

CITY OF COLUMBUS, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2009

Director of Finance

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CITY OF COLUMBUS, TEXAS
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2009

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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

April 29, 2010

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 at 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, 2009.

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, 2009. 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

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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 Community and Industrial Development Corporation, a legally separate entity, which is 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 six years. For fiscal years 2004-2008 sales tax revenues were reported at \$596,037, \$635,052, \$653,999, \$698,441 and \$698,525 respectively. These years showed growth of 9% , 6% ,3%, 7% and 0% over the prior years. While fiscal year 2008, sales tax remained stable at \$698,525, fiscal year 2009 showed growth of 6% at \$737,437.

The City's economy experienced 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.

Because of the downturn in the national economy, the City is carefully monitoring its economy. As the City of Columbus is located almost midway between Houston, Austin and San Antonio, the City monitors the sales tax of each of these cities to see if any potential change could effect the City of Columbus. The City added one new hotel and a new restaurant in 2009. Another hotel should be completed in 2010. 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.

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 have allowed the City to drill a new water well, install new water and sewer lines throughout the City, and renovate the Water and sewer plants. Work was completed which allowed the City to achieve its goal of converting from two pressure heads in the water distribution system, each with two water wells to one pressure head with four wells. This allows the City to take a well offline for maintenance without affecting the water supply to the citizens. This major project was completed in 2009.

During fiscal year 2008, the City obtained certificates of obligation for \$4 million. \$1.2 million of these funds were to be used for a major renovation of City Hall facilities and the Fire Station. These renovations include making City Hall ADA compliant, removing asbestos, and adding a ground floor Council Chambers. At the Fire Station, the funds are to be used to remove asbestos and replace windows. The remaining \$2.8 million of the proceeds will be utilized to continue improvements to the Water System including replacing two inch water lines and fire hydrants throughout town and to make improvements to the Gas delivery system.

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 extension of the depository contract with The First State Bank expired September 30, 2009. Industry State Bank of Industry, Texas was awarded the new depository contract which expires September 30, 2011 with a one year option to renew.

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 \$250,000 which is insured by the Federal Deposit Insurance Corporation. Evidence of the pledged collateral is maintained by a third party financial institution.

During 2009, the City Council renewed the existing Investment Policy as required by state law and no significant 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. Building projects software system was added in 2008. In 2009, a SCADA (Supervisory Control And Data Acquisition) system was installed which allows the City to remotely monitor the water and sewer plants from two selected locations.

The Water and Gas Improvement Projects, as mentioned earlier, is continuing. It is anticipated that these projects will insure the lives of the water, sewer and gas systems which will in turn benefit all the citizens of Columbus and continue to enhance economic development. The City anticipates the Water/Gas project will be completed in 2010. The improvements to the Fire Station were completed in 2009. Improvements to the City Hall were completed in January, 2010.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Columbus for its comprehensive annual financial report for the fiscal year ended September 30, 2008. This was the third consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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,



Donald R. Warschak
City Manager



Patti Glaeser
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, 2008

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.



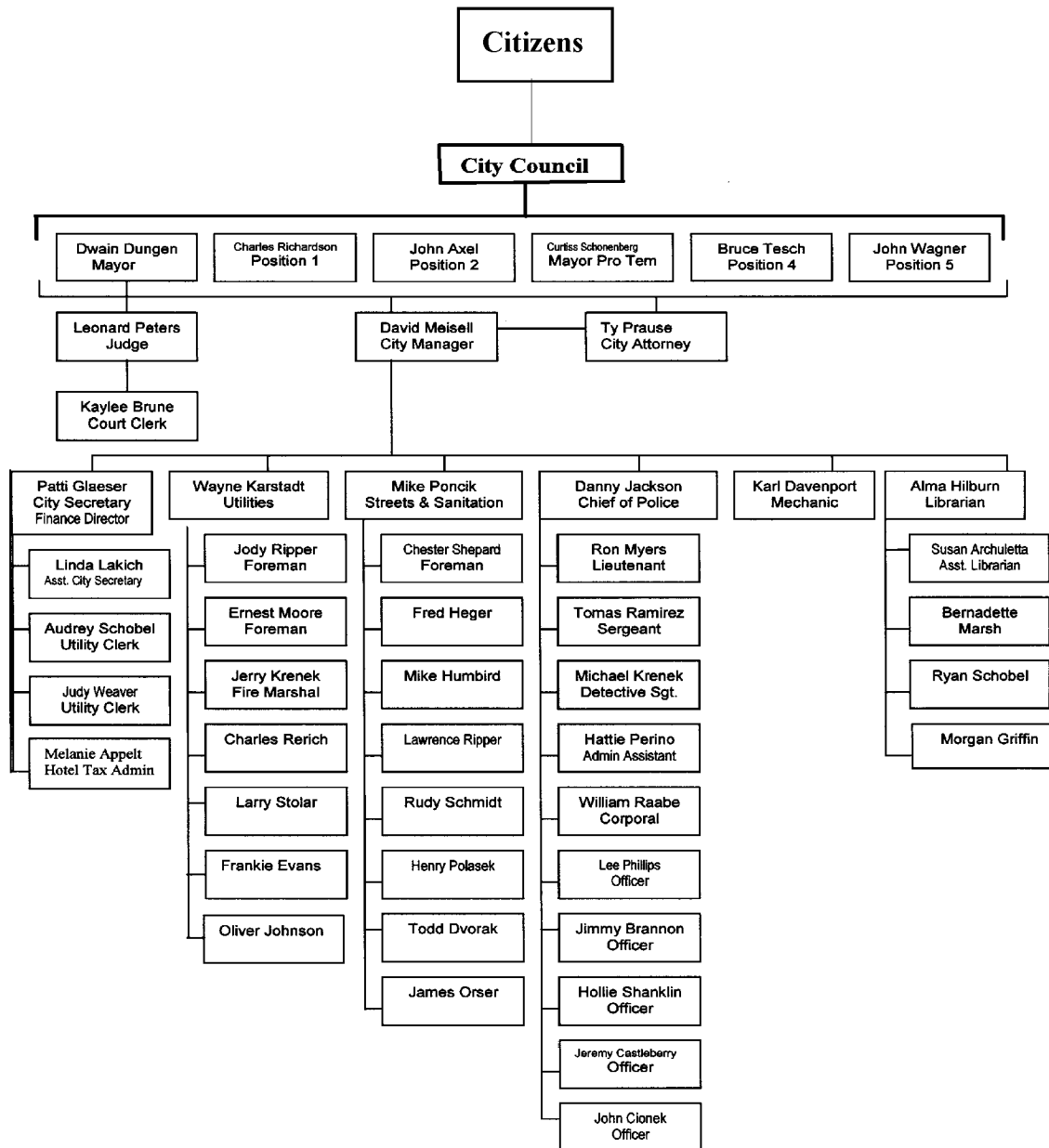
A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Enos".

Executive Director

City of Columbus, Texas Organizational Chart



**City of Columbus, Texas
List of Principal Officials
September 30, 2009**

<u>Title</u>	<u>Name</u>
Mayor	Dwain Dungen
Councilman (Mayor Pro-Tem)	Curtiss Schonenberg
Councilman	John Wagner
Councilman	Charles T. Richardson
Councilman	John Axel
Councilman	Bruce Tesch
City Manager	David Meisell
City Secretary/Finance Director	Patti Glaeser
Police Chief	Danny Jackson
Fire Chief	Robert C. Walla
Utility Supervisor	Wayne Karstadt
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

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, 2009, 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, 2009, 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 24 and 51 through 56, respectively, 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.

A handwritten signature in cursive script, appearing to read "Wm. Pierce Arthur".

Columbus, Texas
April 28, 2010

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, 2009. 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

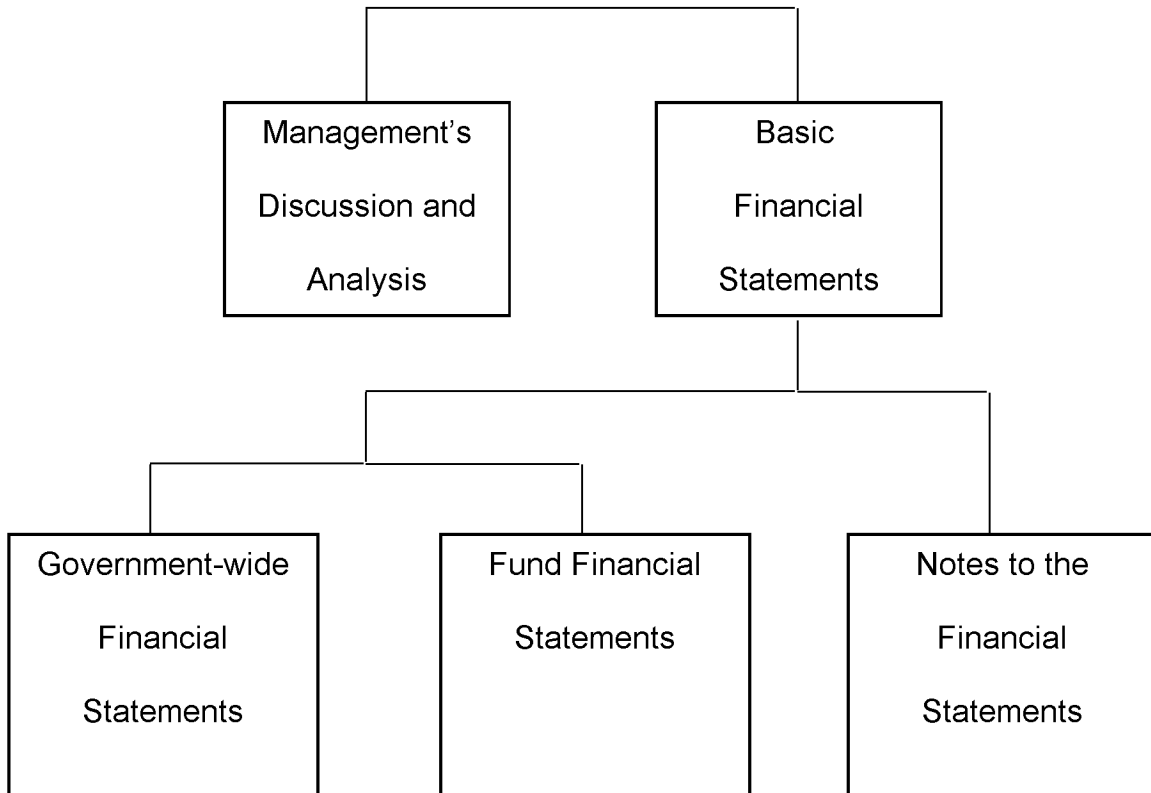
- The assets of the City of Columbus for its governmental and business-type activities exceeded its liabilities at the close of the fiscal year by \$8,330,261. Of this amount, \$3,129,935 are capital assets, net of related debt, \$6,566 was reserved for debt service, \$1,939,646 was reserved for construction, \$128,182 was reserved for Hotel Occupancy Tax expenditures. \$3,125,931 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 \$217,835, mostly due to a reevaluation of transfers from the utility fund
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,328,142, a decrease of \$794,853 in comparison with the prior year. Approximately 80 percent of this total amount, or \$1,057,604, 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 \$691,287 or 33 percent of total general fund expenditures for the fiscal year.
- The City's total debt decreased by \$ 343,354 (4%) during the current fiscal year due to scheduled payments of the 2005 and 2008 Certificates of Obligation.

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 encompass most of the City's basic services such as public safety, public health, parks and recreation, and general administration and include the General and Capital Projects major funds. The governmental activities also include non-major funds such as the Equipment Special Revenue Fund, the Fire Equipment Special Revenue Fund, the Hotel Occupancy Special Revenue Fund and Debt Service Funds. 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 one component unit. Although legally separate from the City, the Columbus Community Industrial Development Corporation is fiscally dependent upon the City and the City exercises control over the organization by appointing its 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 seven 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 and the Capital Projects Fund, which are considered to be major funds. Data from the other five 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 \$ 2,180,617. The total decrease in net assets was (\$64,716). 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 57-65 of this report.

The City of Columbus Net Assets

Figure 2

	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 1,815,580	\$ 2,310,934	\$ 4,359,981	\$ 5,864,355	\$ 6,175,561	\$ 8,175,289
Capital assets	2,215,208	1,433,946	8,481,369	7,275,186	10,696,577	8,709,132
Total assets	4,030,788	3,744,880	12,841,350	13,139,541	16,872,138	16,884,421
Current and other liabilities	228,606	194,537	319,230	256,484	547,836	451,021
Long-term liabilities	1,169,288	1,200,000	6,824,753	7,120,974	7,994,041	8,320,974
Total liabilities	1,397,894	1,394,537	7,143,983	7,377,458	8,541,877	8,771,995
Net assets:						
Invested in capital assets, net of related debt	1,299,073	1,370,592	1,830,862	3,738,667	3,129,935	5,109,259
Restricted	388,506	3,367	1,685,888		2,074,394	3,367
Unrestricted	945,314	976,383	2,180,617	2,023,416	3,125,931	2,999,799
	\$ 2,632,893	\$ 2,350,342	\$ 5,697,367	\$ 5,762,083	\$ 8,330,260	\$ 8,112,425

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 \$8,330,261 as of September 30, 2009. The City's net assets increased by \$217,835 for the fiscal year ended September 30, 2009. Invested in Capital Assets, net of related debt of \$3,129,935 accounts for the greatest portion (38%) of net assets.

An additional portion of the City's net assets (25%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,125,931 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 97.7%.
- Despite national downward trends, City sales tax revenues increased. The local economy remained stable.

City of Columbus Changes in Net Assets

Figure 3

	Governmental Activities	Governmental Activities	Business Type Activities	Business Type Activities	Total	Total
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 148,711	\$ 142,153	\$ 2,809,448	\$ 2,735,121	\$ 2,958,159	\$ 2,877,274
Operating grants and contributions	103,945	14,242			103,945	14,242
Capital grants and contributions	283,753	44,250	125,000	135,000	408,753	179,250
General revenues:						
Property taxes	614,554	469,274			614,554	469,274
Other taxes	1,153,188	1,097,374			1,153,188	1,097,374
Other	15,960	43,661	35,053	101,555	51,013	145,216
	<u>2,320,110</u>	<u>1,810,954</u>	<u>2,969,501</u>	<u>2,971,676</u>	<u>5,289,612</u>	<u>4,782,630</u>
Expenses:						
General government	354,275	324,635			354,275	324,635
Public safety	894,696	891,435			894,696	891,435
Public Health	35,379	34,689			35,379	34,689
Public Works	487,126	481,732			487,126	481,732
Culture and recreation	449,684	435,819			449,684	435,819
Tourism	122,134	131,556			122,134	131,556
Interest on long-term debt	51,139	0			51,139	0
Water			833,374	646,858	833,374	646,858
Sewer			571,787	469,715	571,787	469,715
Garbage			615,091	609,423	615,091	609,423
Gas			657,088	813,248	657,088	813,248
	<u>2,394,434</u>	<u>2,299,866</u>	<u>2,677,340</u>	<u>2,539,244</u>	<u>5,071,773</u>	<u>4,839,110</u>
Increase in net assets before transfers	(74,324)	(488,912)	292,161	432,432	217,839	(56,480)
Transfers	356,875	157,287	(356,876)	(157,287)	0	0
Increase (decrease) in net assets	282,551	(331,625)	(64,715)	275,145	217,839	(56,480)
Net assets, October 1	2,350,343	2,681,968	5,762,083	5,486,939	8,112,428	8,168,908
Net assets, September 30	<u>\$ 2,632,894</u>	<u>\$ 2,350,343</u>	<u>\$ 5,697,367</u>	<u>\$ 5,762,083</u>	<u>\$ 8,330,267</u>	<u>\$ 8,112,428</u>

Governmental activities. Governmental activities increased the City's net assets by \$282,551.

Key elements of this increase are as follows:

- The City's chargeback transfers from the business-type activities were higher due to the reevaluation of the chargeback transfers. Administrative salaries of \$173,000 were included in the proration of general and administrative expenses to the proprietary fund. In prior years, administrative wages were charged to the General Fund exclusively.
- Capital assets increased due to an increase in Capital Grants and Donations. \$154,000 were contributed to the Parks Department for new lights and installation at the baseball fields. Additionally, the Columbus Volunteer Fire Department contributed a new brush truck with a value of \$86,608.

Business-type activities. Business-type activities decreased the City of Columbus's net assets by (\$64,715).

Key elements of this decrease are as follows:

- The City's chargeback transfers to the governmental activities were higher because of the reevaluation of chargeback transfers for administrative salaries. As mentioned above, these chargeback transfers allow for proration of general and administrative expenses to the proprietary fund.
- The City's interest revenue in the proprietary fund decreased by \$65,000 due to lower interest rates and to an increase in expenditures of certificate of obligation funds spent on capital improvements.
- In an effort to keep up with increasing costs, the City increased base water, sewer and gas rates, while rates on usage above the base rates were increased from 9% based on volume consumption with larger increases on the larger volume users.

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 \$691,287, while total fund balance reached \$718,885. 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 33 percent of total General Fund expenditures, whereas total fund balance represents 34 percent of total General Fund expenditures.

The fund balance of the City's General Fund decreased by (\$44,049) during the current fiscal year. Key factors in this decrease are as follows:

- For the third year in a row, the Federal Minimum Wage increased. In July 2009 it increased to \$7.25. The City has made a conscious attempt to proportionally increase wages due to this event. Wages in the General Fund increased by \$60,432.

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 \$2,180,617. The total decrease in net assets was (\$64,716). 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 (\$22,826), and library donations (\$1,910).

Budgeted expenditures increased \$24,735 as supplemental appropriations were needed for the following: \$17,842 for new lights for the library; \$2,483 for books for the library; \$610 for audio/visual equipment for the library; \$1,300 for office supplies for the library; and \$2,500 for microfilming services for the library

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, 2009, totals \$10,973,912 (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	Governmental Activities	Business-type Activities	Business-type Activities	Total	Total
	2009	2008	2009	2008	2009	2008
Land	\$ 253,152	\$ 253,152	\$ 24,183	\$ 24,183	\$ 277,335	\$ 277,335
Buildings and improvements	490,618	320,457	30,976	44,462	521,594	364,919
Distribution and collection systems			8,238,053	6,713,164	8,238,053	6,713,164
Machinery and equipment	803,297	796,983	181,487	227,297	984,784	1,024,280
Construction in progress	921,294	63,354	30,852	266,078	952,146	329,432
Total	\$ 2,468,361	\$ 1,433,946	\$ 8,505,551	\$ 7,275,184	\$ 10,973,912	\$ 8,709,130

Major capital asset events during the year included the following:

- Purchase of a new police vehicle for \$25,513.
- A new fire brush truck was contributed for \$86,608 and a Polaris Ranger and Trailer in the amount of \$20,319 were also contributed for use by the Fire Department.
- Overhead lights were purchased and installed at the Little League Baseball Fields for \$154,000.
- As part of the Capital Projects plan, new fire department windows were installed for \$47,884.
- Construction In Progress for City Hall Improvements were \$857,940. The project was completed February, 2010.
- Water and Sewer Projects completed were:
 - Highway 71 Water Distribution Project for \$756,238.
 - Water Plant Electrical Rehab for \$46,156
 - The SCADA system was completed for a total cost of \$194,093..
 - The City Park Water Tower Aerator was replaced for \$180,122
 - The McCormick Street Sewer Plant was completely renovated for a total cost of \$681,590.

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

Long-term Debt. As of September 30, 2009, the City of Columbus had total long-term certificates of obligation outstanding of \$7,925,003. 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	
	2009	2008	2009	2008	2009	2008
Certificates of obligation	1,169,288	1,200,000	6,755,715	7,065,000	7,925,003	8,265,000
Premium on certificates			52,617	55,974	52,617	55,974
Total	\$ 1,169,288	\$ 1,200,000	\$ 6,808,332	\$ 7,120,974	\$ 7,977,620	\$ 8,320,974

The City’s total debt decreased by \$343,354 (4 percent) during the current fiscal year. The key factor in this decrease was scheduled bond payments were made.

Texas statutes do not prescribe a debt limit, however by custom a practical debt limit is 10 percent of its total assessed valuation. The current debt limitation based on this limitation for the City would be \$22,646,631, which is significantly in excess of the City of Columbus’ outstanding general obligation debt.

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 6.9 percent (Columbus is the largest of the three incorporated cities in the county), which is an increase from a rate of 4.0 percent a year ago. This compares favorably to the state's average unemployment rate of 8.1 percent and the national average rate of 9.5 percent.
- Inflationary trends in the region compare favorably to national indices.
- The State Comptroller reported an increase of 5.6% in taxable sales for the City. Sales tax revenue has increased 43.6% since 2000.
- Property tax values continue to climb in Colorado County and the region in general. Real property values in the City of Columbus increased \$17,110,390 from 2008. Values have increased 89 percent from 2000.

All of these factors were considered in preparing the City's budget for the 2010 fiscal year.

Property tax rates remained the same for the 2010 budget. Base water and sewer rates for the 2010 budget year remained constant, while rates on usage above the minimum usage were increased between 20% to 45% based on volume consumption in an effort to keep up with increasing costs of maintenance and encourage water conservation.

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 City Secretary, Patti Glaeser, P.O. Box 87, Columbus, Texas 78934, 979-732-2366, www.columbustexas.net.

BASIC FINANCIAL STATEMENTS

City of Columbus, Texas
Statement of Net Assets
September 30, 2009

	Primary Government			Component Unit
	Governmental	Business-type	Total	Columbus Industrial Development Corporation
	Activities	Activities		
ASSETS				
Cash and cash equivalents	\$ 993,952	\$ 1,494,892	\$ 2,488,844	\$ 188,415
Investments	388,956	714,116	1,103,072	581,428
Receivable (net of allowances for estimated uncollectibles)				
Taxes - property	16,609		16,609	
Sales	112,112		112,112	56,056
Other receivables	1,895	308,372	310,267	2,000
Internal balances	35,720	(35,720)		
Note receivable for land				400,000
Restricted assets:				
Cash and cash equivalents		1,705,583	1,705,583	
Invested cash				
Unamortized debt issue costs	13,185	132,134	145,319	
Capital assets not being depreciated				
Land	253,152	24,183	277,335	457,207
Capital assets (net of accumulated depreciati				
Buildings	108,545	30,976	139,521	
Improvements other than buildings	380,957	8,238,053	8,619,010	
Machinery and equipment	804,412	181,488	985,899	
Construction in progress	921,294	30,852	952,146	
Total assets	<u>4,030,788</u>	<u>12,824,929</u>	<u>16,855,716</u>	<u>1,685,106</u>
LIABILITIES				
Accounts payable	192,265	167,130	359,395	500
Accrued payroll	36,341	15,048	51,390	
Accrued interest		36,156	36,156	39,913
Customer deposits		100,895	100,895	
Noncurrent liabilities				
Due within one year	42,575	275,883	318,458	70,000
Due in more than one year	<u>1,126,713</u>	<u>6,532,448</u>	<u>7,659,161</u>	<u>1,625,000</u>
Total liabilities	<u>1,397,894</u>	<u>7,127,561</u>	<u>8,525,456</u>	<u>1,735,413</u>
NET ASSETS				
Invested in capital assets net of related debt	1,299,073	1,830,862	3,129,935	(1,237,793)
Restricted for:				
Debt service	6,566		6,566	303,096
Construction	253,758	1,685,888	1,939,646	
Hotel Motel Tax	128,182		128,182	
Unrestricted	<u>945,314</u>	<u>2,180,617</u>	<u>3,125,931</u>	<u>884,390</u>
Total net assets	<u>\$ 2,632,893</u>	<u>\$ 5,697,367</u>	<u>\$ 8,330,261</u>	<u>\$ (50,307)</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, 2009

Functions/Programs	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
Primary government:							
Governmental activities:							
General government	\$ 354,275	\$ 41,328			\$ (312,948)	\$ (312,948)	
Public safety	894,696	76,714	\$ 1,290	\$ 106,927	(709,765)	(709,765)	
Public health	35,379				(35,379)	(35,379)	
Public works	487,126	9,655			(477,471)	(477,471)	
Culture and recreation	449,684	21,013	7,250	176,826	(244,595)	(244,595)	
Tourism	122,134		95,405		(26,729)	(26,729)	
Interest on long term debt	51,139				(51,139)	(51,139)	
Total governmental activities	<u>2,394,434</u>	<u>148,711</u>	<u>103,945</u>	<u>283,753</u>	<u>(1,858,026)</u>	<u>(1,858,026)</u>	
Business-type activities:							
Water	833,374	813,882		125,000		\$ 105,508	105,508
Sewer	571,787	618,393				46,605	46,605
Garbage	615,091	637,383				22,292	22,292
Gas	657,088	739,790				82,702	82,702
Total business-type activities	<u>2,677,340</u>	<u>2,809,448</u>	<u>0</u>	<u>125,000</u>	<u>0</u>	<u>257,108</u>	<u>257,108</u>
Total primary government	<u>\$ 5,071,774</u>	<u>\$ 2,958,159</u>	<u>\$ 103,945</u>	<u>\$ 408,753</u>	<u>(1,858,026)</u>	<u>257,108</u>	<u>(1,600,918)</u>
Component units:							
Columbus Community Industrial Development Corporation	\$ 385,836						\$ (385,836)
General revenues:							
Property taxes					614,554	614,554	
Sales taxes					737,437	737,437	368,720
Hotel motel tax					154,074	154,074	
Gross receipts taxes					253,782	253,782	
Alcoholic beverage taxes					7,895	7,895	
Interest revenue					13,350	35,053	48,403
Gain on sale of capital assets					2,610	2,610	6,875
Transfers					356,875	(356,876)	(1)
Total general revenues and transfers					<u>2,140,577</u>	<u>(321,824)</u>	<u>1,818,753</u>
Change in net assets					282,551	(64,716)	217,835
Net assets-beginning					<u>2,350,343</u>	<u>5,762,083</u>	<u>8,112,426</u>
Net assets - ending					<u>\$ 2,632,893</u>	<u>\$ 5,697,367</u>	<u>\$ 8,330,261</u>

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

City of Columbus, Texas
 Balance Sheet
 Governmental Funds
 September 30, 2009

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 342,324	\$ 280,017	\$ 371,611	\$ 993,952
Investments	369,412		19,544	388,956
Receivable (net of allowances for estimated uncollectibles)	126,416		4,199	130,615
Due from other funds	41,586			41,586
Total assets	<u>\$ 879,738</u>	<u>\$ 280,017</u>	<u>\$ 395,354</u>	<u>\$ 1,555,109</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 130,496	\$ 39,444	\$ 22,325	\$ 192,265
Accrued payroll	12,081		145	12,226
Due to other funds	5,866			5,866
Deferred revenue	12,410		4,199	16,609
Total liabilities	<u>160,854</u>	<u>39,444</u>	<u>26,669</u>	<u>226,967</u>
Fund balances:				
Reserved for:				
Municipal court	27,598			27,598
Debt service			2,367	2,367
Construction		240,573		240,573
Unreserved, reported in:				
General fund	691,287			691,287
Special revenue funds			366,317	366,317
Total fund balances	<u>718,885</u>	<u>240,573</u>	<u>368,685</u>	<u>1,328,142</u>
Total liabilities and fund balances	<u>\$ 879,738</u>	<u>\$ 280,017</u>	<u>\$ 395,354</u>	

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.	2,468,361
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds	
Deferred property tax revenue	16,609
Long-term liabilities such as certificates of obligation and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(24,115)
Certificates of obligation	(1,156,103)
Net assets of governmental activities	<u>\$ 2,632,893</u>

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, 2009

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Ad valorem taxes	\$ 434,243		\$ 179,660	\$ 613,903
Non-property taxes	999,113		154,074	1,153,187
Licenses and permits	30,897			30,897
Fines and forfeitures	75,617			75,617
Miscellaneous revenue	31,392	\$ 6,152	2,024	39,567
Charges for services	17,717			17,717
Intergovernmental revenue	30,365		95,405	125,770
Total revenues	<u>1,619,344</u>	<u>6,152</u>	<u>431,162</u>	<u>2,056,658</u>
EXPENDITURES				
Current:				
Administrative and general	355,284			355,284
Economic development	800		122,134	122,934
Police department and municipal court	740,781			740,781
Fire department	97,606			97,606
Streets and drainage	444,832			444,832
Parks, recreation and library	414,243			414,243
Public Health	34,456			34,456
Debt service			98,274	98,274
Capital outlay		905,824		905,824
Total expenditures	<u>2,088,003</u>	<u>905,824</u>	<u>220,407</u>	<u>3,214,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(468,659)</u>	<u>(899,673)</u>	<u>210,755</u>	<u>(1,157,576)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	434,650		48,872	483,522
Transfers out	(12,650)		(113,996)	(126,646)
Bond issuance costs		3,237		3,237
Sale of capital assets	2,610			2,610
Total other financing sources (uses)	<u>424,610</u>	<u>3,237</u>	<u>(65,124)</u>	<u>362,723</u>
Net change in fund balances	(44,049)	(896,436)	145,631	(794,853)
Fund balances - beginning	762,933	1,137,009	223,053	2,122,995
Fund balances - ending	<u>\$ 718,885</u>	<u>\$ 240,573</u>	<u>\$ 368,685</u>	<u>\$ 1,328,142</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, 2009**

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)	\$	(794,853)
<p>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.</p>		
Capital Outlay		1,220,348
Depreciation		(185,933)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>		
Deferred Tax Revenue		582
<p>Repayment of long-term debt (e.g., bonds, leases) is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Bond principal retirement		30,712
<p>Governmental funds report costs of long-term debt issuance as expenditures. However, in the statement of activities the cost is allocated over the duration of the obligation.</p>		
Debt issuance costs		13,185
<p>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</p>		
Compensated Absences		(1,490)
Change in net assets of governmental activities (page 27)	\$	282,551

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

City of Columbus, Texas
Statement of Net Assets
Proprietary Fund
September 30, 2009

	Utility Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,494,892
Investments	714,116
Accounts receivable (net of allowance for uncollectibles)	308,372
Total current assets	2,517,380
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	1,705,583
Total noncurrent assets	1,705,583
Deferred charges	132,134
Capital assets, net of accumulated depreciation	
Land	24,183
Distribution and collection systems	12,759,005
Buildings	581,700
Machinery and equipment	651,413
Construction in progress	30,852
Less accumulated depreciation	(5,541,602)
Total capital assets (net of accumulated depreciation)	8,505,551
Total noncurrent assets	10,343,268
Total assets	\$ 12,860,648
LIABILITIES	
Current liabilities	
Accounts payable	\$ 167,130
Accrued payroll	15,048
Due to other funds	35,720
Customer deposits payable	100,895
Accrued interest payable	36,156
Certificates of obligation - current	275,883
Total current liabilities	630,833
Noncurrent liabilities:	
Certificates of obligation (net of unamortized premium)	6,532,448
Total noncurrent liabilities	6,532,448
Total liabilities	7,163,281
NET ASSETS	
Invested in capital assets net of related debt	1,830,862
Restricted for construction	1,685,888
Unrestricted	2,180,617
Total net assets	\$ 5,697,367

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, 2009

	Utility Fund
Operating revenues:	
Charges for sales and services:	
Water sales	\$ 807,929
Sewer charges	618,393
Garbage fees	637,383
Gas sales	739,790
Total operating revenues	2,803,495
Operating expenses:	
Personnel	514,545
Maintenance and operations	1,395,827
Depreciation and amortization	469,238
Total operating expenses	2,379,610
Operating income (loss)	423,884
Nonoperating revenues (expenses)	
Interest income	35,053
Interest expense	(297,730)
Other income	5,953
Total nonoperating revenues (expenses)	(256,724)
Income before contributions and transfers	167,161
Capital grant	125,000
Transfers in	88,996
Transfers (out)	(445,872)
Change in net assets	(64,716)
Net assets at beginning of year	5,762,083
Net assets at end of year	\$ 5,697,367

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

**City of Columbus, Texas
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2009**

	Utility Fund
Cash flows from operating activities:	
Cash received from customers	\$ 2,804,268
Cash paid to suppliers	(1,362,835)
Cash paid to employees	(509,925)
Net cash provided by operations	931,507
Cash flows from noncapital financing activities:	
Transfer from other funds	88,996
Transfer to other funds	(445,872)
Advances from other funds	30,762
Net cash provided (used) by noncapital financing activities	(326,114)
Cash flows from capital and related financing activities:	
Capital grants	125,000
Purchase of capital assets	(1,691,492)
Other income	5,953
Refund of bond issuance costs	7,408
Principal paid on capital debt	(296,221)
Interest paid on capital debt	(282,704)
Net cash provided (used) by capital and related financing activities	(2,132,055)
Cash flows from investing activities:	
Increase in investments	(5,922)
Interest received	35,053
Net cash (used) provided by investing activities	29,131
Net (decrease) in cash and equivalents	(1,497,532)
Cash and equivalents, October 1 (including \$3,452,183 reported in restricted accounts)	4,698,006
Cash and equivalents, September 30 (including \$1,705,583 reported in restricted accounts)	\$ 3,200,475
Reconciliation of net income to net cash provided by operating activities:	
Net operating income	\$ 423,884
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization expense	469,238
(Increase) in accounts receivable	(9,335)
Increase in accounts payable	32,992
Increase in accrued payroll	4,620
Increase in customer deposits	10,108
Total adjustments	507,623
Net cash provided by operations	\$ 931,507

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Columbus have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. The Reporting Entity

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 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.

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.

During the year, the corporation provided \$125,000 in capital grant funds to the City, which was used toward the payment of debt originally incurred to provide utility improvements largely benefiting commercial endeavors in the southern part of the City.

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

Columbus Community Industrial &
Development Corporation
P. O. Box 87
Columbus, Texas 78934

B. 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.

The City segregates transactions related to certain functions or activities into 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.

C. Measurement Focus/Basis of Accounting

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.

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 funds:

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 Hall and Fire Station Improvements *Capital Project Fund* accounts for financial resources to be used for the construction of major capital improvements (other than those financed by proprietary funds and trust funds). Part of the 2008 Certificates of Obligation are accounted for in this fund.

The City has presented the following major proprietary 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. Cash, Cash Equivalents 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.

E. 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".

F. Inventories and Prepaid Items

Inventories and prepaids are recorded using the consumption method of accounting.

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 2009 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 business-type activities consist of 2005 certificates of obligation and part of the 2008 certificates of obligation. 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. Cash, Cash Equivalents and Investments

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

Credit Risk. The City's investment policy, in an effort to control credit risk, requires depositories to provide 102% of the fair 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 fair value of the investments was \$1,103,072. 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 by Standard and Poor's.

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.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At year end, the carrying amount of the City's deposits with financial institutions was \$4,193,895 and the bank balance was \$4,344,824. Of the bank balance, \$352,594 was covered by federal depository insurance. The remaining balance was covered by collateral held in the pledging financial institution's trust department in the City's name.

Interest Rate Risk. 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 40 days.

At year-end the Columbus Industrial Development Corporation's investments were with the Texas Local Government Investment Cooperative (LOGIC). The carrying amount and fair value of the investments was \$581,428. 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 six-member Board of Directors comprised of employees, officers or elected officials of participant government entities or individuals who do not have a business relationship with the Cooperative and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of the Cooperative. Day to day administration of the Cooperative will be performed by First Southwest Asset Management, Inc. and JP Morgan Chase Investment Management Inc. First Southwest will provide administrative, participant support and marketing services. JP Morgan Chase will provide investment management, custody, fund and transfer agency services. The LOGIC fund is rated AAA by Standard & Poor's.

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, 2009 were as follows:

	Accounts	Taxes	Other	Allowance for Uncollectibles	Total Receivables
Governmental activities:					
Ad valorem	--	\$ 34,365	--	\$ (17,756)	\$ 16,609
Sales taxes	--	112,112	--	--	112,112
Other:					
Miscellaneous	--	--	1,895	--	1,895
	<u>--</u>	<u>\$ 146,477</u>	<u>\$ 1,895</u>	<u>\$ (17,756)</u>	<u>\$ 130,616</u>
Business-type activities:					
Utilities	<u>\$ 324,771</u>	<u>--</u>	<u>--</u>	<u>\$ (16,398)</u>	<u>\$ 308,373</u>

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.

C. Capital Assets

Capital asset activity for the year ended September 30, 2009 was as follows:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 253,152	--	--	\$ 253,152
Construction in progress	63,354	\$ 857,940	--	921,294
Total capital assets not being depreciated	<u>316,506</u>	<u>857,940</u>	<u>--</u>	<u>1,174,446</u>
Other capital assets:				
Buildings and improvements	1,280,169	\$ 213,643	--	1,493,812
Machinery and equipment	2,386,280	148,764	\$ 24,395	2,510,649
Total other capital assets at historical cost	<u>3,666,449</u>	<u>362,407</u>	<u>24,395</u>	<u>4,004,461</u>
Less accumulated depreciation for:				
Buildings and improvements	959,711	43,483	--	1,003,194
Machinery and equipment	1,589,297	142,450	24,395	1,707,352
Total accumulated depreciation	<u>2,549,008</u>	<u>185,933</u>	<u>24,395</u>	<u>2,710,546</u>
Total other capital assets, net	<u>1,117,441</u>	<u>176,474</u>	<u>-0-</u>	<u>1,293,915</u>
Governmental activities, capital assets, net	<u>\$ 1,433,947</u>	<u>\$ 1,034,414</u>	<u>\$ -0-</u>	<u>\$ 2,468,361</u>
Capital assets not being depreciated:				
Land	\$ 24,183	--	--	\$ 24,183
Construction in progress	266,078	\$ 30,852	\$ 266,078	30,852
Total capital assets not being depreciated	<u>290,261</u>	<u>30,852</u>	<u>266,078</u>	<u>55,035</u>
Other capital assets:				
Buildings and improvements	581,700	--	--	581,700
Distribution and collection systems	10,836,218	1,922,787	--	12,759,005
Machinery and equipment	647,482	3,931	--	651,413
Total other capital assets at historical cost	<u>12,065,400</u>	<u>1,926,718</u>	<u>--</u>	<u>13,992,118</u>
Less accumulated depreciation for:				
Buildings and improvements	537,238	13,486	--	550,724
Distribution and collection systems	4,123,053	397,899	--	4,520,952
Machinery and equipment	420,185	49,741	--	469,926
Total accumulated depreciation	<u>5,080,476</u>	<u>461,126</u>	<u>--</u>	<u>5,541,602</u>
Total other capital assets, net	<u>6,984,924</u>	<u>1,465,592</u>	<u>0</u>	<u>8,450,516</u>
Business-type activities capital assets, net	<u>\$ 7,275,185</u>	<u>\$ 1,496,444</u>	<u>\$ 266,078</u>	<u>\$ 8,505,551</u>

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

Governmental activities :	
General government	\$ 3,781
Police	35,251
Fire	62,389
Public health	197
Streets	43,502
Parks and recreation	40,812
Total governmental activities	<u>\$ 185,932</u>
Business-type activities:	
Water	\$ 260,430
Sewer	155,166
Garbage	6,208
Gas	39,322
Total business-type activities	<u>\$ 461,126</u>

D. Payables

Payables at September 30, 2009 were as follows:

	Vendors	State Fines	Retainage	Other	Total
Governmental activities:					
General	\$ 121,296	\$ 9,110	-	\$ 90	\$ 130,496
Capital Projects	5,050	-	-	-	5,050
	<u>\$ 126,346</u>	<u>\$ 9,110</u>	<u>-</u>	<u>\$ 90</u>	<u>\$ 135,546</u>
Business-type activities:					
Utilities	\$ 138,898	-	\$ 17,919	\$ 10,312	\$ 167,129

E. Interfund Receivables, Payables, and Transfers

The outstanding balances between funds result mainly from the time lag between the dates that a) reimbursable expenditures occur b) transactions are recorded in the accounting system, and c) payments between funds are made. All balances are expected to be repaid with one year.

The composition of the interfund balances as of September 30, 2009 is as follows:

Due to/Due From:

Fund	Interfund Receivable	Interfund Payable
General	\$ 41,586	\$ 5,866
Utility	5,866	41,586
Totals	<u>\$ 47,452</u>	<u>\$ 47,452</u>

City of Columbus, Texas
Notes to the Financial Statements
September 30, 2009

Transfers In/Transfers Out:

Fund	Transfers In	Transfers Out
General	\$ 434,650	\$ 12,650
Equipment	10,000	25,000
Fire Equipment	29,150	--
Debt Service 2005	--	88,996
Debt Service 2008	9,722	--
Utility	88,996	445,872
Totals	\$ 572,518	\$ 572,518

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

The Equipment Fund transferred \$25,000 to the General Fund for the purchase of a vehicle for the police department.

The Debt Service 2005 Fund transferred \$88,996 to the Utility Fund to aid in paying down the 2005 certificates of obligation debt.

The Utility Fund transferred \$284,458 to the General Fund to cover budgeted indirect costs. The Utility Fund transferred payments in lieu of taxes of \$125,192 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. The Utility Fund transferred \$9,722 to the Debt Service 2008 Fund to aid in paying down the 2008 certificates of obligation debt.

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, 2009:

Primary government

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of obligation	\$ 1,200,000	--	\$ 30,712	\$ 1,169,288	\$ 42,575
Total Governmental activities	\$ 1,200,000	--	\$ 30,712	\$ 1,169,288	\$ 42,575
Business-type activities:					
Certificates of obligation	\$ 7,065,000	--	\$ 309,285	\$ 6,755,715	\$ 287,425
Premium on certificates	55,974	--	3,357	52,617	--
Total Business-type activities	\$ 7,120,974	--	\$ 312,642	\$ 6,808,332	\$ 287,425

City of Columbus, Texas
Notes to the Financial Statements
September 30, 2009

Component unit

	<u>Total Payable</u>	<u>Current Portion</u>
<u>Columbus Community Industrial & Development Corporation:</u>		
1998 Sales tax revenue bonds 4.20 to 5.75% maturing annually through 2023, interest payable semi-annually	\$ 1,695,000	\$ 70,000

Long-term Debt Activity

Long-term debt activity for the year ended September 30, 2009 was as follows:

	Beginning			Ending	Amounts
	Balance	Additions	Reductions	Balance	Due Within
					One Year
Component Unit:					
Columbus Community Industrial & Development Corporation					
Sales Tax Revenue Bonds	\$1,760,000	-	\$ 65,000	\$ 1,695,000	\$ 70,000

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 governmental and 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.

The original amount of certificates of obligation issued in 2008 was \$4,000,000 for water and gas improvements and remodeling City Hall at an initial interest rate of 4.70% through and including August 14, 2018. On the rate change date, August 15, 2018, this obligation shall begin to bear interest at the adjusted rate (not less than 3.50%, nor greater than 6.75%) for the final rate period, with a maturity date of August 2027.

The annual interest requirements for the 2008 certificates of obligation on the following schedule are calculated based on a 4.70% interest rate.

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.

The annual requirements to pay principal and interest on long-term obligations outstanding at September 30, 2009, are as follows for the City and its component unit:

	Primary Government				Component Unit	
	Governmental Activities		Business-type Activities		Sales Tax Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 42,575	\$ 54,957	\$ 287,425	\$ 289,251	\$ 70,000	\$ 93,900
2011	44,095	52,955	300,905	278,973	75,000	89,985
2012	47,136	50,883	312,864	267,230	80,000	85,800
2013	48,657	48,668	321,343	254,985	85,000	81,345
2014	51,698	46,381	338,302	242,402	90,000	76,620
2015-2019	296,503	193,313	1,903,497	997,660	545,000	297,562
2020-2024	371,009	116,774	2,338,991	559,362	750,000	113,562
2025-2027	267,613	25,513	952,390	74,872	--	--
Totals	\$ 1,169,286	\$ 589,444	\$ 6,755,717	\$ 2,964,735	\$ 1,695,000	\$ 838,774

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital project fund, which adopted a project-length budget. 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. The City Manager also files this proposed budget with the municipal clerk before the 30th day before the date the City Council makes its tax levy for the fiscal year. Upon receipt of the budget estimates, the Council holds public hearings on the proposed budget. On final approval of the budget by the City Council, the budget is filed with the municipal clerk and posted on the City's website.

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 including: 1) a \$17,483 increase for replacement of lights at the library; 2) a \$2,500 increase for microfilming of library archive materials; and 3) a \$2,483 increase for library books.

B. Excess of Expenditures Over Appropriations

For the year ended September 30, 2009, 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 one active construction project as of September 30, 2009. This project consists of construction work as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
City Hall Renovation	\$ 969,178	\$ 230,822
Total	<u>\$ 969,178</u>	<u>\$ 230,822</u>

D. Subsequent Events

On January 8, 2009, the City entered into a lease agreement for temporary facilities housing its administrative offices and police department while the existing City Hall is undergoing renovations. Monthly rent expense is \$2,200. The lease runs through December 31, 2009. The City vacated these temporary offices February 1, 2010.

On February 25, 2010, the City issued \$3,960,000 of General Obligation Refunding Bonds, Series 2010. The proceeds will be used to refund the Combination Tax and Revenue Certificates of Obligation, Series 2008.

On March 12, 2010, the City awarded a contract for water system improvements in the amount of \$392,942.

E. Employee Retirement Systems and Plans

Plan Description

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), an agent multiple-employer public employee retirement system. 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. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P. O. Box 149153, Austin, Texas 78714-9153; in addition, the report is available on TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2009
Employee deposit rate	6.0%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5,0/25
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined 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. Beginning in 2008, TMRS allowed member cities to make additional contributions; the City chose to contribute an additional \$10,000 for 2009. The annual pension cost and net pension obligation/(asset) are as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Additional Contribution	Net Pension Obligation (Asset)
09/30/07	\$ 94,946	100%	--	\$ -0-
09/30/08	\$ 136,080	100%	\$ 25,000	(\$ 25,000)
09/30/09	\$ 181,647	100%	\$ 10,000	(\$ 35,307)

The City has not recorded a net pension asset as the amount was determined to be immaterial to the financial statements.

The required contribution rates for fiscal year 2009 were determined as part of the December 31, 2006 and 2007 actuarial valuations. Additional information follows as of the latest actuarial valuation, December 31, 2008, also follows:

Valuation Date	12/31/06	12/31/07	12/31/08
Actuarial Cost Method	Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Remaining amortization period	25 years; open period	30 years; closed period	29 years; closed period
Asset Valuation Method	Amortized cost	Amortized cost	Amortized cost
Actuarial Assumptions:			
Investment Rate of Return*	7.0%	7.0%	7.5%
Projected salary increases*	Varies by age and service	Varies by age and service	Varies by age and service
* Includes Inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	NA	2.1%	2.1%

The funded status as of December 31, 2008, the most recent actuarial valuation date, 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 (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$ 2,184,814	\$ 3,462,986	\$ 1,278,172	63.1%	\$ 1,271,931	100.5%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Other Postemployment Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended 2009, 2008 and 2007 were \$5,190, \$5,637 and \$4,761, respectively, which equaled the required contributions each year.

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 \$12,892 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.

Required Supplementary Information

City of Columbus, Texas
Required Supplementary Information
Schedule of Funding Progress for Participation in Texas Municipal Retirement System
September 30, 2009

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 (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	\$ 1,950,670	\$ 2,450,081	\$ 499,411	79.6%	\$ 1,095,730	45.6%
12/31/07	\$ 2,041,245	\$ 3,253,743	\$ 1,212,498	62.7%	\$ 1,209,116	100.3%
12/31/08	\$ 2,184,814	\$ 3,462,986	\$ 1,278,172	63.1%	\$ 1,271,931	100.5%

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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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Sales	\$ 700,000	\$ 700,000	\$ 737,437	\$ 37,437
Property	431,676	431,676	434,243	2,567
Gross receipts	245,000	245,000	253,782	8,782
Other	5,600	5,600	7,895	2,295
Licenses and permits	32,100	32,100	30,897	(1,203)
Fines	37,950	37,950	75,617	37,667
Miscellaneous sales and revenues	18,425	43,160	31,392	(11,768)
Charges for Services	13,775	13,775	17,717	3,942
Intergovernmental revenue	32,825	32,825	30,365	(2,460)
Total revenues	<u>1,517,351</u>	<u>1,542,086</u>	<u>1,619,344</u>	<u>77,258</u>
EXPENDITURES				
Current:				
Administrative and general				
Personnel	231,752	231,752	231,189	563
Supplies and maintenance	26,700	21,845	14,764	7,081
Other services	108,923	108,923	104,477	4,446
Capital outlay	10,000	14,855	4,854	10,001
	<u>377,375</u>	<u>377,375</u>	<u>355,284</u>	<u>22,091</u>
Economic Development				
Other services	800	800	800	0
Police department:				
Personnel	621,627	621,627	607,357	14,270
Supplies and maintenance	58,250	69,214	45,512	23,702
Other services	74,532	70,032	59,063	10,969
Capital outlay	35,000	28,536	28,849	(313)
	<u>789,409</u>	<u>789,409</u>	<u>740,781</u>	<u>48,628</u>
Fire department:				
Personnel	32,000	32,000	28,004	3,996
Supplies and maintenance	47,223	38,840	30,469	8,371
Other services	25,965	22,296	26,146	(3,850)
Capital outlay	0	12,052	12,988	(936)
	<u>105,188</u>	<u>105,188</u>	<u>97,606</u>	<u>7,582</u>
Public health				
Personnel	26,873	26,873	26,766	107
Supplies and maintenance	3,932	3,932	3,640	292
Other services	7,597	7,597	3,261	4,336
Capital outlay	0	0	788	(788)
	<u>38,402</u>	<u>38,402</u>	<u>34,456</u>	<u>3,946</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Parks and recreation				
Personnel	304,313	304,313	290,970	13,343
Supplies and maintenance	42,439	63,709	58,197	5,512
Other services	77,597	75,997	60,011	15,986
Capital outlay	60,000	65,065	5,065	60,000
	<u>484,349</u>	<u>509,084</u>	<u>414,243</u>	<u>94,841</u>
Streets and drainage				
Personnel	214,682	214,682	210,147	4,535
Supplies and maintenance	224,838	224,838	150,941	73,897
Other services	80,288	80,288	81,903	(1,615)
Capital outlay	30,000	30,000	1,840	28,160
	<u>549,808</u>	<u>549,808</u>	<u>444,832</u>	<u>104,976</u>
 Total expenditures	 <u>2,345,331</u>	 <u>2,370,066</u>	 <u>2,088,003</u>	 <u>282,063</u>
 OTHER FINANCING SOURCES (USES)				
Transfers in	429,970	429,970	434,650	4,680
Transfers out	0	0	(12,650)	(12,650)
Sale of capital assets	0	0	2,610	2,610
Total other financing sources (uses)	<u>429,970</u>	<u>429,970</u>	<u>424,610</u>	<u>(5,360)</u>
 Net change in fund balances	 (398,010)	 (398,010)	 (44,049)	 353,961
Fund balances, beginning	<u>762,933</u>	<u>762,933</u>	<u>762,933</u>	<u>0</u>
 Fund balances, ending	 <u>\$ 364,923</u>	 <u>\$ 364,923</u>	 <u>\$ 718,885</u>	 <u>\$ 353,961</u>

City of Columbus, Texas
Notes to Required Supplementary Information
September 30, 2009

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 \$24,735. These amendments were as follows:

Date Budget Amended	Purpose	Amount
April 9, 2009	New lights for library (to be purchased with Catherine Dumarese Grant Funds)	\$ 17,842
September 24, 2009	Books for library (to be purchased with Lone Star Library Grant Fund)	2,483
September 24, 2009	Audio/Visual equipment for the library	610
September 24, 2009	Office supplies for library	1,300
September 24, 2009	Microfilming services for the library (to be purchased with Lone Star Library Grant Fund)	2,500
Total Additional Appropriations		<u>\$ 24,735</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 Funds

The City's Debt Service Fund 2005 - This 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.

The City's Debt Service Fund 2008 - This fund is used to account for resources accumulated and payments made for principal and interest on the City's 2008 Combination Tax and Revenue Certificates of Obligation.

City of Columbus, Texas
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2009

	Special Revenue			Debt Service			Total	
	Fire	Hotel/Motel	Tax	2005 C of O	2008 C of O	Total		
ASSETS	Equipment	Equipment	Tax	Total	C of O	C of O	Total	Nonmajor Governmental Funds
Cash and cash equivalents	\$ 79,627	\$ 138,964	\$ 150,653	\$ 369,244	\$ 404	\$ 1,963	\$ 2,367	\$ 371,611
Investments	19,544			19,544				19,544
Receivable (net of allowance for estimated uncollectibles)					2,825	1,374	4,199	4,199
Total assets	\$ 99,171	\$ 138,964	\$ 150,653	\$ 388,788	\$ 3,229	\$ 3,337	\$ 6,566	\$ 395,354
LIABILITIES AND FUND BALANCES								
Liabilities			\$ 22,470	\$ 22,470				\$ 22,470
Unearned revenue					\$ 2,825	\$ 1,374	\$ 4,199	\$ 4,199
Total liabilities			22,470	22,470	2,825	1,374	4,199	26,669
Fund balances:								
Unreserved, undesignated	\$ 99,171	\$ 138,964	128,182	366,317	404	1,963	2,367	368,685
Total fund balances	99,171	138,964	128,182	366,317	404	1,963	2,367	368,685
Total liabilities and fund balances	\$ 99,171	\$ 138,964	\$ 150,653	\$ 388,788	\$ 3,229	\$ 3,337	\$ 6,566	\$ 395,354

City of Columbus, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue			Debt Service		Total	Nonmajor Governmental Funds
	Fire	Hotel-Motel	Tax Fund	2005 C of O	2008 C of O		
REVENUES	Equipment	Equipment	Tax Fund	Total	C of O	Total	Governmental Funds
Ad valorem taxes					\$ 89,214	\$ 90,446	\$ 179,660
Non-property taxes			\$ 154,074	\$ 154,074		\$ 154,074	154,074
Intergovernmental revenue			95,405	95,405		95,405	95,405
Miscellaneous revenue	\$ 771	747	438	1,956		69	2,024
Total revenues	771	747	249,916	251,434	89,214	90,514	431,162
EXPENDITURES							
Current:							
Economic development and tourism promotion			122,134	122,134		98,274	98,274
Debt service					0	98,274	0
Total expenditures	0	0	122,134	122,134	0	98,274	220,407
Excess (deficiency) of revenues over (under) expenditures	771	747	127,782	129,300	89,214	(7,759)	210,755
OTHER FINANCING SOURCES (USES)							
Transfers in	10,000	29,150		39,150	(88,996)	9,722	48,872
Transfers out	(25,000)			(25,000)	(88,996)		(113,996)
Total other financing sources (uses)	(15,000)	29,150		14,150	(88,996)	9,722	(65,124)
Net change in fund balances	(14,229)	29,897	127,782	143,450	218	1,963	145,631
Fund balances - beginning	113,400	109,067	400	222,867	186	0	223,053
Fund balances - ending	\$ 99,171	\$ 138,964	\$ 128,182	\$ 366,317	\$ 404	\$ 1,963	\$ 368,685

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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 6,200	\$ 6,200	\$ 771	\$ (5,429)
Total revenues	<u>6,200</u>	<u>6,200</u>	<u>771</u>	<u>(5,429)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	10,000	0
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>0</u>
Net change in fund balances	(8,800)	(8,800)	(14,229)	(5,429)
Fund balances, beginning	<u>113,400</u>	<u>113,400</u>	<u>113,400</u>	<u>0</u>
Fund balances, ending	<u>\$ 104,600</u>	<u>\$ 104,600</u>	<u>\$ 99,171</u>	<u>\$ (5,429)</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 2,300	\$ 2,300	\$ 747	\$ (1,553)
Total revenues	<u>2,300</u>	<u>2,300</u>	<u>747</u>	<u>(1,553)</u>
OTHER FINANCING SOURCES (USES)				
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	31,450	31,450	29,897	(1,553)
Fund balances, beginning	<u>109,067</u>	<u>109,067</u>	<u>109,067</u>	<u>0</u>
Fund balances, ending	<u>\$ 140,517</u>	<u>\$ 140,517</u>	<u>\$ 138,963</u>	<u>\$ (1,553)</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Hotel occupancy tax	\$ 155,000	\$ 155,000	\$ 154,074	\$ (926)
Miscellaneous	0	0	438	438
Intergovernmental revenue	10,000	10,000	95,405	85,405
Total revenues	<u>165,000</u>	<u>165,000</u>	<u>249,916</u>	<u>84,916</u>
Expenditures				
Current:				
Economic development	154,456	139,729	122,134	17,595
Total expenditures	<u>154,456</u>	<u>139,729</u>	<u>122,134</u>	<u>17,595</u>
Net change in fund balances	10,544	25,271	127,782	102,511
Fund balances, beginning	<u>400</u>	<u>400</u>	<u>400</u>	<u>0</u>
Fund balances, ending	<u><u>\$ 10,944</u></u>	<u><u>\$ 25,671</u></u>	<u><u>\$ 128,182</u></u>	<u><u>\$ 102,511</u></u>

City of Columbus, Texas
Debt Service Fund 2005
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad valorem taxes	\$ 96,153	\$ 96,153	\$ 89,214	\$ (6,939)
Total revenues	<u>96,153</u>	<u>96,153</u>	<u>89,214</u>	<u>(6,939)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	96,153	96,153	88,996	7,157
Total other financing sources (uses)	<u>96,153</u>	<u>96,153</u>	<u>88,996</u>	<u>7,157</u>
Net change in fund balances	0	0	218	218
Fund balances, beginning	<u>186</u>	<u>186</u>	<u>186</u>	<u>(0)</u>
Fund balances, ending	<u>\$ 186</u>	<u>\$ 186</u>	<u>\$ 404</u>	<u>\$ 218</u>

City of Columbus, Texas
Debt Service Fund 2008
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2009

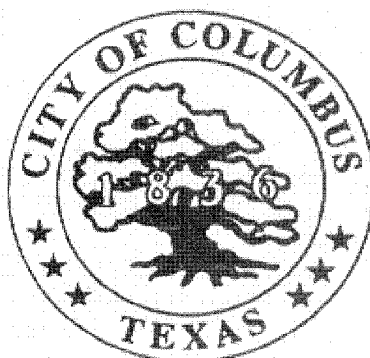
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Ad valorem taxes	\$ 90,577	\$ 90,577	\$ 90,514	\$ (63)
Total revenues	<u>90,577</u>	<u>90,577</u>	<u>90,514</u>	<u>(63)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	19,888	19,888	9,722	(10,166)
Debt service	(110,465)	(110,465)	(98,274)	12,191
Total other financing sources (uses)	<u>(90,577)</u>	<u>(90,577)</u>	<u>(88,551)</u>	<u>2,026</u>
Net change in fund balances	0	0	1,963	1,963
Fund balances, beginning	<u> </u>	<u> </u>	<u>0</u>	<u>0</u>
Fund balances, ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,963</u>	<u>\$ 1,963</u>

City of Columbus, Texas
City Hall and Fire Station Improvements Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended September 30, 2009

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
REVENUES				
Investment earnings	\$ 362	\$ 6,152	\$ 6,514	\$ 0
Total revenues	<u>362</u>	<u>6,152</u>	<u>6,514</u>	<u>0</u>
Expenditures				
Capital outlay:				
City Hall	63,354	857,940	921,294	1,150,000
Fire Station	0	47,884	47,884	50,000
Total expenditures	<u>63,354</u>	<u>905,824</u>	<u>969,178</u>	<u>1,200,000</u>
OTHER FINANCING SOURCES (USES)				
Certificate proceeds	1,200,000	0	1,200,000	1,200,000
Issuance costs	0	3,237	3,237	0
Total other financing sources (uses)	<u>1,200,000</u>	<u>3,237</u>	<u>1,203,237</u>	<u>1,200,000</u>
Net change in fund balances	1,137,009	(896,436)	240,573	0
Fund balances, beginning	<u>0</u>	<u>1,137,009</u>	<u>0</u>	<u>0</u>
Fund balances, ending	<u>\$ 1,137,009</u>	<u>\$ 240,573</u>	<u>\$ 240,573</u>	<u>\$ 0</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.

<u>Contents</u>	<u>Page</u>
Financial Trends	68-72
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	73-79
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.	
Debt Capacity	80-82
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.	
Demographic and Economic Information	83-85
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.	
Operating Information	86-87
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.

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Governmental activities						
Invested in capital assets, net of related debt	\$ 1,034,160	\$ 1,145,267	\$ 1,319,184	\$ 1,375,223	\$ 1,370,592	\$ 1,299,073
Restricted	36,512	36,871	1,089	2,130	3,367	388,506
Unrestricted	1,845,395	1,885,626	1,609,595	1,304,614	976,383	945,314
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>	<u>2,350,342</u>	<u>2,632,893</u>
Business-type activities						
Invested in capital assets, net of related debt	3,803,943	3,571,131	3,957,138	3,727,320	3,738,667	1,830,862
Restricted	--	--	--	--	--	1,685,888
Unrestricted	1,053,265	1,055,325	1,175,124	1,759,621	2,023,416	2,180,617
Total business-type activities net assets	<u>4,857,208</u>	<u>4,626,456</u>	<u>5,132,262</u>	<u>5,486,941</u>	<u>5,762,083</u>	<u>5,697,367</u>
Primary government						
Invested in capital assets, net of related debt	4,838,103	4,716,398	5,276,322	5,102,543	5,109,259	3,129,935
Restricted	36,512	36,871	1,089	2,130	3,367	2,074,394
Unrestricted	2,898,660	2,940,951	2,784,719	3,064,235	2,999,799	3,125,931
Total primary government activities net assets	<u>\$ 7,773,275</u>	<u>\$ 7,694,220</u>	<u>\$ 8,062,130</u>	<u>\$ 8,168,908</u>	<u>\$ 8,112,425</u>	<u>\$ 8,330,260</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 Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Governmental activities:						
Expenses						
General government	\$ 183,218	\$ 176,743	\$ 299,796	\$ 359,485	\$ 324,635	\$ 354,275
Public safety	658,875	639,122	768,000	792,484	891,435	894,696
Public health	24,214	28,548	30,820	32,546	34,689	35,379
Public works	232,502	409,441	417,553	401,228	481,732	487,126
Culture and recreation	360,990	332,045	412,540	456,391	435,819	449,684
Tourism	116,263	123,031	128,374	125,276	131,556	122,134
Interest on long-term debt	--	1,349	4,730	10,117	--	51,139
Total expenses	1,576,062	1,710,279	2,061,814	2,177,527	2,299,866	2,394,434
Program Revenues						
Charge for services						
General government	20,609	27,304	19,203	18,928	46,790	41,328
Public safety	45,228	31,896	49,691	48,060	62,614	76,714
Public works	2,317	16,717	11,676	5	5,077	9,655
Culture and recreation	31,737	15,124	18,715	18,747	27,673	21,013
Operating grants and contributions	6,422	140,685	21,742	61,521	14,242	103,945
Capital grants and contributions	50,380	39,208	124,318	15,076	44,250	283,753
Total program revenues	156,693	270,934	245,345	162,337	200,646	536,408
Total Governmental Activities Net Program Expense	(1,419,369)	(1,439,345)	(1,816,468)	(2,015,189)	(2,099,219)	(1,858,026)
General Revenues and Other Changes in Net Assets						
Taxes						
Ad valorem tax	310,524	322,787	424,250	444,169	469,274	614,554
Sales tax	596,037	634,052	653,999	698,441	698,525	737,437
Hotel/Motel tax	116,263	123,031	128,374	125,276	131,930	154,074
Gross receipts tax	358,702	348,785	259,168	257,381	261,436	253,782
Alcohol beverage tax	1,448	1,854	4,948	5,460	5,483	7,895
Investment earnings	22,068	47,365	72,356	71,409	34,714	13,350
Gain on sale of capital assets	--	1,695	13	15,589	8,945	2,610
Transfers	100,426	102,644	135,467	149,564	157,287	356,875
Total general revenue and other changes in net assets	1,505,468	1,582,213	1,678,575	1,767,289	1,767,594	2,140,577
Total Governmental Activities Change in Net Assets	\$ 86,099	\$ 142,868	\$ (137,893)	\$ (247,900)	\$ (331,625)	\$ 282,551

Continued on Page 70

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
<u>Business-type Activities:</u>						
Expenses						
Water	\$ 490,701	\$ 453,288	\$ 543,185	\$ 534,162	\$ 646,858	\$ 833,374
Sewer	363,082	394,298	393,120	392,061	469,715	571,787
Garbage	435,503	534,369	555,312	620,013	609,423	615,091
Gas	687,792	786,602	791,360	748,644	813,248	657,088
Total expenses	<u>1,977,078</u>	<u>2,168,557</u>	<u>2,282,977</u>	<u>2,294,880</u>	<u>2,539,244</u>	<u>2,677,340</u>
Program Revenues						
Charge for services						
Water	423,125	456,607	587,506	509,935	659,474	813,882
Sewer	338,023	302,882	463,335	469,919	497,712	618,393
Garbage	406,552	500,181	599,853	637,545	660,369	637,383
Gas	678,193	723,293	931,557	870,845	917,565	739,790
Operating grants and contributions	-	-	1,547	-	-	-
Capital grants and contributions	-	-	101,110	90,000	135,000	125,000
Total revenues	<u>1,845,893</u>	<u>1,982,963</u>	<u>2,684,908</u>	<u>2,578,244</u>	<u>2,870,120</u>	<u>2,934,448</u>
Total Business-type Activities Net Program Expense	<u>(131,185)</u>	<u>(185,594)</u>	<u>401,931</u>	<u>283,364</u>	<u>330,876</u>	<u>257,108</u>
Other Changes in Net Assets						
Interest revenue	15,426	57,487	239,342	220,876	101,555	35,053
Transfers	(100,426)	(102,644)	(135,467)	(149,564)	(157,287)	(356,876)
Total general revenue and other changes in net assets	<u>(85,000)</u>	<u>(45,157)</u>	<u>103,874</u>	<u>71,312</u>	<u>(55,732)</u>	<u>(321,823)</u>
Total Business-type Activities Change in Net Assets	<u>\$ (216,185)</u>	<u>\$ (230,751)</u>	<u>\$ 505,805</u>	<u>\$ 354,676</u>	<u>\$ 275,144</u>	<u>\$ (64,715)</u>
<u>Primary Government Totals:</u>						
Total expenses	\$ 3,553,140	\$ 3,878,836	\$ 4,344,791	\$ 4,472,407	\$ 4,839,110	\$ 5,071,774
Total program revenues	2,002,586	2,253,897	2,930,253	2,740,581	3,070,766	3,470,856
Net(expense)/revenue	<u>(1,550,554)</u>	<u>(1,624,939)</u>	<u>(1,414,538)</u>	<u>(1,731,826)</u>	<u>(1,768,344)</u>	<u>(1,600,918)</u>
Total general revenues and other changes in net assets	1,420,468	1,537,056	1,782,449	1,838,601	1,711,862	1,818,754
Change in Net Assets	<u>\$ (130,086)</u>	<u>\$ (87,883)</u>	<u>\$ 367,911</u>	<u>\$ 106,775</u>	<u>\$ (56,482)</u>	<u>\$ 217,835</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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 11,398	\$ 6,727	\$ 8,255	\$ 10,354	\$ 13,540	\$ 15,681	\$ 18,079	\$ 19,722	\$ 22,736	\$ 27,598
Unreserved	710,174	818,696	990,050	1,271,701	1,355,048	1,458,053	1,390,565	1,090,074	740,197	691,287
Total general fund	<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>	<u>762,933</u>	<u>718,885</u>
All Other Governmental Funds										
Reserved, reported in:										
Debt service fund	507	534	-	-	-	-	-	186	186	2,367
Capital project fund	12,207	75,668	22,852	62,314	36,512	36,871	-	-	1,137,009	240,573
Unreserved, reported in:										
Special revenue funds	330,377	231,763	252,934	297,975	342,266	391,470	210,549	202,457	222,867	366,317
Total all other governmental funds	<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>	<u>\$ 1,360,062</u>	<u>\$ 609,257</u>

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenue										
Ad valorem taxes	\$ 234,377	\$ 243,877	\$ 260,325	\$ 288,594	\$ 307,843	\$ 323,454	\$ 426,701	\$ 441,603	\$ 467,410	\$ 613,903
Non-property taxes	827,269	888,498	890,358	876,978	971,067	1,019,120	1,046,489	1,086,558	1,097,375	1,153,187
Licenses and permits	19,365	17,840	18,425	19,434	15,023	19,146	12,551	11,912	37,783	30,897
Fines and forfeitures	31,696	33,768	25,140	36,536	43,227	31,624	48,253	46,227	52,744	75,617
Miscellaneous revenue	149,366	156,829	65,364	65,704	57,925	91,496	98,402	86,132	59,184	39,567
Charges for services	32,674	35,448	26,671	26,727	14,840	16,769	13,915	15,893	24,785	17,717
Intergovernmental	448,720	787,502	357,618	122,789	47,746	157,982	146,293	76,097	43,914	125,770
Total revenues	1,743,467	2,163,762	1,643,901	1,436,762	1,467,671	1,659,591	1,792,604	1,764,422	1,783,195	2,056,658
Expenditures										
Administrative and general	124,639	126,971	123,333	136,031	168,477	168,854	320,752	351,438	307,755	355,284
Economic and tourism development	361,636	144,519	119,798	105,451	119,763	126,031	132,874	129,891	136,556	122,934
Police department	516,870	494,588	463,109	473,936	525,278	515,492	643,969	651,756	736,391	740,781
Fire department	227,681	108,752	96,043	100,595	120,164	58,297	368,694	87,625	127,600	97,606
Streets and drainage	461,207	297,618	260,464	245,323	224,341	486,905	465,536	491,700	518,859	444,832
Parks and recreation	216,861	324,040	252,228	285,450	372,416	431,115	369,913	367,039	404,403	414,243
Public health	20,705	21,138	21,782	24,062	24,017	28,123	30,724	34,247	43,952	34,456
Industrial development	75,275	610,945	356,461	80,508	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--	63,354	905,824
Debt Service	--	--	--	--	--	10,427	34,964	112,426	--	30,712
Principal	--	--	--	--	--	1,349	4,730	10,117	--	67,562
Interest	--	--	--	--	--	--	--	--	--	--
Total expenditures	2,004,874	2,128,571	1,693,218	1,453,356	1,554,456	1,826,593	2,372,156	2,236,329	2,338,870	3,214,234
Excess of revenues over (under) expenditures	(261,407)	35,191	(49,317)	(16,594)	(96,785)	(167,002)	(579,552)	(471,907)	(555,675)	(1,157,576)
Other Financing Sources (Uses)										
Transfers in	336,175	176,641	198,315	266,922	224,809	203,896	489,650	294,388	274,753	483,522
Transfers out	(199,408)	(153,576)	(10,913)	(38,000)	(23,000)	(12,650)	(354,183)	(144,824)	(117,466)	(126,646)
Certificates of obligation issued	--	--	--	--	--	--	--	--	1,200,000	--
Issuance costs	--	--	--	--	--	75,625	82,191	--	--	3,237
Capital leases	--	--	3,832	--	--	46,012	13	--	--	--
Sale of capital assets	--	26,897	188,492	228,922	201,809	312,883	217,671	15,589	8,945	2,610
Total other financing sources (uses)	136,767	26,897	188,492	228,922	201,809	312,883	217,671	165,153	1,366,232	362,723
Special Items										
Sale of capital assets	--	--	--	39,500	--	--	79,000	--	--	--
Total special items	0	0	0	39,500	0	0	79,000	0	0	0
Net change in fund balances	\$ (124,640)	\$ 62,088	\$ 139,175	\$ 251,828	\$ 105,024	\$ 145,881	\$ (282,881)	\$ (306,754)	\$ 810,557	\$ (794,853)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	2.09%	5.82%	0.00%	4.56%

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

Customer	2009			2000		
	Gas Sales	Rank	Percentage of Total Gas Sales	Gas Sales	Rank	Percentage of Total Gas Sales
Columbus Community Hospital	\$ 45,455	1	6.18%	\$ 7,370	5	1.39%
River Oaks Convalescent Center	24,796	2	3.37%	14,819	2	2.80%
Los Cabos Mexican Grill	17,615	3	2.40%	-		-
Columbus Independent School District	16,712	4	2.27%	13,750	3	2.60%
Bazar Foods LTD	16,425	5	2.23%	-		-
Country Fresh Cleaners	14,570	6	1.98%	7,096	6	1.34%
Columbus Inn	12,861	7	1.75%	4,226	10	0.80%
Schobels Restaurant	12,840	8	1.75%	7,002	7	1.32%
Gary Kulhanek (Washateria)	12,336	9	1.68%	-		-
Nancy's Sea Food Grill	10,991	10	1.49%	-		-
Columbus Care Center	-		-	7,406	4	1.40%
Norton Industrial Sands	-		-	37,556	1	7.09%
Guadalajara Mexican Restaurant	-		-	6,328	8	1.20%
Colorado County Detention Center	-		-	4,584	9	0.87%
Total	\$ 184,601		25.11%	\$ 110,137		20.81%

Note: Earliest available data for top ten purchasers of gas is from year 2000. City changed utility software three years ago and data for 1999 is not available.

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

	2003	2004	2005	2006	2007	2008	2009
Agricultural	\$ 4,242	\$ 4,309	\$ 9,828	\$ 10,666	\$ 11,996	\$ 11,194	\$ 31,459
Mining/Quarrying/Oil Extraction	--	--	--	--	41,146	12,894	--
Construction	1,823,716	1,914,369	2,956,791	1,646,997	1,742,347	1,461,977	4,110,732
Manufacturing	1,758,528	1,254,508	1,713,351	1,947,293	2,896,616	1,888,360	1,158,673
Wholesale	27,707	5,055	32,578	707,913	2,074,619	2,244,137	1,774,390
Retail	31,360,300	33,279,326	35,529,503	37,641,393	37,887,867	38,234,724	38,024,476
Information	--	23,000	19,117	24,540	38,436	138,654	121,475
Real Estate, Rental, Leasing	468,936	463,987	235,926	60,392	137,734	114,849	57,252
Professional, Scientific, Technical Services	344,918	415,859	535,534	838,902	796,969	665,880	445,954
Health Care, Social Assistance							31,956
Administrative, Support, Waste Management, Remediation Services	532,591	529,801	763,428	1,395,782	1,694,613	1,891,695	2,222,536
Arts, Entertainment, Recreation	174,095	87,306	156,268	327,348	324,552	307,289	146,168
Accommodation, Food Services	10,768,432	10,928,691	12,218,846	12,583,383	12,901,396	13,741,559	14,450,645
Other Services	2,286,424	2,363,511	2,072,611	1,856,074	1,902,834	1,865,236	1,886,321
Total Taxable Sales	\$ 49,549,889	\$ 51,269,722	\$ 56,243,781	\$ 59,040,683	\$ 62,451,125	\$ 62,578,448	\$ 64,462,037
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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
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
2008	467,410	698,525	261,436	131,930	5,483	1,564,784
2009	613,903	737,437	253,782	154,074	7,895	1,767,091
Change 2000-2009	161.9%	43.5%	32.5%	28.0%	518.2%	66.4%

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>
2000	\$ 107,044,809	\$ 20,687,940	\$ 5,672,108	\$ 122,060,641	0.18900	\$ 122,060,641	100.00%
2001	115,914,881	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	127,547,707	19,492,810	5,171,845	141,868,672	0.19881	141,868,672	100.00%
2004	140,936,806	19,994,470	4,927,107	156,004,169	0.19581	156,004,169	100.00%
2005	151,683,597	20,303,750	4,671,763	167,315,584	0.19017	167,315,584	100.00%
2006	162,895,625	21,228,450	5,108,213	179,015,862	0.23312	179,015,862	100.00%
2007	171,581,944	22,062,400	5,212,305	188,432,039	0.23312	188,432,039	100.00%
2008	185,060,381	21,636,780	5,695,690	201,001,471	0.23312	201,001,471	100.00%
2009	202,170,771	24,295,540	6,085,022	220,381,289	0.27312	220,381,289	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	
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
2008	0.19312	0.04000	0.23312	1.19000	0.43000	1.85312
2009	0.19202	0.08110	0.27312	1.19000	0.44900	1.91212

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

Taxpayer	2009			2000		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Goodmark Lodging LLC (Holiday Inn)	\$ 2,523,740	1	1.11%	-		-
Wal Mart Stores Inc.	2,506,970	2	1.11%	\$ 2,139,734	2	1.68%
H E Butt Grocery Company	2,031,660	3	0.90%	1,472,247	5	1.15%
Columbus Associates (Wal Mart)	1,957,940	4	0.86%	1,449,100	6	1.13%
AEP Central Power & Light	1,780,110	5	0.79%	1,406,720	7	1.10%
Great Southern Wood	1,769,060	6	0.78%	-		-
River Oaks Convalescent	1,701,850	7	0.75%	1,585,520	4	1.24%
Magnolia Living Center	1,631,860	8	0.72%	997,700	8	0.78%
Southwestern Bell Telephone	1,535,710	9	0.68%	2,062,830	3	1.62%
LCRA Transmission Services Corp	1,446,620	10	0.64%	-		-
Drymalla Construction Co.	-		-	974,425	10	0.76%
Columbus Ford-Mercury	-		-	4,288,345	1	3.36%
Texas Health Enterprises	-		-	978,400	9	0.77%
Total	\$ 18,885,520		8.34%	\$ 17,355,021		13.59%

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
2000	\$ 230,463	\$ 225,792	98.0%	\$ 4,139	\$ 229,931	99.8%
2001	242,563	235,440	97.1%	6,475	241,915	99.7%
2002	258,534	251,781	97.4%	6,076	257,857	99.7%
2003	282,049	277,313	98.3%	5,405	282,718	100.2%
2004	305,472	297,977	97.5%	6,268	304,245	99.6%
2005	317,479	312,172	98.3%	4,640	316,812	99.8%
2006	417,321	411,167	98.5%	4,301	415,468	99.6%
2007	439,273	430,994	98.1%	4,012	435,006	99.0%
2008	468,574	458,536	97.9%	3,077	461,613	98.5%
2009	601,905	597,118	99.2%	--	597,118	99.2%

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental Activities										
2008 Certificates of obligation	--	--	--	--	--	--	--	--	\$ 1,200,000	\$ 1,169,288
Capital leases	--	--	--	--	--	\$ 65,199	\$ 112,426	--	--	--
Total governmental activities	-0-	-0-	-0-	-0-	-0-	65,199	112,426	-0-	1,200,000	1,169,288
Business Activities										
Note payable	\$ 154,167	\$ 123,312	\$ 92,444	\$ 61,611	\$ 30,686	--	--	--	--	--
2005 Certificates of obligation	--	--	--	--	--	4,750,000	4,620,000	\$ 4,445,000	4,265,000	4,080,000
Premium on certificates of obligation	--	--	--	--	--	66,046	62,689	59,332	55,975	52,617
2008 Certificates of obligation	--	--	--	--	--	--	--	--	2,800,000	2,675,715
Capital leases	--	--	--	--	--	--	30,644	--	--	--
Total business activities	154,167	123,312	92,444	61,611	30,686	4,816,046	4,713,333	4,504,332	7,120,975	6,808,332
Total Primary Government	\$ 154,167	\$ 123,312	\$ 92,444	\$ 61,611	\$ 30,686	\$ 4,881,245	\$ 4,825,759	\$ 4,504,332	\$ 8,320,975	\$ 7,977,620
(1) Percentage of Personal Income	0.2%	0.2%	0.1%	0.1%	0.0%	7.9%	7.8%	7.3%	13.4%	12.9%
(1) Per Capita	\$ 39	\$ 31	\$ 24	\$ 16	\$ 8	\$ 1,246	\$ 1,232	\$ 1,150	\$ 2,125	\$ 2,037

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 83 for personal income and population data

City of Columbus, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2009

<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	\$ 16,225,452	30.19%	\$ 4,898,912
Colorado County	5,908,483	12.48%	<u>737,295</u>
Subtotal, overlapping debt			5,636,207
City of Columbus direct debt			<u>1,169,288</u>
Total direct and overlapping debt			<u>\$ 6,805,495</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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Tax Roll Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net assessed value	\$ 122,060,641	\$ 128,469,323	\$ 136,928,106	\$ 141,868,672	\$ 156,004,169	\$ 167,315,584	\$ 179,015,962	\$ 188,432,039	\$ 201,001,471	\$ 220,381,289
Plus exempt property	5,672,108	5,870,038	5,585,184	5,171,845	4,927,107	4,671,763	5,108,213	5,212,305	5,695,690	6,085,022
Total assessed value	\$ 127,732,749	\$ 134,339,361	\$ 142,513,290	\$ 147,040,517	\$ 160,931,276	\$ 171,987,347	\$ 184,124,175	\$ 193,644,344	\$ 206,697,161	\$ 226,466,311
Debt limit (1)	\$ 12,773,275	\$ 13,433,936	\$ 14,251,329	\$ 14,704,052	\$ 16,093,128	\$ 17,198,735	\$ 18,412,418	\$ 19,364,434	\$ 20,669,716	\$ 22,646,631

(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**

Fiscal Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age (1)	Percent of Population with Bachelor's Degree or Higher (1)	School Enrollment (2)	Unemployment Rate (3)
2000	3,916	61,958,952	15,822	40	16.7%	1,745	3.7%
2001	3,916	61,958,952	15,822	40	16.7%	1,738	4.2%
2002	3,916	61,958,952	15,822	40	16.7%	1,682	4.7%
2003	3,916	61,958,952	15,822	40	16.7%	1,639	5.4%
2004	3,916	61,958,952	15,822	40	16.7%	1,701	4.8%
2005	3,916	61,958,952	15,822	40	16.7%	1,728	4.5%
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	3.6%
2008	3,916	61,958,952	15,822	40	16.7%	1,627	4.0%
2009	3,916	61,958,952	15,822	40	16.7%	1,485	6.9%

Data Sources

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

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

Employer	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Columbus Independent School District	269	1	2.66%	277	1	2.89%
Colorado County (Government)	187	2	1.85%	124	4	1.29%
Columbus Community Hospital	184	3	1.82%	155	2	1.62%
Drymalla Construction	160	4	1.58%	150	3	1.57%
River Oaks Convalescent Home	128	5	1.27%	120	5	1.25%
Wal Mart	99	6	0.98%	85	6	0.89%
Schobels Restaurant	70	7	0.69%	75	7	0.78%
Great Southern Wood	55	8	0.54%	-	-	-
HEB Grocery Company LP	58	9	0.57%	60	8	0.63%
Brookshire Bros. (Grocery)	43	10	0.43%	45	10	0.47%
Columbus Care	-	-	-	54	9	0.56%
Total	1,253		12.39%	1,145		11.96%

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 Six Fiscal Years

Function	Full-time-Equivalent Employees as of September 30					
	2004	2005	2006	2007	2008	2009
Administrative and general	0.73	1.25	2.97	3.00	3.00	3.00
Police Department	10.91	11.97	12.02	12.15	12.24	12.14
Streets and drainage	3.04	4.05	4.88	4.91	4.93	4.87
Parks and recreation						
Parks	3.84	3.82	3.97	4.39	3.69	3.57
Swimming pool	0.88	0.91	0.94	.87	.94	1.00
Library	3.64	3.59	3.80	3.76	3.81	3.73
Public health	0.56	.55	1.03	.54	.54	.53
Tourism and economic development						.51
Water	4.71	3.97	2.97	4.09	3.13	2.93
Sewer	1.90	2.92	1.29	2.61	2.65	3.02
Garbage	5.62	4.11	0.30	0.49	0.49	0.50
Gas	6.42	6.95	4.98	3.77	4.54	4.68
Total	42.25	44.09	39.15	40.58	39.96	40.48

Source: City Finance Director

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 Six Fiscal Years

Function/Program	Fiscal Year					
	2004	2005	2006	2007	2008	2009
General government						
Building permits issued	47	27	33	32	42	34
Building inspections conducted	61	67	49	56	34	36
Gas inspections	27	15	17	26	22	15
Electrical inspections	88	60	57	60	65	82
Plumbing inspections	23	63	39	26	25	36
Mechanical inspections	20	48	31	45	15	22
Police						
Case Reports opened	141	149	159	168	203	460
Calls of service	1,986	2,578	2,179	2,551	2,422	1,934
Citations issued	1,146	1,519	1,917	1,519	1,239	1,522
Fire						
Fire/Other calls						
Structure fires	23	29	29	26	25	27
Grass/Brush fires	37	51	50	29	68	48
Car fires	27	23	18	16	9	13
Rescues	30	30	49	29	29	31
Hazardous	16	8	12	10	6	16
False alarms	7	7	5	8	6	3
Others	4	5	4	8	4	3
Total man hours	2,136.5	2322	2,667	2,614	4,561	4,750
Total training hours	1,842	1,726	1,636	1,935	1,500	1,500
Total maintenance hours	810	910	1,050	1,152	1,500	1,500
Municipal court						
Cases Filed						
Traffic - Non Parking	490	381	440	273	394	612
Traffic - Parking	6	11	45	13	25	22
Non-Traffic - State law	47	125	239	156	206	152
Non-Traffic - City Ordinance	11	13	28	24	38	23
Cases Disposed						
Traffic - Non Parking	199	144	327	269	436	537
Traffic - Parking	4	3	40	16	18	22
Non-Traffic - State law	12	44	159	120	156	132
Non-Traffic - City Ordinance	4	4	24	11	34	24
Solid Waste						
Customers	1,872	1,860	1,833	1,829	1,826	1,585
Recyclables (Ton per day)	.4	.59	.42	.47	.34	.31
Water						
Customers	1,653	1,649	1,633	1,619	1,641	1,638
New Water Taps	7	10	7	15	12	3
Average Daily consumption (gallons)	566,610	587,260	683,950	550,189	715,549	760,523
Sewer						
Customers	1,598	1,590	1,577	1,566	1,576	1,574
New Sewer Taps	6	6	6	7	13	3
Average Daily Sewer Plant Discharge (gallons)	355,000	365,000	383,000	333,000	376,000	350,000
Gas						
Customers	1,287	1,268	1,241	1,230	1,239	1,232
New Gas Meters	6	5	0	5	3	6
Average Daily Consumption (MCF)	191.34	184.1	183.23	205.45	186.37	188.95

Sources: Various City Departments

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

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

Function/Program	Fiscal Year					
	2004	2005	2006	2007	2008	2009
General government						
Municipal Buildings	1	1	1	1	1	1
Community Buildings	2	2	2	2	2	2
Public safety						
Police:						
Stations	1	1	1	1	1	1
Patrol units	7	9	9	9	9	9
Fire:						
Stations	1	1	1	1	1	1
Fire trucks	8	8	9	9	9	10
Highways and Streets						
Streets (miles)	29	29	29	29	29	29
Culture and recreation						
Acreage	106.1	106.1	106.1	106.1	106.1	106.1
Community buildings	1	1	1	1	1	1
Playgrounds	3	3	3	3	3	3
Baseball/softball diamonds	6	6	6	6	6	6
Golf courses	1	1	1	1	1	1
Libraries	1	1	1	1	1	1
Swimming pool	1	1	1	1	1	1
Soccer fields	5	5	5	5	5	5
Water						
Wells (active)	4	4	4	3	4	4
Water mains (miles)	37.62	37.62	37.62	41.62	41.62	41.62
Fire hydrants	158	158	158	193	193	205
Storage capacity (gallons)	1,548,000	1,548,000	1,548,000	1,548,000	1,340,000	1,340,000
Sewer						
Sewer mains (miles)	29.3	29.3	29.3	29.3	29.3	29.3
Lift stations	6	6	6	6	6	6

Sources: Various City Departments

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

