

**CITY OF COLUMBUS, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the fiscal year ended September 30, 2007**

Prepared by:

Director of Finance

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**CITY OF COLUMBUS, TEXAS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2007**

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## INTRODUCTORY SECTION

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## City of Columbus

P.O. Box 87 • Columbus, Texas 78934-0087 • 979-732-2366 • Fax 979-732-8213

March 28, 2008

To the Honorable Mayor, Members of City Council, and  
Citizens of the City of Columbus, Texas:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2007.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Wm. Pierce Arthur, Certified Public Accountant, has issued an unqualified (“clean”) opinion on the City of Columbus’ financial statements for the year ended September 30, 2007. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### ***Profile of the Government***

The City of Columbus was established in 1835, first incorporated on June 5, 1837. Current incorporation occurred on January 10, 1927. It is located in Colorado County on Interstate Highway 10 and State Highway 71, in central Texas, approximately 73 miles west of Houston and approximately 120 miles east of San Antonio. The City currently has a land area of 2 square miles and a population of 3,916. The City of Columbus is a Type A, General Law City and utilizes the Council-Manager form of government organized under Chapter 25 of the Local Government Code. Policy-making and legislative authority are vested in a governing council consisting of a mayor and five council members elected by position. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and

ordinances of the governing council, for overseeing the day to day operations of the City and for appointing the heads of the various departments. Council members serve two year terms. with the mayor and two council members elected in odd numbered years and three council members elected in even numbered years. The mayor appoints the Municipal Court Judge, and members of various city committees with the approval of the City Council.

The City of Columbus provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, a public library and recreational activities, including parks and a swimming pool. In addition to general governmental activities, the City of Columbus operates water, sewer, garbage service, and gas utilities. In addition, the City is financially accountable for the activities of the Columbus Convention and Visitor's Bureau and the Columbus Community Industrial Development Corporation legally separate entities, which are reported separately within the City of Columbus' financial statements.

The City Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Columbus' financial planning and control. The budget is prepared by fund, function, department, and object. The City Manager may transfer resources within a fund during the fiscal year. To amend the total expenditures, a budget amendment must be approved by City Council.

### ***Local economy***

As measured by the City's sales tax, Columbus has experienced unprecedented economic growth over the past three years. For Fiscal Years 2001, 2002 and 2003, the sales tax reported was \$538,719, \$535,736 and \$545,516 respectively; these years were essentially flat, with little growth reflected in monthly reports. However, for Fiscal Years 2004, 2005 and 2006 a new trend started with sales tax reported at \$596,037, \$635,052 and \$634,052 respectively. These increases showed growth of 10.3% , 6% and 3% over the prior years. In Fiscal Year 2007, sales tax continued to grow with sales tax revenue increasing to \$698,441, a six percent increase over the previous year.

The City's economy is experiencing broad sector growth. No single large new business arrived to drive up the City's sales tax result. Steady, sound growth is being experienced throughout the business sector.

Despite the recent downturn in the national economy, the future of the City economy appears bright. As the City of Columbus is located almost midway between Houston, Austin and San Antonio, the City is buoyed by the growth of these large metropolitan areas. The City will annex 9.5 acres of land in 2008 which will be the location of two new hotels and a new restaurant. These two hotel chains have purchased property with the intent of constructing new establishments by mid 2009. The restaurant will be locally owned and operated. Also, within the current City limits, a 100-bed nursing home facility should be complete by the end of 2008. The City's advantage lies in the fact that markets will grow to the City from at least three different directions. As this Sun Belt region grows, as the energy sector expands and as the City's fundamentals improve, Columbus has the potential to be a leading small town in this area for years to come.



During the past ten years, the City's expenses related to public safety and streets and drainage have increased not only in amount, but also as a percentage of total expenditures (a ten-year increase of 22 percent and 17 percent, respectively). In the case of public safety, much of the increase reflects a regional trend that has seen the salaries and benefits of police grow at a faster rate than other categories.

### ***Long-term financial planning***

The City of Columbus maintains sufficient cash reserves and unreserved fund balances/unrestricted net assets in its general and utility funds to avoid borrowing for general operating purposes and to handle emergency situations, while providing quality service levels to the public.

During Fiscal Year 2005, the City was successful in obtaining certificates of obligation for \$4.75 million to fund a major Water and Sewer Improvement Project. These funds are allowing the City to drill a new water well, install new water and sewer lines throughout the City, and enhance the air piping system at the sewer plant. Currently there are two pressure heads in the water distribution system, each with two water wells. One main goal of this project will enable the City to convert the water distribution system to one pressure head. This will allow the City to take a well offline for maintenance without affecting the water supply to the citizens. This project will also enhance the water and sewer lines in the south part of the city where projected growth is expected. This project is expected to be completed in 2008.

### ***Relevant financial policies***

The City awards its depository contract through official bidding procedures for a two year period with an option to extend for a year. The current depository contract with The First State Bank expires September 30, 2008.

The City's bank depository agreement requires that all demand deposits and time deposits are secured by pledged collateral with a market value equal to 102 percent of the deposits, less \$100,000 which is insured by the Federal Deposit Insurance Corporation. Evidence of the pledged collateral is maintained by a third party financial institution.

During 2007, the City Council renewed the existing Investment Policy as required by state law and no changes were made to the policy.

### ***Major initiatives***

Technology improvements will continue to be a big area of change for the City. The City implemented technology enhancements with a new utility billing software system in 2007. A new building projects software system will be added in 2008.

The Water and Sewer Improvement Project, as mentioned earlier, is continuing. It is anticipated that this project will insure the life of the water and sewer systems which will in turn benefit all the citizens of Columbus. The City anticipates this project to be completed in 2008.

The City's Master Planning Study was completed, which encompassed areas such as base mapping and studies, park, recreation and open space, economic development, thoroughfare study, central business district, capital improvements plan, and subdivision ordinance. Because of the potential growth in the area, the Study will enable the City to accommodate changes. The City will begin a new project initiated from the study that will allow for water supply improvements on a main thoroughfare in the City.

### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Columbus for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2006. This was the first year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the finance department staff. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Council members for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Columbus' finances.

Respectfully submitted,



**David Maisell**  
**City Manager**



**Patti Gleaser**  
**City Secretary**

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Columbus  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2006

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



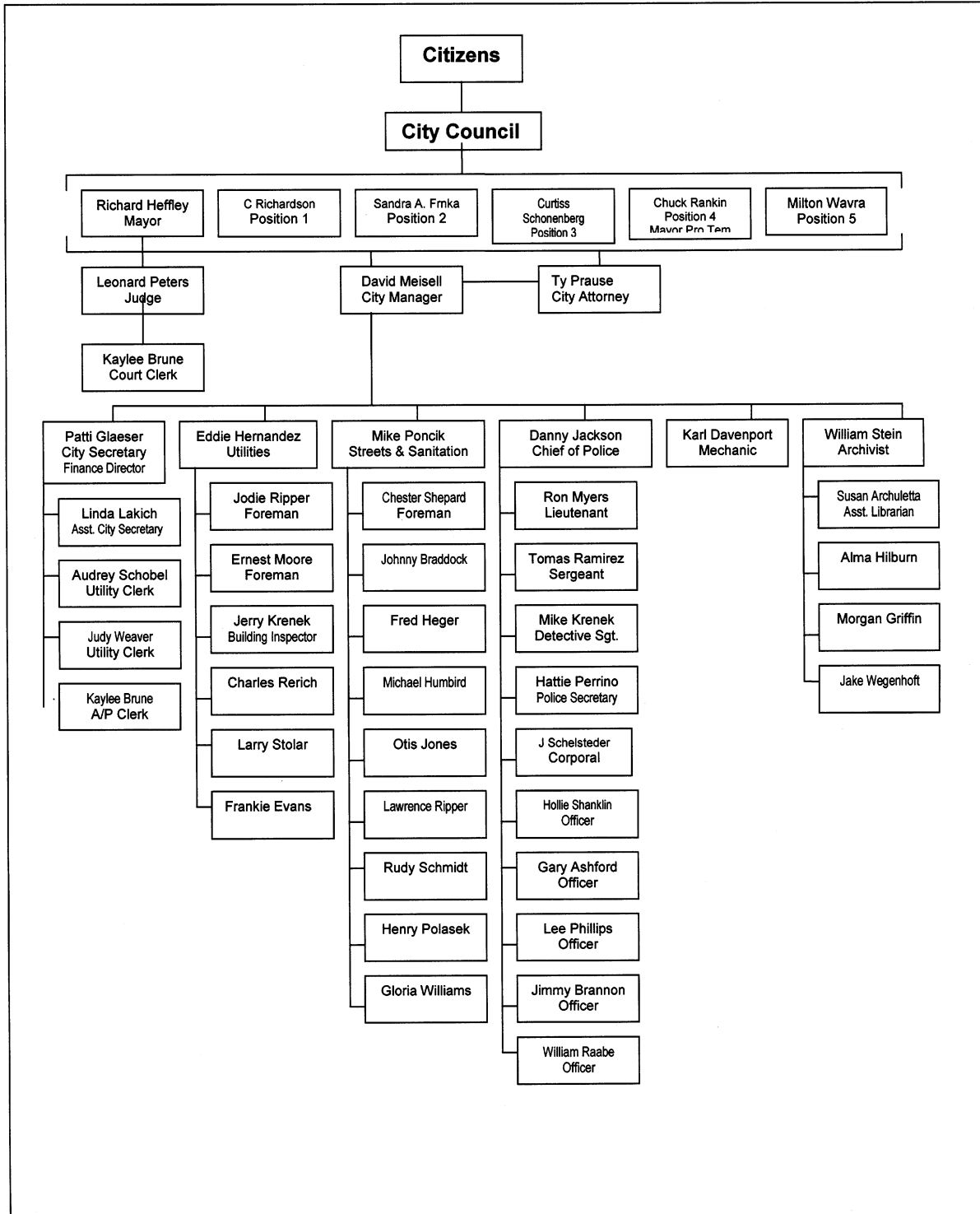
*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# City of Columbus, Texas Organizational Chart



**City of Columbus, Texas  
List of Principal Officials  
September 30, 2007**

<u>Title</u>	<u>Name</u>
Mayor	Richard Heffley
Councilman (Mayor Pro-Tem)	Curtiss Schonenberg
Councilman	Milton Wavra
Councilman	Chuck Rankin
Councilwoman	Sandra A. Frnka
Councilman	Charles T. Richardson
City Manager	David Meisell
City Secretary/Finance Director	Patti Glaeser
Police Chief	Danny Jackson
Fire Chief	Robert C. Walla
Utility Supervisor	Eddie Hernandez
Street and Sanitation Supervisor	Michael Poncik
Fire Marshal/Building Inspector	Jerry Krenek
Municipal Judge	Leonard Peters

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## **FINANCIAL SECTION**

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INDEPENDENT AUDITOR'S REPORT

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Honorable Mayor and Members of the City Council  
City of Columbus, Texas

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas, as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Columbus's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas, as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information on pages 15 through 23 and 51 through 56 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.



Columbus, Texas  
March 27, 2008

## **City of Columbus, Texas**

### **Management's Discussion and Analysis**

As management of the City of Columbus, we offer readers of the City of Columbus's financial statements this narrative overview and analysis of the financial activities of the City of Columbus for the fiscal year ended September 30, 2007. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City of Columbus's financial statements, which follow this section.

#### **Financial Highlights**

The assets of the City of Columbus for its governmental and business-type activities exceeded its liabilities at the close of the fiscal year by \$7,750,232. Of this amount, \$4,683,866 are capital assets, net of related debt, \$2,130 was reserved for debt service, and \$3,064,236 is for unrestricted uses in accordance with finance related legal requirements reflected in the City's fund structure.

The City's total net assets increased by \$115,977, mostly due to an increase in sales tax revenue and controlled costs in utility departments.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,312,439 a decrease of \$306,755 in comparison with the prior year. Approximately 98 percent of this total amount, or \$1,292,717, is available for spending at the City's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,090,074 or 52 percent of total general fund expenditures for the fiscal year.

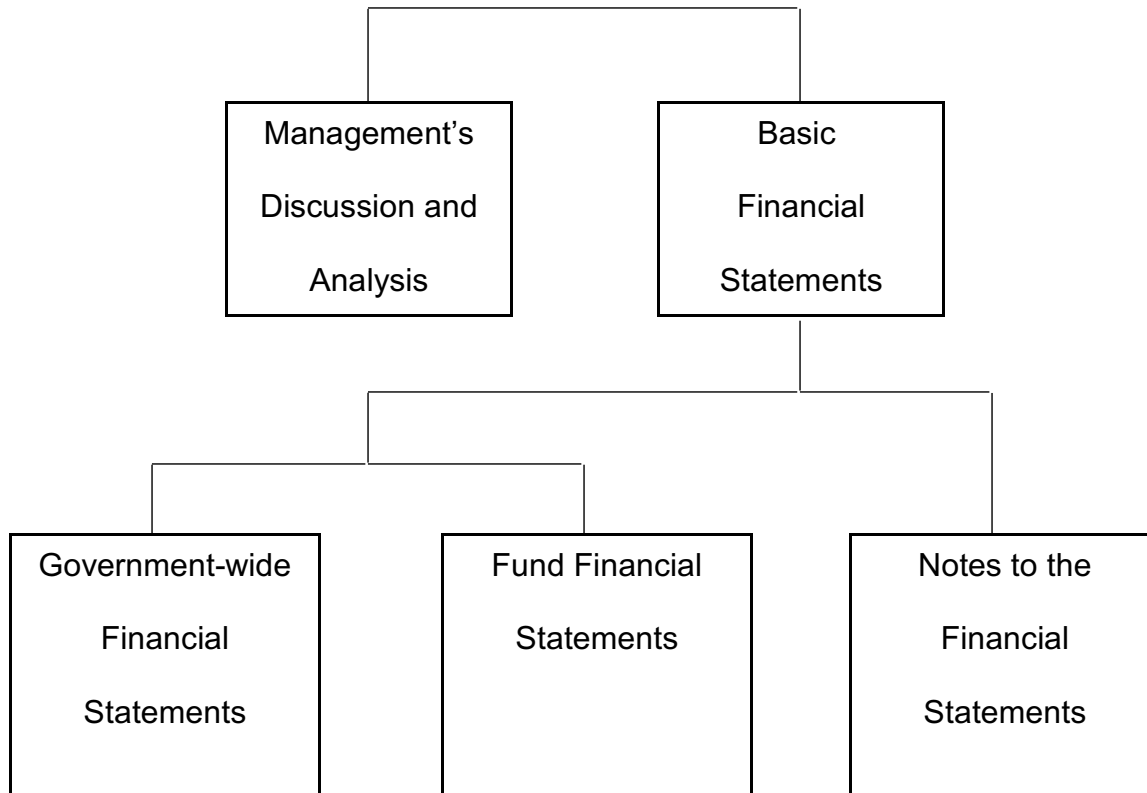
The City's total debt decreased by \$ 321,427 (7%) during the current fiscal year. The City made its second payment on its outstanding certificates of obligation which were issued in 2005 to fund major water and sewer improvements; and the City terminated a capital lease for the purchase of accounting, utility and public safety software.

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

This discussion and analysis are intended to serve as an introduction to the City of Columbus' basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Columbus.

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of city government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements and 2) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds. Budgetary information also can be found in this part of the statements.

## **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net assets and how they have changed. Net assets are the difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the City's basic services such as public safety, public health, parks and recreation, and general administration and include non-major funds such as the Equipment Special Revenue Fund, the Fire Equipment Special Revenue Fund and the Hotel Occupancy Special Revenue Fund. The governmental activities also include the Debt Service Fund as well as the major General Fund. Property taxes, sales taxes and state and federal grant funds finance most of these activities. The business-type activities are those in which the City charges customers to provide services. These include the water, sewer, garbage service, and gas offered by the City of Columbus. The final category is the component units. The City of Columbus has two component units. Although legally separate from the City, the Columbus Community Industrial Development Corporation and the Columbus Convention and Visitors Bureau are important to the City because each component unit is fiscally dependent upon the City and the City exercises control over the Boards by appointing their members.

## **Fund Financial Statements**

The fund financial statements (see Figure 2) provide a more detailed look at the City's most significant activities. 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 of Columbus, like all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City of Columbus can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental 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 financing 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Columbus maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

**Proprietary Funds.** The City of Columbus has one kind of proprietary fund. Its Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Columbus uses its enterprise fund (the Utility Fund) to account for its water, sewer, garbage and gas operations. This fund is the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

Unrestricted net assets of the water, sewer, garbage and gas departments at the end of the fiscal year amounted to \$ 1,759,621. The total increase in net assets was \$584,497. Other factors concerning the finances of this fund are addressed later in the discussion of the City's business-type activities.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report includes certain *required supplementary information (RSI)* concerning the City of Columbus's progress in funding its obligation to provide pension benefits to its employees. Schedules comparing actual results with the original budget and the final amended budget for the City's General Fund are also presented in the RSI section. RSI can be found after the notes on pages 51-56 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 57-63 of this report.

## The City of Columbus Net Assets

**Figure 2**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 1,465,448	\$ 1,691,814	\$ 3,744,132	\$ 5,184,949	\$ 5,209,580	\$ 6,876,763
Capital assets	1,375,223	1,431,609	6,077,828	4,678,753	7,453,051	6,110,362
<b>Total assets</b>	<b>2,840,671</b>	<b>3,123,423</b>	<b>9,821,960</b>	<b>9,863,702</b>	<b>12,662,631</b>	<b>12,987,125</b>
Current and other liabilities	158,704	81,128	249,353	445,962	408,067	527,110
Long-term liabilities	0	112,426	4,504,332	4,713,333	4,504,332	4,825,759
<b>Total liabilities</b>	<b>158,704</b>	<b>193,554</b>	<b>4,753,685</b>	<b>5,159,315</b>	<b>4,912,399</b>	<b>5,352,869</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	1,375,223	1,319,184	3,308,643	3,529,263	4,683,866	4,848,447
Restricted	2,130	1,089			2,130	1,089
Unrestricted	1,304,614	1,609,595	1,759,621	1,175,124	3,064,235	2,784,719
	<b>\$ 2,681,968</b>	<b>\$ 2,929,869</b>	<b>\$ 5,068,264</b>	<b>\$ 4,704,387</b>	<b>\$ 7,750,232</b>	<b>\$ 7,634,255</b>

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City of Columbus exceeded liabilities by \$7,750,233 as of September 30, 2007. The City's net assets increased by \$115,977 for the fiscal year ended September 30, 2007. Investments in Capital Assets, net of related debt of \$4,683,866 account for the greatest portion (60%) of net assets. A small portion (\$2,130) of the City of Columbus's net assets represents resources that are restricted to debt service. The remaining balance of \$3,064,235 is unrestricted.

Several particular aspects of the City's financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98.1%.

- Increased sales tax revenues of approximately \$44,442 due to economic growth in the City.

## City of Columbus Changes in Net Assets

**Figure 3**

	Governmental Activities	Governmental Activities	Business Type Activities	Business Type Activities	Total	Total
	2007	2006	2007	2006	2007	2006
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 87,053	\$ 99,284	\$ 2,488,244	\$ 2,582,251	\$ 2,575,307	\$ 2,681,535
Operating grants and contributions	61,521	21,742		1,547	61,521	23,289
Capital grants and contributions	15,076	124,318	90,000	101,110	105,076	225,428
<b>General revenues:</b>						
Property taxes	444,169	424,250			444,169	424,250
Other taxes	1,086,558	1,045,489			1,086,558	1,045,489
Other	86,998	72,369	227,289	240,490	314,287	312,889
	<u>1,781,385</u>	<u>1,788,452</u>	<u>2,805,533</u>	<u>2,925,398</u>	<u>4,586,918</u>	<u>4,713,880</u>
<b>Expenses:</b>						
General government	359,485	299,796			359,485	299,796
Public safety	792,484	768,000			792,484	768,000
Public Health	33,869	30,820			33,869	30,820
Public Works	401,228	417,553			401,228	417,553
Culture and recreation	455,391	412,540			455,391	412,540
Tourism	125,276	128,374			125,276	128,374
Interest on long-term debt	10,117	4,730			10,117	4,730
Water			528,298	535,677	528,298	535,677
Sewer			394,704	365,593	394,704	365,593
Garbage			620,013	582,200	620,013	582,200
Gas			749,076	791,453	749,076	791,453
	<u>2,178,850</u>	<u>2,051,813</u>	<u>2,292,091</u>	<u>2,274,923</u>	<u>4,470,941</u>	<u>4,336,736</u>
Increase in net assets before transfers	(397,465)	(273,361)	513,442	650,475	115,977	377,114
Transfers	149,564	135,467	(149,564)	(135,467)	0	0
Increase (decrease) in net assets	(247,901)	(137,894)	363,878	515,008	115,977	377,114
Net assets, October 1	2,929,869	3,057,764	4,704,387	4,189,379	7,634,257	7,257,143
Net assets, September 30	<u>\$ 2,681,968</u>	<u>\$ 2,929,870</u>	<u>\$ 5,068,264</u>	<u>\$ 4,704,387</u>	<u>\$ 7,750,234</u>	<u>\$ 7,634,257</u>

**Governmental activities.** Governmental activities decreased the City's net assets by \$247,902. Key elements of this decrease are as follows:

The City's chargeback transfers from the business-type activities were lower than necessary to maintain net assets. These chargeback transfers allow for proration of general and administrative expenses to the proprietary fund. All administration salaries are currently charged to the General Fund.

Historically the City's wages have been much lower than the average wages in surrounding cities. The City is attempting to raise overall wages to stay competitive and improve employee retention. Also, the Federal Minimum Wage increased to \$5.85 in July 2007. The City made a conscious attempt to proportionally increase wages due to this event. Because of these two items, wages in the General Fund increased by \$29,669. Capital Leases of \$84,656 were paid during the year because the City felt that the costs associated with the leases, including interest, far exceeded the benefits of continuing the leases.



**Business-type activities.** Business-type activities increased the City of Columbus's net assets by \$363,877, accounting for 314% of the total growth in the City's net assets. Key elements of this increase are as follows:

The City's chargeback transfers to the governmental activities were lower than necessary to maintain net assets. As mentioned above, these chargeback transfers allow for proration of general and administrative expenses to the proprietary fund

The City entered into a Joint Purchase Gas Contract that allowed it to purchase gas at a lower cost. The City saved \$28,300 due to this venture.

The City received a \$90,000 capital grant from the Columbus Community Industrial Development Corporation for the second year. The funds will help the City meet its debt service requirements of its certificates of obligation, which were issued to provide funds for water and sewer improvements.

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

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

**Governmental Funds.** The focus of the City of Columbus's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Columbus's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City of Columbus. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,090,074, while total fund balance reached \$1,109,796. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 52 percent of total General Fund expenditures.

The fund balance of the City's General Fund decreased by \$298,848 during the current fiscal year. Key factors in this decrease are as follows:

- Interfund transfers were lower than necessary to maintain fund balance.
- Capital lease payments increased by \$77,462 due to early payoff of leases.
- Drainage improvements of \$20,000 were made resolving localized flooding issues in several neighborhoods.

**Proprietary Fund.** The City of Columbus's Utility Fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Utility Fund at the end of the year amounted to \$1,759,621. The total growth in net assets was \$363,878. Other factors concerning the finances of the Utility Fund have already been addressed in the discussion of the City of Columbus's business-type activities.

**General Fund Budgetary Highlights:** During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Budgeted revenues increased due to funding from grants. Budgeted expenditures increased because \$200,000 supplemental appropriations were needed for the following: to payoff capital leases early for \$85,000; to fund a planning study for \$56,580; and to perform drainage improvements of \$20,000. An additional \$10,000 was expended for engineering costs to apply for a Safe Route to Schools grant for infrastructure improvements near Columbus Junior High School - Riverside Campus. This grant was not awarded to the City of Columbus due to lack of funding appropriations.

### Capital Asset and Debt Administration

**Capital assets.** The City of Columbus's investment in capital assets for its governmental and business-type activities as of September 30, 2007, totals \$7,453,051 (net of accumulated depreciation). These assets include land, buildings and improvements, distribution and collection systems, machinery and equipment, and construction in progress.

### City of Columbus Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 253,152	\$ 253,152	\$ 24,183	\$ 24,183	\$ 277,335	\$ 277,335
Pipeline				266,897	0	266,897
Buildings and improvements	362,090	400,990	59,089	73,746	421,179	474,736
Distribution and collection systems			5,180,439	2,601,577	5,180,439	2,601,577
Machinery and equipment	759,961	777,468	165,896	61,892	925,857	839,060
Construction in progress			648,231	1,650,757	648,231	1,650,757
<b>Total</b>	<b>\$ 1,375,223</b>	<b>\$ 1,431,610</b>	<b>\$ 6,077,828</b>	<b>\$ 4,678,762</b>	<b>\$ 7,453,051</b>	<b>\$ 6,110,362</b>

Major capital asset events during the year included the following:

- A new police car for \$22,978 was purchased.
- A fire truck was converted to a bucket truck at a cost of \$34,743.
- A new dump truck was acquired for \$55,944 to be used by the Public Works and Sewer Departments.

- The Water and Sewer Projects completed were:
  - Water Distribution System improvements of \$2,280,276, will make it possible for the City to universally consolidate the water supply system from two pressure heats to one, allowing for better flow. Dead-end service lines were rerouted to allow for a loop concept which will allow the City to maintain and repair individual lines without disabling service to all. Lines were enhanced to allow for potential growth..
  - Sewer Lift Stations \$251,344.
  - Sewer Drying Bed improvements of \$230,983 will allow for more efficient service.
- Utility Billing Software System was installed for \$40,074
- Two pickup trucks totaling \$43, 773 were purchased for the gas and sewer departments.
- An abandoned oil pipeline, purchased in 2003 was sold for \$250,000 in 2007. The City was unable to utilize the pipeline for its gas needs.

Additional information on the City’s capital assets can be found in Note I.I. and Note II.C. of the Basic Financial Statements.

**Long-term Debt.** As of September 30, 2007, the City of Columbus had total long-term certificates of obligation outstanding of \$4,445,000. This debt is backed by the full faith and credit of the City.

### City of Columbus Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Capital Leases		\$ 112,426		\$ 30,644	\$ 0	\$ 143,070
Certificates of obligation			4,445,000	4,620,000	4,445,000	4,620,000
Premium on certificates			59,332	62,689	59,332	62,689
<b>Total</b>	<b>\$ 0</b>	<b>\$ 112,426</b>	<b>\$ 4,504,332</b>	<b>\$ 4,713,333</b>	<b>\$ 4,504,332</b>	<b>\$ 4,825,769</b>

Additional information regarding the City of Columbus’s long-term debt can be found in Note II.F.

### Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for Colorado County is currently 3.6 percent (Columbus is the largest of the three incorporated cities in the county), which is a decrease from a rate of 4.1 percent a year ago. This compares favorably to the state’s average unemployment rate of 4.3 percent and the national average rate of 4.7 percent.
- Inflationary trends in the region compare favorably to national indices.
- The State Comptroller reported an increase of 8% in taxable sales for the City. Sales tax revenue has increased 45.2% since 1998.
- Property tax values continue to climb in Colorado County and the region in general. Real property values in the City of Columbus increased \$8,686,319 from 2006. Values have increased 90 percent from 1998.

All of these factors were considered in preparing the City's budget for the 2008 fiscal year.

Property tax rates were not raised for the 2008 budget. Base water and sewer rates for the 2008 budget year remain unchanged, while rates on usage above the base rate were increased 17% in an effort to keep up with increasing costs.

### **Requests for Information**

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Patti Glaeser, P.O. Box 87, Columbus, Texas 78934, 979-732-2366, [www.columbustexas.net](http://www.columbustexas.net).

## **BASIC FINANCIAL STATEMENTS**

City of Columbus, Texas  
Statement of Net Assets  
September 30, 2007

	Primary Government			Component Units	
	Governmental	Business-type	Total	Columbus	Columbus
	Activities	Activities		Industrial	Convention and
				Development	Visitors
				Corporation	Bureau
<b>ASSETS</b>					
Cash and cash equivalents	\$ 929,371	\$ 1,061,821	\$ 1,991,192	\$ 311,884	\$ 54,016
Invested cash				555,416	
Investments	372,745	684,353	1,057,098		
Receivable (net of allowances for estimated uncollectibles)					
Taxes - property	14,791		14,791		
Sales	118,271	281,260	399,531	59,136	
Other receivables	11,821		11,821		4,500
Internal balances	18,449	(18,449)			
Note receivable for land				400,000	
Restricted assets:					
Cash and cash equivalents		1,618,468	1,618,468		
Unamortized debt issue costs		116,679	116,679		
Capital assets not being depreciated					
Land	253,152	24,183	277,335	462,051	
Capital assets (net of accumulated depreciation):					
Buildings	162,211	59,090	221,301		
Improvements other than buildings	199,878	5,180,439	5,380,316		
Machinery and equipment	759,982	165,885	925,867		17,643
Construction in progress		648,231	648,231	31,943	
Total assets	<u>2,840,672</u>	<u>9,821,959</u>	<u>12,662,632</u>	<u>1,820,430</u>	<u>76,159</u>
<b>LIABILITIES</b>					
Accounts payable	102,780	128,830	231,610	4,538	656
Accrued payroll	55,925	18,983	74,908		
Accrued interest		21,805	21,805	43,110	
Customer deposits		79,745	79,745		
Noncurrent liabilities					
Due within one year		180,000	180,000	60,000	
Due in more than one year		4,324,332	4,324,332	1,760,000	
Total liabilities	<u>158,704</u>	<u>4,753,695</u>	<u>4,912,400</u>	<u>1,867,648</u>	<u>656</u>
<b>NET ASSETS</b>					
Invested in capital assets net of related debt	1,375,223	3,308,644	4,683,867	(1,369,116)	17,643
Restricted for:					
Debt service	2,130		2,130	337,893	
Construction				82,720	
Unrestricted	<u>1,304,614</u>	<u>1,759,621</u>	<u>3,064,235</u>	<u>901,286</u>	<u>57,860</u>
Total net assets	<u>\$ 2,681,967</u>	<u>\$ 5,068,264</u>	<u>\$ 7,750,232</u>	<u>\$ (47,217)</u>	<u>\$ 75,503</u>

The notes to the financial statements are an integral part of this statement.

City of Columbus, Texas  
Statement of Activities  
For the Year Ended September 30, 2007

Function/Program	Net (Expense) Revenue and Changes in Net Assets								
	Expenses	Program Revenues			Primary Government			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Columbus Industrial Development Corporation	Columbus Convention and Visitors Bureau
<b>Primary government:</b>									
<b>Governmental activities:</b>									
General government	\$ 359,485	\$ 18,928	\$ 49,200	\$ (291,357)		\$ (291,357)			
Public safety	792,484	48,060	1,821	(742,604)		(742,604)			
Public health	32,546			(32,546)		(32,546)			
Public works	401,228	5		(401,223)		(401,223)			
Culture and recreation	456,391	18,747	10,500	(412,068)		(412,068)			
Tourism	125,276			(125,276)		(125,276)			
Interest on long-term debt	10,117			(10,117)		(10,117)			
<b>Total governmental activities</b>	<b>2,177,527</b>	<b>85,741</b>	<b>61,521</b>	<b>(2,015,190)</b>		<b>(2,015,190)</b>			
<b>Business-type activities:</b>									
Water	528,298	509,935	90,000		\$ 71,637	71,637			
Sewer	394,704	469,919			75,215	75,215			
Garbage	620,013	637,545			17,533	17,533			
Gas	729,343	870,845			141,502	141,502			
<b>Total business-type activities</b>	<b>2,272,358</b>	<b>2,488,244</b>	<b>90,000</b>		<b>305,887</b>	<b>305,887</b>			
<b>Total primary government</b>	<b>\$ 4,449,885</b>	<b>\$ 2,573,985</b>	<b>\$ 61,521</b>	<b>\$ 105,076</b>	<b>(2,015,190)</b>	<b>305,887</b>		<b>(1,709,303)</b>	
<b>Component units:</b>									
Columbus Community Industrial Development Corporation	\$ 274,014						\$ (274,014)		
Columbus Convention and Visitors Bureau	166,432	\$ 8,869	\$ 147,270					\$ (10,293)	
<b>Total component units</b>	<b>\$ 440,446</b>	<b>\$ 8,869</b>	<b>\$ 147,270</b>				<b>(274,014)</b>	<b>(10,293)</b>	
<b>General revenues:</b>									
Property taxes				444,169		444,169			
Sales taxes				698,441		698,441	349,221		
Hotel/motel tax				125,276		125,276			
Gross receipts taxes				257,381		257,381			
Alcoholic beverage taxes				5,460		5,460			
Interest revenue				71,409	220,876	292,285	31,141	765	
Gain (Loss) on sale of capital assets				15,889	(13,321)	2,269			
Transfers				149,554	(149,554)	0			
<b>Total general revenues and transfers</b>				<b>1,767,289</b>	<b>57,991</b>	<b>1,825,280</b>	<b>380,362</b>	<b>765</b>	
<b>Change in net assets</b>				<b>(247,901)</b>	<b>363,878</b>	<b>115,977</b>	<b>105,348</b>	<b>(9,528)</b>	
<b>Net assets - beginning</b>				<b>2,929,869</b>	<b>4,704,387</b>	<b>7,634,256</b>	<b>(153,668)</b>	<b>85,000</b>	
<b>Net assets - ending</b>				<b>\$ 2,681,968</b>	<b>\$ 5,068,265</b>	<b>\$ 7,750,233</b>	<b>\$ (47,211)</b>	<b>\$ 75,503</b>	

The notes to the financial statements are an integral part of this statement.

City of Columbus, Texas  
Balance Sheet  
Governmental Funds  
September 30, 2007

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 746,468	\$ 183,913	\$ 929,371
Investments	354,015	18,730	372,745
Receivable (net of allowances for estimated uncollectibles)	142,940	1,944	144,884
Due from other funds	20,438	0	20,438
Total assets	\$ 1,262,851	\$ 204,587	\$ 1,467,438
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 102,780		\$ 102,780
Accrued payroll	35,439		35,439
Due to other funds	1,989		1,989
Deferred revenue	12,847	\$ 1,944	14,792
Total liabilities	153,055	1,944	154,999
<b>Fund balances:</b>			
<b>Reserved for:</b>			
Municipal court	19,722		19,722
Debt service		186	186
<b>Unreserved, reported in:</b>			
General fund	1,090,074		1,090,074
Special revenue funds		202,467	202,467
Total fund balances	1,109,796	202,643	1,312,439
Total liabilities and fund balances	\$ 1,262,851	\$ 204,587	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,375,223
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds	
Deferred property tax revenue	14,792
Long-term liabilities such as leases payable and compensated absences are not due and payable in the current period and therefore are not reported in the fund	
Compensated absences	(20,486)
Net assets of governmental activities	\$ 2,681,968

The notes to the financial statements are an integral part of this statement.



**City of Columbus, Texas**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended September 30, 2007**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Ad valorem taxes	\$ 367,137	\$ 74,466	\$ 441,603
Non-property taxes	961,282	125,276	1,086,558
Licenses and permits	11,912		11,912
Fines and forfeitures	46,227		46,227
Miscellaneous revenue	75,481	10,651	86,132
Charges for services	15,893		15,893
Intergovernmental revenue	76,097		76,097
Total revenues	<u>1,554,028</u>	<u>210,393</u>	<u>1,764,420</u>
<b>EXPENDITURES</b>			
Current:			
Administrative and general	351,438		351,438
Economic development	4,705	125,276	129,981
Police department and municipal court	651,756		651,756
Fire department	87,625		87,625
Streets and drainage	491,700		491,700
Parks, recreation and library	367,039		367,039
Public Health	34,247		34,247
Debt service:			
Lease principal	112,426		112,426
Interest on long term debt (leases)	10,117		10,117
Total expenditures	<u>2,111,053</u>	<u>125,276</u>	<u>2,236,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(557,025)</u>	<u>85,117</u>	<u>(471,908)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	255,238	39,150	294,388
Transfers out	(12,650)	(132,174)	(144,824)
Sale of capital assets	15,589		15,589
Total other financing sources (uses)	<u>258,177</u>	<u>(93,024)</u>	<u>165,153</u>
Net change in fund balances	<u>(298,848)</u>	<u>(7,907)</u>	<u>(306,755)</u>
Fund balances - beginning	1,408,644	210,550	1,619,194
Fund balances - ending	<u>\$ 1,109,796</u>	<u>\$ 202,643</u>	<u>\$ 1,312,439</u>

The notes to the financial statements are an integral part of this statement.

**City of Columbus, Texas**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended September 30, 2007**

Amounts reported for governmental activities in the statement of activities (page 27) are different because:

Net change in fund balances – total governmental funds (page 29) \$ (306,755)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

**Capital Outlay** 130,187

**Depreciation** (186,574)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

**Deferred Tax Revenue** 1,869

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

**Capital Lease Payments** 112,426

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

**Compensated Absences** 947

Change in net assets of governmental activities (page 27) \$ (247,901)

City of Columbus, Texas  
Statement of Net Assets  
Proprietary Fund  
September 30, 2007

	Utility Fund Current Year	Utility Fund Prior Year
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,061,821	\$ 769,588
Invested cash		260,717
Investments	684,353	296,659
Accounts receivable (net of allowance for uncollectibles)	281,260	292,175
Due from other funds	1,989	4,855
Total current assets	2,029,422	1,623,994
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	76,814	185,777
Invested cash	1,541,654	3,254,784
Total noncurrent assets	1,618,468	3,440,561
Deferred charges	116,679	123,283
Capital assets, net of accumulated depreciation		
Land	24,183	24,183
Distribution and collection systems	8,933,365	6,437,659
Buildings	581,700	581,700
Machinery and equipment	638,563	535,884
Construction in progress	648,231	1,650,757
Less accumulated depreciation	(4,748,214)	(4,551,432)
Total capital assets (net of accumulated depreciation)	6,077,828	4,678,752
Total noncurrent assets	7,812,975	8,242,596
Total assets	\$ 9,842,397	\$ 9,866,590
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 128,830	\$ 335,800
Accrued payroll	18,983	18,765
Due to other funds	20,438	2,888
Customer deposits payable	79,745	68,955
Accrued interest payable	21,805	22,462
Capital lease payable - current		6,867
Certificates of obligation - current	180,000	175,000
Total current liabilities	449,801	630,737
Noncurrent liabilities:		
Capital lease payable		23,777
Certificates of obligation (net of unamortized premium)	4,324,332	4,507,689
Total noncurrent liabilities	4,324,332	4,531,466
Total liabilities	4,774,133	5,162,204
<b>NET ASSETS</b>		
Invested in capital assets net of related debt	3,308,644	3,529,263
Unrestricted	1,759,621	1,175,124
Total net assets	\$ 5,068,264	\$ 4,704,387

The notes to the financial statements are an integral part of this statement.

**City of Columbus, Texas**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Fund**  
**For the year Ended September 30, 2007**

	Utility Fund Current Year	Utility Fund Prior Year
Operating revenues:		
Charges for sales and services:		
Water sales	\$ 509,936	\$ 589,892
Sewer charges	469,919	463,335
Garbage fees	637,545	599,853
Gas sales	870,844	929,171
Total operating revenues	2,488,244	2,582,251
Operating expenses:		
Personnel	434,006	399,700
Maintenance and operations	1,433,473	1,482,952
Depreciation	224,644	211,004
Total operating expenses	2,092,122	2,093,656
Operating income (loss)	396,122	488,595
Nonoperating revenues (expenses)		
Intergovernmental revenue	90,000	102,657
Interest income	220,876	239,342
Interest expense	(180,235)	(181,266)
(Loss) Gain on sale of capital assets	(13,321)	1,148
Total nonoperating revenues (expenses)	117,320	161,880
Income (loss) before transfers	513,442	650,475
Transfers		
Transfers in	74,977	71,080
Transfers (out)	(224,542)	(206,547)
Net transfers (out)	(149,564)	(135,467)
Change in net assets	363,878	515,008
Total net assets - beginning	4,704,387	4,189,379
Total net assets - ending	\$ 5,068,264	\$ 4,704,387

The notes to the financial statements are an integral part of this statement.

**City of Columbus, Texas**  
**Proprietary Fund**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2007**

	Utility Fund Current Year	Utility Fund Prior Year
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 2,509,949	\$ 2,559,933
Cash paid to suppliers	(1,640,443)	(1,260,226)
Cash paid to employees	(433,784)	(407,325)
Net cash provided by operations	435,722	892,382
<b>Cash flows from noncapital financing activities:</b>		
Federal grant		1,547
Transfer from other funds	74,977	71,080
Transfer to other funds	(224,542)	(206,547)
Advances from other funds	20,415	
Advances to other funds		(108,664)
Net cash (used) by noncapital financing activities	(129,150)	(242,584)
<b>Cash flows from capital and related financing activities:</b>		
Capital grants	90,000	101,110
Purchase of capital assets	(1,886,848)	(1,643,423)
Proceeds from sale of capital assets	256,413	28,675
Principal paid on capital debt	(205,644)	(137,770)
Interest paid on capital debt	(184,249)	(222,678)
Net cash provided (used) by capital and related financing activities	(1,930,328)	(1,874,086)
<b>Cash flows from investing activities:</b>		
Proceeds from maturities of invested cash	1,973,847	1,076,686
Purchase of invested cash		(260,717)
Purchase of investments	(387,694)	(13,409)
Interest received	220,876	239,342
Net cash provided (used) by investing activities	1,807,029	1,041,902
Net (decrease) in cash and equivalents	183,273	(182,386)
Cash and equivalents, October 1 (including \$185,777 and \$329,251 respectively, reported in restricted accounts)	955,365	1,137,751
Cash and equivalents, September 30 (including \$76,814 and \$185,777 respectively, reported in restricted accounts)	\$ 1,138,638	\$ 955,365
<b>Reconciliation of net income to net cash provided by operating activities:</b>		
Net operating income (loss)	\$ 396,122	\$ 488,595
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	224,644	211,004
Decrease (increase) in accounts receivable	10,915	(31,652)
(Decrease) increase in accounts payable	(206,970)	222,725
Increase (decrease) in accrued payroll	218	(7,625)
Increase in customer deposits	10,790	9,335
Total adjustments	39,597	403,787
Net cash provided (used) by operations	\$ 435,719	\$ 892,382
<b>Noncash investing, capital, and financing activities:</b>		
<b>Borrowing under capital lease</b>		38,414

The notes to the financial statements are an integral part of this statement.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. General Statement

The City of Columbus was incorporated under the laws of the State of Texas in 1927 and operates under a Manager-Council form of government. The following services are provided by the City: public safety (police and fire), public works (streets and drainage), parks and recreation, and utilities (water, sewer, garbage, and natural gas).

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statement (see note below for description) to emphasize that it is legally separate from the City.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the City are described below.

### B. Financial Reporting Entity

The following component units are discretely presented:

The Columbus Community Industrial Development Corporation (corporation) is a nonprofit corporation organized pursuant to the provisions of the Development Corporation Act of 1979, and is responsible for promoting, assisting and enhancing economic development activities within the City's jurisdiction. The members of the Corporation's governing board are appointed by the Mayor and approved by the City Council. The Corporation is fiscally dependent upon the City as the City levied a ½ cent sales and use tax for the benefit of the Corporation.

The Convention and Visitors' Bureau (bureau) is responsible for the development of the local tourism industry. It is managed by a board appointed by the City Council. The Bureau is fiscally dependent upon the City as the Council approves the Bureau's budget and the City provides the majority of the Bureau's funds via the hotel/motel occupancy tax.

Financial statements for each of the individual component units may be obtained at the entity's administrative offices.

Columbus Convention and Visitors' Bureau  
425 Spring Street  
Columbus, Texas 78934

Columbus Community Industrial  
Development Corporation  
605 Spring St.  
Columbus, Texas 78934

### **C. Basis of Presentation**

#### Government-wide Financial Statements:

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, 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 program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City reports the following major governmental fund:

#### **General Fund**

The *General Fund* is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The City has presented the following major proprietary fund:

#### **Utility Fund**

The *Utility Fund* is used to account for the provision of water, sewer, natural gas services, and garbage collection to the residents of the City. Activities of the fund include administration, operations and maintenance of the water, sewer, and natural gas systems and billing and collection activities for garbage collection. All costs are financed through

charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary's principal ongoing operations. Operating expenses for the proprietary fund include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. In accounting for proprietary funds, the City has chosen, as allowed by GASB Statement No. 20, to follow all GASB pronouncements as well as all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 which do not contradict or conflict with GASB pronouncements. All assets and liabilities are included on the Statement of Net Assets.

#### **D. Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and are accounted for using 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 revenues to be available if they are collected within 60 days 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.

The revenues susceptible to accrual are property taxes, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are considered to be measurable and available only when cash is received by the City.



#### **E. Deposits and investments**

The City pools cash resources of its General and Utility funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing deposits and disclosed as part of the City's deposits and investments.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City, as well as for its component unit, the corporation, are reported at fair value. The Texas Cooperative Liquid Assets Securities System (Texas CLASS) and the Texas Local Government Investment Cooperative (LOGIC) pools operate in accordance with state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares.

#### **F. Interfund Receivables and Payables**

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

#### **G. Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Government and Proprietary Funds.

#### **H. Restricted Assets**

Certain proceeds of the City's certificates of obligation are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by debt covenants.

#### **I. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the 2007 construction period on capital assets. General infrastructure assets acquired prior to October 1, 2003 are not reported in the basic financial statements.

Assets capitalized, not including infrastructure assets, have an original cost of \$1,000 or more and a useful life of over one year.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements	10-50
Machinery and equipment	5-20

#### **J. Compensated Absences**

Full-time permanent employees are granted vacation benefits in increasing amounts depending on their years of service with the City. Generally, vacation leave may not be accumulated or carried over. Earned vacation leave not used by the employee's anniversary hire date will be lost as vacation leave and converted to sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. And then, only if material.

Accumulated sick leave is for the sole purpose of permitting an employee to be relieved of his duties during actual illness and may not be used under any other circumstances. There is no liability for unpaid accumulated sick leave since the City does not pay any amounts when employees separate from service.

#### **K. 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 assets. The City's long-term obligations in its governmental activities consist of two capital leases (which were paid off during 2007). The City's long-term obligations in its business-type activities consist of a capital lease and 2005 certificates of obligation; the capital lease was paid off during 2007. Debt premium and issuance costs are deferred and amortized over the life of the certificates of obligation. Certificates of obligation payable are reported net of the applicable bond premium.

#### **L. Nature and Purpose of Reserves of Fund Equity**

In the City's governmental funds reservations of fund balance represent amounts that are not appropriable or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### **M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent

proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the city or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

### A. Deposits and Investments

At year end, the carrying amount of the City's deposits with financial institutions was \$3,609,660 and the bank balance was \$3,658,201. Of the bank balance, \$200,000 was covered by federal depository insurance. The remaining balance was covered by collateral held in the pledging financial institutions' trust department in the City's name.

The City's deposits and investments consist of the following as permitted by The Public Funds Investment Act and the City of Columbus's adopted Investment Policy:

Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas and under the terms of a written depository agreement with that bank, not to exceed one year to stated maturity; and constant dollar Texas Local Government Investment Pools.

The City's investment policy, in an effort to control credit risk, requires depositories to provide 102% of the market value of the City's time or demand deposits as collateral. The City also only invests in governmental investment pools which maintain a constant dollar value.

At year end the City's investments were in the Texas Cooperative Liquid Assets Securities System (Texas CLASS). The carrying amount and market value of the investments was \$1,057,098. Texas CLASS is a local government investment pool supervised by a Board of Trustees who is elected by its participants. Texas CLASS invests solely in securities permitted under the Public Funds Investment Act. Texas CLASS is not registered with the SEC; as an intergovernmental trust comprised solely of governmental entities, it is statutorily exempt from registration. The Program Administrator/Investment Advisor to Texas CLASS, MBIA Municipal Investors Service Corp., is registered with the SEC as a Registered Investment Advisor. The Texas CLASS program is rated AAA/V1+ by Fitch Ratings.

Texas CLASS operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These investments are not subject to categorization.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, the City manages its exposure to interest rate risk by allowing no more than 20% of its investments to have maturities greater than one year.

The City's funds in Texas CLASS have a dollar weighted average maturity of 35 days.

At year-end the Columbus Industrial Development Corporation's investments were with the Texas Local Government Investment Cooperative (LOGIC). The carrying amount and market value of the investments was \$555,416. LOGIC fund investments are not categorized in accordance with GASB 3 because they are not evidenced by securities that exist in physical or book entry form.

The Cooperative's governing body is a three-member Board of Directors comprised of three government officials or employees. An advisory board member with expertise in public finance represents the General Manager of the Cooperative. Day to day administration of the Cooperative is performed by Southwest Securities Group, Inc. (General Manager). The portfolio is managed by Citigroup Asset Management (subadvisor) and SWS Capital Corporation (Administrator) a subsidiary of Southwest Securities Group, Inc. The LOGIC fund is rated Aaa/MR1 by Moody's. The State Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool.

LOGIC invests in those instruments that are allowed under the Texas Public Funds Investment Act. LOGIC further limits its investments to obligations of the U. S. Or its agencies and instrumentalities, other obligations unconditionally guaranteed by the U. S. with repurchase agreements collateralized by such obligations.

**B. Receivables**

Receivables at September 30, 2007 were as follows:

	Accounts	Taxes	Other	Allowance for Uncollectibles	Total Receivables
Governmental activities:					
Ad valorem	--	\$ 23,422	--	\$ (8,630)	\$ 14,792
Sales taxes	--	118,271	--		118,271
Other:					
Insurance claim	--	--	\$ 10,930	--	10,930
Intergovernmental	--	--		--	0
Miscellaneous	--		891	--	891
	<u>--</u>	<u>\$ 141,693</u>	<u>\$ 11,821</u>	<u>\$ (8,630)</u>	<u>\$ 144,884</u>
Business-type activities:					
Utilities	\$ 292,317	--	--	\$ (11,057)	\$ 281,260

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are payable by February 1, at which time they become delinquent. The Colorado County Central Appraisal District assesses, bills and collects property taxes for the City.

City of Columbus, Texas  
Notes to the Financial Statements  
September 30, 2007

**C. Capital Assets**

Capital asset activity for the year ended September 30, 2007 was as follows:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 253,152	--	--	\$ 253,152
Total capital assets not being depreciated	253,152	--	--	253,152
Other capital assets:				
Buildings and improvements	1,272,623	\$ 5,571	--	1,278,194
Machinery and equipment	2,169,613	124,616	\$ 44,666	2,249,563
Total other capital assets at historical cost	3,442,236	130,187	44,666	3,527,757
Less accumulated depreciation for:				
Buildings and improvements	871,633	44,471	--	916,104
Machinery and equipment	1,392,145	142,103	44,666	1,489,582
Total accumulated depreciation	2,263,778	186,574	44,666	2,405,686
Total other capital assets, net	1,178,458	(56,387)	-0-	1,122,071
Governmental activities, capital assets, net	\$ 1,431,610	\$ (56,387)	\$ -0-	\$ 1,375,223
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 24,183	--	--	\$ 24,183
Construction in progress	1,650,757	\$ 596,225	\$ 1,598,750	648,231
Pipeline	266,897	--	266,897	-0-
Total capital assets not being depreciated	1,941,837	596,225	1,865,647	672,414
Other capital assets:				
Buildings and improvements	581,700	--	--	581,700
Distribution and collection systems	6,170,762	2,762,603	--	8,933,365
Machinery and equipment	535,884	123,936	21,257	638,563
Total other capital assets at historical cost	7,288,346	2,886,539	21,257	10,153,627
Less accumulated depreciation for:				
Buildings and improvements	507,954	14,657	--	522,611
Distribution and collection systems	3,569,185	183,741	--	3,752,926
Machinery and equipment	474,292	19,642	21,257	472,677
Total accumulated depreciation	4,551,431	218,040	21,257	4,748,214
Total other capital assets, net	2,736,915	2,668,499	0	5,405,414
Business-type activities capital assets, net	\$ 4,678,752	\$ 3,264,723	\$ 1,865,647	\$ 6,077,828

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

Governmental activities :	
General government	\$ 11,510
Police	33,395
Fire	68,076
Public health	197
Streets	30,272
Parks and recreation	43,124
Total governmental activities	<u>\$ 186,574</u>
Business-type activities:	
Water	\$ 83,709
Sewer	96,649
Garbage	6,176
Gas	31,506
Total business-type activities	<u>\$ 218,040</u>

**D. Payables**

Payables at September 30, 2007 were as follows:

	State				Total Payables
	Vendors	Fines	Retainage	Other	
Governmental activities:					
General	\$ 98,070	\$ 4,620	—	\$ 90	\$ 102,780
Business-type activities:					
Utilities	\$ 114,381	—	\$ 8,897	\$ 5,552	\$ 128,830

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances, which result from the time lag between the dates that reimbursable expenditures occur, as of September 30, 2007 is as follows:

Due to/Due From:

Fund	Interfund	Interfund
	Receivable	Payable
General	\$ 20,438	\$ 1,989
Utility	1,989	20,438
Totals	<u>\$ 22,427</u>	<u>\$ 22,427</u>

City of Columbus, Texas  
Notes to the Financial Statements  
September 30, 2007

Transfers In/Transfers Out:

Fund	Transfers In	Transfers Out
General	\$ 255,238	\$ 12,650
Equipment	10,000	57,196
Fire Equipment	29,150	--
Debt Service	--	74,977
Utility	74,977	224,542
Totals	<u>\$ 369,365</u>	<u>\$ 369,365</u>

The General Fund transferred \$12,650 to the Fire Equipment Fund to cover future capital purchases.

The Equipment Fund transferred \$34,743 to the General Fund for the cost of a lift bucket which was added to a converted fire truck and \$22,453 to the General Fund for the cost of a new police car.

The Debt Service Fund transferred \$74,977 to the Utility Fund to aid in paying down the 2005 certificates of obligation debt.

The Utility Fund transferred \$111,098 to the General Fund to cover budgeted indirect costs. The Utility Fund transferred payments in lieu of taxes of \$86,944 to the General Fund. The Utility Fund transferred \$16,500 to the Fire Equipment Fund and \$10,000 to the Equipment Fund to cover future capital purchases.

**F. Long-term Debt**

The following is a summary of changes in long-term liabilities reported in the governmental-wide financial statements for the year ended September 30, 2007:

**Primary government**

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Capital leases	\$ 112,426	--	\$ 112,426	\$ -0-	--
Total government activities	<u>\$ 112,426</u>	<u>--</u>	<u>\$ 112,426</u>	<u>\$ -0-</u>	<u>--</u>
<b>Business-type activities:</b>					
Certificates of obligation	\$ 4,620,000	--	\$ 175,000	\$ 4,445,000	\$ 180,000
Premium on certificates	62,689	--	3,357	59,332	--
Capital leases	30,644	--	30,644	-0-	--
Total Business -type activities	<u>\$ 4,713,333</u>	<u>\$ 0</u>	<u>\$ 209,001</u>	<u>\$ 4,504,332</u>	<u>\$ 180,000</u>

City of Columbus, Texas  
Notes to the Financial Statements  
September 30, 2007

**Component unit**

	<u>Total Payable</u>	<u>Current Portion</u>
<b><u>Columbus Community Industrial Development Corporation:</u></b>		
1998 Sales tax revenue bonds 4.20 to 5.75% maturing annually through 2023, interest payable semi-annually	<u>\$ 1,820,000</u>	<u>\$ 60,000</u>

**Long-term Debt Activity**

Long-term debt activity for the year ended September 30, 2007 was as follows:

	Beginning			Ending	Amounts
	Balance	Additions	Reductions	Balance	Due Within
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
<b>Component Unit:</b>					
Columbus Community Industrial					
Development Corporation					
Sales Tax Revenue Bonds	<u>\$1,875,000</u>	<u>-</u>	<u>\$ 55,000</u>	<u>\$ 1,820,000</u>	<u>\$ 60,000</u>

**Certificates of Obligation**

The City has issued certificates of obligation to provide funds for the acquisition and construction of major capital facilities. Certificates of obligation have been issued for the City's business-type activities. The original amount of certificates of obligation issued in 2005 was \$4,750,000 for water and sewer improvements at annual interest rates from 3.00% to 4.85% with a maturity date of August 2025.

**Sales Tax Revenue Bonds**

The Columbus Community Industrial Development Corporation component unit has issued sales tax revenue bonds for the acquisition and construction of major capital facilities. The original amount of the bonds issued in prior years was \$2,170,000 for water and sewer lines and street and drainage improvements at the Texas Crossroads Industrial Park at annual interest rates from 4.20% to 5.75% with a maturity date of 2023.



City of Columbus, Texas  
Notes to the Financial Statements  
September 30, 2007

The annual requirements to pay principal and interest on long-term obligations outstanding at September 30, 2007, are as follows for the City and its component unit:

	<u>Primary Government</u>		<u>Component Unit</u>	
	<u>Certificates of Obligation</u>		<u>Sales Tax Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 180,000	\$ 174,442	\$ 60,000	\$ 101,253
2009	185,000	169,043	65,000	97,415
2010	190,000	163,493	70,000	93,900
2011	200,000	157,793	75,000	89,985
2012	205,000	150,793	80,000	85,800
2013-2017	1,135,000	640,695	480,000	355,312
2018-2022	1,375,000	407,098	660,000	194,515
2023-2025	975,000	96,031	330,000	19,262
Totals	<u>\$ 4,445,000</u>	<u>\$ 1,959,388</u>	<u>\$ 1,820,000</u>	<u>\$ 1,037,442</u>

Capital Leases

At the beginning of the year the City was party to two capital leases. As reflected in the preceding table, the City has paid all of its outstanding capital leases.

The assets acquired through the capital leases are as follows:

	<u>Governmental</u>	<u>Business-Type</u>
	<u>Activities</u>	<u>Activities</u>
Asset:		
Software	\$ 62,859	\$ 40,074
Street Sweeper	88,528	N/A
<b>Less: Accumulated depreciation</b>		
Software	(24,246)	(4,675)
Street Sweeper	(30,293)	N/A
Total	<u>\$ 96,848</u>	<u>\$ 35,399</u>

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Budgets for the General, Special Revenue (Equipment Fund, Fire Equipment Fund and Hotel Occupancy Tax Fund), Debt Service and Utility Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

The City's fiscal year is the twelve-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year

after which the City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council by September 1.

Upon receipt of the budget estimates, the Council holds public hearing on the proposed budget. Information about the Budget Ordinance is then published in the official newspaper of the City.

At least ten days prior to October 1, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgeted amounts are as originally adopted or as amended by the City Council. The Council made several supplemental budgetary appropriations throughout the year in the General Fund: 1) a \$56,580 increase in professional services for infrastructure planning and analysis; 2) an \$84,656 increase in debt service lease principal payments to pay off the software and street sweeper capital leases; 3) a \$20,000 increase in drainage improvements for work south of Montezuma Street. Other supplementary budgetary appropriations made in the General Fund were not material.

#### **B. Excess of Expenditures Over Appropriations**

For the year ended September 30, 2007, expenditures did not exceed appropriations in any fund.

### **IV. OTHER INFORMATION**

#### **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. For its liability, property and worker's compensation insurance, the City is a participant in the Texas Municipal League Intergovernmental Risk Pool (TML), a public entity risk pool operated by The Texas Municipal League for the benefit of political subdivisions of the State of Texas. The City pays an annual premium to TML for this coverage.

TML is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1 million per occurrence for property damage, \$1 million per occurrence for general liability and \$1 million per occurrence for worker's compensation. TML obtains independent coverage for insured events in excess of the amounts listed above. There has been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

#### **B. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount,

if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**C. Construction Commitments**

The City has active construction projects as of September 30, 2007. The projects include utility construction work as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Telemetry (Data Acquisition System) for Water and Wastewater Systems	\$ 101,993	\$ 49,000
Water Plants	63,296	432,501
Water Wells	444,557	1,000
Total	<u>\$ 609,846</u>	<u>\$ 482,501</u>

**D. Subsequent Event**

On January 28, 2008, the City awarded contracts as follows:

Water plant chlorination improvements at three locations and chlorine leak sensors for two wastewater treatment plant locations in the amount of \$78,200.

Chlorination buildings at three water plants and an additional building at the McCormick wastewater treatment plant in the amount \$53,700.

**E. Employee Retirement Systems and Plans**

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 821 currently administered by TMRS, an agent multiple-employer public employee retirement system. Each of the 821 municipalities have an annual, individual actuarial valuation performed. All assumptions for the December 31, 2006 valuations are contained in the 2006 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P. O. Box 149153, Austin, Texas 78714-9153. The City of Columbus Volunteer Firemen are covered by a separate pension plan, therefore they are not included in the Texas Municipal Retirement System plan.

*Benefits*

Benefits depend upon the sum of the employee’s contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200% ) of the employee’s accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount

which, when added to the employee's accumulated contributions and the monetary credits for service the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and city matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits were used to purchase an annuity.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Plan provisions for the City were as follows (as of 4/19/06):

Deposit rate	6%
Matching Ratio (City to Employee)	1.5 to 1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the city (expressed as years of service/age) are:

5yrs/age 60, 25 yrs/any age

#### *Contributions*

Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2006 valuation is effective for rates beginning January 2008). A summary of actuarial assumptions is as follows:

City of Columbus, Texas  
Notes to the Financial Statements  
September 30, 2007

Actuarial Cost Method	Unit Credit
Amortization method	Level percent of payroll
Remaining amortization period	25 years - open period
Asset Valuation Method	Amortized cost
Investment Rate of Return	7%
Actuarial Valuation Date	December 31, 2006
Projected salary increases	None
Inflation rate	3.5%
Cost-of-living adjustments	None

Annual City TMR pension cost and related information for the last three years is as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/05	\$ 78,541	100%	\$ -0-
09/30/06	\$ 89,805	100%	\$ -0-
09/30/07	\$ 94,946	100%	\$ -0-

**Texas Statewide Emergency Services Personnel Retirement Fund**

The City acts as agent for the Texas Statewide Emergency Services Personnel Retirement Fund (the "Fund") which is a component unit of the State of Texas. The City reimbursed the Fund \$10,392 for benefits paid on a pay-as-you-go basis during the year in recognition of services provided to the City by volunteer firemen. The Fund has a Board of Directors not designated by City officials and is administered by the State Fire Fighters' Pension Commissioner. There are 36 active participants currently covered by the Fund and payments are being made to 28 retirees or their survivors. The Fund does not prepare separate financial statements for participating departments; however, financial statements for the fund as a whole may be obtained from the administrator at Fire Fighters' Pension Commissioner, P. O. Box 12577, Austin, Texas 78711.

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## **Required Supplementary Information**

**City of Columbus, Texas**  
**Required Supplementary Information**  
**Schedule of Funding Progress for Participation in Texas Municipal Retirement System**  
**September 30, 2007**

The City's Texas Municipal Retirement System's trend information on funding progress for the last three actuarial valuations is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ©	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	\$ 1,606,935	\$ 2,151,190	\$ 544,255	74.7%	\$ 1,026,478	53.0%
12/31/05	\$ 1,780,903	\$ 2,309,034	\$ 528,131	77.1%	\$ 1,101,077	48.0%
12/31/06	\$ 1,950,670	\$ 2,450,081	\$ 499,411	79.6%	\$ 1,095,730	45.6%



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City of Columbus, Texas  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Sales	\$ 668,000	\$ 668,000	\$ 698,441	\$ 30,441
Property	366,323	366,323	367,137	814
Gross receipts	260,000	260,000	257,381	(2,619)
Other	1,000	1,000	5,460	4,460
Licenses and permits	14,700	14,700	11,912	(2,788)
Fines	35,750	35,750	45,540	9,790
Miscellaneous sales and revenues	77,050	80,255	78,813	(1,442)
Charges for Services	12,275	12,275	14,571	2,296
Intergovernmental revenue	0	62,495	74,776	12,281
<b>Total revenues</b>	<b>1,435,098</b>	<b>1,500,798</b>	<b>1,554,031</b>	<b>53,233</b>
<b>EXPENDITURES</b>				
Current:				
Administrative and general				
Personnel	179,959	181,634	179,440	2,194
Supplies and maintenance	30,283	30,283	15,084	15,199
Other services	112,838	169,418	147,678	21,740
Capital outlay	31,175	31,175	9,235	21,940
	<u>354,255</u>	<u>412,510</u>	<u>351,437</u>	<u>61,073</u>
Economic Development				
Other services	4,705	4,705	4,705	0
Police department:				
Personnel	528,007	525,262	510,570	14,692
Supplies and maintenance	58,437	58,437	50,279	8,158
Other services	51,748	52,248	53,477	(1,229)
Capital outlay	50,431	53,868	37,427	16,441
	<u>688,623</u>	<u>689,815</u>	<u>651,753</u>	<u>38,062</u>
Fire department:				
Personnel	20,820	20,820	22,223	(1,403)
Supplies and maintenance	24,150	24,150	28,998	(4,848)
Other services	28,973	28,973	28,351	622
Capital outlay	7,500	7,500	8,053	(553)
	<u>81,443</u>	<u>81,443</u>	<u>87,625</u>	<u>(6,182)</u>
Public health				
Personnel	23,743	23,863	23,701	162
Supplies and maintenance	2,729	3,779	3,745	34
Other services	11,403	10,353	6,052	4,301
Capital outlay	0	9,480	750	8,730
	<u>37,875</u>	<u>47,475</u>	<u>34,248</u>	<u>13,227</u>

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**City of Columbus, Texas**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2007**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Parks and recreation				
Personnel	276,964	277,914	266,091	11,823
Supplies and maintenance	41,466	53,923	51,319	2,604
Other services	41,628	42,228	40,591	1,637
Capital outlay	67,000	69,943	9,036	60,907
	<u>427,058</u>	<u>444,008</u>	<u>367,037</u>	<u>76,971</u>
Streets and drainage				
Personnel	177,682	177,682	177,905	(223)
Supplies and maintenance	147,850	141,920	123,965	17,955
Other services	106,717	126,717	124,143	2,574
Capital outlay	60,000	75,930	65,687	10,243
	<u>492,249</u>	<u>522,249</u>	<u>491,700</u>	<u>30,549</u>
Debt service				
Lease principal	42,177	125,461	112,426	13,035
Interest on capital lease	1,242	2,614	10,117	(7,503)
	<u>43,419</u>	<u>128,075</u>	<u>122,543</u>	<u>5,532</u>
Total expenditures	<u>2,129,627</u>	<u>2,330,280</u>	<u>2,111,048</u>	<u>219,232</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	264,940	264,940	255,238	(9,702)
Transfers out	(12,650)	(12,650)	(12,650)	0
Sale of capital assets			15,589	15,589
Proceeds from capital lease	25,331	25,331	0	(25,331)
Total other financing sources (uses)	<u>277,621</u>	<u>277,621</u>	<u>258,177</u>	<u>(19,444)</u>
Net change in fund balances	(416,908)	(551,861)	(298,840)	253,021
Fund balances, beginning	<u>1,408,644</u>	<u>1,408,644</u>	<u>1,408,644</u>	<u>0</u>
Fund balances, ending	<u>\$ 991,736</u>	<u>\$ 856,783</u>	<u>\$ 1,109,804</u>	<u>\$ 253,021</u>

**City of Columbus, Texas**  
**Notes to Required Supplementary Information**  
**September 30, 2007**

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**Budgetary Information**

The annual budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). All annual appropriations lapse at fiscal year end.

Budgeted amounts are as originally adopted or as amended by the City Council. The Council made several supplemental budgetary appropriations throughout the year which increased total budgeted expenditures by \$200,653. These amendments were as follows:

Date Budget Amended	Purpose	Amount
December 26, 2006	Early pay off of street sweeper capital lease	\$ 42,180
February 12, 2007	Library books, audio visual and office supplies (to be purchased with grant funds)	12,795
February 12, 2007	Police guns (to be purchased with forfeiture funds)	3,437
February 12, 2007	Canine expenses	500
March 12, 2007	Professional fees for infrastructure and planning analysis (to be paid with \$49,200 of grant funds)	56,580
March 12, 2007	Engineering costs for Safe Route to School Grant	10,000
May 14, 2007	Early pay off of software capital lease	42,476
June 25, 2007	Drainage improvements south of Montezuma Street	20,000
June 25, 2007	Code enforcement software	9,480
September 10, 2007	Library books (to be purchased with memorials)	3,205
	Total Additional Appropriations	<u>\$ 200,653</u>

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

*Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.*

*Equipment Fund* - This fund is used to maintain funds set aside for the purposes of financing purchases of long-lived equipment.

*Fire Equipment Fund* - This fund is used to account for funds set aside for the future purchase of fire department equipment.

*Hotel Occupancy Tax Fund* - This fund is used to account for the City's hotel occupancy tax revenues and related tourism and economic development expenditures.

### **Debt Service Fund**

*The City's Debt service fund is used to account for resources accumulated and transferred to the Proprietary Fund. These resources supplement Utility Fund resources used to make payments on the principal and interest of the City's 2005 Combination Tax and Revenue Certificates of Obligation.*

City of Columbus, Texas  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2007

	Special Revenue			Debt Service	Total Nonmajor Governmental Funds
	Equipment	Fire Equipment	Total		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 106,081	\$ 77,646	\$ 183,727	\$ 186	\$ 183,913
Investments	18,730		18,730		18,730
Receivable (net of allowance for estimated uncollectibles)				1,944	1,944
<b>Total assets</b>	<u>124,810</u>	<u>77,646</u>	<u>202,457</u>	<u>2,130</u>	<u>204,587</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Unearned revenue				\$ 1,944	\$ 1,944
<b>Total liabilities</b>				<u>1,944</u>	<u>1,944</u>
<b>Fund balances:</b>					
Unreserved, undesignated	<u>124,810</u>	<u>77,646</u>	<u>202,457</u>	<u>186</u>	<u>202,643</u>
<b>Total fund balances</b>	<u>124,810</u>	<u>77,646</u>	<u>202,457</u>	<u>186</u>	<u>202,643</u>
<b>Total liabilities and fund balances</b>	<u>\$ 124,810</u>	<u>\$ 77,646</u>	<u>\$ 202,457</u>	<u>\$ 2,130</u>	<u>\$ 204,587</u>

City of Columbus, Texas  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2007

	Special Revenue				Debt Service	Total Nonmajor Governmental Funds
	Equipment	Fire Equipment	Hotel-Motel Tax Fund	Total		
<b>REVENUES</b>						
Ad valorem taxes					\$ 75,163	\$ 75,163
Non-property taxes			\$ 125,276	125,276		125,276
Miscellaneous revenue	\$ 7,444	\$ 2,509		9,953		9,953
Total revenues	<u>7,444</u>	<u>2,509</u>	<u>125,276</u>	<u>135,229</u>	<u>75,163</u>	<u>210,393</u>
<b>EXPENDITURES</b>						
Current:						
Economic development			125,276	125,276		125,276
Total expenditures	<u>0</u>	<u>0</u>	<u>125,276</u>	<u>125,276</u>	<u>0</u>	<u>125,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,444</u>	<u>2,509</u>	<u>0</u>	<u>9,953</u>	<u>75,163</u>	<u>85,117</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	10,000	29,150		39,150		39,150
Transfers out	(57,196)			(57,196)	(74,977)	(132,174)
Total other financing sources (uses)	<u>(47,196)</u>	<u>29,150</u>	<u></u>	<u>(18,046)</u>	<u>(74,977)</u>	<u>(93,024)</u>
Net change in fund balances	<u>(39,752)</u>	<u>31,659</u>	<u>0</u>	<u>(8,093)</u>	<u>186</u>	<u>(7,907)</u>
Fund balances - beginning	<u>164,562</u>	<u>45,987</u>	<u>0</u>	<u>210,550</u>	<u>0</u>	<u>210,550</u>
Fund balances - ending	<u>\$ 124,810</u>	<u>\$ 77,646</u>	<u>\$ 0</u>	<u>\$ 202,457</u>	<u>\$ 186</u>	<u>\$ 202,643</u>

**City of Columbus, Texas**  
**Equipment Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 3,500	\$ 3,500	\$ 7,444	\$ 3,944
Total revenues	<u>3,500</u>	<u>3,500</u>	<u>7,444</u>	<u>3,944</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,000	10,000	10,000	0
Transfers out	<u>(88,000)</u>	<u>(88,000)</u>	<u>(57,196)</u>	<u>30,804</u>
Total other financing sources (uses)	<u>(78,000)</u>	<u>(78,000)</u>	<u>(47,196)</u>	<u>30,804</u>
Net change in fund balances	(74,500)	(74,500)	(39,752)	34,748
Fund balances, beginning	<u>164,562</u>	<u>164,562</u>	<u>164,562</u>	<u>0</u>
Fund balances, ending	<u>\$ 90,062</u>	<u>\$ 90,062</u>	<u>\$ 124,810</u>	<u>\$ 34,748</u>



**City of Columbus, Texas**  
**Fire Equipment Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 3,400	\$ 3,400	\$ 2,509	\$ (891)
Total revenues	<u>3,400</u>	<u>3,400</u>	<u>2,509</u>	<u>(891)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	29,150	29,150	29,150	0
Transfers out	0	0	0	0
Total other financing sources (uses)	<u>29,150</u>	<u>29,150</u>	<u>29,150</u>	<u>0</u>
Net change in fund balances	32,550	32,550	31,659	(891)
Fund balances, beginning	<u>45,987</u>	<u>45,987</u>	<u>45,987</u>	<u>0</u>
Fund balances, ending	<u>\$ 78,537</u>	<u>\$ 78,537</u>	<u>\$ 77,645</u>	<u>\$ (891)</u>

**City of Columbus, Texas**  
**Hotel Occupancy Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Hotel occupancy tax	\$ 130,000	\$ 130,000	\$ 125,276	\$ (4,724)
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>125,276</u>	<u>(4,724)</u>
<b>Expenditures</b>				
Current:				
Economic development	130,000	130,000	125,276	4,724
Total expenditures	<u>130,000</u>	<u>130,000</u>	<u>125,276</u>	<u>4,724</u>
Net change in fund balances	0	0	0	0
Fund balances, beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**City of Columbus, Texas**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Ad valorem taxes	\$ 74,114	\$ 74,114	\$ 75,163	\$ 1,049
Total revenues	<u>74,114</u>	<u>74,114</u>	<u>75,163</u>	<u>1,049</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to utility fund	(74,114)	(74,114)	(74,977)	(863)
Total other financing sources (uses)	<u>(74,114)</u>	<u>(74,114)</u>	<u>(74,977)</u>	<u>(863)</u>
Net change in fund balances	0	0	186	186
Fund balances, beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 186</u>	<u>\$ 186</u>

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## Statistical Section



This part of the City of Columbus's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	67-71
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	72-78
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, gas revenue, as well as its ability to generate its property taxes and information regarding its sales tax sources.	
<b>Debt Capacity</b>	79-81
These schedules 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	
<b>Demographic and Economic Information</b>	82-84
These schedules offer demographics 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.	
<b>Operating Information</b>	85-86
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

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**City of Columbus, Texas**  
**Net Assets by Component**  
**Last Four Years**  
**(accrual basis of accounting)**

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 1,034,160	\$ 1,145,267	\$ 1,319,184	\$ 1,375,223
Restricted	36,512	36,871	1,089	2,130
Unrestricted	1,845,395	1,885,626	1,609,595	1,304,614
Total governmental activities net assets	<u>2,916,067</u>	<u>3,067,764</u>	<u>2,929,868</u>	<u>2,681,967</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	3,357,664	3,134,054	3,529,263	3,308,646
Unrestricted	1,053,265	1,055,325	1,175,124	1,759,621
Total business-type activities net assets	<u>4,410,929</u>	<u>4,189,379</u>	<u>4,704,387</u>	<u>5,068,267</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	4,391,824	4,279,321	4,848,447	4,683,869
Restricted	36,512	36,871	1,089	2,130
Unrestricted	2,898,660	2,940,951	2,784,719	3,064,235
Total primary government activities net assets	<u>\$ 7,326,996</u>	<u>\$ 7,257,143</u>	<u>\$ 7,634,255</u>	<u>\$ 7,750,234</u>

**Note:** The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

**City of Columbus, Texas**  
**Changes in Net Assets**  
**Last Four Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year			
	2004	2005	2006	2007
<b>Governmental activities:</b>				
Expenses				
General government	\$ 183,218	\$ 176,743	\$ 299,796	\$ 359,485
Public safety	658,875	639,122	768,000	792,484
Public health	24,214	28,548	30,820	32,546
Public works	232,502	409,441	417,553	401,228
Culture and recreation	360,990	332,045	412,540	456,391
Tourism	116,263	123,031	128,374	125,276
Interest on long-term debt	--	1,349	4,730	10,117
Total expenses	<u>1,576,062</u>	<u>1,710,279</u>	<u>2,061,814</u>	<u>2,177,527</u>
Program Revenues				
Charge for services				
General government	20,609	27,304	19,203	18,928
Public safety	45,228	31,896	49,691	48,060
Public works	2,317	16,717	11,676	5
Culture and recreation	31,737	15,124	18,715	18,747
Operating grants and contributions	6,422	140,685	21,742	61,521
Capital grants and contributions	50,380	39,208	124,318	15,076
Total program revenues	<u>156,693</u>	<u>270,934</u>	<u>245,345</u>	<u>162,337</u>
Total Governmental Activities Net Program Expense	<u>(1,419,369)</u>	<u>(1,439,345)</u>	<u>(1,816,468)</u>	<u>(2,015,189)</u>
General Revenues and Other Changes in Net Assets				
Taxes				
Ad valorem tax	310,524	322,787	424,250	444,169
Sales tax	596,037	634,052	653,999	698,441
Hotel/Motel tax	116,263	123,031	128,374	125,276
Gross receipts tax	358,702	348,785	259,168	257,381
Alcohol beverage tax	1,448	1,854	4,948	5,460
Investment earnings	22,068	47,365	72,356	71,409
Gain on sale of capital assets	--	1,695	13	15,589
Transfers	100,426	102,644	135,467	149,564
Total general revenue and other changes in net assets	<u>1,505,468</u>	<u>1,582,213</u>	<u>1,678,575</u>	<u>1,767,289</u>
Total Governmental Activities Change in Net Assets	<u>\$ 86,099</u>	<u>\$ 142,868</u>	<u>\$ (137,893)</u>	<u>\$ (247,900)</u>

Continued on Page 69



**City of Columbus, Texas  
Changes in Net Assets  
Last Four Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year			
	2004	2005	2006	2007
<b><u>Business-type Activities:</u></b>				
Expenses				
Water	\$ 465,213	\$ 444,965	\$ 535,677	\$ 528,298
Sewer	355,201	394,546	365,593	394,704
Garbage	434,668	556,113	582,200	620,013
Gas	678,205	785,908	791,453	729,343
Total expenses	<u>1,933,287</u>	<u>2,181,532</u>	<u>2,274,923</u>	<u>2,272,358</u>
Revenues				
Charge for services				
Water	423,125	456,607	587,506	509,935
Sewer	338,023	302,882	463,335	469,919
Garbage	406,552	500,181	599,853	637,545
Gas	678,193	723,293	931,557	870,845
Operating grants and contributions	-	-	1,547	-
Capital grants and contributions	-	-	101,110	90,000
Total revenues	<u>1,845,893</u>	<u>1,982,963</u>	<u>2,684,908</u>	<u>2,578,244</u>
Total Business-type Activities Net Program Expense	<u>(87,394)</u>	<u>(198,569)</u>	<u>409,985</u>	<u>305,886</u>
Other Changes in Net Assets				
Interest revenue	15,426	57,487	239,342	220,876
Gain (loss) on disposition of capital assets	(34,589)	22,177	1,148	(13,321)
Transfers	(100,426)	(102,644)	(135,467)	(149,564)
Total general revenue and other changes in net assets	<u>(119,589)</u>	<u>(22,980)</u>	<u>105,022</u>	<u>57,991</u>
Total Business-type Activities Change in Net Assets	<u>\$ (206,983)</u>	<u>\$ (221,549)</u>	<u>\$ 515,007</u>	<u>\$ 363,877</u>

**Notes:** The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

**City of Columbus, Texas**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 19,224	\$ 10,574	\$ 11,398	\$ 6,727	\$ 8,255	\$ 10,354	\$ 13,540	\$ 15,681	\$ 18,079	\$ 19,722
Unreserved	799,934	741,607	710,174	818,696	990,050	1,271,701	1,355,048	1,458,053	1,390,565	1,090,074
Total general fund	<u>819,158</u>	<u>752,181</u>	<u>721,572</u>	<u>825,423</u>	<u>998,305</u>	<u>1,282,055</u>	<u>1,368,588</u>	<u>1,473,734</u>	<u>1,408,644</u>	<u>1,109,796</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue funds	456,486	428,979	330,377	231,763	252,934	297,975	342,266	391,470	210,549	202,457
Capital project fund	-	7,668	12,207	75,668	22,852	62,314	36,512	36,871	-	-
Debt service fund	446	475	507	534	-	-	-	-	-	186
Total all other governmental funds	<u>\$ 456,932</u>	<u>\$ 437,122</u>	<u>\$ 343,091</u>	<u>\$ 307,965</u>	<u>\$ 275,786</u>	<u>\$ 360,289</u>	<u>\$ 378,778</u>	<u>\$ 428,341</u>	<u>\$ 210,549</u>	<u>\$ 202,643</u>

**City of Columbus, Texas**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenue</b>										
Ad valorem taxes	\$ 202,323	\$ 221,537	\$ 234,377	\$ 243,877	\$ 260,325	\$ 288,594	\$ 307,843	\$ 323,454	\$ 426,701	\$ 441,603
Non-property taxes	759,090	798,661	827,269	888,498	890,358	876,978	971,067	1,019,120	1,046,489	1,086,558
Licenses and permits	17,685	19,882	19,365	17,840	18,425	19,434	15,023	19,146	12,551	11,912
Fines and forfeitures	22,503	34,399	31,696	33,768	25,140	36,536	43,227	31,624	48,253	46,227
Miscellaneous revenue	119,275	172,507	149,366	156,829	65,364	65,704	57,925	91,496	98,402	86,132
Charges for services	28,293	25,564	32,674	35,448	26,671	26,727	14,840	16,769	13,915	15,893
Intergovernmental	68,088	240,297	448,720	787,502	357,618	122,789	47,746	157,982	146,293	76,097
<b>Total revenues</b>	<b>1,217,257</b>	<b>1,512,847</b>	<b>1,743,467</b>	<b>2,163,762</b>	<b>1,643,901</b>	<b>1,436,762</b>	<b>1,457,671</b>	<b>1,659,591</b>	<b>1,792,604</b>	<b>1,764,422</b>
<b>Expenditures</b>										
Administrative and general	93,268	113,698	124,639	126,971	123,333	136,031	168,477	168,854	320,752	351,438
Economic and tourism development	91,962	166,583	361,636	144,519	119,798	105,451	119,763	126,031	132,874	129,981
Police department	388,885	469,072	516,870	494,588	463,109	475,936	525,278	515,492	643,969	651,756
Fire department	62,951	149,891	227,681	108,752	96,043	100,595	120,164	58,297	368,694	67,625
Streets and drainage	286,318	593,459	461,207	297,618	260,464	245,323	224,341	486,905	465,536	491,700
Parks and recreation	244,924	232,187	216,861	324,040	252,228	285,450	372,416	431,115	369,913	367,039
Public health	20,128	21,207	20,705	21,138	21,782	24,062	24,017	28,123	30,724	34,247
Industrial development	--	--	75,275	610,945	356,461	80,508	--	--	--	--
Debt Service										
Principal	--	--	--	--	--	--	--	10,427	34,964	112,426
Interest	--	--	--	--	--	--	--	1,349	4,730	10,117
<b>Total expenditures</b>	<b>1,188,436</b>	<b>1,746,097</b>	<b>2,004,874</b>	<b>2,128,571</b>	<b>1,693,218</b>	<b>1,453,356</b>	<b>1,554,456</b>	<b>1,826,593</b>	<b>2,372,156</b>	<b>2,236,329</b>
Excess of revenues over (under) expenditures	<b>28,821</b>	<b>(233,250)</b>	<b>(261,407)</b>	<b>35,191</b>	<b>(49,317)</b>	<b>(16,594)</b>	<b>(96,785)</b>	<b>(167,002)</b>	<b>(579,552)</b>	<b>(471,907)</b>
<b>Other Financing Sources (Uses)</b>										
Capital leases	--	--	--	--	--	--	--	75,625	82,191	--
Transfers in	211,954	243,395	336,175	176,641	198,315	266,922	224,809	203,896	489,650	294,388
Transfers out	(23,000)	(96,932)	(199,408)	(153,576)	(10,913)	(38,000)	(23,000)	(12,650)	(354,183)	(144,824)
Sale of capital assets	--	--	--	3,832	1,090	--	--	46,012	13	15,589
<b>Total other financing sources (uses)</b>	<b>188,954</b>	<b>146,463</b>	<b>136,767</b>	<b>26,897</b>	<b>188,492</b>	<b>228,922</b>	<b>201,809</b>	<b>312,883</b>	<b>217,671</b>	<b>165,153</b>
<b>Special Items</b>										
Sale of capital assets	--	--	--	--	--	39,500	--	--	79,000	--
<b>Total special items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,500</b>	<b>0</b>	<b>0</b>	<b>79,000</b>	<b>0</b>
<b>Net change in fund balances</b>	<b>\$ 217,775</b>	<b>\$ (86,787)</b>	<b>\$ (124,640)</b>	<b>\$ 62,088</b>	<b>\$ 139,175</b>	<b>\$ 251,828</b>	<b>\$ 105,024</b>	<b>\$ 145,881</b>	<b>\$ (282,881)</b>	<b>\$ (306,754)</b>
Debt service as a percentage of noncapital expenditures	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.76%</b>	<b>2.13%</b>	<b>6.18%</b>

**City of Columbus, Texas  
Principal Gas Purchasers  
Current Year and Seven Years Ago**

<b>Customer</b>	<b>2007</b>			<b>2000</b>		
	<b>Gas Sales</b>	<b>Rank</b>	<b>Percentage of Total Gas Sales</b>	<b>Gas Sales</b>	<b>Rank</b>	<b>Percentage of Total Gas Sales</b>
Columbus Community Hospital	\$ 50,168	1	5.84%	\$ 7,370	5	1.39%
River Oaks Convalescent Center	27,877	2	3.24%	14,819	2	2.80%
Bazar Foods LTD	26,319	3	3.06%	—		—
Columbus Independent School District	20,659	4	2.40%	13,750	3	2.60%
Guadalajara Mexican Restaurant	19,881	5	2.31%	6,328	8	1.20%
Country Fresh Cleaners	17,922	6	2.09%	7,096	6	1.34%
Gary Kulhanek (Washateria)	16,225	7	1.89%	—		—
Schobels Restaurant	15,585	8	1.81%	7,002	7	1.32%
Columbus Inn	15,286	9	1.78%	4,226	10	0.80%
Columbus Care Center	11,454	10	1.33%	7,406	4	1.40%
Norton Industrial Sands	—		—	37,556	1	7.09%
Colorado County Detention Center	—		—	4,584	9	0.87%
<b>Total</b>	<b>\$ 221,376</b>		<b>25.75%</b>	<b>\$ 110,137</b>		<b>20.81%</b>

Note: Earliest available data for top ten purchasers of gas is from year 2000. City changed utility software two years ago and data for 1998 is not available.

**City of Columbus, Texas  
Taxable Sales by Category  
Last Four Fiscal Years**

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Agricultural	\$ 7,628	\$ 3,518	\$ 9,464	\$ 10,666
Construction	1,655,080	1,528,859	2,765,815	1,765,243
Manufacturing	1,345,716	628,237	1,390,424	1,906,080
Wholesale	266,611	339,818	880,307	1,321,953
Retail	31,516,339	33,682,113	35,028,021	36,687,829
Information	--	82,213	54,633	24,540
Real Estate, Rental, Leasing	460,481	209,454	162,095	60,392
Professional, Scientific, Technical Services	347,680	421,294	537,516	838,902
Administrative, Support, Waste Management, Remediation Services	614,441	640,737	818,427	1,395,782
Arts, Entertainment, Recreation	186,140	189,478	157,388	327,348
Accommodation, Food Services	10,755,722	10,885,626	12,191,353	12,583,383
Other Services	2,080,170	2,106,044	1,935,067	2,089,273
<b>Total expenditures</b>	<b>\$ 49,236,008</b>	<b>\$ 50,717,391</b>	<b>\$ 55,930,510</b>	<b>\$ 59,011,391</b>
City direct sales tax rate	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>

Note: General grocery items are not taxable.

Source: Texas State Comptroller. Comptroller recently began reporting this data using the North American Industry Classification System (NAICS) sector. 2003 is the earliest year data is available.

**City of Columbus, Texas**  
**Tax Revenue by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Fiscal Year	Ad valorem Tax	Sales Tax	Gross Receipts Tax	Hotel Occupancy Tax	Mixed Beverage Tax	Totals
1998	\$ 202,322	\$ 481,038	\$ 184,056	\$ 91,593	\$ 2,403	\$ 961,412
1999	221,537	517,372	182,175	96,476	2,638	1,020,198
2000	234,377	514,017	191,598	120,377	1,277	1,061,646
2001	243,877	538,719	223,606	125,007	1,166	1,132,375
2002	260,324	535,736	236,149	117,798	860	1,150,867
2003	288,594	545,516	228,002	101,951	1,509	1,165,572
2004	307,843	596,037	257,318	116,263	1,448	1,278,909
2005	323,454	634,052	260,183	123,031	1,854	1,342,574
2006	424,250	653,999	259,168	128,374	4,948	1,470,739
2007	441,603	698,441	257,381	125,276	5,460	1,528,161
Change 1998-2007	118.3%	45.2%	39.8%	36.8%	127.2%	59.0%

**City of Columbus, Texas**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate/\$100</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a % of Actual Taxable Value</u>
1998	\$ 90,440,604	\$ 16,769,631	\$ 4,402,000	\$ 102,808,235	0.19600	\$ 102,808,235	100.00%
1999	1 01,224,819	17,887,571	4,345,760	114,766,630	0.19000	114,766,630	100.00%
2000	1 07,044,809	20,687,940	5,672,108	122,060,641	0.18900	122,060,641	100.00%
2001	1 15,914,881	18,424,480	5,870,038	128,469,323	0.18900	128,469,323	100.00%
2002	123,960,746	18,552,544	5,585,184	136,928,106	0.18881	136,928,106	100.00%
2003	1 27,547,707	19,492,810	5,171,845	141,868,672	0.19881	141,868,672	100.00%
2004	1 40,936,806	19,994,470	4,927,107	156,004,169	0.19581	156,004,169	100.00%
2005	1 51,683,597	20,303,750	4,671,763	167,315,584	0.19017	167,315,584	100.00%
2006	1 62,895,625	21,228,450	5,108,213	179,015,862	0.23312	179,015,862	100.00%
2007	1 71,581,944	22,062,400	5,212,305	188,432,039	0.23312	188,432,039	100.00%

**City of Columbus, Texas**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Fiscal Year	City Direct Rates			Overlapping Rates		Total Direct & Overlapping Rates
	Basic Rate	Debt Service	Total Direct Rate	Columbus Independent School District	Colorado County	
1998	0.19600	0.00000	0.19600	1.38000	0.42000	1.99600
1999	0.19000	0.00000	0.19000	1.35000	0.41140	1.95140
2000	0.18900	0.00000	0.18900	1.32000	0.40650	1.91550
2001	0.18900	0.00000	0.18900	1.32000	0.39150	1.90050
2002	0.18881	0.00000	0.18881	1.40000	0.39000	1.97881
2003	0.19881	0.00000	0.19881	1.42100	0.39750	2.01731
2004	0.19581	0.00000	0.19581	1.42000	0.43000	2.04581
2005	0.19017	0.00000	0.19017	1.58000	0.42800	2.19817
2006	0.19312	0.04000	0.23312	1.61500	0.42758	2.27570
2007	0.19312	0.04000	0.23312	1.49750	0.41890	2.14952



**City of Columbus, Texas  
Principal Property Tax Payers  
Current Year and Nine Years Ago**

<b>Taxpayer</b>	<b>2007</b>			<b>1998</b>		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
AEP Central Power & Light	\$ 2,641,950	1	1.40%	\$ 1,306,500	7	1.27%
Wal Mart Stores Inc.	2,320,400	2	1.23%	1,902,038	3	1.85%
Goodmark Lodging LLC (Holiday Inn)	1,880,200	3	1.00%	-		-
Columbus Associates (Wal Mart)	1,704,630	4	0.90%	1,488,100	5	1.45%
River Oaks Convalescent	1,700,540	5	0.90%	1,586,600	4	1.54%
Southwestern Bell Telephone	1,688,000	6	0.90%	2,249,300	1	2.19%
Magnolia Living Center	1,687,210	7	0.90%	985,400	8	0.96%
H E Butt Grocery Company	1,527,070	8	0.81%	1,391,416	6	1.35%
Drymalla Construction Co.	1,407,290	9	0.75%	-		-
Great Southern Wood	1,294,640	10	0.69%	-		-
Columbus Ford-Mercury	-		-	2,106,885	2	2.05%
Texas Health Enterprises	-			978,400	9	0.95%
Columbus State Bank	-		-	956,745	10	0.93%
<b>Total</b>	<b><u>\$ 17,851,930</u></b>		<b><u>9.47%</u></b>	<b><u>\$ 14,951,384</u></b>		<b><u>14.54%</u></b>

Note: Data provided by Colorado County Central Appraisal District.

**City of Columbus, Texas  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 201,402	\$ 196,365	97.5%	\$ 4,276	\$ 200,641	99.6%
1999	218,286	213,307	97.7%	3,791	217,098	99.5%
2000	230,463	225,792	98.0%	3,957	229,749	99.7%
2001	242,563	235,440	97.1%	6,134	241,574	99.6%
2002	258,534	251,781	97.4%	5,641	257,422	99.6%
2003	282,049	277,313	98.3%	4,675	281,988	100.0%
2004	305,472	297,977	97.5%	5,364	303,341	99.3%
2005	317,479	312,172	98.3%	3,537	315,709	99.4%
2006	417,321	411,167	98.5%	2,993	414,160	99.2%
2007	439,273	430,994	98.1%	--	430,994	98.1%

**City of Columbus, Texas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Governmental Activities</b>										
Capital leases	--	--	--	--	--	--	--	\$ 65,199	\$ 112,426	--
Total governmental activities	-0-	-0-	-0-	-0-	-0-	-0-	-0-	65,199	112,426	-0-
<b>Business Activities</b>										
Note payable	--	\$ 41,638	\$ 154,167	\$ 123,312	\$ 92,444	\$ 61,611	\$ 30,686	--	--	--
2005 Certificates of obligation	--	--	--	--	--	--	--	4,750,000	4,620,000	\$ 4,445,000
Premium on certificates of obligation	--	--	--	--	--	--	--	66,046	62,689	59,332
Capital leases	--	--	--	--	--	--	--	--	30,644	--
Total business activities	-0-	41,638	154,167	123,312	92,444	61,611	30,686	4,816,046	4,713,333	4,504,332
<b>Total Primary Government</b>	<b>\$ -0-</b>	<b>\$ 41,638</b>	<b>\$ 154,167</b>	<b>\$ 123,312</b>	<b>\$ 92,444</b>	<b>\$ 61,611</b>	<b>\$ 30,686</b>	<b>\$ 4,881,245</b>	<b>\$ 4,825,759</b>	<b>\$ 4,504,332</b>
(1) Percentage of Personal Income	0.0%	0.1%	0.2%	0.2%	0.1%	0.1%	0.0%	7.9%	7.8%	7.3%
(1) Per Capita	\$ 0	\$ 12	\$ 39	\$ 31	\$ 24	\$ 16	\$ 8	\$ 1,246	\$ 1,232	\$ 1,150

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements

(1) See the Schedule of Demographics and Economic Statistics on page 82 for personal income and population data

**City of Columbus, Texas  
Direct and Overlapping Governmental Activities Debt  
As of September 30, 2007**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable(1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Columbus Independent School District	\$ 17,422,467	31.59%	\$ 5,503,757
Colorado County	1,398,657	13.78%	<u>192,735</u>
Subtotal, overlapping debt			5,696,492
City of Columbus direct debt			<u>4,523,766</u>
Total direct and overlapping debt			<u>\$ 10,220,258</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Colorado County Central Appraisal District. Debt outstanding data provided by the County Auditor and Columbus Independent School District.

Note: 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 residents and businesses of the City of Columbus. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's and school district's taxable assessed value that is within the city's boundaries and dividing it by the county's and school district's total taxable assessed value.

**City of Columbus, Texas  
Legal Debt Margin Information  
Last Ten Fiscal Years**

Fiscal Year	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Tax Roll Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Net assessed value	\$ 102,808,235	\$ 114,766,630	\$ 122,060,641	\$ 128,469,323	\$ 136,928,106	\$ 141,868,672	\$ 156,004,169	\$ 167,315,584	\$ 179,015,962	\$ 188,432,039
Plus exempt property	<u>4,402,000</u>	<u>4,345,760</u>	<u>5,672,108</u>	<u>5,870,038</u>	<u>5,585,184</u>	<u>5,171,845</u>	<u>4,927,107</u>	<u>4,671,763</u>	<u>5,108,213</u>	<u>5,212,305</u>
Total assessed value	\$ 107,210,235	\$ 119,112,390	\$ 127,732,749	\$ 134,339,361	\$ 142,513,290	\$ 147,040,517	\$ 160,931,276	\$ 171,987,347	\$ 184,124,175	\$ 193,644,344
Debt limit (1)	<u>\$ 10,721,024</u>	<u>\$ 11,911,239</u>	<u>\$ 12,773,275</u>	<u>\$ 13,433,936</u>	<u>\$ 14,251,329</u>	<u>\$ 14,704,052</u>	<u>\$ 16,093,128</u>	<u>\$ 17,198,735</u>	<u>\$ 18,412,418</u>	<u>\$ 19,364,434</u>

(1) Texas statutes do not describe a debt limit; however by custom a practical economic debt limit is 10% of the assessed valuation is used.

**City of Columbus, Texas  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income <sup>(1)</sup></b>	<b>Per Capita Personal Income <sup>(1)</sup></b>	<b>Median Age <sup>(1)</sup></b>	<b>Percent of Population with Bachelor's Degree or Higher <sup>(1)</sup></b>	<b>School Enrollment <sup>(2)</sup></b>	<b>Unemployment Rate <sup>(3)</sup></b>
1998	3,367	38,851,813	11,539	42	15.7%	1,835	4.1%
1999	3,367	38,851,813	11,539	42	15.7%	1,812	4.2%
2000	3,916	61,958,952	15,822	40	10.8%	1,745	3.9%
2001	3,916	61,958,952	15,822	40	16.7%	1,738	3.4%
2002	3,916	61,958,952	15,822	40	16.7%	1,682	3.9%
2003	3,916	61,958,952	15,822	40	16.7%	1,639	4.8%
2004	3,916	61,958,952	15,822	40	16.7%	1,701	4.7%
2005	3,916	61,958,952	15,822	40	16.7%	1,728	4.3%
2006	3,916	61,958,952	15,822	40	16.7%	1,685	4.1%
2007	3,916	61,958,952	15,822	40	16.7%	1,660	4.1%

Data Sources

- (1) United States Census Bureau
- (2) Columbus Independent School District
- (3) Texas Workforce Commission

**City of Columbus, Texas  
Principal Employers  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2007</b>			<b>1998</b>		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Columbus Independent School District	205	1	2.01%	217	1	2.70%
Columbus Community Hospital	178	2	1.74%	140	3	1.74%
Drymalla Construction	177	3	1.74%	150	2	1.86%
County of Colorado (Government)	142	4	1.39%	100	5	1.24%
River Oaks Convalescent Home	140	5	1.37%	108	4	1.34%
Wal Mart	89	6	0.87%	82	6	1.02%
Schobels Restaurant	80	7	0.78%	70	7	0.87%
Columbus Care Center	62	8	0.61%	65	8	0.81%
HEB Grocery Company LP	56	9	0.55%	62	9	0.77%
Brookshire Bros. (Grocery)	43	10	0.42%	50	10	0.62%
<b>Total</b>	<b>1,172</b>		<b>11.49%</b>	<b>1,044</b>		<b>12.97%</b>

Note: Total City employment is not available. Employees as a percentage of Colorado County employment is presented.

Data Sources  
Texas Workforce Commission  
Local Employers

**City of Columbus, Texas**  
**Full time Equivalents City Government Employees by Function/Program**  
**Last Four Fiscal Years**

<u>Function</u>	<u>Full-time-Equivalent Employees as of September 30</u>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Administrative and general	0.73	1.25	2.97	3.00
Police Department	10.91	11.97	12.02	12.15
Streets and drainage	3.04	4.05	4.88	4.91
Parks and recreation				
Parks	3.84	3.82	3.97	4.39
Swimming pool	0.88	0.91	0.94	.87
Library	3.64	3.59	3.80	3.76
Public health	0.56	.55	1.03	.54
Water	4.71	3.97	2.97	4.09
Sewer	1.90	2.92	1.29	2.61
Garbage	5.62	4.11	0.30	0.49
Gas	6.42	6.95	4.98	3.77
<b>Total</b>	<b>42.25</b>	<b>44.09</b>	<b>39.15</b>	<b>40.58</b>

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

Data for years prior to 2004 is not available.



**City of Columbus, Texas**  
**Operating Indicators by Function/Program**  
**Last Four Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General government				
Building permits issued	47	27	33	32
Building inspections conducted	61	67	49	56
Gas inspections	27	15	17	26
Electrical inspections	88	60	57	60
Plumbing inspections	23	63	39	26
Mechanical inspections	20	48	31	45
Police				
Case Reports opened	141	149	159	168
Calls of service	1,986	2,578	2,179	2,551
Citations issued	1,146	1,519	1,917	1,519
Fire				
Fire/Other calls				
Structure fires	23	29	29	26
Grass/Brush fires	37	51	50	29
Car fires	27	23	18	16
Rescues	30	30	49	29
Hazardous	16	8	12	10
False alarms	7	7	5	8
Others	4	5	4	8
Total man hours	2,136.5	2322	2,667	2,614
Total training hours	1,842	1,726	1,636	1,935
Total maintenance hours	810	910	1,050	1,152
Municipal court				
Cases Filed				
Traffic - Non Parking	490	381	440	273
Traffic - Parking	6	11	45	13
Non-Traffic - State law	47	125	239	156
Non-Traffic - City Ordinance	11	13	28	24
Cases Disposed				
Traffic - Non Parking	199	144	327	269
Traffic - Parking	4	3	40	16
Non-Traffic - State law	12	44	159	120
Non-Traffic - City Ordinance	4	4	24	11
Solid Waste				
Customers	1,872	1,860	1,833	1,829
Recyclables (Ton per day)	.4	.59	.42	.47
Water				
Customers	1,653	1,649	1,633	1,619
Water Taps	7	10	7	15
Average Daily consumption (gallons)	566,610	587,260	683,950	550,189
Sewer				
Customers	1,598	1,590	1,577	1,566
Sewer Taps	6	6	6	7
Average Daily Sewer Plant Discharge (gallons)	355,000	365,000	383,000	333,000
Gas				
Customers	1,287	1,268	1,241	1,230
New Gas Meters	6	5	0	5
Average Daily Consumption (MCF)	191.34	184.1	183.23	205.45

Note: Data for years prior to 2004 is not available.

**City of Columbus, Texas**  
**Capital Asset Statistics by Function/Program**  
**Last Four Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General government				
Municipal Buildings	1	1	1	1
Community Buildings	2	2	2	2
Public safety				
Police:				
Stations	1	1	1	1
Patrol units	7	9	9	9
Fire:				
Stations	1	1	1	1
Fire trucks	8	8	9	9
Highways and Streets				
Streets (miles)	29	29	29	29
Culture and recreation				
Acreage	106.1	106.1	106.1	106.1
Community buildings	1	1	1	1
Playgrounds	3	3	3	3
Baseball/softball diamonds	6	6	6	6
Golf courses	1	1	1	1
Libraries	1	1	1	1
Swimming pool	1	1	1	1
Soccer fields	5	5	5	5
Water				
Wells (active)	4	4	4	3
Water mains (miles)	37.62	37.62	37.62	41.62
Fire hydrants	158	158	158	193
Storage capacity (gallons)	1,548,000	1,548,000	1,548,000	1,548,000
Sewer				
Sewer mains (miles)	29.3	29.3	29.3	29.3
Lift stations	6	6	6	6

Note: Data for years prior to 2004 is not available.