equivalents - January 1	<u>1,254,519</u>
Cash and cash equivalents - December 31	<u><u>\$709,362</u></u>
Reconciliation of operating income to net cash flows from operating activities:	
Operating income	<u>(\$153,141)</u>
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation expense	89,459
Changes in assets, liabilities, deferred outflows and inflows:	
(Increase) decrease in accounts receivable	(3,926)
(Increase) decrease in due from other governmental units	48,104
(Increase) decrease in deferred pension outflows	(6,489)
Increase (decrease) in accounts payable	(3,641)
Increase (decrease) in accrued salaries and withholdings payable	(704)
Increase (decrease) compensated absences payable	(1,804)
Increase (decrease) in net pension liability	2,232
Increase (decrease) in deferred pension inflows	5,464
Total adjustments	<u>128,695</u>
Net cash flows from operating activities	<u><u>(\$24,446)</u></u>
Noncash capital and related financing activities:	\$ -

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
LIQUOR FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2015

Statement 48

	Operating Account	Debt Service Account	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$162,809	\$276,462	\$439,271
Restricted asset: cash and cash equivalents with fiscal agent	-	399,251	399,251
Receivables:			
Accounts (net of allowance for uncollectables)	321	-	321
Interest	-	50	50
Due from other governmental units	546	-	546
Inventory - at cost	2,985,683	-	2,985,683
Total current assets	3,149,359	675,763	3,825,122
Noncurrent assets:			
Capital assets:			
Land	2,006,714	-	2,006,714
Buildings	3,915,062	-	3,915,062
Equipment	436,380	-	436,380
Total capital assets	6,358,156	0	6,358,156
Less: accumulated depreciation	(1,275,609)	-	(1,275,609)
Net capital assets	5,082,547	0	5,082,547
Total noncurrent assets	5,082,547	0	5,082,547
Total assets	8,231,906	675,763	8,907,669
Deferred outflows of resources:			
Related to pensions	90,750	-	90,750
Liabilities:			
Current liabilities:			
Accounts payable	201,869	-	201,869
Accrued salaries and withholdings payable	36,267	-	36,267
Due to other governmental units	86,683	-	86,683
Accrued interest payable	-	89,983	89,983
Compensated absences payable - current	6,105	-	6,105
Bonds payable - current	-	185,000	185,000
Total current liabilities	330,924	274,983	605,907
Noncurrent liabilities:			
Compensated absences payable - noncurrent	75,300	-	75,300
Bonds payable - noncurrent	-	3,895,000	3,895,000
Net pension liability	659,807	-	659,807
Total noncurrent liabilities	735,107	3,895,000	4,630,107
Total liabilities	1,066,031	4,169,983	5,236,014
Deferred inflows of resources:			
Related to pensions	76,424	-	76,424
Net position:			
Net investments in capital assets	5,082,547	(3,680,749)	1,401,798
Restricted for debt service	-	186,637	186,637
Unrestricted	2,097,546	-	2,097,546
Total net position	\$7,180,093	(\$3,494,112)	\$3,685,981

CITY OF COLUMBIA HEIGHTS, MINNESOTA
LIQUOR FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2015

	Operating Accounts		
	Top Valu	Top Valu II	Heights Liquor
Operating revenues:			
Charges for sales:			
Liquor	\$1,535,816	\$1,073,296	\$539,560
Beer	1,653,496	1,375,926	579,799
Wine	592,005	511,629	61,390
Other	165,937	174,480	136,609
Total operating revenues	<u>3,947,254</u>	<u>3,135,331</u>	<u>1,317,358</u>
Operating expenses:			
Cost of goods sold	2,963,715	2,360,386	1,014,790
Operating expense	672,259	526,407	187,830
Depreciation	82,559	63,408	2,240
Total operating expenses	<u>3,718,533</u>	<u>2,950,201</u>	<u>1,204,860</u>
Net income from operations	<u>\$228,721</u>	<u>\$185,130</u>	<u>\$112,498</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			
Total net position - January 1, as previously reported			
Prior period adjustment			
Total net position - January 1, as restated			
Net position - December 31			

Total Operating Accounts	Debt Service Account	Intrafund Eliminations	Total
\$3,148,672	\$ -	\$ -	\$3,148,672
3,609,221	-	-	3,609,221
1,165,024	-	-	1,165,024
477,026	-	-	477,026
<u>8,399,943</u>	<u>0</u>	<u>0</u>	<u>8,399,943</u>
6,338,891	-	-	6,338,891
1,386,496	-	-	1,386,496
148,207	-	-	148,207
<u>7,873,594</u>	<u>0</u>	<u>0</u>	<u>7,873,594</u>
526,349	0	0	526,349
-	151	-	151
-	(60)	-	(60)
-	(200,124)	-	(200,124)
(3,571)	-	-	(3,571)
<u>(3,571)</u>	<u>(200,033)</u>	<u>0</u>	<u>(203,604)</u>
522,778	(200,033)	0	322,745
-	380,000	(380,000)	-
(582,789)	-	380,000	(202,789)
<u>(582,789)</u>	<u>380,000</u>	<u>0</u>	<u>(202,789)</u>
(60,011)	179,967	0	119,956
7,868,707	(3,674,079)	-	4,194,628
(628,603)	-	-	(628,603)
<u>7,240,104</u>	<u>(3,674,079)</u>	<u>0</u>	<u>3,566,025</u>
<u>\$7,180,093</u>	<u>(\$3,494,112)</u>	<u>\$0</u>	<u>\$3,685,981</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
LIQUOR FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For Year Ended December 31, 2015

	<u>2015</u>
Cash flows from operating activities:	
Cash received from customers	\$8,312,054
Cash paid to suppliers for goods and services	(6,803,924)
Cash payments to employees for services	(996,676)
Net cash flows from operating activities	<u>511,454</u>
Cash flows from noncapital financing activities	
Transfers out	(202,789)
Net cash flows from noncapital financing activities	<u>(202,789)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(23,178)
Principal payments - bonds	(180,000)
Interest and fiscal charges - including capitalized interest	(203,818)
Net cash flows from capital and related financing activities	<u>(406,996)</u>
Cash flows from investing activities:	
Investment income:	
Interest and dividends	101
Change in fair value	(60)
Net cash flows from investing activities	<u>41</u>
Net increase (decrease) in cash and cash equivalents	(98,290)
Total cash and cash equivalents - January 1	<u>936,812</u>
Total cash and cash equivalents - December 31	838,522
(Less) Restricted asset: cash and cash equivalents with fiscal agent - December 31	<u>(399,251)</u>
Cash and cash equivalents - December 31	<u><u>\$439,271</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
LIQUOR FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For Year Ended December 31, 2015

	2015
Reconciliation of operating income to net cash flows from operating activities:	
Operating income	\$526,349
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation expense	148,207
Miscellaneous expense	(3,571)
Changes in assets, liabilities, deferred outflows and inflows:	
(Increase) decrease in accounts receivable	(300)
(Increase) decrease in due from other governmental units	3,161
(Increase) decrease in deferred pension outflows	(90,750)
Adjustment for nonoperating portion	
(Increase) decrease in inventory, at cost	(108,878)
Increase (decrease) in accounts payable	(66,799)
Adjustment for nonoperating portion	
Increase (decrease) in accrued salaries and withholdings payable	(6,655)
Adjustment for nonoperating portion	
Increase (decrease) in due to other governmental units	(5,511)
Increase (decrease) in compensated absences payable	8,573
Increase (decrease) in net pension liability	31,204
Increase (decrease) in deferred pension inflows	76,424
Total adjustments	(14,895)
Net cash flows from operating activities	\$511,454
Noncash capital and related financing activities:	\$ -

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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.

Municipal Service Center Fund

Central Garage - 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.

Building Maintenance – used to account for the costs of staff charged with maintaining City facilities. All costs are recorded in this fund and finance by transfers from user departments.

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, 2015

Statement 51

	Municipal Service Center	Information Systems	Insurance	Compensated Absences	Total Internal Service Funds
Assets:					
Current assets:					
Cash and cash equivalents	\$693,216	\$715,855	\$1,116,122	\$1,020,705	\$3,545,898
Interest receivable	1,200	1,300	1,900	-	4,400
Prepayments	-	11,200	64,484	-	75,684
Inventory - at cost	53,856	-	-	-	53,856
Total current assets	<u>748,272</u>	<u>728,355</u>	<u>1,182,506</u>	<u>1,020,705</u>	<u>3,679,838</u>
Noncurrent assets:					
Capital assets:					
Land	15,779	-	-	-	15,779
Buildings	1,978,957	-	-	-	1,978,957
Equipment	234,265	252,160	-	-	486,425
Total capital assets	<u>2,229,001</u>	<u>252,160</u>	<u>0</u>	<u>0</u>	<u>2,481,161</u>
Less: accumulated depreciation	<u>(1,012,586)</u>	<u>(212,428)</u>	<u>-</u>	<u>-</u>	<u>(1,225,014)</u>
Net capital assets	<u>1,216,415</u>	<u>39,732</u>	<u>0</u>	<u>0</u>	<u>1,256,147</u>
Total noncurrent assets	<u>1,216,415</u>	<u>39,732</u>	<u>0</u>	<u>0</u>	<u>1,256,147</u>
Total assets	<u>1,964,687</u>	<u>768,087</u>	<u>1,182,506</u>	<u>1,020,705</u>	<u>4,935,985</u>
Deferred outflows of resources:					
Related to pensions	<u>28,322</u>	<u>23,576</u>	<u>-</u>	<u>-</u>	<u>51,898</u>
Liabilities:					
Current liabilities:					
Accounts payable	13,959	9,977	1,112	-	25,048
Accrued salaries and withholdings payable	10,378	9,305	-	-	19,683
Unearned revenue	8,141	-	-	-	8,141
Compensated absences payable - current	3,603	1,735	-	76,553	81,891
Total current liabilities	<u>36,081</u>	<u>21,017</u>	<u>1,112</u>	<u>76,553</u>	<u>134,763</u>
Noncurrent liabilities:					
Compensated absences payable - noncurrent	44,435	21,400	-	944,152	1,009,987
Net pension liability	117,005	171,414	-	-	288,419
Total noncurrent liabilities	<u>161,440</u>	<u>192,814</u>	<u>-</u>	<u>944,152</u>	<u>1,298,406</u>
Total liabilities	<u>197,521</u>	<u>213,831</u>	<u>1,112</u>	<u>1,020,705</u>	<u>1,433,169</u>
Deferred inflows of resources:					
Related to pensions	<u>23,852</u>	<u>19,855</u>	<u>-</u>	<u>-</u>	<u>43,707</u>
Net position:					
Net investments in capital assets	1,216,415	39,732	-	-	1,256,147
Unrestricted	555,221	518,245	1,181,394	-	2,254,860
Total net position	<u>\$1,771,636</u>	<u>\$557,977</u>	<u>\$1,181,394</u>	<u>\$0</u>	<u>\$3,511,007</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, 2015

Statement 52

	Municipal Service Center	Information Systems	Insurance	Compensated Absences	Total Internal Service Funds
Operating revenues:					
Charges for services:					
Services to departments	\$336,912	\$ -	\$570,570	\$ -	\$907,482
Use of space	302,051	-	-	-	302,051
Recovery of damages	-	-	53,370	-	53,370
Charges for sales:					
Sales of motor fuel	138,688	-	-	-	138,688
Total operating revenues	<u>777,651</u>	<u>0</u>	<u>623,940</u>	<u>0</u>	<u>1,401,591</u>
Operating expenses:					
Cost of services and space	673,730	320,003	600,190	-	1,593,923
Depreciation	77,240	21,508	-	-	98,748
Total operating expenses	<u>750,970</u>	<u>341,511</u>	<u>600,190</u>	<u>0</u>	<u>1,692,671</u>
Net income (loss) from operations	<u>26,681</u>	<u>(341,511)</u>	<u>23,750</u>	<u>0</u>	<u>(291,080)</u>
Nonoperating revenues (expenses):					
Investment income					
Interest and dividends	6,699	7,400	10,500	-	24,599
Change in fair value	2,700	2,900	4,200	-	9,800
Miscellaneous revenue	3,118	-	-	-	3,118
Total nonoperating revenues (expenses)	<u>12,517</u>	<u>10,300</u>	<u>14,700</u>	<u>0</u>	<u>37,517</u>
Net income (loss) before transfers	<u>39,198</u>	<u>(331,211)</u>	<u>38,450</u>	<u>0</u>	<u>(253,563)</u>
Transfers in	-	335,000	-	-	335,000
Transfers out	(35,000)	-	(25,000)	-	(60,000)
Total transfers and capital contributions	<u>(35,000)</u>	<u>335,000</u>	<u>(25,000)</u>	<u>0</u>	<u>275,000</u>
Change in net position	<u>4,198</u>	<u>3,789</u>	<u>13,450</u>	<u>0</u>	<u>21,437</u>
Net position - January 1, as previously reported	1,874,706	717,496	1,167,944	-	3,760,146
Prior period adjustment	(107,268)	(163,308)	-	-	(270,576)
Net position - January 1, as restated	<u>1,767,438</u>	<u>554,188</u>	<u>1,167,944</u>	<u>-</u>	<u>3,489,570</u>
Net position - December 31	<u>\$1,771,636</u>	<u>\$557,977</u>	<u>\$1,181,394</u>	<u>\$0</u>	<u>\$3,511,007</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2015

Statement 53

	Municipal Service Center	Information Systems	Insurance	Compensated Absences	Total Internal Service Funds
Cash flows from operating activities:					
Cash received from interfund goods and services provided	\$777,651	\$ -	\$570,570	\$ -	\$1,348,221
Cash received for damages	-	-	53,370	-	53,370
Cash paid to suppliers for goods and services	(299,986)	(53,295)	(601,786)	-	(955,067)
Cash payments to employees for services	(334,807)	(263,617)	-	-	(598,424)
Net cash flows provided by (used in) operating activities	142,858	(316,912)	22,154	0	(151,900)
Cash flows from noncapital financing activities:					
Transfers in	-	335,000	-	-	335,000
Transfers out	(35,000)	-	(25,000)	-	(60,000)
Miscellaneous revenue	3,118	-	-	-	3,118
Increases in compensated absences payable	-	-	-	628,760	628,760
Decreases in compensated absences payable	-	-	-	(575,356)	(575,356)
Net cash flows provided by (used in) noncapital financing activities	(31,882)	335,000	(25,000)	53,404	331,522
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	(14,968)	-	-	(14,968)
Net cash flows provided by (used in) capital and related financing activities	0	(14,968)	0	0	(14,968)
Cash flows from investing activities:					
Investment income:					
Interest and dividends	6,499	7,300	10,500	-	24,299
Change in fair value	2,700	2,900	4,200	-	9,800
Net cash flows provided by (used in) investing activities	9,199	10,200	14,700	0	34,099
Net increase (decrease) in cash and cash equivalents	120,175	13,320	11,854	53,404	198,753
Cash and cash equivalents - January 1	573,041	702,535	1,104,268	967,301	3,347,145
Cash and cash equivalents - December 31	\$693,216	\$715,855	\$1,116,122	\$1,020,705	\$3,545,898
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$26,681	(\$341,511)	\$23,750	\$ -	(\$291,080)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	77,240	21,508	-	-	98,748
Changes in assets and liabilities:					
(Increase) decrease in prepayments	-	(11,200)	(2,708)	-	(13,908)
(Increase) decrease in inventory, at cost	14,706	-	-	-	14,706
(Increase) decrease in deferred pension outflows	(28,322)	(23,576)	-	-	(51,898)
Increase (decrease) in accounts payable	6,508	8,691	1,112	-	16,311
Increase (decrease) in accrued salaries and withholdings payable	4,305	1,339	-	-	5,644
Increase (decrease) in compensated absences payable	7,914	(124)	-	-	7,790
Increase (decrease) in deferred revenue	237	-	-	-	237
Increase (decrease) in net pension liability	9,737	8,106	-	-	17,843
Increase (decrease) in deferred inflows of resources	23,852	19,855	-	-	43,707
Total adjustments	116,177	24,599	(1,596)	0	139,180
Net cash flows provided by (used in) operating activities	\$142,858	(\$316,912)	\$22,154	\$0	(\$151,900)

CITY OF COLUMBIA HEIGHTS, MINNESOTA
MUNICIPAL SERVICE CENTER
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2015

Statement 54

	Central Garage Operating Account	Capital Equipment Replacement Account	Building Maintenance Operating Account	Total
Assets:				
Current assets:				
Cash and cash equivalents	\$627,821	\$49,935	\$15,460	\$693,216
Interest receivable	1,100	100	-	1,200
Inventory - at cost	53,856	-	-	53,856
Total current assets	<u>682,777</u>	<u>50,035</u>	<u>15,460</u>	<u>748,272</u>
Noncurrent assets:				
Capital assets:				
Land	15,779	-	-	15,779
Buildings	1,978,957	-	-	1,978,957
Equipment	234,265	-	-	234,265
Total capital assets	<u>2,229,001</u>	<u>0</u>	<u>0</u>	<u>2,229,001</u>
Less: Accumulated depreciation	(1,012,586)	-	-	(1,012,586)
Net capital assets	<u>1,216,415</u>	<u>0</u>	<u>0</u>	<u>1,216,415</u>
Total noncurrent assets	<u>1,216,415</u>	<u>0</u>	<u>0</u>	<u>1,216,415</u>
Total assets	<u>1,899,192</u>	<u>50,035</u>	<u>15,460</u>	<u>1,964,687</u>
Deferred outflows of resources:				
Related to pensions	15,486	-	12,836	28,322
Liabilities:				
Current liabilities:				
Accounts payable	13,941	-	18	13,959
Accrued salaries and withholdings payable	6,324	-	4,054	10,378
Unearned revenue	8,141	-	-	8,141
Compensated absences payable - current	3,152	-	451	3,603
Total current liabilities	<u>31,558</u>	<u>0</u>	<u>4,523</u>	<u>36,081</u>
Noncurrent liabilities:				
Compensated absences payable - noncurrent	38,877	-	5,558	44,435
Net pension liability	112,592	-	4,413	117,005
Total noncurrent liabilities	<u>151,469</u>	<u>0</u>	<u>9,971</u>	<u>161,440</u>
Total liabilities	<u>183,027</u>	<u>0</u>	<u>14,494</u>	<u>197,521</u>
Deferred inflows of resources:				
Related to pensions	13,042	-	10,810	23,852
Net position:				
Net investments in capital assets	1,216,415	-	-	1,216,415
Unrestricted	502,194	50,035	2,992	555,221
Total net position	<u>\$1,718,609</u>	<u>\$50,035</u>	<u>\$2,992</u>	<u>\$1,771,636</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
MUNICIPAL SERVICE CENTER
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2015

Statement 55

	Central Garage Operating Account	Capital Equipment Replacement Account	Building Maintenance Operating Account	Intrafund Eliminations	Total
Operating revenues:					
Charges for services:					
Services to departments	\$189,512	\$ -	\$147,400	\$ -	\$336,912
Use of space	302,051	-	-	-	302,051
Charges for sales:					
Sales of motor fuel	138,688	-	-	-	138,688
Total operating revenues	<u>630,251</u>	<u>0</u>	<u>147,400</u>	<u>0</u>	<u>777,651</u>
Operating expenses:					
Cost of services and space	529,122	-	144,608	-	673,730
Depreciation	77,240	-	-	-	77,240
Total operating expenses	<u>606,362</u>	<u>0</u>	<u>144,608</u>	<u>0</u>	<u>750,970</u>
Net income from operations	<u>23,889</u>	<u>-</u>	<u>2,792</u>	<u>-</u>	<u>26,681</u>
Nonoperating revenues:					
Investment income:					
Interest and dividends	6,100	499	100	-	6,699
Change in fair value	2,400	200	100	-	2,700
Miscellaneous revenue	3,118	-	-	-	3,118
Total nonoperating revenues	<u>11,618</u>	<u>699</u>	<u>200</u>	<u>0</u>	<u>12,517</u>
Net income before transfers	<u>35,507</u>	<u>699</u>	<u>2,992</u>	<u>0</u>	<u>39,198</u>
Transfers in	-	4,000	-	(4,000)	-
Transfers out	(39,000)	-	-	4,000	(35,000)
Total transfers	<u>(39,000)</u>	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>(35,000)</u>
Change in net position	<u>(3,493)</u>	<u>4,699</u>	<u>2,992</u>	<u>0</u>	<u>4,198</u>
Net position - January 1, as previously reported	1,829,370	45,336	-	-	1,874,706
Prior period adjustment	(107,268)	-	-	-	(107,268)
Net position - January 1, as restated	<u>1,722,102</u>	<u>45,336</u>	<u>0</u>	<u>0</u>	<u>1,767,438</u>
Total net position - December 31	<u>\$1,718,609</u>	<u>\$50,035</u>	<u>\$2,992</u>	<u>\$0</u>	<u>\$1,771,636</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
MUNICIPAL SERVICE CENTER
SUBCOMBINING SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2015

Statement 56

	<u>2015</u>
Cash flows from operating activities:	
Cash received from interfund goods & services provided	\$777,651
Cash paid to suppliers for goods and services	(299,986)
Cash payments to employees for services	(334,807)
Net cash flows from operating activities	<u>142,858</u>
Cash flows from noncapital financing activities:	
Transfers out	(35,000)
Miscellaneous revenue	3,118
Net cash flows from noncapital financing activities:	<u>(31,882)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	-
Net cash flows from capital and related financing activities	<u>0</u>
Cash flows from investing activities:	
Investment income:	
Interest and dividends	6,499
Change in fair value	2,700
Net cash flows from investing activities	<u>9,199</u>
Net increase (decrease) in cash and cash equivalents	120,175
Cash and cash equivalents - January 1	<u>573,041</u>
Cash and cash equivalents - December 31	<u><u>\$693,216</u></u>
Reconciliation of operating income to net cash flows from operating activities:	
Operating income	<u>\$26,681</u>
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation expense	77,240
Changes in assets, liabilities, deferred outflows and inflows:	
(Increase) decrease in inventory, at cost	14,706
(Increase) decrease in deferred pension outflows	(28,322)
Increase (decrease) in accounts payable	6,508
Increase (decrease) in accrued salaries and withholdings payable	4,305
Increase (decrease) in compensated absences payable	7,914
Increase (decrease) in unearned revenue	237
Increase (decrease) in net pension liability	9,737
Increase (decrease) in deferred pension inflows	23,852
Total adjustments	<u>116,177</u>
Net cash flows from operating activities	<u><u>\$142,858</u></u>
Noncash capital and related financing activities:	\$ -

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INFORMATION SYSTEMS FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2015

Statement 57

	Operating Account	Capital Equipment Replacement Account	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$263,157	\$452,698	\$715,855
Interest receivable	500	800	1,300
Prepaid expenses	11,200	-	11,200
Total current assets	274,857	453,498	728,355
Noncurrent assets:			
Capital assets:			
Equipment	252,160	-	252,160
Less: accumulated depreciation	(212,428)	-	(212,428)
Net capital assets	39,732	0	39,732
Total noncurrent assets	39,732	0	39,732
Total assets	314,589	453,498	768,087
Deferred outflows of resources:			
Related to pensions	23,576	-	23,576
Liabilities:			
Current liabilities:			
Accounts payable	9,977	-	9,977
Accrued salaries and withholdings payable	9,305	-	9,305
Compensated absences payable - current	1,735	-	1,735
Total current liabilities	21,017	0	21,017
Noncurrent liabilities:			
Compensated absences payable - noncurrent	21,400	-	21,400
Net pension liability	171,414	-	171,414
Total noncurrent liabilities	192,814	0	192,814
Total liabilities	213,831	0	213,831
Deferred inflows of resources:			
Related to pensions	19,855	-	19,855
Net position:			
Net investments in capital assets	39,732	-	39,732
Unrestricted	64,747	453,498	518,245
Total net position	\$104,479	\$453,498	\$557,977

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, 2015

Statement 58

	Operating Account	Capital Equipment Replacement Account	Total
Operating revenues	\$ -	\$ -	\$ -
Operating expenses:			
Cost of services	310,823	9,180	320,003
Depreciation	21,508	-	21,508
Total operating expenses	<u>332,331</u>	<u>9,180</u>	<u>341,511</u>
Net income (loss) from operations	<u>(332,331)</u>	<u>(9,180)</u>	<u>(341,511)</u>
Nonoperating revenues:			
Investment income			
Interest and dividends	2,900	4,500	7,400
Change in fair value	1,100	1,800	2,900
Total nonoperating revenues	<u>4,000</u>	<u>6,300</u>	<u>10,300</u>
Net income (loss) before transfers	(328,331)	(2,880)	(331,211)
Transfers in	<u>335,000</u>	<u>-</u>	<u>335,000</u>
Change in net position	<u>6,669</u>	<u>(2,880)</u>	<u>3,789</u>
Net position - January 1, as previously reported	261,118	456,378	717,496
Prior period adjustment	<u>(163,308)</u>	<u>-</u>	<u>(163,308)</u>
Net position - January 1, as restated	<u>97,810</u>	<u>456,378</u>	<u>554,188</u>
Net position - December 31	<u><u>\$104,479</u></u>	<u><u>\$453,498</u></u>	<u><u>\$557,977</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INFORMATION SYSTEMS FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2015

Statement 59

	<u>2015</u>
Cash flows from operating activities:	
Cash paid to suppliers for goods and services	(\$53,295)
Cash payments to employees for services	<u>(263,617)</u>
Net cash flows from operating activities	<u>(316,912)</u>
Cash flows from noncapital financing activities:	
Transfers in	<u>335,000</u>
Net cash flows from noncapital financing activities:	<u>335,000</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(14,968)</u>
Cash flows from investing activities:	
Investment income:	
Interest and dividends	7,300
Change in fair value	<u>2,900</u>
Net cash flows from investing activities	<u>10,200</u>
Net increase in cash and cash equivalents	13,320
Cash and cash equivalents - January 1	<u>702,535</u>
Cash and cash equivalents - December 31	<u><u>\$715,855</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:	
Operating income (loss)	<u>(\$341,511)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:	
Depreciation expense	21,508
Changes in assets, liabilities, deferred outflows and inflows:	
(Increase) decrease in prepayments	(11,200)
(Increase) decrease in deferred pension outflows	(23,576)
Increase (decrease) in accounts payable	8,691
Increase (decrease) in accrued salaries and withholdings payable	1,339
Increase (decrease) in compensated absences payable	(124)
Increase (decrease) in net pension liability	8,106
Increase (decrease) in deferred pension inflows	<u>19,855</u>
Total adjustments	<u>24,599</u>
Net cash flows from operating activities	<u><u>(\$316,912)</u></u>
Noncash capital and related financing activities:	\$ -

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INSURANCE FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2015

Statement 60

	<u>2015</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$1,116,122
Interest receivable	1,900
Prepayments	<u>64,484</u>
Total assets	<u>1,182,506</u>
Liabilities:	
Current liabilities:	
Accounts payable	<u>1,112</u>
Total liabilities	<u>1,112</u>
Net position:	
Unrestricted	<u>1,181,394</u>
Total net position	<u><u>\$1,181,394</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, 2015

Statement 61

	<u>2015</u>
Operating revenues:	
Insurance allocation	\$570,570
Recovery of damages	<u>53,370</u>
Total operating revenues	<u>623,940</u>
Operating expenses:	
Cost of services:	
Premiums	538,325
Claims	<u>61,865</u>
Total operating expenses	<u>600,190</u>
Net income from operations	<u>23,750</u>
Nonoperating revenues:	
Investment income	
Interest and dividends	10,500
Change in fair value	<u>4,200</u>
Total nonoperating revenues	<u>14,700</u>
Net income	<u>38,450</u>
Transfers out	<u>(25,000)</u>
Change in net position	13,450
Net position - January 1	<u>1,167,944</u>
Net position - December 31	<u><u>\$1,181,394</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INSURANCE FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2015

Statement 62

	<u>2015</u>
Cash flows from operating activities:	
Cash received from interfund services provided	\$570,570
Cash received for damages	53,370
Cash paid to suppliers for goods and services	<u>(601,786)</u>
Net cash flows from operating activities	<u>22,154</u>
Cash flows from noncapital financing activities:	
Transfers out	<u>(25,000)</u>
Cash flows from investing activities:	
Investment income:	
Interest and dividends	10,500
Change in fair value	<u>4,200</u>
Net cash flows from investing activities	<u>14,700</u>
Net increase in cash and cash equivalents	11,854
Cash and cash equivalents - January 1	<u>1,104,268</u>
Cash and cash equivalents - December 31	<u><u>\$1,116,122</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:	
Operating income (loss)	<u>\$23,750</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in prepayments	(2,708)
Increase (decrease) in accounts payable	<u>1,112</u>
Total adjustments	<u>(1,596)</u>
Net cash flows from operating activities	<u><u>\$22,154</u></u>
Noncash capital and related financing activities:	\$ -

CITY OF COLUMBIA HEIGHTS, MINNESOTA
COMPENSATED ABSENCES FUND
SUBCOMBINING SCHEDULE OF NET POSITION
 December 31, 2015

Statement 63

	2015
Assets:	
Current assets:	
Cash and cash equivalents	\$1,020,705
Total assets	1,020,705
Liabilities:	
Current liabilities:	
Compensated absences payable - current	76,553
Noncurrent liabilities:	
Compensated absences payable - noncurrent	944,152
Total liabilities	1,020,705
Net position:	
Unrestricted	-
Total net position	\$0

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, 2015

Statement 64

	<u>2015</u>
Operating revenues	<u>\$ -</u>
Net income (loss) from operations	<u>-</u>
Change in net position	-
Net position - January 1	<u>-</u>
Net position - December 31	<u><u>\$0</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
COMPENSATED ABSENCES FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For The Year Ended December 31, 2015

Statement 65

	<u>2015</u>
Cash flows from operating activities:	
Cash received from interfund services provided	\$ -
Net cash flows from operating activities	<u>0</u>
Cash flows from noncapital financing activities:	
Increases in compensated absences payable	628,760
Decreases in compensated absences payable	<u>(575,356)</u>
Net cash flows from noncapital financing activities:	<u>53,404</u>
Net increase in cash and cash equivalents	53,404
Cash and cash equivalents - January 1	<u>967,301</u>
Cash and cash equivalents - December 31	<u><u>\$1,020,705</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:	
Operating income (loss)	\$ -
Adjustments to reconcile operating income (loss) to net cash flows from operating activities: None	<u>-</u>
Net cash flows from operating activities	<u><u>\$0</u></u>
Noncash capital and related financing activities:	\$ -

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, 2015

Statement 66

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
<u>Permit Surcharge Fund</u>				
Assets:				
Cash and investments	\$1,446	\$76,025	(\$70,742)	\$6,729
Total assets	<u>\$1,446</u>	<u>\$76,025</u>	<u>(\$70,742)</u>	<u>\$6,729</u>
Liabilities:				
Due to other governmental units	\$1,446	\$6,730	(\$1,447)	\$6,729
Total liabilities	<u>\$1,446</u>	<u>\$6,730</u>	<u>(\$1,447)</u>	<u>\$6,729</u>
<u>Tri-City GIS Fund</u>				
Assets:				
Cash and investments	\$9,772	\$98,034	(\$86,490)	\$21,316
Due from other governmental units	1,734	79	(1,734)	79
Total assets	<u>\$11,506</u>	<u>\$98,113</u>	<u>(\$88,224)</u>	<u>\$21,395</u>
Liabilities:				
Accounts payable	\$9,611	\$127,090	(\$117,418)	\$19,283
Due to other governmental units	1,895	2,112	(1,895)	2,112
Total liabilities	<u>\$11,506</u>	<u>\$129,202</u>	<u>(\$119,313)</u>	<u>\$21,395</u>
<u>Total</u>				
Assets:				
Cash and investments	\$11,218	\$174,059	(\$157,232)	\$28,045
Due from other governmental units	1,734	79	(1,734)	79
Total assets	<u>\$12,952</u>	<u>\$174,138</u>	<u>(\$158,966)</u>	<u>\$28,124</u>
Liabilities:				
Accounts payable	\$9,611	\$127,090	(\$117,418)	\$19,283
Due to other governmental units	3,341	8,842	(3,342)	8,841
Total liabilities	<u>\$12,952</u>	<u>\$135,932</u>	<u>(\$120,760)</u>	<u>\$28,124</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		
	2006	2007	2008
Governmental activities:			
Invested in capital assets, net of related debt	\$18,043,277	\$18,859,030	\$23,497,922
Restricted	2,224,384	2,228,454	2,316,959
Unrestricted	23,028,974	22,985,523	21,011,465
Total governmental activities net position	<u>\$43,296,635</u>	<u>\$44,073,007</u>	<u>\$46,826,346</u>
Business-type activities:			
Invested in capital assets, net of related debt	\$5,759,805	\$6,039,739	\$7,142,278
Restricted	455,227	775,036	745,601
Unrestricted	7,299,574	6,478,383	5,855,495
Total business-type activities net position	<u>\$13,514,606</u>	<u>\$13,293,158</u>	<u>\$13,743,374</u>
Primary government:			
Invested in capital assets, net of related debt	\$23,803,082	\$24,898,769	\$30,640,200
Restricted	2,679,611	3,003,490	3,062,560
Unrestricted	30,328,548	29,463,906	26,866,960
Total primary government net position	<u>\$56,811,241</u>	<u>\$57,366,165</u>	<u>\$60,569,720</u>

Note: The City implemented GASB statement No. 68 in fiscal 2015. 2014 net position information has been restated for this accounting change. Years prior to 2014 have not been restated.

Table 1

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$24,163,911	\$26,279,178	\$28,095,261	\$27,666,461	\$27,358,490	\$26,049,057	\$27,168,555
2,458,743	2,034,030	3,213,455	2,624,466	2,025,652	3,752,839	4,710,968
22,423,351	23,142,534	21,119,179	21,241,595	22,222,578	16,881,302	15,717,275
<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>	<u>\$46,683,198</u>	<u>\$47,596,798</u>
\$7,459,474	\$8,044,184	\$9,331,167	\$9,819,666	\$10,365,407	\$10,729,457	\$11,928,401
648,435	438,275	381,465	161,503	643,320	543,822	533,756
6,014,140	6,725,383	5,918,147	6,680,609	6,690,111	6,058,065	6,098,230
<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>	<u>\$17,331,344</u>	<u>\$18,560,387</u>
\$31,623,385	\$34,323,362	\$37,426,428	\$37,486,127	\$37,723,897	\$36,778,514	\$39,096,956
3,107,178	2,472,305	3,594,920	2,785,969	2,668,972	\$4,296,661	\$5,244,724
28,437,491	29,867,917	27,037,326	27,922,204	28,912,689	\$22,939,367	\$21,815,505
<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>	<u>\$64,014,542</u>	<u>\$66,157,185</u>

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

	Fiscal Year		
	2006	2007	2008
Expenses			
Governmental activities:			
General government	\$1,689,675	\$1,732,111	\$1,835,453
Public safety	3,992,930	4,380,363	4,599,669
Public works	2,353,032	2,506,913	2,906,950
Culture and recreation	2,135,633	2,313,750	2,283,881
Community development	2,579,084	5,918,257	4,476,475
Interest on long-term debt	118,760	496,688	721,006
Total governmental activities expenses	<u>12,869,114</u>	<u>17,348,082</u>	<u>16,823,434</u>
Business-type activities:			
Water	2,026,603	2,113,121	2,149,976
Sewer	1,393,679	1,675,738	1,571,487
Refuse	1,147,879	1,170,707	1,185,298
Storm sewer	184,764	204,221	216,362
Liquor	6,377,805	6,539,357	7,470,323
Total business-type activities expenses	<u>11,130,730</u>	<u>11,703,144</u>	<u>12,593,446</u>
Total primary government expenses	<u>\$23,999,844</u>	<u>\$29,051,226</u>	<u>\$29,416,880</u>
Program revenues			
Governmental activities:			
Charges for services:			
General government	\$171,146	\$177,378	\$173,485
Public safety	528,752	670,017	616,107
Public works	267,960	130,351	67,226
Culture and recreation	263,565	297,341	262,562
Community development	1,461,497	1,504,679	1,562,345
Operating grants and contributions:			
General government	2,769	-	2,560
Public safety	355,356	389,325	433,732
Public works	161,176	154,309	154,049
Culture and recreation	79,371	47,784	239,865
Community development	160,017	159,624	185,506
Capital grants and contributions:			
General government	-	-	-
Public safety	52,463	103,974	57,700
Public works	3,896,862	1,448,180	1,596,348
Culture and recreation	141,738	71,516	42,588
Community development	682,872	1,311,525	2,974,449
Total governmental activities program revenues	<u>8,225,544</u>	<u>6,466,003</u>	<u>8,368,522</u>

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$1,761,334	\$2,013,750	\$2,039,680	\$1,977,594	\$1,976,207	\$2,104,025	\$2,128,964
4,591,977	5,473,224	5,549,678	5,708,009	5,683,769	5,801,747	6,265,485
2,794,189	2,777,966	2,654,047	3,200,572	2,843,102	3,052,844	3,529,547
2,182,856	2,479,519	2,576,409	2,500,719	2,553,760	2,565,755	2,926,004
2,385,405	2,295,574	1,630,350	2,157,966	2,010,040	1,943,576	1,555,640
961,392	959,320	909,858	845,879	808,933	761,967	948,493
<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>	<u>16,229,914</u>	<u>17,354,133</u>
1,927,811	2,000,101	2,370,076	2,311,858	2,371,414	2,336,475	2,367,954
1,737,134	1,478,518	1,710,381	1,464,269	1,538,970	1,789,260	1,621,506
1,290,528	1,426,486	1,561,659	1,601,648	1,628,966	1,695,997	1,753,406
376,884	272,355	298,577	329,998	307,876	315,809	541,926
7,701,961	7,910,951	8,155,888	8,371,610	8,341,309	8,148,788	8,125,188
<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>14,286,329</u>	<u>14,409,980</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>	<u>\$30,516,243</u>	<u>\$31,764,113</u>
\$169,850	\$192,005	\$189,641	\$204,391	\$385,728	\$194,201	\$206,531
637,653	715,205	697,656	736,927	706,168	752,694	703,489
34,149	44,211	48,303	139,305	39,141	89,392	51,991
256,969	269,825	159,829	137,978	163,931	234,494	227,224
1,019,191	1,114,848	962,276	961,420	976,030	987,722	1,001,740
1,505	-	-	-	-	-	-
434,402	559,482	563,914	556,387	511,527	404,486	485,439
161,401	166,468	176,578	189,039	233,748	557,112	1,314,378
102,517	93,474	76,864	57,337	56,069	31,521	18,422
211,400	241,919	112,895	23,010	-	-	96,274
-	194,842	38,399	-	-	-	-
19,520	16,026	11,303	-	-	-	15,350
1,683,024	2,848,179	1,314,547	797,921	855,227	183,706	811,654
1,500	15,724	-	-	-	-	252,260
<u>199,505</u>	<u>541,826</u>	<u>175,467</u>	<u>204,349</u>	<u>1,026,706</u>	<u>422,773</u>	<u>364,791</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>	<u>3,858,101</u>	<u>5,549,543</u>

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

	Fiscal Year		
	2006	2007	2008
Business-type activities:			
Charges for services:			
Water	\$2,141,648	\$2,273,980	\$2,414,316
Sewer	1,374,217	1,419,252	1,440,165
Refuse	1,263,267	1,303,472	1,341,014
Storm sewer	270,467	290,419	314,238
Liquor	6,546,979	6,722,622	7,490,942
Operating grants and contributions:			
Water	-	-	-
Sewer	-	-	1,718
Refuse	47,755	36,060	50,572
Storm sewer	-	-	-
Capital grants and contributions:			
Water	22,822	-	-
Sewer	-	-	54,774
Refuse	-	-	-
Storm sewer	-	-	-
Total business-type activities program revenues	<u>11,667,155</u>	<u>12,045,805</u>	<u>13,107,739</u>
Total primary government program revenues	<u>\$19,892,699</u>	<u>\$18,511,808</u>	<u>\$21,476,261</u>
Net (expense) revenue:			
Governmental activities	(\$4,643,570)	(\$10,882,079)	(\$8,454,912)
Business-type activities	536,425	342,661	514,293
Total primary government net (expense) revenue	<u>(4,107,145)</u>	<u>(10,539,418)</u>	<u>(7,940,619)</u>
General revenues and other changes in net position			
Governmental activities:			
Taxes:			
Property taxes	5,953,722	6,321,467	6,762,129
Tax increment collections	1,086,298	1,183,062	1,557,891
Unrestricted grants and contributions	1,679,384	1,844,516	1,516,412
Investment earnings	706,231	1,379,726	1,050,827
Miscellaneous	15,930	44,000	40,877
Transfers	957,879	456,537	280,115
Total governmental activities	<u>10,399,444</u>	<u>11,229,308</u>	<u>11,208,251</u>
Business-type activities:			
Investment earnings	181,708	321,571	216,038
Transfers	(957,879)	(456,537)	(280,115)
Total business-type activities	<u>(776,171)</u>	<u>(134,966)</u>	<u>(64,077)</u>
Total primary government	<u>\$9,623,273</u>	<u>\$11,094,342</u>	<u>\$11,144,174</u>
Change in net position:			
Governmental activities	\$5,755,874	\$347,229	\$2,753,339
Business-type activities	(239,746)	207,695	450,216
Total primary government	<u>\$5,516,128</u>	<u>\$554,924</u>	<u>\$3,203,555</u>

							Fiscal Year						
2009	2010	2011	2012	2013	2014	2015	2009	2010	2011	2012	2013	2014	2015
\$2,471,257	\$2,503,506	\$2,530,803	\$2,777,383	\$3,020,174	\$2,805,072	\$2,730,516							
1,465,496	1,594,322	1,523,852	1,581,516	1,618,786	1,627,078	1,699,397							
1,383,979	1,542,312	1,682,178	1,761,860	1,826,226	1,887,038	1,896,230							
370,590	345,086	350,618	353,343	368,925	366,384	375,663							
7,962,884	8,158,259	8,494,962	8,804,233	8,747,084	8,415,371	8,399,943							
-	-	-	-	1,971	-	-							
-	-	-	-	-	-	-							
50,105	36,653	66,163	62,471	68,565	91,421	96,518							
-	-	-	-	14,335	-	-							
-	-	-	-	-	-	-							
-	-	-	-	-	-	-							
-	-	-	50,000	-	-	-							
-	-	-	-	-	47,369	747,334							
<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>15,239,733</u>	<u>15,945,601</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>	<u>\$19,097,834</u>	<u>\$21,495,144</u>							
(\$9,744,567)	(\$8,985,319)	(\$10,832,350)	(\$12,382,675)	(\$10,921,536)	(\$12,371,813)	(\$11,804,590)							
669,993	1,091,727	551,995	1,311,423	1,477,531	953,404	1,535,621							
<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>	<u>(11,418,409)</u>	<u>(10,268,969)</u>							
8,046,318	8,825,502	9,069,092	9,363,598	9,827,378	10,310,867	10,512,483							
1,244,684	812,965	558,861	553,050	532,524	463,837	491,639							
1,731,185	1,176,934	1,278,195	1,003,552	1,000,513	1,496,804	1,682,480							
475,345	487,612	598,880	295,950	(664,694)	1,091,263	342,384							
82,704	-	34,485	7,338	11,842	-	(679,895)							
383,990	92,044	264,990	263,814	288,171	361,426	369,099							
<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>	<u>13,724,197</u>	<u>12,718,190</u>							
92,672	86,110	135,932	63,321	(152,300)	252,360	62,521							
(383,990)	(92,044)	(264,990)	(263,814)	(288,171)	(361,426)	(369,099)							
<u>(291,318)</u>	<u>(5,934)</u>	<u>(129,058)</u>	<u>(200,493)</u>	<u>(440,471)</u>	<u>(109,066)</u>	<u>(306,578)</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>	<u>\$13,615,131</u>	<u>\$12,411,612</u>							
\$2,219,659	\$2,409,738	\$972,153	(\$895,373)	\$74,198	\$1,352,384	\$913,600							
378,675	1,085,793	422,937	1,110,930	1,037,060	844,338	1,229,043							
<u>\$2,598,334</u>	<u>\$3,495,531</u>	<u>\$1,395,090</u>	<u>\$215,557</u>	<u>\$1,111,258</u>	<u>\$2,196,722</u>	<u>\$2,142,643</u>							

CITY OF COLUMBIA HEIGHTS, MINNESOTA
FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year		
	2006	2007	2008
General fund:			
Reserved	\$35,323	\$35,710	\$12,159
Unreserved	3,560,525	3,943,436	3,743,798
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total general fund	<u>\$3,595,848</u>	<u>\$3,979,146</u>	<u>\$3,755,957</u>
All other governmental funds:			
Reserved	\$2,668,322	\$2,382,354	\$968,602
Unreserved, reported in:			
Special revenue funds	(506,084)	411,090	1,868,340
Debt service funds	809,062	1,745,447	3,242,471
Capital projects funds	15,034,968	15,918,048	20,233,690
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total all other governmental funds	<u>\$18,006,268</u>	<u>\$20,456,939</u>	<u>\$26,313,103</u>

Table 3

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$71,898	\$77,204	\$ -	\$ -	\$ -	\$ -	\$ -
4,724,253	5,265,035	-	-	-	-	-
-	-	80,767	87,341	92,638	94,892	94,848
-	-	-	-	-	-	-
-	-	132,595	74,594	50,237	30,548	-
-	-	-	-	-	-	44,000
-	-	5,655,693	5,914,974	6,254,402	7,248,380	6,873,054
<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>	<u>\$7,373,820</u>	<u>\$7,011,902</u>
\$1,643,915	\$1,550,071	\$ -	\$ -	\$ -	\$ -	\$ -
2,332,610	3,190,618	-	-	-	-	-
3,177,586	3,713,774	-	-	-	-	-
13,173,074	11,642,407	-	-	-	-	-
-	-	2,353,164	2,763,852	1,750,114	1,522,537	2,724
-	-	3,440,649	4,186,081	3,879,706	4,368,851	9,821,307
-	-	12,774,440	10,988,368	12,229,481	13,593,609	12,902,165
-	-	-	-	-	-	-
-	-	(1,041)	(2,782)	(39,344)	(75,389)	(92,040)
<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>	<u>\$19,409,608</u>	<u>\$22,634,156</u>

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

	Fiscal Year		
	2006	2007	2008
Revenues:			
Taxes	\$6,977,604	\$7,444,199	\$8,263,763
Special assessments	1,011,553	1,137,576	2,505,523
Licenses and permits	597,557	444,833	423,465
Intergovernmental	4,228,308	4,229,414	3,734,826
Charges for services	1,887,314	1,995,859	1,665,604
Fines and forfeitures	129,400	160,383	142,283
Investment earnings	648,744	1,271,216	984,846
Other revenues	251,414	170,344	296,815
Total revenues	<u>15,731,894</u>	<u>16,853,824</u>	<u>18,017,125</u>
Expenditures:			
Current:			
General government	1,577,484	1,616,374	1,706,244
Public safety	3,887,884	4,122,411	4,345,716
Public works	1,523,170	1,640,713	1,955,250
Culture and recreation	2,074,835	2,238,793	2,202,680
Community development	2,256,122	3,077,310	4,077,576
Capital outlay:			
General government	4,512	-	5,453
Public safety	82,986	254,728	3,499,713
Public works	4,202,665	1,303,297	1,084,959
Culture and recreation	117,909	274,896	3,269,986
Community development	266,144	306,332	287,620
Debt service:			
Principal retirement	782,273	792,273	1,029,836
Interest and fiscal charges	119,544	219,065	384,293
Issuance costs	25,114	148,972	155,397
Developer incentives	142,451	2,584,854	71,341
Total expenditures	<u>17,063,093</u>	<u>18,580,018</u>	<u>24,076,064</u>
Revenues over (under) expenditures	<u>(1,331,199)</u>	<u>(1,726,194)</u>	<u>(6,058,939)</u>

Table 4
Page 1 of 2

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$9,218,038	\$9,631,635	\$9,683,433	\$9,948,228	\$10,416,523	\$10,774,987	\$11,022,424
879,092	1,020,334	729,327	775,714	667,719	458,670	1,116,734
435,618	479,148	378,357	396,226	412,208	415,032	626,547
3,777,355	4,936,443	2,820,419	2,314,195	2,719,400	2,766,383	4,079,184
1,513,667	1,650,772	1,652,655	1,663,782	1,710,767	1,702,900	1,440,361
139,955	188,693	170,089	161,882	148,023	140,571	124,067
456,145	469,312	562,180	275,750	(611,794)	1,011,063	318,284
102,901	273,446	70,173	63,674	104,577	73,815	189,073
<u>16,522,771</u>	<u>18,649,783</u>	<u>16,066,633</u>	<u>15,599,451</u>	<u>15,567,423</u>	<u>17,343,421</u>	<u>18,916,674</u>
1,646,974	1,926,982	1,880,257	1,813,433	1,791,379	1,939,689	1,950,062
4,418,436	4,968,433	5,037,548	5,250,881	5,171,322	5,270,798	5,595,115
1,736,999	1,731,700	1,509,527	2,011,507	1,644,075	1,916,874	2,220,057
2,003,635	2,194,853	2,306,693	2,184,214	2,233,446	2,247,452	2,581,993
2,115,628	1,351,368	1,321,431	1,434,329	1,205,273	1,544,419	1,136,220
45,708	-	144,029	209,176	13,868	21,642	-
8,997,400	237,272	95,281	158,448	70,960	103,707	608,932
951,240	2,925,174	1,882,787	557,820	896,223	79,225	1,727,488
2,256,958	194,380	140,867	18,107	39,768	100,248	4,173,606
139,118	1,202,998	40,549	636,294	566,901	413,179	507,472
783,974	765,736	1,659,022	972,000	1,559,730	662,000	1,036,716
835,167	981,281	935,405	861,139	833,890	770,535	826,921
56,189	-	-	-	-	-	85,016
125,857	141,005	181,638	116,072	163,972	55,123	164,188
<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>15,124,891</u>	<u>22,613,786</u>
<u>(9,590,512)</u>	<u>28,601</u>	<u>(1,068,401)</u>	<u>(623,969)</u>	<u>(623,384)</u>	<u>2,218,530</u>	<u>(3,697,112)</u>

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

	Fiscal Year		
	2006	2007	2008
Other financing sources (uses):			
Bonds issued	\$2,759,550	\$3,890,000	\$10,975,000
Bond premium (discount)	26,303	(22,108)	-
Transfers in	1,807,877	570,374	377,615
Transfers out	(70,000)	(70,000)	(88,941)
Sale of capital assets	78,013	191,897	428,240
Special item	-	-	-
Total other financing sources (uses)	<u>4,601,743</u>	<u>4,560,163</u>	<u>11,691,914</u>
Net change in fund balance	<u>\$3,270,544</u>	<u>\$2,833,969</u>	<u>\$5,632,975</u>
Expenditures capitalized for governmental activities reporting purposes	4,592,787	1,896,363	7,909,561
Debt service as a percentage of noncapital expenditures (A) (B)	7.2%	6.1%	8.7%
Debt service as a percentage of total expenditures (A) (B)	5.3%	5.4%	5.9%

(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						
2009	2010	2011	2012	2013	2014	2015
\$4,190,000	\$ -	\$ -	\$ -	\$563,021	\$ -	\$6,875,000
-	-	-	-	-	-	293,651
458,231	407,272	411,736	298,814	326,740	405,728	429,099
(99,224)	(120,100)	(302,881)	(110,000)	(113,569)	(124,302)	(120,000)
95,781	-	40,999	11,315	51,997	66,236	9,135
-	-	-	-	-	-	(927,142)
<u>4,644,788</u>	<u>287,172</u>	<u>149,854</u>	<u>200,129</u>	<u>828,189</u>	<u>347,662</u>	<u>6,559,743</u>
<u>(\$4,945,724)</u>	<u>\$315,773</u>	<u>(\$918,547)</u>	<u>(\$423,840)</u>	<u>\$204,805</u>	<u>\$2,566,192</u>	<u>\$2,862,631</u>
12,364,511	3,637,559	2,270,210	943,602	952,108	417,503	6,602,755
11.8%	11.7%	17.5%	12.0%	15.7%	9.7%	11.6%
6.2%	9.4%	15.1%	11.3%	14.8%	9.5%	8.2%

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				
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%
2014	8,194,709	1,012,690	(443,838)	8,763,561	(568,852)	4,334,662	12,529,371	78.177%	954,475,000	1.313%
2015	8,872,294	1,824,746	(465,433)	10,231,607	(569,588)	4,339,040	14,001,059	70.811%	1,093,861,500	1.280%

- (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 for 2012.
- (B) The category "Other Property" is substantially all commercial/industrial property, plus nominal amounts of railroad and personal property.
- (C) The Metropolitan Fiscal Disparities Act was first implemented for taxes payable in 1975 for the seven Metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Forty percent of the increase in commercial-industrial (including public utility) valuation in each assessment district since 1971 is contributed to an area-wide tax base. Using the factors of population and real property market value, a per capita distribution index is calculated. This index is employed in determining what proportion of the valuation shall be distributed back to each assessment district.

Source: Anoka County Auditor's Tax Certificate

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

Table 6

Fiscal Year	City Direct Rate (A)	Overlapping Rates (B)			Total
		School District 13	County	Special Districts (C)	
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%
2014	78.177%	24.824%	40.365%	12.297%	155.663%
2015	70.811%	32.562%	38.123%	10.811%	152.307%

(A) These property tax rates are stated as a percentage of tax capacity value. Refer to Table 5 for tax capacity value. Tax capacity values after 2011 are reduced the market value homestead exclusion, which excludes a portion of homesteaded value from taxation. Consequently, post-2011 tax 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	2015			2006		
	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	\$150,428	1	1.63%	\$190,392	1	1.66%
Bre Non-Core 2 Owner B, LLC	115,108	2	1.25%	N/A	N/A	N/A
Crestview Corporation	93,145	3	1.01%	71,106	8	0.62%
Hart Lake Apartments LLC	86,850	4	0.94%	N/A	N/A	N/A
Columbia Park Properties	83,226	5	0.90%	92,980	4	0.81%
Xcel Energy/ Northern States Power Co	72,118	6	0.78%	56,916	10	0.49%
Columbia Heights Center LLC	68,640	7	0.75%	69,728	9	0.61%
Venture Bank	65,250	8	0.71%	N/A	N/A	N/A
Health Care Reit Inc	62,577	9	0.68%	N/A	N/A	N/A
Burlington Northern	58,292	10	0.63%	N/A	N/A	N/A
Lynde Investment Co MN Partnership	N/A	N/A	N/A	78,999	6	0.69%
New Heights Development	N/A	N/A	N/A	73,179	7	N/A
Consolidated Realty of Mpls	N/A	N/A	N/A	108,043	3	0.94%
Equity Partners LLC	N/A	N/A	N/A	83,018	5	N/A
Bradley Operating LP	N/A	N/A	N/A	140,944	2	1.23%
Total	<u>\$855,634</u>		<u>9.28%</u>	<u>\$965,305</u>		<u>7.04%</u>
Total All Property	<u>\$9,207,399</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) 2014 taxable market values used to calculate tax capacity values in this table are reduced by the market value homestead exclusion (first 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)
2006	\$6,347,537	(\$160)	(\$517,322)
2007	6,500,613	(189)	(471,660)
2008	7,045,370	(74)	(451,019)
2009	7,702,363	(161)	(447,755)
2010	9,075,425	(302)	(535,625)
2011	9,426,760	(141)	(608,241)
2012	9,136,706	(54)	-
2013	9,536,888	(182)	-
2014	9,911,706	166	-
2015	10,233,706	207	-

(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.

Table 8

Adjusted Tax Levy	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
\$5,830,055	\$5,672,909	97.30%	\$156,887	\$5,829,796	100.00%
6,028,764	5,842,540	96.91%	185,668	6,028,208	99.99%
6,594,277	6,400,604	97.06%	190,007	6,590,611	99.94%
7,254,447	7,021,605	96.79%	225,248	7,246,853	99.90%
8,539,498	8,279,065	96.95%	252,362	8,531,427	99.91%
8,818,378	8,578,784	97.28%	223,563	8,802,347	99.82%
9,136,652	8,932,564	97.77%	175,808	9,108,372	99.69%
9,536,706	9,379,873	98.36%	109,212	9,489,085	99.50%
9,911,872	9,778,631	98.66%	-	9,778,631	98.66%
10,233,913	Not Available	Not Available	N/A	Not Available	Not Available

CITY OF COLUMBIA HEIGHTS, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	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	Total Governmental Activities
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	13,480,000	580,000	2,740,730	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
2014	12,260,000	470,000	1,613,021	2,617,000	16,960,021
2015	18,460,000	410,000	1,379,305	2,549,000	22,798,305

(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)
\$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
2,401,979	4,260,000	6,661,979	23,622,000	4.9%	1,201
2,085,695	4,080,000	6,165,695	28,964,000	5.7%	1,466

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)
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%
2014	14,281,021	1,134,227	13,146,794	1.32%
2015	20,249,305	1,174,473	19,074,832	2.00%

(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)
\$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	259,366	2,177,613	33.7%	\$16,119,803	820
2,401,979	543,822	1,858,157	28.8%	\$15,004,951	763
2,085,695	533,756	1,551,939	24.0%	\$20,626,771	1,048

CITY OF COLUMBIA HEIGHTS, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 December 31, 2015

Table 11

Governmental Unit (A)	Debt Outstanding	Estimated Percentage Applicable (B)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Anoka County	\$143,506,281	4.5981%	\$4,929,698
Independent School District 13	17,255,000	71.0729%	11,150,488
Metropolitan Council	1,507,019,856	0.4263%	647,637
Subtotal - overlapping debt			16,727,823
City direct debt - governmental activities			22,798,305
Total direct and overlapping debt			\$39,526,128

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

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

Source: Anoka County Auditor's Tax Certificate

CITY OF COLUMBIA HEIGHTS, MINNESOTA

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Table 12

Legal Debt Margin Calculation for Fiscal Year 2015

Assessor's Estimated Market Value (A)	\$1,093,861,500
Debt limitation percentage (A)	<u>3%</u>
Debt limit	32,815,845
Net debt applicable to limit (B)	<u>18,460,000</u>
Legal debt margin	<u>\$14,355,845</u>
Legal debt margin as a percentage of limit	<u>43.75%</u>

Legal Debt Margin Calculation for Fiscal Years 2005 Through 2014

Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin as a Percentage of Debt Limit
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%
2013	29,819,529	12,685,000	17,134,529	57.46%
2014	28,634,250	12,260,000	16,374,250	57.18%

- (A) The debt limit within Minnesota Statutes, Section 475.53, subd.1) is as follows:
1. For years after 2013, 3% of the Assessor Estimated Market Value of taxable property within the City.
 2. For years prior to 2014, 3% of the Taxable Market Value of property within the City, after exclusions.
- (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.

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

	Fiscal Year		
	2006 - 2007	2008	2009
Economic Development Authority			
Tax Increment Revenue Bonds Series 2007:			
Tax increment revenue from applicable parcels	\$ -	\$243,159	\$267,142
Intergovernmental:			
Market Value TIF credit	-	14,002	19,554
Net available revenue	<u>\$0</u>	<u>\$257,161</u>	<u>\$286,696</u>
Debt service:			
Principal	-	-	9,000
Interest	-	158,325	152,363
Total debt service	<u>\$0</u>	<u>\$158,325</u>	<u>\$161,363</u>
Coverage	N/A	162%	178%
Economic Development Authority			
Lease Revenue Bonds Series 2007B:			
Annual appropriation of liquor net revenues	\$ -	\$210,264	\$497,200
Investment income	-	8,638	71
Issuance costs and administration (expense)	(A) -	(113,491)	(2,000)
Net available revenue	<u>\$0</u>	<u>\$105,411</u>	<u>\$495,271</u>
Debt service:			
Principal	\$ -	\$ -	\$ -
Interest	-	208,264	240,305
Total debt service	<u>\$0</u>	<u>\$208,264</u>	<u>\$240,305</u>
Coverage	N/A	51%	206%

(A) Restated issuance costs for yaers after 2010, to implement change in accounting principal.

Note: Details regarding the City's outstanding debt can be found in Note 7 of the financial statements.

Table 13

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$241,854	\$211,533	\$175,832	\$170,496	\$162,056	\$196,024
28,118	34,351	-	-	-	-
<u>\$269,972</u>	<u>\$245,884</u>	<u>\$175,832</u>	<u>\$170,496</u>	<u>\$162,056</u>	<u>\$196,024</u>
43,000	48,000	53,000	58,000	62,000	68,000
151,063	148,788	146,263	143,488	140,488	137,238
<u>\$194,063</u>	<u>\$196,788</u>	<u>\$199,263</u>	<u>\$201,488</u>	<u>\$202,488</u>	<u>\$205,238</u>
139%	125%	88%	85%	80%	96%
\$364,000	\$390,000	\$386,000	\$390,000	\$384,000	\$380,000
1,105	1,500	1,000	(2,500)	3,230	211
<u>(2,556)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,332)</u>	<u>(2,200)</u>	<u>(2,667)</u>
<u>\$362,549</u>	<u>\$389,500</u>	<u>\$385,000</u>	<u>\$385,168</u>	<u>\$385,030</u>	<u>\$377,544</u>
\$140,000	\$150,000	\$155,000	\$165,000	\$170,000	\$180,000
237,155	230,630	223,768	213,178	209,030	201,155
<u>\$377,155</u>	<u>\$380,630</u>	<u>\$378,768</u>	<u>\$378,178</u>	<u>\$379,030</u>	<u>\$381,155</u>
96%	102%	102%	102%	102%	99%

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2006	18,288	\$442,789,056	\$24,212	3.9%
2007	18,124	438,818,288	24,212	4.5%
2008	18,137	439,133,044	24,212	5.5%
2009	18,361	444,556,532	24,212	8.4%
2010	19,496	472,037,152	24,212	8.0%
2011	19,568	487,243,200	24,900	6.8%
2012	19,667	507,408,600	25,800	5.9%
2013	19,667	478,616,112	24,336	5.0%
2014	19,674	502,434,612	25,538	4.1%
2015	19,758	621,863,292	31,474	3.6%

Sources are as follows:

Population: Data for the years 2006-2009 provided by the Metropolitan Council.
 Data for 2010 is from the 2010 US Census. Data for 2011-2015 is estimated by the US Census Bureau.

Per Capita Income:
 Data for 2005-2015 provided by the US Census Bureau, 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.

CITY OF COLUMBIA HEIGHTS, MINNESOTA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Table 15

Principal Employers Within City	2015			2006		
	Employees	Rank	Percentage of Total Anoka County (A) Employment	Employees	Rank	Percentage of Total Anoka County (A) Employment
Medtronic Inc	600	1	0.32%	600	1	0.35%
Independent School District 13	495	2	0.27%	524	2	0.30%
Crestview Lutheran Home	271	3	0.15%	233	3	0.14%
City of Columbia Heights	202	4	0.11%	196	4	0.12%
Fairview - Columbia Heights Clinic	120	5	0.06%	98	5	0.06%
Unique Thrift Store	100	6	0.05%	N/A	N/A	N/A
Rainbow Foods	N/A	N/A	N/A	85	6	0.05%
Invest Cast Inc	86	7	0.05%	65	7	0.04%
La Casita Mexican Restaurant	45	10	0.02%	59	8	0.03%
Bobby & Steve's Auto World	53	8	0.03%	46	10	0.03%
McDonald's	N/A	N/A	N/A	49	9	0.03%
SAVERS	48	9	0.03%	N/A	N/A	N/A
Total	<u>2,020</u>		<u>1.09%</u>	<u>1,955</u>		<u>1.15%</u>

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

Sources:

The employee count for the City of Columbia Heights is from Table 16. 2015 data for other employers was compiled from ReferenceUSA, written and telephone survey (August 2014), and the Minnesota Department of Employment and Economic Development. 2006 data from Official Statement for the City of Columbia Heights 2006A GO bond series.

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

Function/Program	Employees as of December 31,		
	2006	2007	2008
General government			
Mayor/council	5	5	5
Administration	4	4	4
Finance	12	13	13
Public safety:			
Police	31	31	34
Fire	36	33	29
Public works	17	16	17
Culture and recreation:			
Library	22	22	25
Parks	5	5	5
Recreation	16	16	17
Community development	7	7	6
Water	4	5	4
Sewer	4	4	3
Refuse	-	-	-
Storm sewer	-	-	1
Liquor	37	42	38
Total	200	203	201

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.

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

Table 16

Employees as of December 31,						
2009	2010	2011	2012	2013	2014	2015
5	5	5	5	5	5	5
5	10	11	11	10	4	4
14	13	14	13	13	13	13
35	36	35	37	36	35	35
31	30	32	33	31	31	30
18	17	16	16	15	21	23
21	19	21	20	21	21	18
5	5	5	5	5	5	5
14	13	16	15	15	15	15
6	5	5	4	4	4	4
4	4	4	4	4	4	4
3	3	3	3	4	4	4
-	-	-	-	-	-	-
1	1	1	1	1	1	1
40	41	39	40	40	40	41
202	202	207	207	204	203	202

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

Function/Program	Fiscal Year		
	2006	2007	2008
General government:			
Resolutions approved by City Council (A)	234	198	247
Ordinances adopted by City Council	14	12	26
Public safety:			
Police:			
Part I crimes (B)	1,167	1,246	1,098
Part II crimes (B)	3,184	3,144	2,966
Fire:			
Emergency medical calls (B)	1,806	1,888	2,093
Fire calls (B)	387	445	385
Inspections & Related Actions (B)	3,709	4,603	6,955
Public works:			
Street paving and patching (tons of asphalt)	710	1,910	1,415
Street sweeping (tons of debris)	637	648	420
Trees removed	188	357	175
Culture and recreation:			
Library:			
Items in collection	70,354	71,594	72,420
Circulation	119,593	125,222	126,271
Reference inquiries	15,106	13,715	13,793
Parks and recreation:			
Athletics participants (C)	1,654	1,537	1,510
Other programs, estimated attendance (D)	9,000	8,000	8,000
Number of paid room rentals	191	185	190
Community development:			
Number of business licenses issued	342	306	363
Number of building permits issued (E)	1,701	1,313	1,113
Construction value of permits issued	\$26,798,827	\$22,230,118	\$21,917,792
Water:			
Consumption (thousands of gallons)	529,581	538,844	518,791
Sewer (sanitary):			
Wastewater (thousands of gallons, 12 months ended June 30)	536,920	495,580	511,090
Miles of line cleaned/rodded/root-sawed	39	27	29
Refuse:			
Refuse (tons)	8,397	6,587	7,323
Recycling (tons)	1,721	1,522	1,318
Yardwaste (tons)	645	654	727
Storm sewer:			
No operating indicators available	not avail	not avail	not avail
Liquor:			
Number of units sold	758,000	768,000	920,121

- (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.

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						
2009	2010	2011	2012	2013	2014	2015
170	115	159	159	94	98	96
12	12	15	5	3	2	9
882	768	755	742	674	684	673
1,275	1,683	1,576	1,408	1,326	1,052	1,018
1,694	1,664	1,722	1,839	1,942	1,811	1,980
660	846	764	752	852	729	787
3,724	5,720	6,073	5,413	5,249	5,077	4,855
1,033	1,054	869	1,029	224	782	696
581	638	712	350	574	540	470
121	180	180	157	284	217	282
69,702	72,055	71,303	72,985	76,658	78,137	73,907
120,705	131,885	125,051	129,624	121,827	117,888	109,018
17,771	14,352	16,601	14,547	16,068	13,208	13,923
1,602	1,500	4,299	4,232	5,534	5,125	10,836
8,000	8,000	8,000	9,000	10,485	10,637	22,679
210	160	177	135	139	140	153
379	393	334	323	346	339	359
1,187	1,351	1,290	1,058	1,303	1,212	2,164
\$13,376,732	\$14,481,712	\$7,986,467	\$7,203,199	\$7,388,271	\$7,609,375	\$25,476,137
518,299	516,068	454,223	495,870	461,520	449,415	417,687
437,520	444,820	485,000	455,210	455,310	467,680	415,000
39	26	25	26	33	33	26
7,239	6,770	6,789	6,563	6,684	6,648	6,895
1,036	1,699	1,605	1,610	1,690	1,670	1,824
773	1,100	1,270	1,270	1,169	1,250	1,450
not avail	not avail	not avail	not avail	not avail	not avail	not avail
1,029,139	1,028,160	1,060,150	1,103,790	1,045,188	1,038,985	1,090,131

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

Function/Program	Fiscal Year		
	2006	2007	2008
General government:			
City hall square footage	28,530	28,530	28,530
Public safety:			
Police Stations	1	1	1
Fire Stations	1	1	1
Public Safety Bldg square footage	Note A	Note A	Note A
Public works:			
Office and shop square footage	31,075	31,075	31,075
Trunk highway miles	3	3	3
County road miles	6	6	6
City street miles	62	62	62
Alley miles	19	19	19
Culture and recreation:			
Libraries	1	1	1
Library square footage	7,896	7,896	7,896
Parks	13	13	13
Playgrounds	11	11	11
Gymnasiums square footage	-	-	-
Mtg & banquet rooms square footage	22,000	22,000	22,000
Community development:			
Senior high-rise apartments (B)	145	145	145
Water:			
Watermain miles	66	66	66
Sewer:			
Sanitary sewer miles	59	59	59
Refuse:			
Recycling centers	1	1	1
Storm sewer:			
Storm sewer miles	34	34	34
Liquor:			
Retail stores owned	1	1	3
Retail stores leased	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.

(B) In 2015, Senior high-rise apartment building was sold

Sources: Various City departments.

Table 18

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
28,530	28,530	28,530	28,530	28,530	28,530	28,530
1	1	1	1	1	1	1
1	1	1	1	1	1	1
Note A	47,088	47,088	47,088	47,088	47,088	47,088
31,075	31,075	31,075	31,075	31,075	31,075	31,075
3	3	3	3	3	3	3
6	6	6	6	6	6	6
62	62	62	62	62	62	62
19	19	19	19	19	19	19
1	1	1	1	1	1	1
7,896	7,896	7,896	7,896	7,896	7,896	7,896
13	13	13	13	13	13	13
11	11	11	11	11	11	11
12,726	12,726	12,726	12,726	12,726	12,726	12,726
22,000	22,000	22,000	22,000	22,000	22,000	22,000
145	145	145	145	145	145	-
66	66	66	66	66	66	66
59	59	59	59	59	59	59
1	1	1	1	1	1	1
34	34	34	34	34	34	34
3	3	3	3	3	3	3
-	-	-	-	-	-	-

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IV. OTHER REQUIRED REPORTS SECTION

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MINNESOTA LEGAL COMPLIANCE REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, 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, 2015, and the related notes to the financial statements, and have issued our report thereon dated June 13, 2016.

The *Minnesota Legal Compliance Audit Guide for Cities*, 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 Cities*. 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.

A handwritten signature in black ink that reads "Redpath and Company, Ltd." in a cursive script.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 13, 2016

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2015, 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 13, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 13, 2016



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, 2015, and have issued our report thereon June 13, 2016. 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.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 13, 2016

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, 2015

Line Item	Account Description	Total Projects
	Assets:	
	Current assets:	
111	Cash - unrestricted	\$921,740
100	Total cash	<u>921,740</u>
	Accounts and notes receivable:	
125	Accounts receivable - miscellaneous	8,910
120	Total receivables, net of allowance	<u>8,910</u>
150	Total current assets	<u>930,650</u>
	Noncurrent assets:	
171	Notes, Loans and Morgages Receivable - Non-Current	5,200,000
180	Total noncurrent assets	<u>5,200,000</u>
190	Total assets	<u>6,130,650</u>
	Liabilities:	
	Current liabilities:	
312	Accounts payable <= 90 days	\$3,510
331	Accounts payable - HUD PHA programs	6,127,140
310	Total current liabilities	<u>6,130,650</u>
350	Total noncurrent liabilities	<u>0</u>
300	Total liabilities	<u>6,130,650</u>
	Net Position:	
508.4	Net investment in capital assets	-
512.4	Unrestricted net position	-
513	Total net position	<u><u>\$0</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, 2015

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	\$260,780	\$ -	\$260,780
704	Tenant revenue - other	3,162	-	3,162
706	HUD PHA grants	96,274	64,791	161,065
715	Other revenue	6,146	-	6,146
711	Investment income -unrestricted	2,717	-	2,717
700	Total revenue	<u>369,079</u>	<u>64,791</u>	<u>433,870</u>
Expenses:				
911	Administrative salaries	19,125	-	19,125
912	Auditing fees	4,550	-	4,550
913	Outside management fees	115,226	-	115,226
914	Advertising and marketing	-	-	-
916	Office Expenses	1,157	-	1,157
917	Legal expense	-	-	-
919	Other expense	2,037	-	2,037
931	Water	6,214	-	6,214
932	Electricity	44,432	-	44,432
933	Gas	22,735	-	22,735
936	Sewer	3,393	-	3,393
938	Other utilities expense	14,573	-	14,573
942	Ordinary maintenance and operations - materials and other	9,395	-	9,395
943	Ordinary maint. and operations contracts - HVAC	12,155	-	12,155
943	Ordinary maint. and operations contracts - snow removal	1,647	-	1,647
943	Ordinary maint. and operations contracts - elevator	6,643	-	6,643
943	Ordinary maint. and operations contracts - grounds	9,278	-	9,278
943	Ordinary maint. and operations contracts - unit turnaround	9,857	-	9,857
943	Ordinary maint. and operations contracts - extermination	882	-	882
943	Ordinary maint. and operations contracts - janitorial	37,450	-	37,450
943	Ordinary maint. and operations contracts - routine maintenance	8,382	-	8,382
943	Ordinary maint. and operations contracts - miscellaneous	235	-	235
952	Protective services	12,414	-	12,414
961	Insurance premiums	11,327	-	11,327
962	Other general expenses	3,432	-	3,432
963	Payments in lieu of taxes	17,834	-	17,834
969	Total operating expenses	<u>374,373</u>	<u>0</u>	<u>374,373</u>
974	Depreciation	<u>52,837</u>	<u>-</u>	<u>52,837</u>
900	Total expenses	<u>427,210</u>	<u>0</u>	<u>427,210</u>
1001	Operating transfers in	64,791	-	64,791
1002	Operating transfers out	-	(64,791)	(64,791)
1008	Special Items (net gain/loss)	<u>(2,065,049)</u>	<u>-</u>	<u>(2,065,049)</u>
1010	Total other financing sources (uses)	<u>(2,000,258)</u>	<u>(64,791)</u>	<u>(2,065,049)</u>
1000	Excess (deficiency) of revenue over expenses and and other financing uses (sources)	<u>(\$2,058,389)</u>	<u>\$0</u>	<u>(\$2,058,389)</u>
Memo account information:				
1103	Beginning equity	\$2,058,389	\$ -	\$2,058,389
1120	Unit months available	909	-	909
1121	Number of unit months leased	879	-	879

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, 2015

	FY 2012	FY 2013	FY 2014
	<u>MN 46P105501-12</u>	<u>MN 46P105501-13</u>	<u>MN 46P105501-14</u>
A. The actual modernization costs are as follows:			
Funds approved	\$84,944	\$81,917	\$85,284
Funds (expended)	<u>(84,944)</u>	<u>(81,917)</u>	<u>(85,284)</u>
Excess of funds approved (expended)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Funds advanced - HUD CFP Grants	\$84,944	\$81,917	\$85,284
Funds (expended):			
In prior years	(\$79,856)	(\$70,097)	(\$37,401)
In current year	<u>(5,088)</u>	<u>(11,820)</u>	<u>(47,883)</u>
Excess of funds advanced (expended)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>