



CITY OF COLUMBUS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2010**

CITY OF COLUMBUS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION



The City of Columbus

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

April 28, 2011

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, 2010.

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 is 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.

Pattillo, Brown, & Hill L.L.P., has issued an unqualified (“clean”) opinion on the City of Columbus’ financial statements for the year ended September 30, 2010. The independent auditors’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ 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 3,655. The City of Columbus is a Type A, General Law City and utilizes the Council-Manager form of government organized under Chapter 25 of the Local Government Code. Policy-making and legislative authority are vested in a governing council consisting of a Mayor and five Council members elected by position. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City and for appointing the heads of the various departments. Council members serve two-year terms with the Mayor and two Council members elected in odd 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 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 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 a 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 economic growth over the past six years. For fiscal years 2005-2009, sales tax revenues were reported at \$634,052, \$653,999, 698,441, \$698,525, and \$737,437, respectively. These years showed growth of 6%, 3%, 7%, 0%, and 6% over the prior years. However, fiscal year 2010 showed a decrease of 8%.

The City's economy experienced a broad sector decrease. The downturn in the national economy is the largest condition that contributed to this decrease.

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 affect the City of Columbus. A new hotel was added to the community in 2009 and another new hotel 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 fund 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 renovated 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 used for a major renovation of City Hall facilities and the Fire Station. These renovations included making City Hall ADA compliant, removing asbestos, and adding a ground floor Council Chambers. At the Fire Station, the funds were 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.

During fiscal year 2010, the City refunded the 2008 certificates of obligation by obtaining a general obligation refunding bond. This advance refunding was undertaken to reduce total debt service payments over the next 18 years by \$375,075 and resulted in an economic gain of \$273,381.

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. Industry State Bank of Industry, Texas was awarded the 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 2010, 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 in 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. In 2010, the City began purchasing Mobile Data Terminals to be placed in the Police Patrol cars to allow the officers the ability to compile reports in the field and have greater access to information.

The Water and Gas Improvement Projects, as mentioned earlier are 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 to be completed in 2012. The improvements to the Fire Station were completed in 2009. Improvements to City Hall were completed in 2010.

Awards and Acknowledgements

The Government Finance Officer Association of the United States of 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, 2009. This was the fourth 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.

Respectively submitted,



Donald Warschak
City Manager



Cathy Ezell
City Secretary/Finance Director

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, 2009

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.

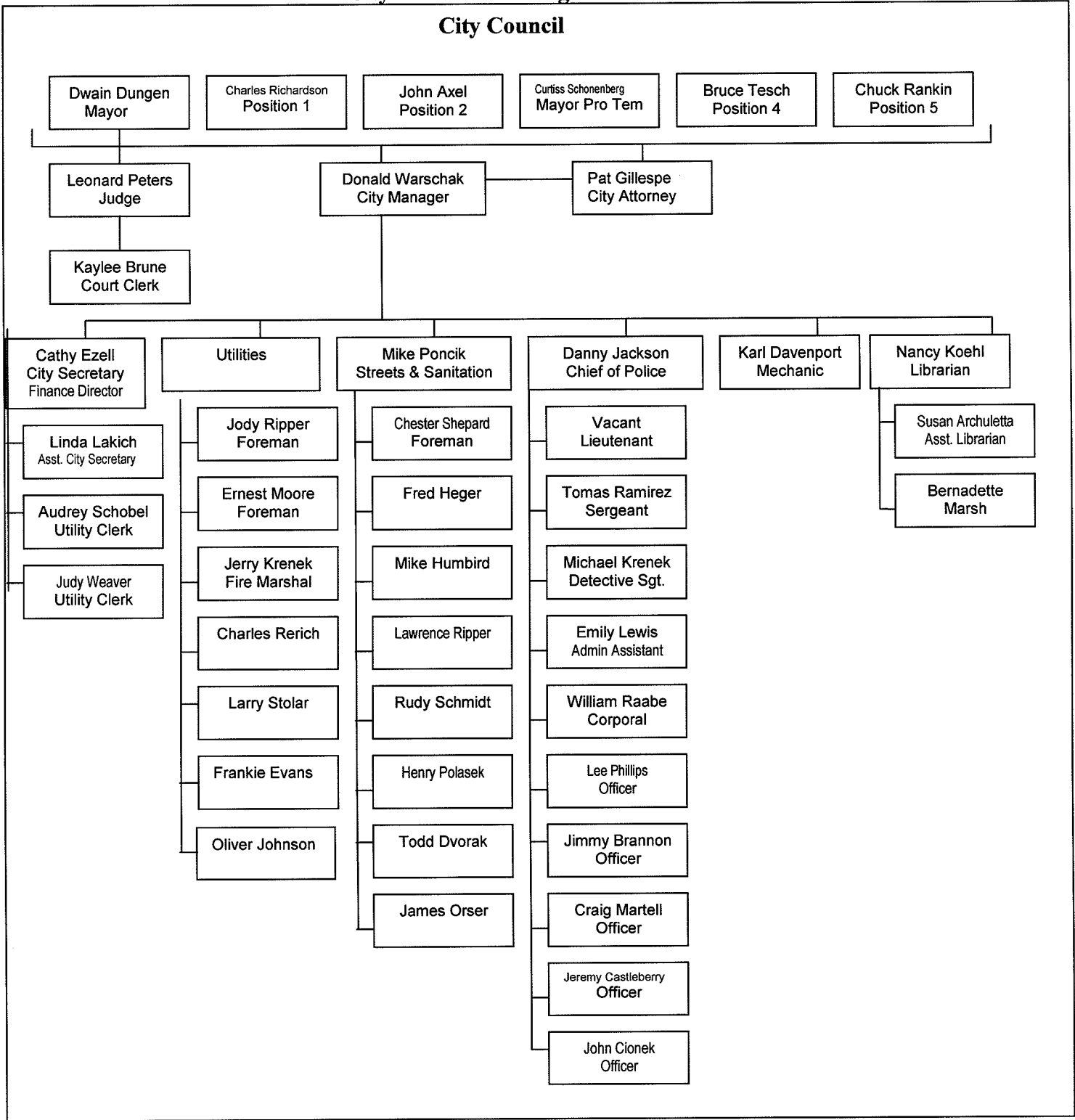


President

Executive Director

City of Columbus Organizational Chart

City Council



CITY OF COLUMBUS, TEXAS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2010

<u>Title</u>	<u>Name</u>
Mayor	Dwain Dungen
Councilman (Mayor Pro-Tem)	Curtiss Schonenberg
Councilman	Chuck Rankin
Councilman	Charles Richardson
Councilman	John Axel
Councilman	Bruce Tesch
City Manager	Donald Warschak
City Secretary/Finance Director	Cathy Ezell
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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas, as of and for the year ended September 30, 2010, 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, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas, as of September 30, 2010, and the respective changes in financial position and, where applicable, cash flows where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2011, on our consideration of the City of Columbus, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information on pages 3 through 12 and 41 through 44 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Columbus, Texas' basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

April 27, 2011

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

CITY OF COLUMBUS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2010

As management of the City of Columbus, we offer readers of the City of Columbus' financial statements this narrative overview and analysis of the financial activities of the City of Columbus for the fiscal year ended September 30, 2010. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City of Columbus' 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 \$8,137,354. Of this amount, \$4,721,494 are capital assets, net of related debt, \$1,667 was reserved for debt service, \$6,497 was reserved for construction, \$196,484 was reserved for Economic Development expenditures. \$3,211,212 is for unrestricted uses in accordance with finance related legal requirements reflected in the City's fund structure.
- The City's total net assets decreased by \$192,906, 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 \$1,301,772, a decrease of \$26,370 in comparison with the prior year. Approximately 99% of this total, or \$1,293,337 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 \$844,564 or 38% percent of total General Fund expenditures for the fiscal year.
- The City's total debt decreased by \$23,256 (2%) during the current fiscal year due to scheduled payments of the 2005 and 2008 Certificates of Obligation. During the current year, the City refunded the 2008 Certificates of Obligation.

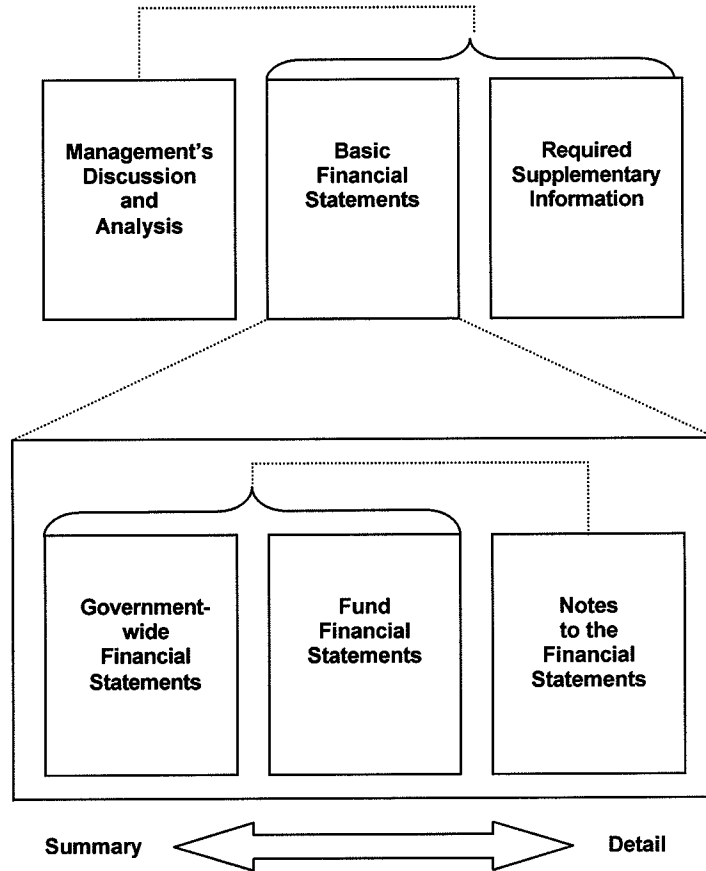
OVERVIEW OF THE FINANCIAL STATEMENTS

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

Figure A-1, Required Components of the District's Annual Financial Report



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) discretely presented component unit. 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 nonmajor 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 unit. 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 \$2,093,182. The total decrease in net assets was \$342,213. 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' 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 41 – 44 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 45 – 53 of this report.

**City of Columbus' Net Assets
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 1,451,892	\$ 1,815,580	\$ 3,530,630	\$ 4,359,982	\$ 4,982,522	\$ 6,175,562
Capital assets	2,598,248	2,215,208	8,596,277	8,481,369	11,194,525	10,696,577
Total assets	<u>4,050,140</u>	<u>4,030,788</u>	<u>12,126,907</u>	<u>12,841,351</u>	<u>16,177,047</u>	<u>16,872,139</u>
Current and other liabilities	97,793	228,604	280,303	319,230	378,096	547,834
Long-term liabilities	1,170,147	1,169,288	6,491,450	6,824,753	7,661,597	7,994,041
Total liabilities	<u>1,267,940</u>	<u>1,397,892</u>	<u>6,771,753</u>	<u>7,143,983</u>	<u>8,039,693</u>	<u>8,541,875</u>
Net assets:						
Invested in capital assets, net of related debt	1,459,522	1,299,073	3,261,972	1,830,862	4,721,494	3,129,935
Restricted	204,648	388,506	-	1,685,888	204,648	2,074,394
Unrestricted	<u>1,118,030</u>	<u>945,317</u>	<u>2,093,182</u>	<u>2,180,618</u>	<u>3,211,212</u>	<u>3,125,935</u>
	<u>\$ 2,782,200</u>	<u>\$ 2,632,896</u>	<u>\$ 5,355,154</u>	<u>\$ 5,697,368</u>	<u>\$ 8,137,354</u>	<u>\$ 8,330,264</u>

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 \$8,137,354 as of September 30, 2010. The City's net assets decreased by \$192,906 for the fiscal year ended September 30, 2010. Invested in capital assets, net of related debt of \$4,721,494 accounts for the greatest portion (58%) of net assets.

An additional portion of the City's net assets (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,211,212 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 97.56%.
- 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		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services	\$ 111,922	\$ 148,711	\$ 2,969,773	\$ 2,809,448	\$ 3,081,695	\$ 2,958,159
Operating grants and contributions	62,195	103,945	-	-	62,195	103,945
Capital grants and contributions	75,756	283,753	201,500	125,000	277,256	408,753
General revenues:						
Property taxes	617,831	614,554	-	-	617,831	614,554
Other taxes	1,104,154	1,153,188	-	-	1,104,154	1,153,188
Other	28,354	15,961	54,847	35,053	83,201	51,014
Total revenues	<u>2,000,212</u>	<u>2,320,112</u>	<u>3,226,120</u>	<u>2,969,501</u>	<u>5,226,332</u>	<u>5,289,613</u>
Expenses:						
Administrative and general	392,785	354,275	-	-	392,785	354,275
Economic development	126,784	-	-	-	126,784	-
Police department and municipal court	952,871	740,783	-	-	952,871	740,783
Fire department	-	153,915	-	-	-	153,915
Streets and drainage	432,312	487,126	-	-	432,312	487,126
Parks, recreation and library	495,341	571,818	-	-	495,341	571,818
Public health	38,746	35,379	-	-	38,746	35,379
Interest on long-term debt	59,024	51,139	-	-	59,024	51,139
Water	-	-	892,209	833,374	892,209	833,374
Sewer	-	-	637,526	571,787	637,526	571,787
Garbage	-	-	586,244	615,091	586,244	615,091
Gas	-	-	837,959	657,088	837,959	657,088
Total expenses	<u>2,497,863</u>	<u>2,394,435</u>	<u>2,953,938</u>	<u>2,677,340</u>	<u>5,451,801</u>	<u>5,071,775</u>
Increase in net assets before transfers	(497,651)	(74,323)	272,182	292,161	(225,469)	217,838
Transfers	614,396	356,876	(614,396)	(356,876)	-	-
Increase (decrease) in net assets	<u>116,745</u>	<u>282,553</u>	<u>(342,214)</u>	<u>(64,715)</u>	<u>(225,469)</u>	<u>217,838</u>
Net assets, beginning	2,632,896	2,350,343	5,697,368	5,762,083	8,330,264	8,112,426
Prior period adjustment	32,559	-	-	-	32,559	-
Net assets, beginning, as restated	<u>2,665,455</u>	<u>2,350,343</u>	<u>5,697,368</u>	<u>5,762,083</u>	<u>8,362,823</u>	<u>8,112,426</u>
Net assets, ending	<u>\$ 2,782,200</u>	<u>\$ 2,632,896</u>	<u>\$ 5,355,154</u>	<u>\$ 5,697,368</u>	<u>\$ 8,137,354</u>	<u>\$ 8,330,264</u>

Governmental Activities. Governmental activities increased the City's net assets by \$149,307.

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. In prior years, administrative wages were charged to the General Fund exclusively.
- A one-time transfer from the Utility Fund was done to cover budgeted costs and for payments in lieu of taxes.

Business-type Activities. Business-type activities decreased the City of Columbus' net assets by \$342,213.

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 depreciation expense in the proprietary fund increased by \$83,346 due to a large increase in distribution and collections systems assets in fiscal year 2009.
- The City's maintenance and operations expenses rose \$139,635 primarily due to an increase in gas purchases.

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' 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' 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 \$844,564, while total fund balance reached \$844,564. 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 38% percent of total General Fund expenditures, whereas total fund balance represents 38% percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$125,679 during the current fiscal year. Key factors in this decrease are as follows:

- Transfers in increased by \$229,125. Most of the transfers came from the Utility Fund to cover budgeted costs and for payments in lieu of taxes. Transfers in from the Utility fund totaled \$635,774.

The Capital Projects Fund is used to purchase capital assets for the City. At the end of the current fiscal year, total fund balance was \$6,497 and was reserved for capital expenditures. Fund balance decreased by \$234,076 during the current fiscal year due to capital expenditures for City Hall improvements.

Proprietary Fund. The City of Columbus' 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 \$2,093,182. The total decrease in net assets was \$342,213. Other factors concerning the finances of the Utility Fund have already been addressed in the discussion of the City of Columbus' 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 (\$31,999), and library donations (\$12,827).

Budgeted expenditures increased \$52,826 as supplemental appropriations were needed for the following: \$2,124 for office equipment for the library; \$8,735 for books for the library; \$1,155 for audio/visual equipment for the library; \$7,100 for office supplies for the library; and \$3,000 for microfilming services for the library.

Capital Asset and Debt Administration

Capital Assets. The City of Columbus’ investment in capital assets for its governmental and business-type activities as of September 30, 2010, totals \$11,194,525 (net of accumulated depreciation). These assets include land, buildings and improvements, distribution and collection systems, machinery and equipment, and construction in progress.

**City of Columbus’ Capital Assets
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 253,152	\$ 253,152	\$ 24,183	\$ 24,183	\$ 277,335	\$ 277,335
Buildings and improvements	2,668,781	1,493,812	581,700	581,700	3,250,481	2,075,512
Distribution and collection systems	-	-	13,376,243	12,759,005	13,376,243	12,759,005
Machinery and equipment	2,617,873	2,510,649	666,590	651,413	3,284,463	3,162,062
Construction in progress	-	921,294	31,969	30,852	31,969	952,146
Accumulated depreciation	(2,941,558)	(2,710,546)	(6,084,408)	(5,541,602)	(9,025,966)	(8,252,148)
	<u>\$ 2,598,248</u>	<u>\$ 2,468,361</u>	<u>\$ 8,596,277</u>	<u>\$ 8,505,551</u>	<u>\$ 11,194,525</u>	<u>\$ 10,973,912</u>

Major capital asset events during the year included the following:

- Purchase of a new police vehicle for \$22,757.
- New police consoles and computers totaling \$71,762.
- A new deck at the community pool for \$16,537.
- Completed City Hall improvements were \$1,155,669. Current year costs totaled \$234,374.
- Major water and sewer projects completed were:
 - Washington St. Water Lines for \$47,219; and
 - Charter St. Water Lines for \$550,012.

Additional information on the City’s capital assets can be found in Note 2 on pages 30 – 31 of the basic financial statements.

Long-term Debt. As of September 30, 2010, the City of Columbus had total long-term certificates of obligation outstanding of \$7,670,000. This debt is backed by the full faith and credit of the City.

**City of Columbus’ Outstanding Debt
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Certificates of obligation	\$ -	\$ 1,169,288	\$ 3,890,000	\$ 6,755,715	\$ 3,890,000	\$ 7,925,003
Refunding general obligation bonds	<u>1,149,521</u>	<u>-</u>	<u>2,630,479</u>	<u>-</u>	<u>3,780,000</u>	<u>-</u>
	<u>\$ 1,149,521</u>	<u>\$ 1,169,288</u>	<u>\$ 6,520,479</u>	<u>\$ 6,755,715</u>	<u>\$ 7,670,000</u>	<u>\$ 7,925,003</u>

The City’s total debt decreased by \$307,620 (3.8%) during the current fiscal year. The key factor in this decrease was scheduled bond payments were made. During the current year, the City refunded the 2008 Certificates of Obligation.

Texas statutes do not prescribe a debt limit, however, by custom a practical debt limit is 10% of its total assessed valuation. The current debt limitation based on this limitation for the City would be \$22,297,521, which is significantly in excess of the City of Columbus’ outstanding general obligation debt.

Additional information regarding the City of Columbus’ long-term debt can be found in Note 2 on pages 33 – 35.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- The unemployment rate for Colorado County is currently 7.8 percent (Columbus is the largest of the three incorporated cities in the county), which is an increase from a rate of 6.9 percent a year ago. This compares favorably to the state’s average unemployment rate of 8.2 percent and the national average rate of 8.9 percent.
- Inflationary trends in the region compare favorably to national indices.
- The State Comptroller reported a decrease of 7.9 percent in taxable sales for the City. Sales tax revenue has increased 126.8 percent since 2001.
- Property tax values continue to climb in Colorado County and the region in general. Real property values in the City of Columbus increased \$2,593,921 from 2009. Values have increased 73.6 percent from 2001.

All of these factors were considered in preparing the City’s budget for the 2011 fiscal year.

Property tax rates remained the same for the 2011 budget. Base water and sewer rates and rates on usage above the minimum for the 2011 budget year remained constant in an effort to keep up with 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, Cathy Ezell, 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, 2010

	Governmental Activities	Business-type Activities	Total	Component Unit Columbus Industrial Development Corporation
ASSETS				
Cash and cash equivalents	\$ 811,466	\$ 1,258,081	\$ 2,069,547	\$ 170,548
Investments	389,964	715,968	1,105,932	518,343
Receivable (net of allowances for estimated uncollectibles)				
Taxes	176,365	-	176,365	59,401
Other	3,839	350,241	354,080	-
Internal balances	32,883	(32,883)	-	-
Investment in land	-	-	-	457,207
Restricted assets:				
Cash and cash equivalents	-	1,145,634	1,145,634	-
Unamortized debt issue costs	37,375	93,589	130,964	78,134
Capital assets:				
Land	253,152	24,183	277,335	-
Buildings	2,668,781	581,700	3,250,481	-
Improvements and other buildings	-	13,376,243	13,376,243	-
Machinery and equipment	2,617,873	666,590	3,284,463	-
Construction in progress	-	31,969	31,969	-
Less: accumulated depreciation	(2,941,558)	(6,084,408)	(9,025,966)	-
Total assets	<u>4,050,140</u>	<u>12,126,907</u>	<u>16,177,047</u>	<u>1,283,633</u>
LIABILITIES				
Accounts payable	75,098	135,571	210,669	5,613
Accrued payroll	18,149	6,802	24,951	-
Accrued interest	4,546	30,185	34,731	28,768
Customer deposits	-	107,745	107,745	-
Noncurrent liabilities:				
Due within one year	73,845	333,292	407,137	85,000
Due in more than one year	1,096,302	6,158,158	7,254,460	1,518,118
Total liabilities	<u>1,267,940</u>	<u>6,771,753</u>	<u>8,039,693</u>	<u>1,637,499</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,459,522	3,261,972	4,721,494	-
Restricted for:				
Debt service	1,667	-	1,667	163,948
Construction	6,497	-	6,497	-
Economic development	196,484	-	196,484	-
Unrestricted	<u>1,118,030</u>	<u>2,093,182</u>	<u>3,211,212</u>	<u>(517,814)</u>
Total net assets	<u>\$ 2,782,200</u>	<u>\$ 5,355,154</u>	<u>\$ 8,137,354</u>	<u>\$(353,866)</u>

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

CITY OF COLUMBUS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 392,785	\$ 35,003	\$ -	\$ -
Public safety	952,871	57,611	11,411	75,756
Public health	38,746	-	-	-
Public works	432,312	-	13,000	-
Culture and recreation	495,341	19,308	25,784	-
Economic development	126,784	-	12,000	-
Interest on long-term debt	59,024	-	-	-
Total governmental activities	<u>2,497,863</u>	<u>111,922</u>	<u>62,195</u>	<u>75,756</u>
Business-type activities:				
Water	892,209	770,263	-	201,500
Sewer	637,526	634,215	-	-
Garbage	586,244	622,420	-	-
Gas	837,959	942,875	-	-
Total business-type activities	<u>2,953,938</u>	<u>2,969,773</u>	<u>-</u>	<u>201,500</u>
Total primary government	<u>\$ 5,451,801</u>	<u>\$ 3,081,695</u>	<u>\$ 62,195</u>	<u>\$ 277,256</u>
Component unit:				
Columbus Community Industrial Development Corporation	<u>\$ 243,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Hotel occupancy tax				
Franchise taxes				
Alcoholic beverage taxes				
Interest revenue				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning				
Prior period adjustment				
Net assets, beginning, as restated				
Net assets, ending				

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

Net (Expenses) Revenues and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Columbus Industrial Development Corporation
\$(357,782)	\$ -	\$(357,782)	\$ -
(808,093)	-	(808,093)	-
(38,746)	-	(38,746)	-
(419,312)	-	(419,312)	-
(450,249)	-	(450,249)	-
(114,784)	-	(114,784)	-
(59,024)	-	(59,024)	-
<u>(2,247,990)</u>	<u>-</u>	<u>(2,247,990)</u>	<u>-</u>
-	767,358	767,358	-
-	633,495	633,495	-
-	622,420	622,420	-
<u>-</u>	<u>942,929</u>	<u>942,929</u>	<u>-</u>
<u>-</u>	<u>217,335</u>	<u>217,335</u>	<u>-</u>
<u>(2,247,990)</u>	<u>217,335</u>	<u>(2,030,655)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(243,291)</u>
617,831	-	617,831	-
674,917	-	674,917	337,458
160,242	-	160,242	-
261,061	-	261,061	-
7,934	-	7,934	-
15,277	50,049	65,326	1,751
810	-	810	-
12,270	4,799	17,069	524
<u>614,396</u>	<u>(614,396)</u>	<u>-</u>	<u>-</u>
<u>2,364,738</u>	<u>(559,548)</u>	<u>1,805,190</u>	<u>339,733</u>
<u>116,748</u>	<u>(342,213)</u>	<u>(225,465)</u>	<u>96,442</u>
2,632,893	5,697,367	8,330,260	(50,308)
<u>32,559</u>	<u>-</u>	<u>32,559</u>	<u>(400,000)</u>
<u>2,665,452</u>	<u>5,697,367</u>	<u>8,362,819</u>	<u>(450,308)</u>
<u>\$ 2,782,200</u>	<u>\$ 5,355,154</u>	<u>\$ 8,137,354</u>	<u>\$(353,866)</u>

CITY OF COLUMBUS, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 396,621	\$ 8,397	\$ 406,448	\$ 811,466
Investments	370,370	-	19,594	389,964
Receivables (net of allowances for estimated uncollectibles):				
Taxes	130,187	-	46,178	176,365
Accounts	3,839	-	-	3,839
Due from other funds	<u>32,883</u>	<u>-</u>	<u>-</u>	<u>32,883</u>
Total assets	<u>933,900</u>	<u>8,397</u>	<u>472,220</u>	<u>1,414,517</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	55,964	1,900	17,234	75,098
Accrued payroll	18,149	-	-	18,149
Deferred revenue	<u>15,223</u>	<u>-</u>	<u>4,275</u>	<u>19,498</u>
Total liabilities	<u>89,336</u>	<u>1,900</u>	<u>21,509</u>	<u>112,745</u>
Fund balances:				
Reserved for:				
Debt service	-	-	1,938	1,938
Construction	-	6,497	-	6,497
Unreserved, reported in:				
General	844,564	-	-	844,564
Special revenues	<u>-</u>	<u>-</u>	<u>448,773</u>	<u>448,773</u>
Total fund balances	<u>844,564</u>	<u>6,497</u>	<u>450,711</u>	<u>1,301,772</u>
 Total liabilities and fund balances	 <u>\$ 933,900</u>	 <u>\$ 8,397</u>	 <u>\$ 472,220</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.	2,598,248
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.	
Deferred property tax revenue	15,659
Deferred municipal court revenue	3,839
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	3,489
Certificates of obligation	<u>(1,140,807)</u>
Net assets of governmental activities	<u>\$ 2,782,200</u>

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

CITY OF COLUMBUS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 477,044	\$ -	\$ 141,736	\$ 618,780
Sales taxes	682,851	-	-	682,851
Franchise taxes	261,061	-	-	261,061
Hotel occupancy tax	-	-	160,242	160,242
Licenses and permits	33,524	-	-	33,524
Fines and forfeitures	57,720	-	-	57,720
Charges for services	15,347	-	-	15,347
Intergovernmental	126,006	-	-	126,006
Investment earnings	5,728	298	9,251	15,277
Miscellaneous	25,520	-	187	25,707
Total revenues	<u>1,684,801</u>	<u>298</u>	<u>311,416</u>	<u>1,996,515</u>
EXPENDITURES				
Current:				
General government	357,262	-	-	357,262
Public safety	831,081	-	-	831,081
Public health	36,404	-	-	36,404
Public works	391,200	-	-	391,200
Culture and recreation	448,232	-	-	448,232
Economic development	-	-	126,784	126,784
Debt service:				
Principal	-	-	54,739	54,739
Interest and other charges	-	29,830	52,088	81,918
Capital outlay	146,878	234,374	-	381,252
Total expenditures	<u>2,211,057</u>	<u>264,204</u>	<u>233,611</u>	<u>2,708,872</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(526,256)</u>	<u>(263,906)</u>	<u>77,805</u>	<u>(712,357)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	663,775	-	43,997	707,772
Transfers out	(12,650)	-	(80,726)	(93,376)
Issuance of long-term debt	-	26,580	1,177,680	1,204,260
Payment to refunded bond escrow agent	-	-	(1,169,288)	(1,169,288)
Premium on bonds	-	3,250	-	3,250
Sale of capital assets	810	-	-	810
Total other financing sources (uses)	<u>651,935</u>	<u>29,830</u>	<u>(28,337)</u>	<u>653,428</u>
NET CHANGE IN FUND BALANCES	<u>125,679</u>	<u>(234,076)</u>	<u>49,468</u>	<u>(58,929)</u>
FUND BALANCES, BEGINNING	718,885	240,573	368,684	1,328,142
PRIOR PERIOD ADJUSTMENT	-	-	32,559	32,559
FUND BALANCES, BEGINNING, AS RESTATED	<u>718,885</u>	<u>240,573</u>	<u>401,243</u>	<u>1,360,701</u>
FUND BALANCES, ENDING	<u>\$ 844,564</u>	<u>\$ 6,497</u>	<u>\$ 450,711</u>	<u>\$ 1,301,772</u>

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

CITY OF COLUMBUS, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2010

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

Net change in fund balances - total governmental funds	\$(58,929)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	381,252
Depreciation	(251,365)
<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	(949)
Deferred municipal court revenue	3,839
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Bond issuance and retirement	43,957
<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</p>	
Compensated absences	3,489
Accrued interest	(4,546)
Change in net assets of governmental activities.	<u>\$ 116,748</u>

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

CITY OF COLUMBUS, TEXAS

STATEMENT OF NET ASSETS

PROPRIETARY FUND

SEPTEMBER 30, 2010

	<u>Utility Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,258,081
Investments	715,968
Accounts receivable (net of allowance for uncollectibles)	350,241
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	1,145,634
Deferred charges	93,589
Capital assets (net of accumulated depreciation):	
Land	24,183
Distribution and collection systems	13,376,243
Buildings	581,700
Machinery and equipment	666,590
Construction in progress	31,969
Less: accumulated depreciation	<u>(6,084,408)</u>
Total assets	<u>12,159,790</u>
LIABILITIES	
Current liabilities:	
Accounts payable	135,571
Accrued payroll	6,802
Due to other funds	32,883
Accrued interest	30,185
Customer deposits	107,745
Bonds payable - current	321,781
Compensated absences	11,511
Noncurrent liabilities:	
Bonds payable	<u>6,158,158</u>
Total liabilities	<u>6,804,636</u>
NET ASSETS	
Invested in capital assets, net of related debt	3,261,972
Unrestricted	<u>2,093,182</u>
Total net assets	<u>\$ 5,355,154</u>

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

CITY OF COLUMBUS, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Utility Fund</u>
OPERATING REVENUES	
Charges for sales and services:	
Water sales	\$ 767,358
Sewer charges	633,495
Garbage fees	622,420
Gas sales	942,929
Other	<u>4,799</u>
Total operating revenues	<u>2,971,001</u>
OPERATING EXPENSES	
Personnel	589,177
Maintenance and operations	1,535,461
Depreciation	<u>542,806</u>
Total operating expenses	<u>2,667,444</u>
OPERATING INCOME	<u>303,557</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	50,049
Interest and other charges	<u>(282,923)</u>
Total nonoperating revenues (expenses)	<u>(232,874)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	70,683
Capital contributions	201,500
Transfers in	52,726
Transfers out	<u>(667,122)</u>
CHANGE IN NET ASSETS	<u>(342,213)</u>
NET ASSETS, BEGINNING	<u>5,697,367</u>
NET ASSETS, ENDING	<u>\$ 5,355,154</u>

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

CITY OF COLUMBUS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Utility Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 2,933,144
Cash paid to suppliers	(1,567,020)
Cash paid to employees	(585,912)
Net cash provided by operating activities	<u>780,212</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from other funds	52,726
Transfer to other funds	(667,122)
Net cash used by noncapital financing activities	<u>(614,396)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	201,500
Purchase of capital assets	(633,532)
Principal paid on capital debt	(328,392)
Interest and other charges paid on debt	(250,349)
Net cash used by capital and related financing activities	<u>(1,010,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in investments	(1,852)
Interest received	50,049
Net cash provided by investing activities	<u>48,197</u>
NET DECREASE IN CASH AND EQUIVALENTS	(796,760)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>3,200,475</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 2,403,715</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net operating income	\$ 303,557
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	542,806
(Increase) decrease in accounts receivable	(41,869)
Increase (decrease) in accounts payable	(31,559)
Increase (decrease) in accrued payroll	(8,246)
Increase (decrease) in due to other funds	(2,837)
Increase (decrease) in compensated absences	11,511
Increase (decrease) in customer deposits	<u>6,849</u>
Net cash provided by operations	<u>\$ 780,212</u>

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

CITY OF COLUMBUS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

1. 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 unit is discretely presented:

The Columbus Community Industrial and Development Corporation (the "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.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. The Reporting Entity (Continued)

During the year, the Corporation provided \$183,500 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
and 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 nonmajor 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.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus/Basis of Accounting (Continued)

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 **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.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus/Basis of Accounting (Continued)

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

The Corporation reports land for resale at historical cost.

F. Interfund Receivables and Payables

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

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Interfund Services Provided and Used

Interfund services provided and used are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are recognized as revenues and expenditures (or expenses) in the funds involved just as they would be recognized if the transactions involved organizations outside the governmental unit.

H. Restricted Assets

Certain assets of the City's 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. 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

Fulltime 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.

(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued)

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 the proprietary fund in the fund financial statements, the 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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as unamortized debt issue costs and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

2. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The City's deposits and investments are 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 \$1,105,933. 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 AAAM by Standard & Poor's, and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

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 \$3,213,148 and the bank balance was \$3,263,462. The bank balance was covered by federal depository insurance or 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 35 days.

At year-end, the Columbus Industrial Development Corporation's investments were with the Texas Local Government Investment Cooperative (LOGIC). The carrying amount and fair value of the investments was \$518,342.

(continued)

2. **DETAILED NOTES ON ALL FUNDS (Continued)**

A. Cash, Cash Equivalents and Investments (Continued)

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 AAAM by Standard & Poor's and have a weighted average maturity of 43 days.

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, 2010, were as follows:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Utility</u>	<u>Total Receivables</u>
Property taxes	\$ 29,696	\$ 7,480	\$ -	\$ 37,176
Sales taxes	118,803	-	-	118,803
Hotel/motel taxes	-	41,903	-	41,903
Intergovernmental	-	-	18,000	18,000
Utility accounts	-	-	350,508	350,508
Municipal court	<u>52,498</u>	<u>-</u>	<u>-</u>	<u>52,498</u>
Less: allowance for doubtful accounts	<u>(66,971)</u>	<u>(3,205)</u>	<u>(18,267)</u>	<u>(88,443)</u>
	<u>\$ 134,026</u>	<u>\$ 46,178</u>	<u>\$ 350,241</u>	<u>\$ 530,445</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.

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

(continued)

2. DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables (Continued)

	<u>Unavailable</u>	<u>Unearned</u>
General fund		
Delinquent property taxes receivable	\$ 11,384	\$ -
Court fines	<u>3,839</u>	<u>-</u>
Total general fund	<u>15,223</u>	<u>-</u>
Nonmajor governmental		
Delinquent property taxes receivable	<u>4,275</u>	<u>-</u>
Total nonmajor governmental	<u>4,275</u>	<u>-</u>
Total governmental funds	<u>\$ 19,498</u>	<u>\$ -</u>

C. Capital Assets

Capital asset activity for the year ended September 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 253,152	\$ -	\$ -	\$ 253,152
Construction in progress	<u>921,294</u>	<u>-</u>	<u>921,294</u>	<u>-</u>
Total capital assets not being depreciated	<u>1,174,446</u>	<u>-</u>	<u>921,294</u>	<u>253,152</u>
Capital assets being depreciated:				
Buildings and improvements	1,493,812	1,174,969	-	2,668,781
Machinery and equipment	<u>2,510,649</u>	<u>127,577</u>	<u>20,353</u>	<u>2,617,873</u>
Total capital assets being depreciated	<u>4,004,461</u>	<u>1,302,546</u>	<u>20,353</u>	<u>5,286,654</u>
Less accumulated depreciation for:				
Buildings and improvements	1,003,194	66,003	-	1,069,197
Machinery and equipment	<u>1,707,352</u>	<u>185,362</u>	<u>20,353</u>	<u>1,872,361</u>
Total accumulated depreciation	<u>2,710,546</u>	<u>251,365</u>	<u>20,353</u>	<u>2,941,558</u>
Total capital assets depreciated, net	<u>1,293,915</u>	<u>1,051,181</u>	<u>-</u>	<u>2,345,096</u>
Governmental activities, capital assets, net	<u>\$ 2,468,361</u>	<u>\$ 1,051,181</u>	<u>\$ 921,294</u>	<u>\$ 2,598,248</u>

(continued)

2. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Business-type activities:

Capital assets not being depreciated:

Land	\$ 24,183	\$ -	\$ -	\$ 24,183
Construction in progress	<u>30,852</u>	<u>21,499</u>	<u>20,382</u>	<u>31,969</u>
Total capital assets not being depreciated	<u>55,035</u>	<u>21,499</u>	<u>20,382</u>	<u>56,152</u>

Capital assets being depreciated:

Buildings and improvements	581,700	-	-	581,700
Distribution and collection systems	12,759,005	617,238	-	13,376,243
Machinery and equipment	<u>651,413</u>	<u>15,177</u>	<u>-</u>	<u>666,590</u>
Total capital assets being depreciated	<u>13,992,118</u>	<u>632,415</u>	<u>-</u>	<u>14,624,533</u>

Less accumulated depreciation for:

Buildings and improvements	550,724	13,161	-	563,885
Distribution and collection systems	4,520,952	478,646	-	4,999,598
Machinery and equipment	<u>469,926</u>	<u>50,999</u>	<u>-</u>	<u>520,925</u>
Total accumulated depreciation	<u>5,541,602</u>	<u>542,806</u>	<u>-</u>	<u>6,084,408</u>

Total capital assets depreciated, net	<u>8,450,516</u>	<u>89,609</u>	<u>-</u>	<u>8,540,125</u>
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Business-type activities, capital assets, net	<u>\$ 8,505,551</u>	<u>\$ 111,108</u>	<u>\$ 20,382</u>	<u>\$ 8,596,277</u>
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Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 35,872
Police	50,186
Fire	73,314
Public health	2,411
Streets	41,845
Parks and recreation	<u>47,737</u>

Total governmental activities	<u>\$ 251,365</u>
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Business-type activities:

Water	\$ 311,013
Sewer	186,993
Garbage	6,100
Gas	<u>38,700</u>

Total business-type activities	<u>\$ 542,806</u>
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(continued)

2. DETAILED NOTES ON ALL FUNDS (Continued)

D. 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 within one year.

The composition of the interfund balances as of September 30, 2010, is as follows:

Due to/Due from

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Utility	\$ <u>32,883</u>

Transfers In/Transfers Out

<u>Transfer in Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General	Utility	\$ 635,775
General	Nonmajor governmental	28,000
Nonmajor governmental	General	12,650
Nonmajor governmental	Utility	31,347
Utility	Nonmajor governmental	<u>52,726</u>
		\$ <u>760,498</u>

The General Fund transferred \$12,650 to the Fire Equipment Fund to cover future capital purchases. The Equipment Fund transferred \$28,000 to the General Fund for the purchase of equipment. The Utility Fund transferred \$505,969 to the General Fund to cover budgeted indirect costs. The Utility Fund transferred payments in lieu of taxes of \$129,805 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 \$4,848 to the Debt Service 2008 Fund to aid in paying down the 2008 certificates of obligation debt. The 2005 Certificates of Obligation fund transferred \$52,726 to the Utility Fund to aid in reducing the outstanding certificates of obligation debt.

(continued)

2. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt

The following is a summary of changes in long-term liabilities for the year ended September 30, 2010.

Primary Government

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of obligation	\$ 1,169,288	\$ -	\$ 1,169,288	\$ -	\$ -
Refunding GO bonds	-	1,204,260	54,739	1,149,521	53,219
Compensated absences	24,115	3,489	6,978	20,626	20,626
Total governmental activities	<u>\$ 1,193,403</u>	<u>\$ 1,207,749</u>	<u>\$ 1,231,005</u>	<u>\$ 1,170,147</u>	<u>\$ 73,845</u>
Business-type activities:					
Certificates of obligation	\$ 6,755,715	\$ -	\$ 2,865,715	\$ 3,890,000	\$ 200,000
Refunding GO bonds	-	2,755,740	125,261	2,630,479	121,781
Premium on bonds	52,617	7,225	52,617	7,225	-
Deferred loss on refunding	-	(47,765)	-	(47,765)	-
Compensated absences	-	14,793	3,282	11,511	11,511
Total business-type activities	<u>\$ 6,808,332</u>	<u>\$ 2,729,993</u>	<u>\$ 3,046,875</u>	<u>\$ 6,491,450</u>	<u>\$ 333,292</u>

Component Unit

Columbus Community Industrial and Development Corporation:					
Sales tax revenue bonds	\$ 1,695,000	\$ 1,645,000	\$ 1,695,000	\$ 1,645,000	\$ 85,000
Premium on bonds	-	7,190	-	7,190	-
Deferred loss on refunding	-	(49,072)	-	(49,072)	-
Total Columbus Community and Development Corporation:	<u>\$ 1,695,000</u>	<u>\$ 1,603,118</u>	<u>\$ 1,695,000</u>	<u>\$ 1,603,118</u>	<u>\$ 85,000</u>

Certificates of Obligation

The City has issued certificates of obligation to provide funds for the acquisition and construction of major capital facilities. Certificates of obligation have been issued for the City's 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 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.

(continued)

2. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

Certificates of Obligation (Continued)

The original amount of certificates of obligation issued in 2010 was \$3,960,000 to refund the 2008 certificates of obligation at an initial rate of 2.00% through and including August 14, 2016. On the rate change date, August 15, 2016, this obligation shall begin to bear interest at the adjusted rate (not less than 3.00%, nor greater than 4.00%) for the final rate period, with a maturity date of August 2027.

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.

Advance Refunding of Debt

The City issued \$3,960,000 of general obligation refunding bonds to provide resources to purchase U. S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$3,845,000 of certificates of obligation. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities and business-type activities columns of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$47,765. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 18 years by \$375,075 and resulted in an economic gain of \$273,381.

The Corporation issued \$1,645,000 of sales tax revenue refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$1,625,000 of sales tax revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$49,072. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 14 years by \$290,122 and resulted in an economic gain of \$257,390.

(continued)

2. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

The annual requirements to pay principal and interest on long-term obligations outstanding at September 30, 2010, 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
2011	\$ 53,219	\$ 36,573	\$ 321,781	\$ 278,055	\$ 85,000	\$ 57,884
2012	56,260	35,508	333,740	267,555	100,000	47,644
2013	56,260	34,383	338,740	256,680	100,000	45,644
2014	57,780	33,258	352,220	245,630	105,000	43,594
2015	57,780	32,102	357,220	234,130	105,000	41,494
2016-2020	320,832	137,201	2,009,168	959,830	585,000	159,140
2021-2025	375,571	80,029	2,414,429	489,861	565,000	46,256
2026-2030	171,819	10,340	393,181	34,000	-	-
Totals	<u>\$ 1,149,521</u>	<u>\$ 399,394</u>	<u>\$ 6,520,479</u>	<u>\$ 2,765,741</u>	<u>\$ 1,645,000</u>	<u>\$ 441,656</u>

3. 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 Projects Fund, which adopted a project-length budget. All annual appropriations lapse at fiscal year-end.

The City's fiscal year is the 12-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 \$13,000 increase for lights for the public works department; 2) a \$7,700 increase for the Austin St. railroad crossing; and 3) a \$6,100 increase for library supplies.

(continued)

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess of Expenditures Over Appropriations

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.

4. 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 workers' 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 workers' 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 by this time although the City expects such amounts, if any, to be immaterial.

C. Employee Retirement Systems and Plans

Plan Description

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the statewide 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.

(continued)

4. OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Plans (Continued)

Plan Description (Continued)

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's plan years 2010 and 2009, were as follows:

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 2009, TMRS allowed member cities to make additional contributions; the City did not choose to make an additional contribution for 2010. The annual pension cost and net pension obligation/(asset) are as follows:

(continued)

4. OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Plans (Continued)

Contributions (Continued)

Annual Required Contribution (ARC)	\$ 223,510
Interest on Net Pension Asset	(2,471)
Adjustment to the ARC	<u>2,156</u>
Annual Pension Cost	223,195
Contributions Made	<u>(223,510)</u>
Increase in Net Pension Asset	(315)
Net Pension Asset, beginning of year	<u>(35,307)</u>
 Net Pension Asset, ending of year	 <u><u>\$ (35,622)</u></u>

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Annual Contribution Made</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
09/30/08	\$ 136,080	\$ 161,080	118%	\$(25,000)
09/30/09	181,647	191,647	106%	(35,307)
09/30/10	223,510	223,510	100%	(35,622)

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 2010 were determined as part of the December 31, 2007 and 2008 actuarial valuations. Additional information follows as of the latest actuarial valuation, December 31, 2009, also follows:

Valuation date	12/31/07	12/31/08	12/31/09
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Single amortization period	30 years; closed period	29 years; closed period	28 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	Amortized cost	Amortized cost	10-year smoothed market
Actuarial assumptions:			
Investment rate of return*	7.0%	7.5%	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	2.1%	2.1%	2.1%

(continued)

4. OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Plans (Continued)

The funded status as of December 31, 2009, 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)
12/31/09	\$ 2,546,306	\$ 3,751,006	\$ 1,204,700	67.9%	\$ 1,384,317	87.0%

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 2010, 2009, and 2008, were \$4,854, \$5,190, and \$5,637, respectively, which equaled the required contributions each year.

(continued)

4. **OTHER INFORMATION** (Continued)

C. **Employee Retirement Systems and Plans** (Continued)

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 \$23,968 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 35 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.

D. **Prior Period Adjustments**

During the current year, the City determined Hotel/Motel taxes were not accrued in previous years. The net effect was an increase in beginning nonmajor governmental fund balance of \$32,559.

In prior years, the Corporation had a note receivable recorded in the fund financials along with a corresponding reservation of fund balance. Under the terms of the agreement, all of the conditions were not met to be considered a receivable as of September 30, 2009. Therefore, a prior period adjustment was recorded to reverse the effects of the note receivable. This adjustment resulted in a decrease in General Fund balance of \$400,000.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF COLUMBUS, TEXAS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR PARTICIPATION IN
TEXAS MUNICIPAL RETIREMENT SYSTEM**

SEPTEMBER 30, 2010

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)
12/31/07	\$ 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%
12/31/09	2,546,306	3,751,006	1,204,700	67.9%	1,384,317	87.0%

CITY OF COLUMBUS, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes:				
Sales	\$ 775,000	\$ 775,000	\$ 674,917	\$(100,083)
Property	476,417	476,417	477,044	627
Franchise	250,000	250,000	261,061	11,061
Other	7,800	7,800	7,934	134
Licenses and permits	27,600	27,600	33,524	5,924
Fines and forfeitures	71,575	71,575	57,720	(13,855)
Miscellaneous	12,650	25,477	25,520	43
Investment earnings	6,000	6,000	5,728	(272)
Charges for services	14,250	14,250	15,347	1,097
Intergovernmental	118,878	150,877	126,006	(24,871)
Total revenues	1,760,170	1,804,996	1,684,801	(120,195)
EXPENDITURES				
General government:				
Personnel	241,891	241,891	226,166	15,725
Supplies and maintenance	21,000	31,000	29,636	1,364
Other services	121,175	121,175	101,460	19,715
Capital outlay	30,000	20,000	5,462	14,538
Total administrative and general	414,066	414,066	362,724	51,342
Public safety:				
Police department:				
Personnel	681,044	681,044	647,986	33,058
Supplies and maintenance	54,850	63,737	45,268	18,469
Other services	57,692	57,692	45,094	12,598
Capital outlay	148,878	148,878	113,855	35,023
Total police department	942,464	951,351	852,203	99,148

(continued)

CITY OF COLUMBUS, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
EXPENDITURES (Continued)				
Public safety (continued):				
Fire department:				
Personnel	\$ 29,000	\$ 29,000	\$ 25,832	\$ 3,168
Supplies and maintenance	41,350	43,850	37,384	6,466
Other services	31,586	31,586	29,517	2,069
Total fire department	<u>101,936</u>	<u>104,436</u>	<u>92,733</u>	<u>11,703</u>
Total public safety	<u>1,044,400</u>	<u>1,055,787</u>	<u>944,936</u>	<u>110,851</u>
Public health:				
Personnel	28,197	28,197	29,548	(1,351)
Supplies and maintenance	4,600	4,600	2,855	1,745
Other services	12,189	12,189	4,001	8,188
Total public health	<u>44,986</u>	<u>44,986</u>	<u>36,404</u>	<u>8,582</u>
Public works:				
Personnel	240,068	240,068	249,548	(9,480)
Supplies and maintenance	187,050	200,050	55,468	144,582
Other services	99,322	99,322	86,184	13,138
Capital outlay	148,000	155,700	8,900	146,800
Total public works	<u>674,440</u>	<u>695,140</u>	<u>400,100</u>	<u>295,040</u>
Culture and recreation:				
Personnel	325,445	325,445	322,850	2,595
Supplies and maintenance	42,550	60,365	55,132	5,233
Other services	70,396	71,196	70,250	946
Capital outlay	20,000	22,124	18,661	3,463
Total culture and recreation	<u>458,391</u>	<u>479,130</u>	<u>466,893</u>	<u>12,237</u>
Total expenditures	<u>2,636,283</u>	<u>2,689,109</u>	<u>2,211,057</u>	<u>478,052</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	463,491	683,491	663,775	(19,716)
Transfers out	(12,650)	(12,650)	(12,650)	-
Sale of capital assets	-	-	810	810
Total other financing sources (uses)	<u>450,841</u>	<u>670,841</u>	<u>651,935</u>	<u>(18,906)</u>
NET CHANGE IN FUND BALANCES	(425,272)	(213,272)	125,679	338,951
FUND BALANCES, BEGINNING	<u>718,885</u>	<u>718,885</u>	<u>718,885</u>	<u>-</u>
FUND BALANCES, ENDING	<u><u>\$ 293,613</u></u>	<u><u>\$ 505,613</u></u>	<u><u>\$ 844,564</u></u>	<u><u>\$ 338,951</u></u>

CITY OF COLUMBUS, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2010

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 \$52,826. These amendments were as follows:

<u>Date Budget Amended</u>	<u>Purpose</u>	<u>Amount</u>
November 12, 2009	Christmas lights	\$ 13,000
February 11, 2010	Office supplies for the library	1,000
March 11, 2010	New police gear	8,887
March 25, 2010	Fire truck repairs	2,500
April 22, 2010	Outside services for the library	800
April 22, 2010	Library books	3,614
May 27, 2010	Library books	3,336
May 27, 2010	Audio-visual equipment for the library	825
May 27, 2010	Office supplies for the library	6,100
May 27, 2010	Office equipment for the library	2,124
August 26, 2010	Equipment for the Austin St. crossing	7,700
September 9, 2010	Library books	1,785
September 9, 2010	Audio-visual equipment for the library	<u>1,155</u>
	Total additional appropriations	<u>\$ 52,826</u>

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds – are used to account for special 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

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.

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, 2010

	Special Revenue			Total
	Equipment	Fire Equipment	Hotel/Motel Tax	
ASSETS				
Cash and cash equivalents	\$ 62,513	\$ 170,182	\$ 171,815	\$ 404,510
Investments	19,594	-	-	19,594
Taxes receivable (net of allowance for estimated uncollectibles)	-	-	41,903	41,903
 Total assets	 <u>\$ 82,107</u>	 <u>\$ 170,182</u>	 <u>\$ 213,718</u>	 <u>\$ 466,007</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 17,234	\$ 17,234
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>17,234</u>	<u>17,234</u>
Fund balances:				
Reserved for debt service	-	-	-	-
Unreserved, undesignated	<u>82,107</u>	<u>170,182</u>	<u>196,484</u>	<u>448,773</u>
Total fund balances	<u>82,107</u>	<u>170,182</u>	<u>196,484</u>	<u>448,773</u>
 Total liabilities and fund balances	 <u>\$ 82,107</u>	 <u>\$ 170,182</u>	 <u>\$ 213,718</u>	 <u>\$ 466,007</u>

Debt Service			Total Nonmajor Governmental Funds
2005 C of O	2008 C of O	Total	
\$ 206	\$ 1,732	\$ 1,938	\$ 406,448
-	-	-	19,594
<u>2,167</u>	<u>2,108</u>	<u>4,275</u>	<u>46,178</u>
<u>\$ 2,373</u>	<u>\$ 3,840</u>	<u>\$ 6,213</u>	<u>\$ 472,220</u>
\$ -	\$ -	\$ -	\$ 17,234
<u>2,167</u>	<u>2,108</u>	<u>4,275</u>	<u>4,275</u>
<u>2,167</u>	<u>2,108</u>	<u>4,275</u>	<u>21,509</u>
206	1,732	1,938	1,938
-	-	-	448,773
<u>206</u>	<u>1,732</u>	<u>1,938</u>	<u>450,711</u>
<u>\$ 2,373</u>	<u>\$ 3,840</u>	<u>\$ 6,213</u>	<u>\$ 472,220</u>

CITY OF COLUMBUS, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue			Total
	Equipment	Fire Equipment	Hotel/Motel Tax	
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	-	160,242	160,242
Investment earnings	936	2,068	2,098	5,102
Miscellaneous	-	-	187	187
Total revenues	<u>936</u>	<u>2,068</u>	<u>162,527</u>	<u>165,531</u>
EXPENDITURES				
Current:				
Economic development	-	-	126,784	126,784
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>126,784</u>	<u>126,784</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>936</u>	<u>2,068</u>	<u>35,743</u>	<u>38,747</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	29,150	-	39,150
Transfers out	(28,000)	-	-	(28,000)
Issuance of long-term debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(18,000)</u>	<u>29,150</u>	<u>-</u>	<u>11,150</u>
NET CHANGE IN FUND BALANCES	<u>(17,064)</u>	<u>31,218</u>	<u>35,743</u>	<u>49,897</u>
FUND BALANCES, BEGINNING	99,171	138,964	128,182	366,317
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>32,559</u>	<u>32,559</u>
FUND BALANCES, BEGINNING, AS RESTATED	<u>99,171</u>	<u>138,964</u>	<u>160,741</u>	<u>398,876</u>
FUND BALANCES, ENDING	<u>\$ 82,107</u>	<u>\$ 170,182</u>	<u>\$ 196,484</u>	<u>\$ 448,773</u>

		Debt Service		Total	Total
2005	2008	2008	Total		Nonmajor
C of O	C of O	C of O			Governmental
					Funds
\$ 52,528	\$ 89,208	\$ 141,736	\$ 141,736	\$ 141,736	
-	-	-	160,242	160,242	
-	4,149	4,149	9,251	9,251	
-	-	-	187	187	
<u>52,528</u>	<u>93,357</u>	<u>145,885</u>	<u>311,416</u>	<u>311,416</u>	
-	-	-	126,784	126,784	
-	54,739	54,739	54,739	54,739	
-	52,088	52,088	52,088	52,088	
<u>-</u>	<u>106,827</u>	<u>106,827</u>	<u>233,611</u>	<u>233,611</u>	
<u>52,528</u>	<u>(13,470)</u>	<u>39,058</u>	<u>77,805</u>	<u>77,805</u>	
-	4,847	4,847	43,997	43,997	
(52,726)	-	(52,726)	(80,726)	(80,726)	
-	1,177,680	1,177,680	1,177,680	1,177,680	
-	(1,169,288)	(1,169,288)	(1,169,288)	(1,169,288)	
<u>(52,726)</u>	<u>13,239</u>	<u>(39,487)</u>	<u>(28,337)</u>	<u>(28,337)</u>	
<u>(198)</u>	<u>(231)</u>	<u>(429)</u>	<u>49,468</u>	<u>49,468</u>	
404	1,963	2,367	368,684	368,684	
-	-	-	32,559	32,559	
<u>404</u>	<u>1,963</u>	<u>2,367</u>	<u>401,243</u>	<u>401,243</u>	
<u>\$ 206</u>	<u>\$ 1,732</u>	<u>\$ 1,938</u>	<u>\$ 450,711</u>	<u>\$ 450,711</u>	

CITY OF COLUMBUS, TEXAS

EQUIPMENT SPECIAL REVENUE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Investment earnings	\$ 6,201	\$ 6,201	\$ 936	\$(5,265)
Total revenues	<u>6,201</u>	<u>6,201</u>	<u>936</u>	<u>(5,265)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	10,000	10,000	-
Transfers out	(28,000)	(28,000)	(28,000)	-
Total other financing sources (uses)	<u>(18,000)</u>	<u>(18,000)</u>	<u>(18,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(11,799)	(11,799)	(17,064)	(5,265)
FUND BALANCES, BEGINNING	<u>99,171</u>	<u>99,171</u>	<u>99,171</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 87,372</u>	<u>\$ 87,372</u>	<u>\$ 82,107</u>	<u>\$(5,265)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Investment earnings	\$ -	\$ 2,300	\$ 2,068	\$(232)
Total revenues	<u>-</u>	<u>2,300</u>	<u>2,068</u>	<u>(232)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>29,150</u>	<u>29,150</u>	<u>29,150</u>	<u>-</u>
Total other financing sources (uses)	<u>29,150</u>	<u>29,150</u>	<u>29,150</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	29,150	31,450	31,218	(232)
FUND BALANCES, BEGINNING	<u>138,964</u>	<u>138,964</u>	<u>138,964</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 168,114</u>	<u>\$ 170,414</u>	<u>\$ 170,182</u>	<u>\$(232)</u>

CITY OF COLUMBUS, TEXAS

HOTEL OCCUPANCY TAX SPECIAL REVENUE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Hotel occupancy tax	\$ 160,000	\$ 160,000	\$ 160,242	\$ 242
Miscellaneous	-	-	187	187
Investment earnings	<u>1,000</u>	<u>1,000</u>	<u>2,098</u>	<u>1,098</u>
Total revenues	<u>161,000</u>	<u>161,000</u>	<u>162,527</u>	<u>1,527</u>
EXPENDITURES				
Current:				
Economic development	<u>132,005</u>	<u>132,005</u>	<u>126,784</u>	<u>5,221</u>
Total expenditures	<u>132,005</u>	<u>132,005</u>	<u>126,784</u>	<u>5,221</u>
NET CHANGE IN FUND BALANCES	<u>28,995</u>	<u>28,995</u>	<u>35,743</u>	<u>6,748</u>
FUND BALANCES, BEGINNING	128,182	128,182	128,182	-
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>32,559</u>	<u>32,559</u>
FUND BALANCES, BEGINNING, AS RESTATED	<u>128,182</u>	<u>128,182</u>	<u>160,741</u>	<u>32,559</u>
FUND BALANCES, ENDING	<u>\$ 157,177</u>	<u>\$ 157,177</u>	<u>\$ 196,484</u>	<u>\$ 39,307</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Property taxes	\$ 58,923	\$ 58,923	\$ 52,528	\$ (6,395)
Total revenues	<u>58,923</u>	<u>58,923</u>	<u>52,528</u>	<u>(6,395)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(58,923)	(58,923)	(52,726)	6,197
Total other financing sources (uses)	<u>(58,923)</u>	<u>(58,923)</u>	<u>(52,726)</u>	<u>6,197</u>
NET CHANGE IN FUND BALANCES	-	-	(198)	(198)
FUND BALANCES, BEGINNING	<u>404</u>	<u>404</u>	<u>404</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 404</u>	<u>\$ 404</u>	<u>\$ 206</u>	<u>\$ (198)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Property taxes	\$ 89,525	\$ 89,525	\$ 89,208	\$(317)
Investment earnings	<u>75</u>	<u>75</u>	<u>4,149</u>	<u>4,074</u>
Total revenues	<u>89,600</u>	<u>89,600</u>	<u>93,357</u>	<u>3,757</u>
EXPENDITURES				
Debt service:				
Principal	42,575	42,575	54,739	(12,164)
Interest and other charges	<u>54,706</u>	<u>54,706</u>	<u>52,088</u>	<u>2,618</u>
Total expenditures	<u>97,281</u>	<u>97,281</u>	<u>106,827</u>	<u>(9,546)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,681)</u>	<u>(7,681)</u>	<u>(13,470)</u>	<u>(5,789)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,215	7,215	4,847	(2,368)
Issuance of from debt issuance	-	-	1,177,680	1,177,680
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>(1,169,288)</u>	<u>(1,169,288)</u>
Total other financing sources (uses)	<u>7,215</u>	<u>7,215</u>	<u>13,239</u>	<u>6,024</u>
NET CHANGE IN FUND BALANCES	<u>(466)</u>	<u>(466)</u>	<u>(231)</u>	<u>235</u>
FUND BALANCES, BEGINNING	<u>1,963</u>	<u>1,963</u>	<u>1,963</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 1,497</u>	<u>\$ 1,497</u>	<u>\$ 1,732</u>	<u>\$ 235</u>

STATISTICAL SECTION

Statistical Section



This part of the City of Columbus' 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.

Page Number

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

54 – 61

Revenue Capacity

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.

62 – 68

Debt Capacity

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.

69 – 72

Demographic and Economic Information

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.

73 – 75

Operating Information

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.

76 – 77

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.

TABLE 1

CITY OF COLUMBUS, TEXAS

NET ASSETS BY COMPONENT

LAST SEVEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
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	\$ 1,459,522
Restricted	36,512	36,871	1,089	2,130	3,367	388,506	204,648
Unrestricted	1,845,395	1,885,626	1,609,595	1,304,614	976,383	945,314	1,118,030
Total governmental activities net assets	\$ 2,916,067	\$ 3,067,764	\$ 2,929,868	\$ 2,681,967	\$ 2,350,342	\$ 2,632,893	\$ 2,782,200
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	\$ 3,261,972
Restricted	-	-	-	-	-	1,685,888	-
Unrestricted	1,053,265	1,055,325	1,175,124	1,759,621	2,023,416	2,180,617	2,093,182
Total business-type activities net assets	\$ 4,857,208	\$ 4,626,456	\$ 5,132,262	\$ 5,486,941	\$ 5,762,083	\$ 5,697,367	\$ 5,355,154
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	\$ 4,721,494
Restricted	36,512	36,871	1,089	2,130	3,367	2,074,394	204,648
Unrestricted	2,898,660	2,940,951	2,784,719	3,064,235	2,999,799	3,125,931	3,211,212
Total primary government net assets	\$ 7,773,275	\$ 7,694,220	\$ 8,062,130	\$ 8,168,908	\$ 8,112,425	\$ 8,330,260	\$ 8,137,354

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 SEVEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year		
	2004	2005	2006
EXPENSES			
Governmental activities:			
General government	\$ 183,218	\$ 176,743	\$ 299,796
Public safety	658,875	639,122	768,000
Public health	24,214	28,548	30,820
Public works	232,502	409,441	417,553
Culture and recreation	360,990	332,045	412,540
Economic development	116,263	123,031	128,374
Interest on long-term debt	-	1,349	4,730
Total governmental activities expenses	<u>1,576,062</u>	<u>1,710,279</u>	<u>2,061,813</u>
Business-type activities:			
Water	490,701	453,288	543,185
Sewer	363,082	394,298	393,120
Garbage	435,503	534,369	555,312
Gas	687,792	786,602	791,360
Total business-type activities expenses	<u>1,977,078</u>	<u>2,168,557</u>	<u>2,282,977</u>
Total primary government program expenses	<u>\$ 3,553,140</u>	<u>\$ 3,878,836</u>	<u>\$ 4,344,790</u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services:			
General government	\$ 20,609	\$ 27,304	\$ 19,203
Public safety	45,228	31,896	49,691
Public works	2,317	16,717	11,676
Culture and recreation	31,737	15,124	18,715
Operating grants and contributions	6,422	140,685	21,742
Capital grants and contributions	50,380	39,208	124,318
Total governmental activities program revenues	<u>156,693</u>	<u>270,934</u>	<u>245,345</u>
Business-type activities:			
Charges for services:			
Water	423,125	456,607	587,506
Sewer	338,023	302,882	463,335
Garbage	406,552	500,181	599,853
Gas	678,193	723,293	931,557
Operating grants and contributions	-	-	1,547
Capital grants and contributions	-	-	101,110
Total business-type activities program revenues	<u>1,845,893</u>	<u>1,982,963</u>	<u>2,684,908</u>
Total primary government program revenues	<u>\$ 2,002,586</u>	<u>\$ 2,253,897</u>	<u>\$ 2,930,253</u>

TABLE 2

Fiscal Year			
2007	2008	2009	2010
\$ 359,485	\$ 324,635	\$ 354,275	\$ 392,785
792,484	891,435	894,696	952,871
32,546	34,689	35,379	38,746
401,228	481,732	487,126	432,312
456,391	435,819	449,684	495,341
125,276	131,556	122,134	126,784
10,117	-	51,139	59,024
<u>2,177,527</u>	<u>2,299,866</u>	<u>2,394,433</u>	<u>2,497,863</u>
534,162	646,858	833,374	892,209
392,061	469,715	571,787	637,526
620,013	609,423	615,091	586,244
748,644	813,248	657,088	837,959
<u>2,294,880</u>	<u>2,539,244</u>	<u>2,677,340</u>	<u>2,953,938</u>
\$ <u>4,472,407</u>	\$ <u>4,839,110</u>	\$ <u>5,071,773</u>	\$ <u>5,451,801</u>
\$ 18,928	\$ 46,790	\$ 41,328	\$ 35,003
48,060	62,614	76,714	57,611
5	5,077	9,655	-
18,747	27,673	21,013	19,308
61,521	14,242	103,945	62,195
15,076	44,250	283,753	75,756
<u>162,337</u>	<u>200,646</u>	<u>536,408</u>	<u>249,873</u>
509,935	659,474	813,882	770,263
469,919	497,712	618,393	634,215
637,545	660,369	637,383	622,420
870,845	917,565	739,790	942,875
-	-	-	-
90,000	135,000	125,000	201,500
<u>2,578,244</u>	<u>2,870,120</u>	<u>2,934,448</u>	<u>3,171,273</u>
\$ <u>2,740,581</u>	\$ <u>3,070,766</u>	\$ <u>3,470,856</u>	\$ <u>3,421,146</u>

(continued)

CITY OF COLUMBUS, TEXAS

**CHANGES IN NET ASSETS
(Continued)
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year		
	2004	2005	2006
NET (EXPENSE) REVENUES			
Governmental activities	\$(1,419,369)	\$(1,439,345)	\$(1,816,468)
Business-type activities	(131,185)	(185,594)	401,931
Total primary government net expense	<u>(1,550,554)</u>	<u>(1,624,939)</u>	<u>(1,414,537)</u>
 GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS			
Governmental activities:			
Taxes			
Property	310,524	322,787	424,250
Sales	596,037	634,052	653,999
Hotel occupancy	116,263	123,031	128,374
Franchise	358,702	348,785	259,168
Alcohol beverage	1,448	1,854	4,948
Investment earnings	22,068	47,365	72,356
Gain on sale of capital assets	-	1,695	13
Miscellaneous	-	-	-
Transfers	<u>100,426</u>	<u>102,644</u>	<u>135,467</u>
Total governmental activities	<u>1,505,468</u>	<u>1,582,213</u>	<u>1,678,575</u>
Business-type activities:			
Other	15,426	57,487	239,342
Transfers	<u>(100,426)</u>	<u>(102,644)</u>	<u>(135,467)</u>
Total business-type activities	<u>(85,000)</u>	<u>(45,157)</u>	<u>103,875</u>
Total primary government	<u>1,420,468</u>	<u>1,537,056</u>	<u>1,782,450</u>
 CHANGE IN NET ASSETS			
Governmental activities	86,099	142,868	(137,893)
Business-type activities	<u>(216,185)</u>	<u>(230,751)</u>	<u>505,806</u>
Total primary government	<u>\$(130,086)</u>	<u>\$(87,883)</u>	<u>\$ 367,913</u>

Note:

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

TABLE 2

Fiscal Year			
2007	2008	2009	2010
\$(2,015,190)	\$(2,099,220)	\$(1,858,025)	\$(2,247,990)
<u>283,364</u>	<u>330,876</u>	<u>257,108</u>	<u>217,335</u>
<u>(1,731,826)</u>	<u>(1,768,344)</u>	<u>(1,600,917)</u>	<u>(2,030,655)</u>
444,169	469,274	614,554	617,831
698,441	698,525	737,437	674,917
125,276	131,930	154,074	160,242
257,381	261,436	253,782	261,061
5,460	5,483	7,895	7,934
71,409	34,714	13,350	15,277
15,589	8,945	2,610	810
-	-	-	12,270
<u>149,564</u>	<u>157,287</u>	<u>356,875</u>	<u>614,396</u>
<u>1,767,289</u>	<u>1,767,594</u>	<u>2,140,577</u>	<u>2,364,738</u>
220,876	101,555	35,053	54,848
<u>(149,564)</u>	<u>(157,287)</u>	<u>(356,876)</u>	<u>(614,396)</u>
<u>71,312</u>	<u>(55,732)</u>	<u>(321,823)</u>	<u>(559,548)</u>
<u>1,838,601</u>	<u>1,711,862</u>	<u>1,818,754</u>	<u>1,805,190</u>
(247,901)	(331,626)	282,552	116,748
<u>354,676</u>	<u>275,144</u>	<u>(64,715)</u>	<u>(342,213)</u>
<u>\$ 106,775</u>	<u>\$(56,482)</u>	<u>\$ 217,837</u>	<u>\$(225,465)</u>

CITY OF COLUMBUS, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	\$ 6,727	\$ 8,255	\$ 10,354	\$ 13,540	\$ 15,681	\$ 18,079	\$ 19,722	\$ 22,736	\$ 27,598	\$ -
Unreserved	818,696	990,050	1,271,701	1,355,048	1,458,053	1,390,565	1,090,074	740,197	691,287	844,564
Total general fund	\$ 825,423	\$ 998,305	\$ 1,282,055	\$ 1,368,588	\$ 1,473,734	\$ 1,408,644	\$ 1,109,796	\$ 762,933	\$ 718,885	\$ 844,564
All other governmental funds										
Reserved, reported in:										
Debt service funds	\$ 534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186	\$ 186	\$ 2,367	\$ 1,938
Capital projects funds	75,668	22,852	62,314	36,512	36,871	-	-	1,137,009	240,573	6,497
Unreserved, reported in:										
Special revenue funds	231,763	252,934	297,975	342,266	391,470	210,549	202,457	222,867	366,317	448,773
Total all other governmental funds	\$ 307,965	\$ 275,786	\$ 360,289	\$ 378,778	\$ 428,341	\$ 210,549	\$ 202,643	\$ 1,360,062	\$ 609,257	\$ 457,208

CITY OF COLUMBUS, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Property taxes	\$ 243,877	\$ 260,325	\$ 288,594	\$ 307,843	\$ 323,454	\$ 426,701	\$ 441,603	\$ 467,410	\$ 613,903	\$ 618,780
Non-property taxes	888,498	890,358	876,978	971,067	1,019,120	1,046,489	1,086,558	1,097,375	1,153,187	1,104,154
Licenses and permits	17,840	18,425	19,434	15,023	19,146	12,551	11,912	37,783	30,897	33,524
Fines and forfeitures	33,768	25,140	36,536	43,227	31,624	48,253	46,227	52,744	75,617	57,720
Charges for services	35,448	26,671	26,727	14,840	16,769	13,915	15,893	24,785	17,717	15,347
Intergovernmental	787,502	357,618	122,789	47,746	157,982	146,293	76,097	43,914	125,770	126,006
Miscellaneous	156,829	65,364	65,704	57,925	91,496	98,402	86,132	59,184	39,567	40,984
Total revenues	2,163,762	1,643,901	1,436,762	1,457,671	1,659,591	1,792,604	1,764,422	1,783,195	2,056,658	1,996,515
EXPENDITURES										
General government	126,971	123,333	136,031	168,477	168,854	320,752	351,438	307,755	355,284	357,262
Public safety	603,340	559,152	576,531	645,442	573,789	1,012,663	739,381	863,991	838,387	831,081
Public health	21,138	21,782	24,062	24,017	28,123	30,724	34,247	43,952	34,456	36,404
Public works	297,618	260,464	245,323	224,341	486,905	465,536	491,700	518,859	444,832	391,200
Culture and recreation	324,040	252,228	285,450	372,416	431,115	369,913	367,039	404,403	414,243	448,232
Economic development	144,519	119,798	105,451	119,763	126,031	132,874	129,981	136,556	122,934	126,784
Industrial development	610,945	356,461	80,508	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	63,354	905,824	381,252
Debt service	-	-	-	-	10,427	34,964	112,426	-	30,712	54,739
Principal	-	-	-	-	1,349	4,730	10,117	-	70,799	81,918
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	2,128,571	1,693,218	1,453,356	1,554,456	1,826,593	2,372,156	2,236,329	2,338,870	3,217,471	2,708,872

(continued)

TABLE 4

CITY OF COLUMBUS, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

(Continued)

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 35,191	\$ (49,317)	\$ (16,594)	\$ (96,785)	\$ (167,002)	\$ (579,552)	\$ (471,907)	\$ (555,675)	\$ (1,160,813)	\$ (712,357)
OTHER FINANCING SOURCES (USES)										
Transfers in	176,641	198,315	266,922	224,809	203,896	489,650	294,388	274,753	483,522	707,772
Transfers out	(153,576)	(10,913)	(38,000)	(23,000)	(12,650)	(354,183)	(144,824)	(117,466)	(126,646)	(93,376)
Issuance of long-term debt	-	-	-	-	-	-	-	1,200,000	-	1,204,260
Payment to escrow agent	-	-	-	-	-	-	-	-	-	(1,169,288)
Premium on bonds	-	-	-	-	75,625	82,191	-	-	-	3,250
Capital leases	-	-	-	-	46,012	13	-	-	-	-
Sale of capital assets	3,832	1,090	-	-	15,589	8,945	-	-	2,610	810
Total other financing sources (uses)	26,897	188,492	228,922	201,809	312,883	217,671	165,153	1,366,232	359,486	653,428
SPECIAL ITEMS										
Sale of capital assets	-	-	39,500	-	-	79,000	-	-	-	-
Total special items	-	-	39,500	-	-	79,000	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 62,088	\$ 139,175	\$ 251,828	\$ 105,024	\$ 145,881	\$ (282,881)	\$ (306,754)	\$ 810,557	\$ (801,327)	\$ (58,929)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	- %	- %	- %	- %	0.76%	2.09%	5.82%	- %	4.36%	5.87%

TABLE 5

CITY OF COLUMBUS, TEXAS
PRINCIPAL GAS PURCHASERS
CURRENT YEAR AND NINE YEARS AGO

Customer	2010			2000		
	Gas Sales	Rank	Percentage of Total Gas Sales	Gas Sales	Rank	Percentage of Total Gas Sales
Columbus Independent School District	\$ 42,159	1	4.59%	\$ 13,750	3	2.60%
Columbus Community Hospital	40,404	2	4.40%	7,370	5	1.39%
River Oaks Convalescent Center	27,225	3	2.97%	14,819	2	2.80%
Los Cabos Mexican Grill	19,173	4	2.09%	-		- %
Columbus Care Center	17,297	5	1.88%	7,406	4	1.40%
Country Fresh Cleaners	14,395	6	1.57%	7,096	6	1.34%
Texas Great Southern Wood, LLC	13,963	7	1.52%	-		- %
Schobels Restaurant	12,863	8	1.40%	7,002	7	1.32%
Gary Kulhanek (Washateria)	11,679	9	1.27%	-		- %
Columbus Inn	10,923	10	1.19%	4,226	10	0.80%
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	<u>\$ 210,081</u>		<u>22.88%</u>	<u>\$ 110,137</u>		<u>20.81%</u>

CITY OF COLUMBUS, TEXAS

TAXABLE SALES BY CATEGORY

LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Agricultural	\$ 4,242	\$ 4,309	\$ 9,828	\$ 10,666	\$ 11,996	\$ 11,194	\$ 31,459	\$ 11,283
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	1,232,856
Manufacturing	1,758,528	1,254,508	1,713,351	1,947,293	2,896,616	1,888,360	1,158,673	958,389
Wholesale	27,707	5,055	32,578	707,913	2,074,619	2,244,137	1,774,390	1,510,938
Retail	31,360,300	33,279,328	35,529,503	37,641,393	37,887,867	38,234,724	38,024,476	36,623,035
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	8,051
Professional, scientific, technical services	344,918	415,859	535,534	838,902	796,969	665,880	445,954	411,955
Health care, social assistance	-	-	-	-	-	-	31,956	138,031
Administrative, support, waste management, remediation services	532,591	529,801	763,428	1,395,782	1,694,613	1,891,695	2,222,536	2,361,517
Arts, entertainment, recreation	174,095	87,306	156,268	327,348	324,552	307,289	146,168	324,608
Accommodation, food services	10,768,432	10,928,691	12,218,846	12,583,383	12,901,396	13,741,559	14,450,645	13,963,676
Other services	2,286,424	2,363,511	2,072,611	1,856,074	1,902,834	1,865,236	1,886,321	1,854,184
Total taxable sales	\$ 49,549,889	\$ 51,269,724	\$ 56,243,781	\$ 59,040,683	\$ 62,451,125	\$ 62,578,448	\$ 64,462,037	\$ 59,398,523
City direct sales tax rate	1.00%	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.

TABLE 7

CITY OF COLUMBUS, TEXAS

TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Gross Receipts Tax	Hotel Occupancy Tax	Mixed Beverage Tax	Totals
2001	\$ 234,877	\$ 538,719	\$ 223,606	\$ 125,007	\$ 1,166	\$ 1,123,375
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
2010	618,780	682,851	261,061	160,242	7,934	1,730,868
Change 2001-2010	263.4%	126.8%	116.8%	128.2%	680.4%	154.1%

TABLE 8

CITY OF COLUMBUS, TEXAS

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property	Personal Property	Less: Tax-exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a % of Actual Taxable Value
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%
2010	206,241,587	25,375,000	8,641,377	222,975,210	0.27312	231,616,587	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 and Overlapping Rates
	Basic Rate	Debt Service	Total Direct Rate	Columbus I.S.D.	Colorado County	
2001	\$ 0.18900	\$ -	\$ 0.18900	\$ 1.32000	\$ 0.39150	\$ 1.90050
2002	0.18881	-	0.18881	1.40000	0.39000	1.97881
2003	0.19881	-	0.19881	1.42100	0.39750	2.01731
2004	0.19581	-	0.19581	1.42000	0.43000	2.04581
2005	0.19017	-	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
2010	0.22364	0.04948	0.27312	1.19000	0.46429	1.92741

TABLE 10

CITY OF COLUMBUS, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Customer	2010			2001		
	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	1.10%	\$ -		1.68%
Wal-Mart Stores, Inc.	2,413,550	2	1.05%	2,139,734	2	1.13%
Columbus Associates (Wal-Mart)	2,259,010	3	0.99%	1,449,100	6	1.15%
H. E. Butt Grocery Company	1,998,120	4	0.87%	1,472,247	5	0.78%
Magnolia Living Center	1,954,530	5	0.85%	997,700	8	- %
Hurd Enterprises, LTD	1,859,060	6	0.81%	-		1.10%
AEP Central Power & Light	1,752,500	7	0.76%	1,406,720	7	1.24%
River Oaks Convalescent	1,696,410	8	0.74%	1,585,520	4	- %
Great Southern Wood	1,679,660	9	0.73%	-		- %
Columbus Fortune Eight	1,584,460	10	0.69%	-		- %
Southwestern Bell Telephone	-		- %	2,062,830	3	1.62%
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	\$ 19,721,040		8.59%	\$ 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 Ended	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
2001	\$ 242,563	\$ 235,440	97.1%	\$ 7,003	\$ 242,443	100.0%
2002	258,534	251,781	97.4%	6,349	258,130	99.8%
2003	282,049	277,313	98.3%	5,534	282,847	100.3%
2004	305,472	297,977	97.5%	6,586	304,563	99.7%
2005	317,479	312,172	98.3%	5,149	317,321	100.0%
2006	417,321	411,167	98.5%	5,094	416,261	99.7%
2007	439,273	430,994	98.1%	5,034	436,028	99.3%
2008	468,574	458,536	97.9%	5,616	464,152	99.1%
2009	601,905	597,118	99.2%	5,479	602,597	100.1%
2010	608,990	596,438	97.9%	-	596,438	97.9%

CITY OF COLUMBUS, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities										
2008 certificates of obligation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000	\$ 1,169,288	\$ -
2010 general obligation refunding bonds	-	-	-	-	-	-	-	-	-	1,149,521
Capital leases	-	-	-	-	65,199	11,426	-	-	-	-
Total governmental activities	-	-	-	-	65,199	11,426	-	1,200,000	1,169,288	1,149,521
Business-type activities										
Note payable	\$ 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	3,890,000
2010 certificates of obligation	-	-	-	-	-	-	-	2,800,000	2,675,715	-
2010 general obligation refunding bonds	-	-	-	-	-	-	-	-	-	2,630,479
Capital leases	-	-	-	-	-	30,644	-	-	-	-
Total business-type activities	123,312	92,444	61,611	30,686	4,750,000	4,650,644	4,445,000	7,065,000	6,755,715	6,520,479
Total primary government	\$ 123,312	\$ 92,444	\$ 61,611	\$ 30,686	\$ 4,815,199	\$ 4,662,070	\$ 4,445,000	\$ 8,265,000	\$ 7,925,003	\$ 7,670,000
(1) Percentage of personal income	0.2%	0.1%	0.1%	-	7.9%	7.6%	7.3%	13.4%	12.9%	12.5%
(1) Per capita	\$ 31	\$ 24	\$ 16	\$ 8	\$ 1,246	\$ 1,207	\$ 1,150	\$ 2,125	\$ 2,037	\$ 2,112

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, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Columbus Independent School District	\$ 15,159,989	30.190%	\$ 4,576,801
Colorado County	5,614,515	12.480%	<u>700,691</u>
Subtotal overlapping debt			5,277,492
City of Columbus direct debt			<u>1,149,521</u>
Total direct and overlapping debt			<u>\$ 6,427,013</u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Columbus. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

CITY OF COLUMBUS, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year			
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Tax roll year	2000	2001	2002	2003
Net assessed value	\$ 128,469,323	\$ 136,928,106	\$ 141,868,672	\$ 156,004,169
Plus exempt property	<u>5,870,038</u>	<u>5,585,184</u>	<u>5,171,845</u>	<u>4,927,107</u>
Total assessed value	\$ <u>134,339,361</u>	\$ <u>142,513,290</u>	\$ <u>147,040,517</u>	\$ <u>160,931,276</u>
Debt limit (1)	\$ <u>13,433,936</u>	\$ <u>14,251,329</u>	\$ <u>14,704,052</u>	\$ <u>16,093,128</u>

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

TABLE 14

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
2004	2005	2006	2007	2008	2009
\$ 167,315,584	\$ 179,015,962	\$ 188,432,039	\$ 201,001,471	\$ 220,381,289	\$ 222,975,210
<u>4,671,763</u>	<u>5,108,213</u>	<u>5,212,305</u>	<u>5,695,690</u>	<u>6,085,022</u>	<u>6,149,715</u>
<u>\$ 171,987,347</u>	<u>\$ 184,124,175</u>	<u>\$ 193,644,344</u>	<u>\$ 206,697,161</u>	<u>\$ 226,466,311</u>	<u>\$ 229,124,925</u>
<u>\$ 17,198,735</u>	<u>\$ 18,412,418</u>	<u>\$ 19,364,434</u>	<u>\$ 20,669,716</u>	<u>\$ 22,646,631</u>	<u>\$ 22,912,493</u>

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⁾
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%
2010	3,655	61,958,952	15,882	40	16.7%	1,551	7.8%

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	2010			2001		
	Employees	Rank	Percentage of Total Assessed Valuation	Employees	Rank	Percentage of Total Assessed Valuation
Columbus Independent School District	220	1	2.20%	\$ 229	1	2.39%
Columbus Community Hospital	187	2	1.87%	155	2	1.62%
Drymalla Construction Co.	164	4	1.64%	130	3	1.36%
Colorado County (government)	143	4	1.43%	120	4	1.25%
River Oaks Convalescent Home	122	5	1.22%	120	5	1.25%
Wal-Mart	105	6	1.05%	90	6	0.94%
Schobels Restaurant	91	7	0.91%	80	7	0.84%
Tru Care	66	8	0.66%	-		- %
HEB Grocery Company, LP	65	9	0.65%	59	8	0.62%
Brookshire Brothers (grocery)	-		- %	45	10	0.47%
Columbus Care	51	10	0.51%	54	9	0.56%
Total	1,214		12.14%	\$ 1,082		11.30%

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
FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS

Function	Fulltime Equivalent Employees as of September 30,						
	2004	2005	2006	2007	2008	2009	2010
Administrative and general	0.73	1.25	2.97	3.00	3.00	3.00	2.77
Police department	10.91	11.97	12.02	12.15	12.24	12.14	11.92
Streets and drainage	3.04	4.05	4.88	4.91	4.93	4.87	5.10
Parks and recreation							
Parks	3.84	3.82	3.97	4.39	3.69	3.57	3.58
Swimming pool	0.88	0.91	0.94	0.87	0.94	1.00	0.90
Library	3.64	3.59	3.80	3.76	3.81	3.73	3.89
Public health	0.56	0.55	1.03	0.54	0.54	0.53	0.54
Tourism and economic development	-	-	-	-	-	0.51	0.41
Water	4.71	3.97	2.97	4.09	3.13	2.93	3.46
Sewer	1.90	2.92	1.29	2.61	2.65	3.02	3.12
Garbage	5.62	4.11	0.30	0.49	0.49	0.50	0.48
Gas	6.42	6.95	4.98	3.77	4.54	4.68	4.64
Total	42.25	44.09	39.15	40.58	39.96	40.48	40.81

Source: City Finance Director

Notes: A fulltime employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
Fulltime equivalent employment is calculated by dividing total labor hours by 2,080.
Data for years prior to 2004 is not available.

TABLE 18

CITY OF COLUMBUS, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS

Function/Program	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
General government							
Building permits issued	47	27	33	32	42	34	40
Building inspections conducted	61	67	49	56	34	36	39
Gas inspections	27	15	17	26	22	15	4
Electrical inspections	88	60	57	60	65	82	57
Plumbing inspections	23	63	39	26	25	36	56
Mechanical inspections	20	48	31	45	15	22	76
Police							
Case reports opened	141	149	159	168	203	460	500
Calls of service	1,986	2,578	2,179	2,551	2,422	1,934	2,124
Citations issued	1,146	1,519	1,917	1,519	1,239	1,522	2,109
Fire							
Fire/other calls							
Structure fires	23	29	29	26	25	27	11
Grass/brush fires	37	51	50	29	68	48	26
Car fires	27	23	18	16	9	13	11
Rescues	30	30	49	29	29	31	15
Hazardous	16	8	12	10	6	16	7
False alarms	7	7	5	8	6	3	28
Others	4	5	4	8	4	3	10
Total man hours	2,137	2,322	2,667	2,614	4,561	4,750	4,279
Total training hours	1,842	1,726	1,636	1,935	1,500	1,500	1,500
Total maintenance hours	810	910	1,050	1,152	1,500	1,500	1,500
Municipal court							
Cases filed							
Traffic - non-parking	490	381	440	273	394	612	570
Traffic - parking	6	11	45	13	25	22	47
Non-traffic - state law	47	125	239	156	206	152	157
Non-traffic - city ordinance	11	13	28	24	38	23	13
Cases disposed							
Traffic - non-parking	199	144	327	269	436	537	492
Traffic - parking	4	3	40	16	18	22	30
Non-traffic - state law	12	44	159	120	156	132	84
Non-traffic - city ordinance	4	4	24	11	34	24	12
Solid waste							
Customers	1,872	1,860	1,833	1,829	1,826	1,585	1,598
Recyclables (tons per day)	.4	.59	.42	.47	.34	.31	.30
Water							
Customers	1,653	1,649	1,633	1,619	1,641	1,638	1,651
New water taps	7	10	7	15	12	3	4
Average daily consumption (thousands of gallons)	567	587	684	550	716	761	678,052
Sewer							
Customers	1,598	1,590	1,577	1,566	1,576	1,574	1,587
New sewer taps	6	6	6	7	13	3	4
Average daily discharge (thousands of gallons)	355	365	383	333	376	350	314,054
Gas							
Customers	1,287	1,266	1,241	1,230	1,239	1,232	1,241
New gas meters	6	5	-	5	3	6	4
Average daily consumption (thousands of gallons)	191.34	184.10	183.23	205.45	186.37	188.95	229.70

TABLE 19

CITY OF COLUMBUS, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS

Function/Program	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
General government							
Municipal buildings	1	1	1	1	1	1	1
Community buildings	2	2	2	2	2	2	2
Public safety							
Police							
Stations	1	1	1	1	1	1	1
Patrol units	7	9	9	9	9	9	9
Fire							
Stations	1	1	1	1	1	1	1
Fire trucks	8	8	9	9	9	10	10
Highways and streets							
Streets (miles)	29	29	29	29	29	29	29
Culture and recreation							
Acreage	106.1	106.1	106.1	106.1	106.1	106.1	106.1
Community buildings	1	1	1	1	1	1	1
Playgrounds	3	3	3	3	3	3	3
Baseball/softball diamonds	6	6	6	6	6	6	6
Golf courses	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1
Swimming pool	1	1	1	1	1	1	1
Soccer fields	5	5	5	5	5	5	5
Water							
Wells (active)	4	4	4	3	4	4	4
Water mains (miles)	37.62	37.62	37.62	41.62	41.62	41.62	41.62
Fire hydrants	158	158	158	193	193	205	205
Storage capacity	1,548,000	1,548,000	1,548,000	1,548,000	1,340,000	1,340,000	1,340,000
Sewer							
Sewer mains (miles)	29.3	29.3	29.3	29.3	29.3	29.3	29.3
Lift stations	6	6	6	6	6	6	6

Source: Various City departments

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