



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2020

Prepared by:
Finance Department

CITY OF COLUMBUS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

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The City of Columbus

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

March 25, 2021

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, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control 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 unmodified (“clean”) opinion on the City of Columbus’ financial statements for the year ended September 30, 2020. 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, and first incorporated on June 5, 1837. Current incorporation occurred on January 10, 1927. It is located in Colorado County at the intersection of Interstate Highway 10 and State Highway 71, in south central Texas, approximately 70 miles west of Houston, 120 miles east of San Antonio, and 80 miles southeast of Austin. 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 Texas 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, and 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 ten years. With sales tax revenues for fiscal year end 2011 of \$732,969 and for the current year of \$1,180,800, the growth for the period was 61%. Three of the last four years have seen healthy annual increases in the City's sales tax revenue, with an average annual increase of 6.1%. Last year, sales tax saw a 4.5% increase in revenue. Although the City experienced an increase in sales tax revenue during the COVID-19 pandemic of 2020, it is unknown what the lasting effect of the economic shut-down will have on collections in the years to come. Because of the volatility in the national economy, the City carefully monitors sales tax revenues on a monthly basis, with a goal of identifying new trends.

2013 saw the completion of a new \$14.5 million oil and gas fabricating facility in the City's industrial park. Because of increased demand on the City's natural gas supply made by this facility, the City obtained a Texas Capital Fund grant to install a new transmission line to the industrial park. This line not only provides needed volumes to the current facility but will also be available for future expansion at the park. Engineering on this new gas line was completed in 2015. Construction was completed in 2016, and the grant closed in 2018. Prior committed land in the industrial park has recently become available for prospective expansion, and interest in other available tracts has been heavy.

With the upturn in the energy sector, the City maintains an advantage with growth in related sectors. With the continued growth of the Sun Belt region and as the City's fundamentals improve; an increase in new housing construction will meet the demand for expansion. Columbus has the potential to be a leading small town in this area for years to come.

Although the City saw major flooding during August of 2017 from Hurricane Harvey, clean-up has been completed, and City management is working closely with FEMA and the Army Corp of Engineers to rebuild damaged infrastructure. In November of 2019, the City received a CDBG Disaster Recovery Grant administered by the GLO to install additional storm drains in the northeast part of the city. This area experienced major flooding during Hurricane Harvey. The project will be completed in 2021.

Long-term Financial Planning

The City of Columbus maintains sufficient cash reserves and unreserved fund balances/unrestricted net position 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 allowed the City to drill a new water well, install new water and sewer lines throughout the City, and renovate the water and sewer plants. This major project was completed in 2009.

During fiscal year 2013, the City refunded the 2005 certificates of obligation by obtaining general obligation refunding bonds. This advance refunding was undertaken to reduce debt service payments over the next 12 years by \$418,623 and resulted in an economic gain of \$365,887.

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. The remaining \$2.8 million of the proceeds from the 2008 certificates of obligation were utilized for improvements to the Water system and to enhance the Gas delivery system.

During fiscal year 2010, the City refunded the 2008 certificates of obligation by obtaining general obligation refunding bonds. 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.

During fiscal year 2014, the City entered into a lease agreement in the amount of \$900,000 to finance the purchase of an Automated Meter Reading system, along with updated water and gas meters. With the majority of meter installation completed in 2015, the system is providing a means for the City to more effectively monitor and manage the distribution and use of water and gas to its customers, and is also increasing billing efficiency. This capital lease was retired in 2019.

In October 2016, the City obtained \$3 million of certificates of obligation in order to install a new water filtration system to improve water quality. This \$2.5 million project has experienced construction delays. The project is expected to be completed by the summer of 2021. The remaining funds from the certificates are earmarked for sewer and gas system improvements.

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. After open bidding in August of 2018, Industry State Bank was again awarded the City's depository contract expiring on September 30th, 2020. City Council extended the contract with Industry State Bank until September 30, 2021

The City's bank depository agreement requires that all demand deposits and time deposits are secured by pledged collateral with a fair 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 2019, 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 improvement continues to be a major area of change in the City. The City has implemented technology enhancements with new utility billing, building projects, court, and financial software systems since 2007 with upgrades made in 2018. 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 fiscal year 2020, the first of a two-phase upgrade to the next generation SCADA system will be installed, allowing for mobile monitoring of the system. In 2012, the City installed an automated fuel control system at its vehicle fueling station. In 2014, the City's Police Department updated its records management system to allow integration between the reporting, mobile, and other local agency software. In 2020, the Police Department will be implementing a ticket-writer system for easier reporting to the Municipal Court.

In 2014, the Water and Gas Improvement Project, as mentioned earlier, saw the completion of a project to replace water distribution lines in part of the City, and an elevated water tank, which could no longer be used, was demolished. The City also received a grant to fund the replacement of aerators at its water plants and another to build a dedicated gas line to the industrial park to accommodate increased gas demands there. Major construction of the Aerator Grant Project, and the engineering for the Gas Line Grant Project was completed in 2015. Open bidding for the construction of the gas line project was carried out in late 2015, with construction completed in 2016.

In 2018, the City was awarded a CDBG Grant for water line replacement in the area near the Junior High. Engineering has begun with the project to go out for bids in July 2019, with construction expected to be completed by July 2020. Additionally, the City has earmarked funds from the 2016 Certificates of Obligation for water line replacement starting near the downtown area and moving south. These two projects along with the previously mentioned Water Filtration Project will greatly enhance the quality of the City's water system.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Columbus for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the fourteenth 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, PE
City Manager



Bana Schneider
Finance Director/City Secretary



Government Finance Officers Association

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, 2019

Christopher P. Morill

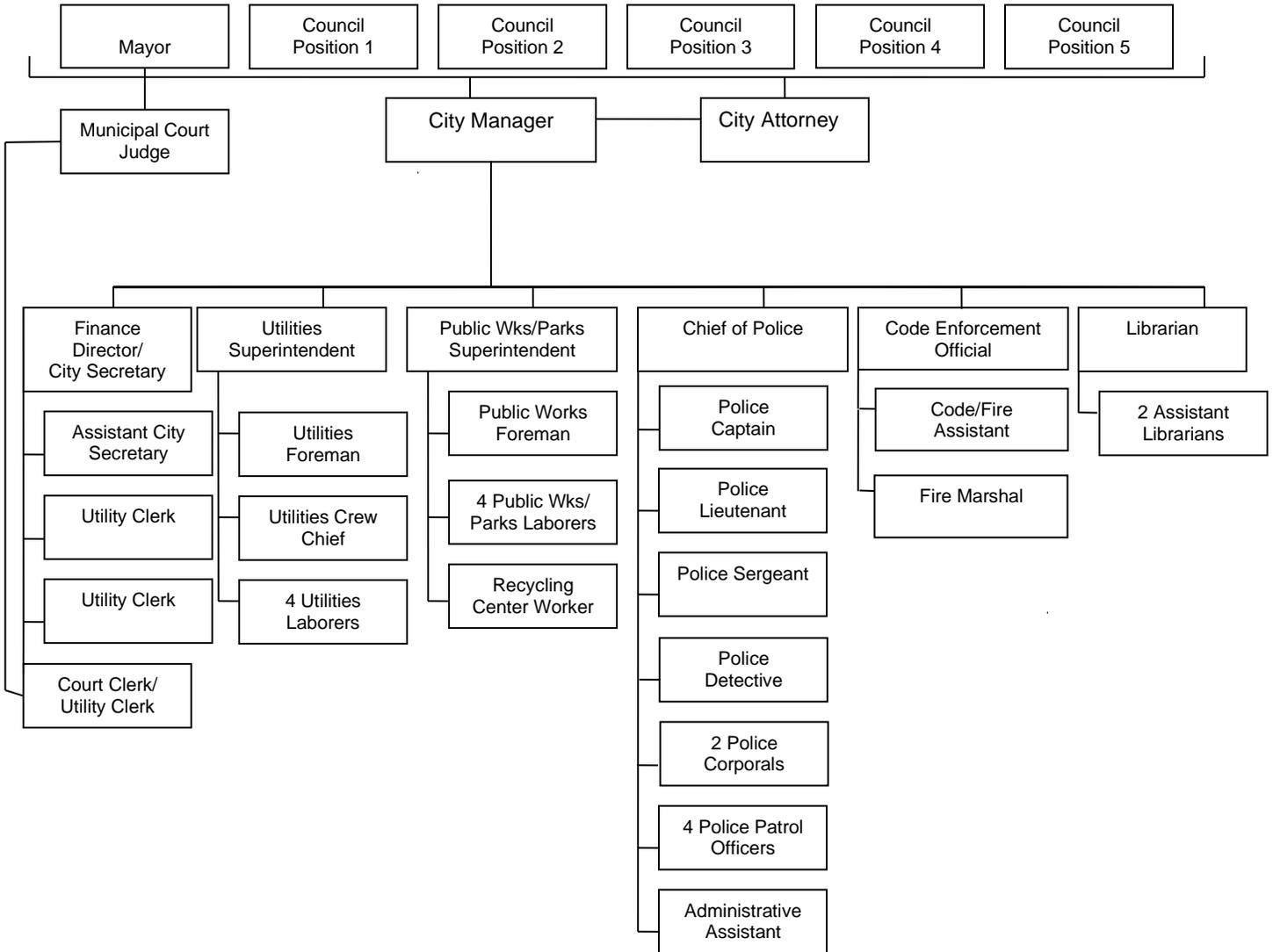
Executive Director/CEO

CITY OF COLUMBUS, TEXAS

ORGANIZATIONAL CHART

SEPTEMBER 30, 2020

City Council



CITY OF COLUMBUS, TEXAS

LIST OF ELECTED AND APPOINTED OFFICIALS

SEPTEMBER 30, 2020

<u>Title</u>	<u>Name</u>
Mayor	Lori An Gobert
Councilman (Mayor Pro Tem)	Chuck Rankin
Councilman	Keith Cummings
Councilman	Michael Ridlen
Councilman	Gary Swindle
Councilwoman	Sandra Frnka
City Manager	Donald Warschak
City Secretary/Finance Director	Bana Schneider
Police Chief	Milton "Skip" Edman
Fire Chief	Doyle "Dusty" Dittmar
Parks/Public Works Supervisor	Michael Poncik
Utility Supervisor	Jody Ripper
Building Inspector	Richard LaCourse
Fire Marshall	Brent Gorman, Jr.
Library Director	Susan Chandler
Municipal Court Judge	Leonard Peters

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Columbus, Texas' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2021, on our consideration of the City of Columbus, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Columbus, Texas' internal control over financial reporting and compliance.

Patillo, Brown & Hill, L.L.P.

Waco, Texas
March 25, 2021

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Columbus, Texas (the "City"), we offer readers of the City financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City for its governmental and business-type activities exceeded the deferred inflows of resources and liabilities at the close of the fiscal year by \$10,373,483. Of this amount, \$9,241,842 represents net investment in capital assets and \$387,257 was restricted for Economic Development. \$744,384 is unrestricted and to be used in accordance with finance related legal requirements reflected in the City's fund structure.
- The City's total net position increased by \$410,408. A major contributing factor in this increase is attributable to an increase in property taxes and licenses and permits revenue.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,941,611, a decrease of \$257,662 in comparison with the prior year. Approximately 28% of this total, or \$548,846 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$548,846 or 16% percent of total General Fund expenditures for the fiscal year.
- The City's total governmental long-term liabilities decreased by \$556,858 (27%) during the current fiscal year mostly due to scheduled debt service payments and a decrease in the net pension liability.

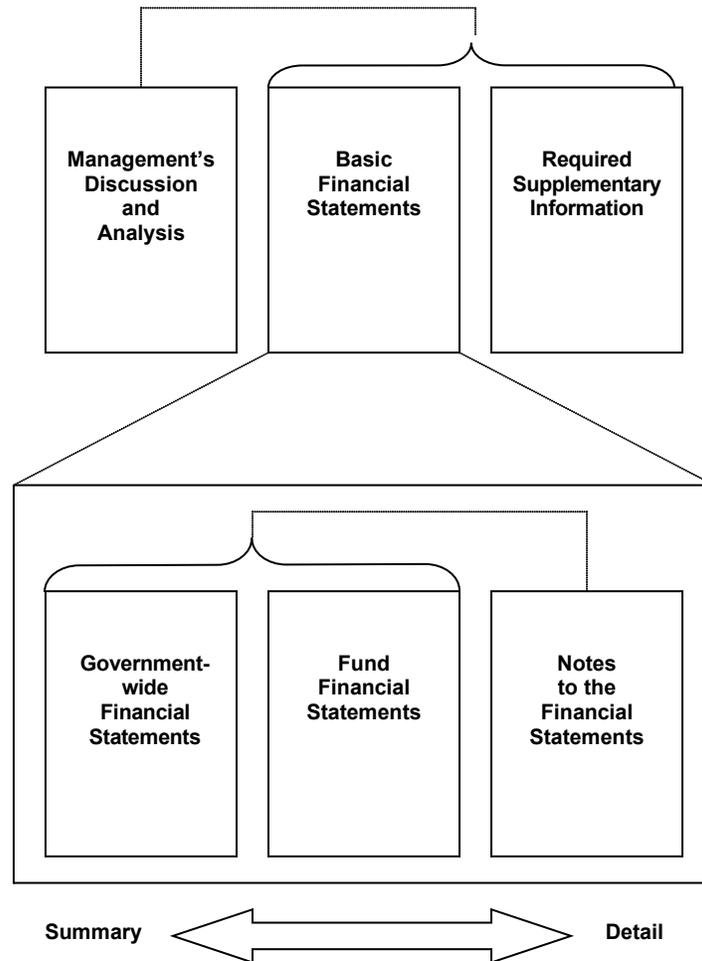
OVERVIEW OF THE FINANCIAL STATEMENTS

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 City'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 can be found in the required supplementary section of the report.

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 position and how they have changed. Net position is the difference between the City's total assets, deferred outflows/inflows of resources and total liabilities. Measuring net position 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. 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. The final category is the component unit. The City of Columbus has one component unit. Although legally separate from the City, the Columbus Community and 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, like all other governmental entities, 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 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 maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other 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 has one kind of proprietary fund. Its Enterprise Fund is used to report the same programs presented as business-type activities in the government-wide financial statements. The City uses its Enterprise Fund (the Utility Fund) to account for its water, sewer, garbage and gas operations. This fund is the same as those programs shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Unrestricted net position of the water, sewer, garbage and gas departments at the end of the fiscal year amounted to \$33,694. The total decrease in unrestricted net position was \$256,442. 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) which contains information about the City's pension plans and other post-employment benefits plan. Schedules comparing actual results with the original budget and the final amended budget for the City's General Fund and Hotel/Motel Tax Fund are also presented in the RSI section.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 2,227,966	\$ 2,423,042	\$ 1,465,544	\$ 2,582,535	\$ 3,693,510	\$ 5,005,577
Capital assets	<u>3,222,682</u>	<u>3,082,565</u>	<u>11,368,285</u>	<u>10,571,252</u>	<u>14,590,967</u>	<u>13,653,817</u>
Total assets	<u>5,450,648</u>	<u>5,505,607</u>	<u>12,833,829</u>	<u>13,153,787</u>	<u>18,284,477</u>	<u>18,659,394</u>
Deferred outflows of resources	<u>195,117</u>	<u>482,567</u>	<u>131,215</u>	<u>240,071</u>	<u>326,332</u>	<u>722,638</u>
Current and other liabilities	135,155	204,133	547,074	630,852	682,229	834,985
Long-term liabilities	<u>1,540,586</u>	<u>2,097,444</u>	<u>5,670,881</u>	<u>6,423,459</u>	<u>7,211,467</u>	<u>8,520,903</u>
Total liabilities	<u>1,675,741</u>	<u>2,301,577</u>	<u>6,217,955</u>	<u>7,054,311</u>	<u>7,893,696</u>	<u>9,355,888</u>
Deferred inflows of resources	<u>254,279</u>	<u>47,268</u>	<u>89,351</u>	<u>15,801</u>	<u>343,630</u>	<u>63,069</u>
Net position:						
Net investment						
in capital assets	2,617,798	2,413,215	6,624,044	6,033,610	9,241,842	8,446,825
Restricted	387,257	452,152	-	-	387,257	452,152
Unrestricted	<u>710,690</u>	<u>773,962</u>	<u>33,694</u>	<u>290,136</u>	<u>744,384</u>	<u>1,064,098</u>
Total net position	<u>\$ 3,715,745</u>	<u>\$ 3,639,329</u>	<u>\$ 6,657,738</u>	<u>\$ 6,323,746</u>	<u>\$ 10,373,483</u>	<u>\$ 9,963,075</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred inflows of the City of Columbus exceeded liabilities and deferred outflows by \$10,373,483 as of September 30, 2020. The City's net position increased by \$410,408 for the fiscal year ended September 30, 2020. Net investment in capital assets of \$9,241,842 accounts for the greatest portion (89%) of net position.

An additional portion of the City's net position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$744,384 is unrestricted and may be used to meet the government's ongoing obligations.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99%.
- Recovering City sales tax revenues mirrored those of the State of Texas and national economic trends.

**City of Columbus' Changes in Net Position
Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 158,519	\$ 159,613	\$ 3,719,752	\$ 3,777,259	\$ 3,878,271	\$ 3,936,872
Operating grants and contributions	174,353	198,442	10,779	132,702	185,132	331,144
Capital grants and contributions	-	-	389,368	140,632	389,368	140,632
General revenues:						
Property taxes	1,061,417	890,019	-	-	1,061,417	890,019
Other taxes	1,620,320	1,644,972	-	-	1,620,320	1,644,972
Other	44,556	66,609	33,854	74,991	78,410	141,600
Total revenues	<u>3,059,165</u>	<u>2,959,655</u>	<u>4,153,753</u>	<u>4,125,584</u>	<u>7,212,918</u>	<u>7,085,239</u>
Expenses:						
General government	540,229	487,077	-	-	540,229	487,077
Public safety	1,475,198	1,409,862	-	-	1,475,198	1,409,862
Public health	167,894	142,007	-	-	167,894	142,007
Public works	502,142	511,443	-	-	502,142	511,443
Culture and recreation	680,727	640,571	-	-	680,727	640,571
Economic development	267,729	249,951	-	-	267,729	249,951
Interest on long-term debt	28,984	32,018	-	-	28,984	32,018
Water	-	-	1,025,945	976,333	1,025,945	976,333
Sewer	-	-	558,264	540,537	558,264	540,537
Garbage	-	-	908,939	870,635	908,939	870,635
Gas	-	-	646,459	770,119	646,459	770,119
Total expenses	<u>3,662,903</u>	<u>3,472,929</u>	<u>3,139,607</u>	<u>3,157,624</u>	<u>6,802,510</u>	<u>6,630,553</u>
Increase (decrease) in net position before transfers	(603,738)	(513,274)	1,014,146	967,960	410,408	454,686
Transfers	<u>680,154</u>	<u>707,100</u>	<u>(680,154)</u>	<u>(707,100)</u>	<u>-</u>	<u>-</u>
Change in net position	76,416	193,826	333,992	260,860	410,408	454,686
Net position, beginning	<u>3,639,329</u>	<u>3,445,503</u>	<u>6,323,746</u>	<u>6,062,886</u>	<u>9,963,075</u>	<u>9,508,389</u>
Net position, ending	<u>\$ 3,715,745</u>	<u>\$ 3,639,329</u>	<u>\$ 6,657,738</u>	<u>\$ 6,323,746</u>	<u>\$ 10,373,483</u>	<u>\$ 9,963,075</u>

Governmental Activities. Governmental activities increased the City's net position by \$76,416.

Key elements of this increase include the City expending less funds than budgeted and receiving more than anticipated.

Business-type Activities. Business-type activities increased the City of Columbus' net position by \$333,992. Operating income of \$745,061 exceeded contributions and transfers out, leaving the fund with \$6,657,738 of net position at year end.

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned 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. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$548,846, with a total fund balance of \$1,045,564. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17% of total General Fund expenditures. Total fund balance represents 30% of total General Fund expenditures.

The fund balance of the City's General Fund decreased by \$247,885 during the current fiscal year. This decrease is a result of an increase in capital outlay, public safety, and general government expenditures.

The fund balance of the Hotel/Motel Tax Fund decreased by \$64,226 or 14% during the current fiscal year. This decrease is a result of decreased tax revenues caused by the COVID-19 pandemic.

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

Unrestricted net position of the Utility Fund at the end of the year amounted to \$33,694. The total increase in net position was \$333,992. Other factors concerning the finances of the Utility Fund have already been addressed in the discussion of the City's business-type activities.

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

Budgeted revenues increased slightly due to an increase in expected intergovernmental revenue.

Budgeted expenditures increased slightly as supplemental appropriations were needed for supplies and maintenance needs in the culture and recreation function.

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, 2020, totals \$14,590,967 (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	
	2020	2019	2020	2019	2020	2019
Land	\$ 520,086	\$ 520,086	\$ 24,183	\$ 24,183	\$ 544,269	\$ 544,269
Buildings and improvements	3,720,532	3,681,860	581,700	581,700	4,302,232	4,263,560
Distribution and collection systems	-	-	18,058,506	17,440,565	18,058,506	17,440,565
Machinery and equipment	3,407,104	3,271,220	1,067,596	1,015,221	4,474,700	4,286,441
Construction in progress	118,394	20,866	2,834,814	2,110,777	2,953,208	2,131,643
Accumulated depreciation	(4,543,434)	(4,411,467)	(11,198,514)	(10,601,194)	(15,741,948)	(15,012,661)
Total	\$ 3,222,682	\$ 3,082,565	\$ 11,368,285	\$ 10,571,252	\$ 14,590,967	\$ 13,653,817

Major capital asset events during the year included the following:

- Public works vehicle for \$69,024
- Waterline replacement for \$539,007
- Sewer line improvements in the amount of \$222,232

Additional information on the City's capital asset activity is presented in the notes to the financial statements on page 27.

Long-term Debt. As of September 30, 2020, the City of Columbus had total long-term certificates of obligation and general obligation bonds outstanding of \$6,109,366. 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	
	2020	2019	2020	2019	2020	2019
Refunding general obligation bonds	\$ 547,391	\$ 614,294	\$ 2,727,609	\$ 3,150,707	\$ 3,275,000	\$ 3,765,001
Certificates of obligation	-	-	2,435,000	2,560,000	2,435,000	2,560,000
Premium on bonds	-	-	207,721	231,566	207,721	231,566
Capital leases	57,493	55,056	65,018	63,533	122,511	118,589
Compensated absences	47,626	42,584	21,508	19,641	69,134	62,225
Total	\$ 652,510	\$ 711,934	\$ 5,456,856	\$ 6,025,447	\$ 6,109,366	\$ 6,737,381

The City's total debt decreased by \$628,015 (9.3%) during the current fiscal year. The key factor in this decrease was scheduled debt service payments offset by the issuance of capital leases.

Additional information regarding the City of Columbus' long-term debt can be found in the notes to the financial statements on pages 28 - 30.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for Colorado County is currently 6.1 percent (Columbus is the largest of the three incorporated cities in the county), which is an increase from a rate of 3.1 percent a year ago. This is below the state's average unemployment rate of 8.3 percent and the national average rate of 7.9 percent. The increase in the unemployment rate both regionally and nationally can be directly correlated to the COVID-19 pandemic.
- Inflationary trends in the region compare favorably to national indices.
- The State Comptroller reported an increase of 9.97 percent in taxable sales for the City. Sales tax revenue has increased 61.1 percent since 2011. The City is cautiously optimistic sales tax revenue growth will continue, with a budgeted increase for 2021 at 4.65 percent.
- Property tax values continue to climb in Colorado County and the region in general. Real property values in the City of Columbus increased \$12,910,202 from the prior year. Values have increased 33.1 percent from 2011. The City's overall property tax rate decreased by .38 percent for the 2021 budget.
- For the 2021 Budget, the City maintained the minimum rates for water, sewer and gas. With the current rates set in 2019, along with the more accurate metering system, the cost for utility system maintenance and debt service requirements for the new water filtration system should be amply covered. The City's utility rates continue to remain low in comparison to cities of similar size.

All of these factors were considered in preparing the City's budget for the 2021 fiscal year.

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 Finance Director/City Secretary, P. O. Box 87, Columbus, Texas 78934, 979/732-2366, www.columbus.texas.net.

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**BASIC
FINANCIAL STATEMENTS**

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CITY OF COLUMBUS, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	Governmental Activities	Business-type Activities	Total	Component Unit <u>Columbus Industrial Development Corporation</u>
ASSETS				
Cash and investments	\$ 1,136,709	\$ 979,910	\$ 2,116,619	\$ 1,583,988
Receivables, net:				
Taxes	330,420	-	330,420	90,849
Other	12,667	387,382	400,049	-
Due from other governments	178,414	58,919	237,333	-
Internal balances	569,756	(569,756)	-	-
Investment in land	-	-	-	283,950
Restricted cash and investments	-	609,089	609,089	-
Capital assets:				
Non-depreciable	638,480	2,858,997	3,497,477	-
Depreciable, net	<u>2,584,202</u>	<u>8,509,288</u>	<u>11,093,490</u>	<u>-</u>
Total assets	<u>5,450,648</u>	<u>12,833,829</u>	<u>18,284,477</u>	<u>1,958,787</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred charge on refunding	-	82,018	82,018	8,739
Deferred outflow related to OPEB	20,654	6,782	27,436	-
Deferred outflow related to TESRS pension	31,951	-	31,951	-
Deferred outflow related to TMRS pension	<u>142,512</u>	<u>42,415</u>	<u>184,927</u>	<u>-</u>
Total deferred outflow of resources	<u>195,117</u>	<u>131,215</u>	<u>326,332</u>	<u>8,739</u>
LIABILITIES				
Accounts payable	96,345	313,705	410,050	7,659
Accrued liabilities	36,128	13,261	49,389	-
Accrued interest	2,682	24,286	26,968	9,133
Customer deposits	-	195,822	195,822	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt	99,108	589,348	688,456	130,000
Total OPEB liability	1,001	298	1,299	-
Due in more than one year:				
Long-term debt	553,402	4,867,508	5,420,910	436,280
Net pension liability - TESRS	167,904	-	167,904	-
Net pension liability - TMRS	572,999	170,287	743,286	-
Total OPEB liability	<u>146,172</u>	<u>43,440</u>	<u>189,612</u>	<u>-</u>
Total liabilities	<u>1,675,741</u>	<u>6,217,955</u>	<u>7,893,696</u>	<u>583,072</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflow related to TESRS pension	8,271	-	8,271	-
Deferred inflow related to TMRS pension	238,033	86,866	324,899	-
Deferred outflow related to OPEB	<u>7,975</u>	<u>2,485</u>	<u>10,460</u>	<u>-</u>
Total deferred inflow of resources	<u>254,279</u>	<u>89,351</u>	<u>343,630</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	2,617,798	6,624,044	9,241,842	-
Restricted for:				
Economic development	387,257	-	387,257	1,244,914
Debt service	-	-	-	139,540
Unrestricted	<u>710,690</u>	<u>33,694</u>	<u>744,384</u>	<u>-</u>
Total net position	<u>\$ 3,715,745</u>	<u>\$ 6,657,738</u>	<u>\$ 10,373,483</u>	<u>\$ 1,384,454</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, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 540,229	\$ 68,639	\$ 77,058	\$ -
Public safety	1,475,198	80,622	43,115	-
Public health	167,894	-	-	-
Public works	502,142	-	-	-
Culture and recreation	680,727	9,258	24,180	-
Economic development	267,729	-	30,000	-
Interest on long-term debt	<u>28,984</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>3,662,903</u>	<u>158,519</u>	<u>174,353</u>	<u>-</u>
Business-type activities:				
Water	1,025,945	1,192,392	10,779	329,368
Sewer	558,264	956,251	-	30,000
Garbage	908,939	944,690	-	-
Gas	<u>646,459</u>	<u>626,419</u>	<u>-</u>	<u>30,000</u>
Total business-type activities	<u>3,139,607</u>	<u>3,719,752</u>	<u>10,779</u>	<u>389,368</u>
Total primary government	<u>\$ 6,802,510</u>	<u>\$ 3,878,271</u>	<u>\$ 185,132</u>	<u>\$ 389,368</u>
Component unit:				
Columbus Community Industrial Development Corporation	<u>\$ 227,231</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 position		
		Net position, beginning		
		Net position, ending		

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

Net (Expenses) Revenues and Changes in Net Position

<u>Primary Government</u>			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Columbus Industrial Development Corporation</u>
\$(394,532)	\$ -	\$(394,532)	\$ -
(1,351,461)	-	(1,351,461)	-
(167,894)	-	(167,894)	-
(502,142)	-	(502,142)	-
(647,289)	-	(647,289)	-
(237,729)	-	(237,729)	-
(28,984)	-	(28,984)	-
<u>(3,330,031)</u>	<u>-</u>	<u>(3,330,031)</u>	<u>-</u>
-	506,594	506,594	-
-	427,987	427,987	-
-	35,751	35,751	-
<u>-</u>	<u>9,960</u>	<u>9,960</u>	<u>-</u>
<u>-</u>	<u>980,292</u>	<u>980,292</u>	<u>-</u>
<u>(3,330,031)</u>	<u>980,292</u>	<u>(2,349,739)</u>	<u>-</u>
			<u>(227,231)</u>
1,061,417	-	1,061,417	-
1,180,800	-	1,180,800	590,400
200,051	-	200,051	-
223,757	-	223,757	-
15,712	-	15,712	-
20,011	27,347	47,358	19,718
2,760	5,400	8,160	-
21,785	1,107	22,892	2,400
<u>680,154</u>	<u>(680,154)</u>	<u>-</u>	<u>-</u>
<u>3,406,447</u>	<u>(646,300)</u>	<u>2,760,147</u>	<u>612,518</u>
<u>76,416</u>	<u>333,992</u>	<u>410,408</u>	<u>385,287</u>
<u>3,639,329</u>	<u>6,323,746</u>	<u>9,963,075</u>	<u>999,167</u>
<u>\$ 3,715,745</u>	<u>\$ 6,657,738</u>	<u>\$ 10,373,483</u>	<u>\$ 1,384,454</u>

CITY OF COLUMBUS, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

	<u>General</u>	<u>Hotel/Motel Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 281,156	\$ 347,489	\$ 508,064	\$ 1,136,709
Receivables, net				
Taxes	288,456	40,359	1,605	330,420
Accounts	12,667	-	-	12,667
Due from other governments	178,414	-	-	178,414
Due from other funds	<u>569,756</u>	<u>-</u>	<u>-</u>	<u>569,756</u>
Total assets	<u>1,330,449</u>	<u>387,848</u>	<u>509,669</u>	<u>2,227,966</u>
LIABILITIES				
Accounts payable	95,754	591	-	96,345
Accrued payroll	<u>36,128</u>	<u>-</u>	<u>-</u>	<u>36,128</u>
Total liabilities	<u>131,882</u>	<u>591</u>	<u>-</u>	<u>132,473</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	140,336	-	879	141,215
Unavailable revenue - court fines	<u>12,667</u>	<u>-</u>	<u>-</u>	<u>12,667</u>
Total deferred inflows of resources	<u>153,003</u>	<u>-</u>	<u>879</u>	<u>153,882</u>
FUND BALANCES				
Restricted for:				
Economic development	-	387,257	-	387,257
Debt service	-	-	1,576	1,576
Assigned for:				
Subsequent year's budget	496,718	-	-	496,718
Capital outlay	-	-	507,214	507,214
Unassigned	<u>548,846</u>	<u>-</u>	<u>-</u>	<u>548,846</u>
Total fund balances	<u>1,045,564</u>	<u>387,257</u>	<u>508,790</u>	<u>1,941,611</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,330,449</u>	 <u>\$ 387,848</u>	 <u>\$ 509,669</u>	 <u>\$ 2,227,966</u>

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

CITY OF COLUMBUS, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

Total fund balances - governmental funds balance sheet	\$ 1,941,611
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the funds.	3,222,682
Certain receivables will not be collected soon enough to pay for the current period's expenditures and are therefore deferred in the funds:	
Property taxes	141,215
Court fines and feeds	12,667
Accrued bond interest is not due and payable in the current period and therefore is not reported in the funds:	(2,682)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(547,391)
Capital leases	(57,493)
Compensated absences	(47,626)
Included in the items related to long-term liabilities is the recognition of the City's net pension liabilities and total OPEB liability, as well as the related deferred inflows and outflows of resources.	
Long-term liabilities:	
Net pension liability - TESRS	(167,904)
Net pension liability - TMRS	(572,999)
Total OPEB liability	(147,173)
Deferred outflows of resources:	
Outflows related to TESRS pension	31,951
Outflows related to TMRS pension	142,512
Outflows related to OPEB	20,654
Deferred inflows of resources:	
Inflows related to TESRS pension	(8,271)
Inflows related to TMRS pension	(238,033)
Inflows related to OPEB	(7,975)
Net position of governmental activities	\$ <u>3,715,745</u>

CITY OF COLUMBUS, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>General</u>	<u>Hotel/Motel Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 839,618	\$ -	\$ 90,840	\$ 930,458
Sales taxes	1,196,512	-	-	1,196,512
Franchise taxes	223,757	-	-	223,757
Hotel occupancy tax	-	200,051	-	200,051
Licenses and permits	68,539	-	-	68,539
Fines and forfeitures	82,539	-	-	82,539
Charges for services	9,358	-	-	9,358
Intergovernmental	172,103	-	-	172,103
Investment earnings	7,080	3,452	9,479	20,011
Miscellaneous	21,785	-	-	21,785
Total revenues	<u>2,621,291</u>	<u>203,503</u>	<u>100,319</u>	<u>2,925,113</u>
EXPENDITURES				
Current:				
General government	511,211	-	-	511,211
Public safety	1,359,452	-	-	1,359,452
Public health	159,014	-	-	159,014
Public works	446,485	-	-	446,485
Culture and recreation	623,806	-	-	623,806
Economic development	-	267,729	-	267,729
Debt service:				
Principal	15,742	-	66,903	82,645
Interest and other charges	5,623	-	23,633	29,256
Capital outlay	408,870	-	-	408,870
Total expenditures	<u>3,530,203</u>	<u>267,729</u>	<u>90,536</u>	<u>3,888,468</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(908,912)</u>	<u>(64,226)</u>	<u>9,783</u>	<u>(963,355)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	660,488	-	60,000	720,488
Transfers out	(25,000)	-	(15,334)	(40,334)
Issuance of capital lease	18,179	-	-	18,179
Sale of capital assets	7,360	-	-	7,360
Total other financing sources (uses)	<u>661,027</u>	<u>-</u>	<u>44,666</u>	<u>705,693</u>
NET CHANGE IN FUND BALANCES	<u>(247,885)</u>	<u>(64,226)</u>	<u>54,449</u>	<u>(257,662)</u>
FUND BALANCES, BEGINNING	<u>1,293,449</u>	<u>451,483</u>	<u>454,341</u>	<u>2,199,273</u>
FUND BALANCES, ENDING	\$ <u>1,045,564</u>	\$ <u>387,257</u>	\$ <u>508,790</u>	\$ <u>1,941,611</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, 2020

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

Net change in fund balances - total governmental funds	\$ (257,662)
--	---------------

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.

Capital outlay	405,525
Depreciation	(249,277)
Disposals of capital assets	(16,131)

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

Unavailable tax revenue	130,959
Unavailable municipal court revenue	333

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 position. 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.

Bond principal payments	82,645
Issuance of capital leases payable	(18,179)

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

Pension cost	17,456
OPEB cost	(14,483)
Compensated absences	(5,042)
Accrued interest	<u>272</u>

Change in net position of governmental activities.	\$ <u>76,416</u>
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CITY OF COLUMBUS, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUND

SEPTEMBER 30, 2020

	Utility Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 979,910
Accounts receivable, net	387,382
Due from other funds	3,622
Due from other governments	58,919
Restricted cash and cash equivalents	<u>609,089</u>
Total current assets	2,038,922
Noncurrent assets:	
Non-depreciable	2,858,997
Depreciable, net	<u>8,509,288</u>
Total noncurrent assets	<u>11,368,285</u>
Total assets	<u>13,407,207</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	82,018
Deferred outflow related to TMRS pension	42,415
Deferred outflow related to OPEB	<u>6,782</u>
Total deferred outflows of resources	<u>131,215</u>
LIABILITIES	
Current liabilities:	
Accounts payable	313,705
Accrued liabilities	13,261
Due to other funds	573,378
Accrued interest	24,286
Customer deposits	195,822
Bonds payable	565,056
Capital lease payable	18,915
Compensated absences	5,377
Total OPEB liability	<u>298</u>
Total current liabilities	<u>1,710,098</u>
Noncurrent liabilities:	
Bonds payable	4,805,274
Capital lease payable	46,103
Compensated absences	16,131
Net pension liability	170,287
Total OPEB liability	<u>43,440</u>
Total noncurrent liabilities	<u>5,081,235</u>
Total liabilities	<u>6,791,333</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow related to TMRS pension	86,866
Deferred inflow related to OPEB	<u>2,485</u>
Total deferred inflows of resources	<u>89,351</u>
NET POSITION	
Net investment in capital assets	6,624,044
Unrestricted	<u>33,694</u>
Total net position	\$ <u>6,657,738</u>

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

CITY OF COLUMBUS, TEXAS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Utility Fund</u>
OPERATING REVENUES	
Charges for sales and services:	
Water sales	\$ 1,192,392
Sewer charges	956,251
Garbage fees	944,690
Gas sales	626,419
Other	<u>1,107</u>
Total operating revenues	<u>3,720,859</u>
OPERATING EXPENSES	
Personnel	618,384
Maintenance and operations	1,723,779
Depreciation	<u>633,095</u>
Total operating expenses	<u>2,975,258</u>
OPERATING INCOME	<u>745,601</u>
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental	310,147
Interest income	27,347
Gain (loss) on the sale of assets	5,400
Interest and other charges	<u>(164,349)</u>
Total nonoperating revenues (expenses)	<u>178,545</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>924,146</u>
Capital contributions	90,000
Transfers in	1,334
Transfers out	<u>(681,488)</u>
CHANGE IN NET POSITION	<u>333,992</u>
NET POSITION, BEGINNING	<u>6,323,746</u>
NET POSITION, ENDING	<u>\$ 6,657,738</u>

CITY OF COLUMBUS, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 3,967,548
Cash paid to suppliers	(1,706,723)
Cash paid to employees	(624,186)
Net cash provided by operating activities	<u>1,636,639</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from other governments	251,228
Transfer from other funds	1,334
Transfer to other funds	(681,488)
Net cash used by noncapital financing activities	<u>(428,926)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions - intergovernmental	90,000
Purchase of capital assets	(1,430,128)
Proceeds from the sale of capital assets	5,400
Principal paid on capital debt	(570,457)
Interest and other charges paid on debt	(150,636)
Net cash used by capital and related financing activities	<u>(2,055,821)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>27,347</u>
Net cash provided by investing activities	<u>27,347</u>
NET DECREASE IN CASH AND EQUIVALENTS	<u>(820,761)</u>
CASH AND CASH EQUIVALENTS, BEGINNING	<u>2,409,760</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,588,999</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net operating income	\$ 745,601
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	633,095
(Increase) decrease in accounts receivable	10,332
(Increase) decrease in due from other funds	4,000
(Increase) decrease in deferred outflows related to pensions	98,219
(Increase) decrease in deferred outflows related to OPEB	(4,854)
Increase (decrease) in accounts payable	(81,163)
Increase (decrease) in accrued liabilities	(6,573)
Increase (decrease) in due to other funds	340,817
Increase (decrease) in compensated absences	1,866
Increase (decrease) in customer deposits	5,736
Increase (decrease) in net pension liability	(187,746)
Increase (decrease) in total OPEB liability	3,759
Increase (decrease) in deferred inflows related to pensions	<u>73,550</u>
Net cash provided by operations	<u>\$ 1,636,639</u>

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

CITY OF COLUMBUS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

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 unit, an entity 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 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" or "CCIDC") 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.

Financial statements for the individual component unit may be obtained at Columbus City Hall:

Columbus Community and Industrial
Development Corporation
605 Spring
Columbus, Texas 78934

B. Government-wide Financial Statements

The government-wide financial statements (the statement of net position 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for interfund services provided and other charges between the City's various other functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Measurement Focus/Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The City reports the following major governmental funds:

The **General Fund** is the 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 **Hotel Occupancy Tax Fund** is used to collect Hotel/Motel taxes which are used to support trade and tourism in the City. Revenue derived from hotel occupancy taxes is legally restricted to certain expenditures such as those expenditures associated with promotion of tourism.

The City has presented the following major proprietary fund:

The **Utility Fund** is used to account for the provision of water, sewer, natural gas services, and garbage collection to the residents of the City. Activities of the fund include administration, operations and maintenance of the water, sewer, and natural gas systems and billing and collection activities for garbage collection. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

Proprietary funds distinguish operating revenues and expenses from 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 sales and services, administrative services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

D. Cash and Investments

The City pools cash resources of its Governmental 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 in government pools are recorded at amortized cost. All other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

E. Investment in Land

The City's component unit reports land for resale for future development and was obtained to provide new opportunities for commercial and industrial redevelopment and to spur job creation. The land was not obtained to be a profit or income generating investment to the component unit. This land is available for sale and is stated at the lower of cost or net realizable value.

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."

G. Restricted Assets

Certain assets of the City 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.

H. 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 capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. 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 \$5,000 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:

Assets	Years
Buildings	20-50
Improvements	10-50
Machinery and equipment	5-20

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions – These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Difference in expected and actual pension experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Changes in actuarial assumptions – These changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

J. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability for the Texas Emergency Services Retirement System (TESRS), pension related deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of TESRS and additions to/deductions from TESRS's fiduciary net position have been determined on the same basis as they are reported by TESRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Other Post-Employment Benefits

TMRS Supplemental Death Benefits Fund. For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total TMRS SDBF liability and additions to/deductions from the City's total TMRS SDBF liability have been determined on the same basis as they are reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

L. 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.

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.

M. 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 position. Bond premiums and discounts 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.

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

N. Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Assigned:** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

O. Net Position

Net position represents the difference between assets, deferred outflows/inflows of resources and liabilities. Net position investment in capital assets 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 position is reported as restricted when there are limitations imposed on its 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.

P. 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 ACTIVITIES AND 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.

The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the "Act"), provide for the creation of public funds investment pools, such as Texas CLASS, through which political subdivisions and other entities may invest public funds.

Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Credit Risk. The City’s investment policy, in an effort to control credit risk, requires depositories to provide 102% of the carrying 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 of the investments was \$969,367. 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.

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. 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 56 days.

B. Receivables

Receivables at September 30, 2020, were as follows:

	<u>General</u>	<u>Hotel/ Motel Tax</u>	<u>Nonmajor Governmental</u>	<u>Utility</u>	<u>Total Receivables</u>
Property taxes	\$ 23,474	\$ -	\$ 3,588	\$ -	\$ 28,281
Sales taxes	181,699	-	-	-	181,699
Hotel/motel taxes	-	40,359	-	-	40,359
Franchise taxes	95,035	-	-	-	95,035
Mixed beverage taxes	3,581	-	-	-	3,581
Intergovernmental	178,414	-	-	58,919	237,333
Utility accounts	-	-	-	413,330	413,330
Municipal court	<u>137,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,462</u>
Less: allowance for doubtful accounts	<u>(140,128)</u>	<u>-</u>	<u>(1,983)</u>	<u>(25,948)</u>	<u>(168,059)</u>
Total	<u>\$ 479,537</u>	<u>\$ 40,359</u>	<u>\$ 1,605</u>	<u>\$ 446,301</u>	<u>\$ 967,802</u>

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

C. Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 520,086	\$ -	\$ -	520,086
Construction in progress	20,866	118,395	20,867	118,394
Total capital assets not being depreciated	<u>540,952</u>	<u>118,395</u>	<u>20,867</u>	<u>638,480</u>
Capital assets being depreciated:				
Buildings and improvements	3,681,860	38,672	-	3,720,532
Machinery and equipment	3,271,220	269,325	133,441	3,407,104
Total capital assets being depreciated	<u>6,953,080</u>	<u>307,997</u>	<u>133,441</u>	<u>7,127,636</u>
Less accumulated depreciation for:				
Buildings and improvements	1,648,156	84,891	-	1,733,047
Machinery and equipment	2,763,311	164,386	117,310	2,810,387
Total accumulated depreciation	<u>4,411,467</u>	<u>249,277</u>	<u>117,310</u>	<u>4,543,434</u>
Total capital assets depreciated, net	<u>2,541,613</u>	<u>58,720</u>	<u>16,131</u>	<u>2,584,202</u>
Governmental activities, capital assets, net	<u>\$ 3,082,565</u>	<u>\$ 177,115</u>	<u>\$ 36,998</u>	<u>\$ 3,222,682</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 24,183	\$ -	\$ -	\$ 24,183
Construction in progress	2,110,777	775,183	51,146	2,834,814
Total capital assets not being depreciated	<u>2,134,960</u>	<u>775,183</u>	<u>51,146</u>	<u>2,858,997</u>
Capital assets being depreciated:				
Buildings and improvements	581,700	-	-	581,700
Distribution and collection systems	17,440,565	617,941	-	18,058,506
Machinery and equipment	1,015,232	88,150	35,775	1,067,607
Total capital assets being depreciated	<u>19,037,497</u>	<u>706,091</u>	<u>35,775</u>	<u>19,707,813</u>
Less accumulated depreciation for:				
Buildings and improvements	581,700	-	-	581,700
Distribution and collection systems	9,273,150	569,455	-	9,842,605
Machinery and equipment	746,355	63,640	35,775	774,220
Total accumulated depreciation	<u>10,601,205</u>	<u>633,095</u>	<u>35,775</u>	<u>11,198,525</u>
Total capital assets depreciated, net	<u>8,436,292</u>	<u>72,996</u>	<u>-</u>	<u>8,509,288</u>
Business-type activities, capital assets, net	<u>\$ 10,571,252</u>	<u>\$ 848,179</u>	<u>\$ 51,146</u>	<u>\$ 11,368,285</u>

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

<u>Governmental activities:</u>	
General government	\$ 24,634
Public safety	116,550
Public health	9,126
Public works	48,082
Culture and recreation	50,885
Total governmental activities	<u>\$ 249,277</u>
<u>Business-type activities:</u>	
Water	\$ 360,758
Sewer	155,704
Garbage	3,376
Gas	113,257
Total business-type activities	<u>\$ 633,095</u>

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

Interfund Receivables and Payables

The composition of the interfund balances as of September 30, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Utility	\$ 569,756
Total		<u>\$ 569,756</u>

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.

Transfers In/Transfers Out

Interfund activity for the year ended September 30, 2020, is as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General	Utility	\$ 646,488
General	Nonmajor governmental	14,000
Utility	Nonmajor governmental	1,334
Nonmajor governmental	General	25,000
Nonmajor governmental	Utility	<u>35,000</u>
Total		<u>\$ 721,822</u>

The General Fund transferred \$25,000 to nonmajor governmental funds to cover future capital purchases. The nonmajor governmental funds transferred \$14,000 to the General Fund for the purchase of equipment. The Utility Fund transferred \$646,488 to the General Fund to cover budgeted indirect costs and for payments in lieu of taxes.

E. **Long-term Debt**

The following is a summary of changes in long-term liabilities for the year ended September 30, 2020.

Primary Government

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Refunding GO bonds	\$ 614,294	\$ -	\$ 66,903	\$ 547,391	\$ 69,944
Compensated absences	42,584	79,208	74,166	47,626	11,907
Capital leases	<u>55,056</u>	<u>18,179</u>	<u>15,742</u>	<u>57,493</u>	<u>17,257</u>
Total	<u>\$ 711,934</u>	<u>\$ 97,387</u>	<u>\$ 156,811</u>	<u>\$ 652,510</u>	<u>\$ 99,108</u>
Business-type activities:					
Certificates of obligation	\$ 2,560,000	\$ -	\$ 125,000	\$ 2,435,000	\$ 130,000
Refunding GO bonds	3,150,707	-	423,098	2,727,609	435,056
Premium on bonds	231,566	-	23,845	207,721	-
Notes payable	-	-	-	-	-
Capital leases	63,533	18,383	16,898	65,018	18,915
Compensated absences	<u>19,641</u>	<u>14,348</u>	<u>12,481</u>	<u>21,508</u>	<u>5,377</u>
Total	<u>\$ 6,025,447</u>	<u>\$ 32,731</u>	<u>\$ 601,322</u>	<u>\$ 5,456,856</u>	<u>\$ 589,348</u>

The compensated absences liability for governmental activities is generally liquidated by the General Fund.

Component Unit

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<u>CCIDC</u>					
Sales tax revenue bonds	\$ 690,000	\$ -	\$ 125,000	\$ 565,000	\$ 130,000
Premium on bonds	<u>1,871</u>	<u>-</u>	<u>591</u>	<u>1,280</u>	<u>-</u>
Total	<u>\$ 933,053</u>	<u>\$ -</u>	<u>\$ 125,591</u>	<u>\$ 807,462</u>	<u>\$ 130,000</u>

Certificates of Obligation

The City has issued certificates of obligation to provide funds for the acquisition and construction of major capital facilities. The original amount of Certificates of Obligation issued in 2005 was \$4,750,000 for water and sewer improvements. These bonds were refunded by the 2013 Refunding General Obligation Bonds at annual interest rates from 1.00% to 3.00% with a maturity date of August 2025.

General Obligation Bonds

Certificates of obligation were issued in 2008 in the amount of \$4,000,000 for water and gas improvements and remodeling City Hall. These bonds were refunded by the 2010 Refunding General Obligation Bonds at annual interest rates from 2.00% to 4.00% with a maturity date of August 2027. The City issued \$3,065,000 of General Obligation Refunding Bonds, Series 2013 with interest rates ranging from 1.0%-3.0%. The proceeds were used to refund \$3,055,000 of outstanding Series 2005 certificates of obligation which had interest rates ranging from 3.0%-4.85%.

Combination Tax & Revenue Certificates of Obligation

Certificates of obligation were issued in October of 2016 in the amount of \$2,935,000. The \$3,000,000 proceeds will be used for a water filtration system, and gas and sewer improvements. With interest rates ranging from 2.0%-3.0%, the maturity date for the Series 2016 Certificates of Obligations is August 2036.

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. These bonds were refunded by the 2010 Sales Tax Refunding Bonds at annual interest rates from 2.00% to 4.00% with a maturity date of November 2023.

Capital Leases

The City is obligated under a master lease agreement for 8 vehicles. 6 of the leases carry an interest rate of 1.25% and mature 60 months after signing. 2 of the leases carry an interest rate of 1.25% and mature 48 months after signing. The outstanding leases at September 30, 2020 are as follows:

Governmental Activities:

3 Ford F-250 trucks payable in 60 monthly installments of \$1,445, including interest.	\$ <u>42,344</u>
1 Ford F-250 truck payable in 48 monthly installments of \$512, including interest.	\$ <u>15,149</u>
Total	\$ <u>57,493</u>

Business-type Activities:

3 Ford F-250 trucks payable in 60 monthly installments of \$1,620, including interest.	\$ <u>49,664</u>
1 Ford F-250 truck payable in 60 monthly installments of \$506, including interest.	\$ <u>15,354</u>
Total	\$ <u>65,018</u>

The annual debt service requirements on long-term bonds 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
2021	\$ 69,944	\$ 21,458	\$ 565,056	\$ 153,854	\$ 130,000	\$ 19,756
2022	72,986	19,098	582,014	137,602	140,000	14,600
2023	74,506	16,178	600,494	119,772	145,000	8,900
2024	77,547	13,198	617,453	101,402	150,000	3,000
2025	80,588	10,096	639,412	82,454	-	-
2026-2030	171,820	10,340	1,133,180	230,260	-	-
2031-2035	-	-	840,000	104,700	-	-
2036	-	-	185,000	5,550	-	-
Totals	\$ <u>547,391</u>	\$ <u>90,368</u>	\$ <u>5,162,609</u>	\$ <u>935,594</u>	\$ <u>565,000</u>	\$ <u>46,256</u>

Annual debt service requirements to maturity for capital leases are as follows:

Fiscal Year	Governmental Activities	Business-type Activities
2021	\$ 23,482	\$ 25,509
2022	23,482	25,509
2023	23,482	25,509
2024	<u>10,883</u>	<u>13,351</u>
Total amount of minimum lease payments	\$ 81,329	\$ 89,878
Less: amount representing interest	(23,836)	(24,860)
Present value of minimum lease payments	<u>\$ 57,493</u>	<u>\$ 65,018</u>

The City's direct borrowings (capital leases) related to governmental activities and business-type activities are secured with equipment as collateral. The City's certificates of obligation are payable from the levy and collection of annual ad valorem tax levied on all taxable property within the City and from a limited pledge, not to exceed \$1,000, of the surplus revenues of the City's combined utility system. The City's general obligations are payable from the levy and collection of property taxes of annual ad valorem tax levied on all taxable property within the City.

The CCIDC's sales tax revenue bonds are payable solely by a pledge of and lien on pledged revenues which include the gross proceeds of a 1/2 of 1% sales and use tax levied within the City for the benefit of CCIDC.

Should the City default on its outstanding bonds, any registered owner of the certificates is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring specific performance from the City.

3. 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 have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

C. Employee Retirement Systems

Defined Benefit Pension Plan – Texas Municipal Retirement System

Plan Descriptions

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City has approved an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, City provides on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

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

Employee deposit rate	6.0%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5 years
Service retirement eligibility	25 years to any age, 5 years at age 60 and above
Updated service credit	100% repeating
Annuity increase to retirees	70% of CPI repeating

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	24
Active employees	<u>37</u>
Total	<u>94</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contributions rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.39% and 12.46% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$244,418, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuarial firm focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	\$ 8,805,574	\$ 7,381,984	\$ 1,423,590
Changes for the year:			
Service cost	256,293	-	256,293
Interest	592,656	-	592,656
Difference between expected and actual experience	(56,319)	-	(56,319)
Contributions - employer	-	229,940	(229,940)
Contributions - employee	-	111,351	(111,351)
Net investment income	-	1,141,272	(1,141,272)
Benefit payments, including refunds of employee contributions	(307,276)	(307,276)	-
Administrative expense	-	(6,449)	6,449
Other changes	<u>2,987</u>	<u>(193)</u>	<u>3,180</u>
Net changes	<u>488,341</u>	<u>1,168,645</u>	<u>(680,304)</u>
Balance at 12/31/2019	<u>\$ 9,293,915</u>	<u>\$ 8,550,629</u>	<u>\$ 743,286</u>

In the governmental activities, the net pension liability is generally liquidated by the General Fund.

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 1,968,018	\$ 743,286	\$(267,027)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. The report may be obtained on the Internet at www.tmrs.org.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized pension expense of \$195,320 and \$14,159 in the governmental activities and business-type activities, respectively, for this plan. Total pension expense for both pension plans was \$253,907. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,447	\$ 63,589
Changes in actuarial assumptions	2,151	-
Difference between projected and actual investment earnings	-	261,310
Contributions subsequent to the measurement date	<u>179,329</u>	<u>-</u>
Total	<u>\$ 184,927</u>	<u>\$ 324,899</u>

\$179,329 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

For the Year Ended September 30,	
2021	\$(111,147)
2022	(88,934)
2023	9,380
2024	(128,600)

DEFINED BENEFIT PENSION PLAN – TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM

Plan Description

The City participates in the Texas Emergency Services Retirement System (TESRS), a cost-sharing multiple-employer defined benefit pension established and administered by the State of Texas. The TESRS is an agency of the State of Texas and its financial records comply with state statutes and regulations. The nine members Board of Trustees, appointed by the Governor, establishes policy for the administration of the Texas Emergency Services Retirement System. TESRS issues a publicly available comprehensive annual financial report that can be obtained at www.tesrs.org.

The TESRS was created as a standalone agency by the 83rd Legislature via the passage of SB 220, effective September 1, 2013, to assume the related functions of the abolished Office of the Fire Fighters’ Pension Commissioner. While the agency is relatively new, the System has been in existence since 1977. TESRS, which is under the authority of Title 8, Subtitle H, Chapters 861-865 of the Texas Government Code, provides death and disability benefits to active volunteer fire fighters and first responders, and a pension to members with vested service, as well as to their survivor/beneficiaries.

Pension Plan Fiduciary Net Position

For financial reporting purposes, the State of Texas is considered the primary reporting government. TESRS’ financial statements are included in the State’s Comprehensive Annual Financial Report. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and required supplementary information, which can be obtained at www.tesrs.org.

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to their vested percent multiplied by six times the governing body’s average monthly contribution over the member’s years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member’s surviving spouse and dependent children.

Contributions

Contributions are made by the City for the participating employees. No contributions are required from the individuals who are members of the TERSRS, nor are they allowed. The City makes contributions of \$80 per month per member. Contributions to the pension plan for the year ended September 30, 2020, were \$32,400.

Actuarial Assumptions

The total pension liability in the August 31, 2020, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.00%
Salary increases	None
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Lives Mortality Tables for males and for females projected to 2024 by scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (currently 5.01%) and by adding expected inflation (3.00%). In addition, the final 7.75% assumption was selected by "rounding down" and thereby reflects a reduction of 0.26% for adverse deviation. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Equities:		
Large cap domestic	20.0%	5.83%
Small cap domestic	10.0%	5.94%
Developed international	15.0%	6.15%
Emerging markets	5.0%	7.25%
Global infrastructure	5.0%	6.41%
Real estate	10.0%	4.48%
Multi asset income	5.0%	3.84%
Fixed income	30.0%	1.99%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. No projection of cash flows was used to determine the discount rate because the August 31, 2018 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method and with a lower value of assets, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the City's proportionate share of the net pension liability, calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate:

	1% Decrease in Discount Rate (6.75%)	Discount Rate (7.75%)	1% Increase in Discount Rate (8.75%)
City's proportionate share of the net pension liability	\$ 323,497	\$ 167,904	\$ 59,800

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the City reported a liability of \$167,904 for its proportionate share of the TESRS's net pension liability. The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to contributions of all participating employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.666%, which was a decrease of 0.043% when compared to August 31, 2019.

For the year ended September 30, 2020, the City's pension expense was \$44,428 in the governmental activities for this plan. Total pension expense for both pension plans was \$253,907. At September 30, 2020, the City reported its proportionate share of the TESRS's deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 7,996
Changes in Assumptions		275
Difference between projected and actual investment earnings	911	-
Contributions paid to TESRS subsequent to the measurement date	31,040	-
Total	<u>\$ 31,951</u>	<u>\$ 8,271</u>

\$31,040 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30	
2021	\$(7,144)
2022	(1,467)
2023	5,773
2024	(4,522)

D. Defined Other Post-Employment Benefit Plans

TMRS SUPPLEMENTAL DEATH BENEFITS FUND

Plan Description. The City voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a single-employer defined benefit Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the City's pension plan.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and 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.

Payments from this fund are similar to group-term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<u>37</u>
Total	<u>71</u>

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.25% for 2020 and 0.22% for 2019, of which 0.08% and 0.07%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. 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 prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2020 and 2019 were \$4,754 and \$3,992, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Discount rate	2.75%
Actuarial cost method	Entry Age Normal Method
Projected salary increases	3.50% to 11.5% including inflation

Salary increases were based on a service-related table.

Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor. Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under the provisions of GASB Statement No. 68.

Changes in assumptions reflect the annual change in the municipal bond rate. The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Discount Rate. The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 2.75% was used to measure the Total OPEB Liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2019.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.75%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
Total OPEB Liability	\$ 227,298	\$ 190,911	\$ 162,132

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At September 30, 2020, the City reported a liability of \$190,910 for its Total OPEB Liability. The Total OPEB Liability was determined by an actuarial valuation as of December 31, 2019. For the year ended September 30, 2020, the City recognized OPEB expense of \$15,118. Of this, the amounts attributed to governmental activities and the utility fund in business-type activities were \$15,043 and \$75, respectively. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2018	\$ 158,962
Changes for the year:	
Service cost	4,083
Interest	5,949
Difference between expected and actual experience	(5,019)
Changes of assumptions or other inputs	28,234
Benefit payments	(1,298)
Net changes	31,949
Balance at 12/31/2019	\$ 190,911

In the governmental activities, the total OPEB liability is generally liquidated by the General Fund.

Changes in assumptions reflect a change in the discount rate from 3.71% to 2.75%.

At September 30, 2020, the City reported deferred outflows and inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	-	\$ 4,479
Changes in actuarial assumptions	26,286	5,981
Contributions subsequent to the measurement date	1,150	-
	\$ 27,436	\$ 10,460

\$1,150 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2021. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year
Ended September 30

2021	\$	5,086
2022		4,019
2023		3,518
2024		3,203

E. Economic Development Agreement

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. This program reduces the assessed property tax values as authorized under Chapter 381 of the Texas Local Government Code.

The City has entered into a tax abatement agreement dated October 2012, with a developer to reduce the assessed property tax value for constructing, equipping, and operating an oil and gas production equipment manufacturing facility. The City agrees to abate 100% of ad valorem taxation of the Certified Appraised Value of all Eligible Property for the first two years, 75% in year three, 50% in year four, and 25% in year 5. In fiscal year 2020, the City rebated property taxes in the amount of \$16,589.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF COLUMBUS, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 832,497	\$ 832,497	\$ 839,618	\$ 7,121
Sales	1,088,000	1,088,000	1,196,512	108,512
Franchise	220,000	220,000	223,757	3,757
Licenses and permits	27,900	27,900	68,539	40,639
Fines and forfeitures	113,750	113,750	82,539	(31,211)
Charges for services	12,310	12,310	9,358	(2,952)
Intergovernmental	35,000	109,509	172,103	62,594
Investment earnings	10,000	10,000	7,080	(2,920)
Miscellaneous	6,651	14,837	21,785	6,948
Total revenues	<u>2,346,108</u>	<u>2,428,803</u>	<u>2,621,291</u>	<u>192,488</u>
EXPENDITURES				
General government:				
Personnel	312,515	312,515	309,399	3,116
Supplies and maintenance	31,500	31,500	36,033	(4,533)
Other services	143,823	158,823	165,779	(6,956)
Capital outlay	8,550	8,550	5,588	2,962
Total general government	<u>496,388</u>	<u>511,388</u>	<u>516,799</u>	<u>(5,411)</u>
Public safety:				
Police department:				
Personnel	970,861	970,861	1,003,945	(33,084)
Supplies and maintenance	129,814	129,814	92,097	37,717
Other services	70,185	70,185	67,674	2,511
Capital outlay	122,500	122,500	121,310	1,190
Total police department	<u>1,293,360</u>	<u>1,293,360</u>	<u>1,285,026</u>	<u>8,334</u>
Fire department:				
Personnel	\$ 65,218	\$ 65,218	\$ 54,477	\$ 10,741
Supplies and maintenance	87,400	87,400	91,876	(4,476)
Other services	58,475	58,475	49,383	9,092
Capital outlay	28,000	28,000	40,256	(12,256)
Total fire department	<u>239,093</u>	<u>239,093</u>	<u>235,992</u>	<u>3,101</u>
Total public safety	<u>1,532,453</u>	<u>1,532,453</u>	<u>1,521,018</u>	<u>11,435</u>
Public health:				
Personnel	133,595	133,595	141,989	(8,394)
Supplies and maintenance	11,875	11,875	12,818	(943)
Other services	21,627	21,627	4,207	17,420
Capital outlay	4,207	4,207	-	4,207
Total public health	<u>171,304</u>	<u>171,304</u>	<u>159,014</u>	<u>12,290</u>

CITY OF COLUMBUS, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Public works:				
Personnel	231,470	231,470	222,603	8,867
Supplies and maintenance	216,793	216,793	165,651	51,142
Other services	69,225	69,225	58,231	10,994
Capital outlay	<u>205,927</u>	<u>205,927</u>	<u>172,865</u>	<u>33,062</u>
Total public works	<u>723,415</u>	<u>723,415</u>	<u>619,350</u>	<u>104,065</u>
Culture and recreation:				
Personnel	421,835	421,835	418,580	3,255
Supplies and maintenance	129,437	142,607	101,128	41,479
Other services	127,460	135,050	104,098	30,952
Capital outlay	<u>110,000</u>	<u>110,000</u>	<u>68,851</u>	<u>41,149</u>
Total culture and recreation	<u>788,732</u>	<u>809,492</u>	<u>692,657</u>	<u>116,835</u>
Debt service				
Principal	-	-	15,742	(15,742)
Interest	<u>-</u>	<u>8,172</u>	<u>5,623</u>	<u>2,549</u>
Total debt service	<u>-</u>	<u>8,172</u>	<u>21,365</u>	<u>(13,193)</u>
Total expenditures	<u>3,712,292</u>	<u>3,756,224</u>	<u>3,530,203</u>	<u>226,021</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	670,888	670,888	660,488	(10,400)
Transfers out	(25,000)	(25,000)	(25,000)	-
Issuance of capital lease	-	-	18,179	18,179
Sale of capital assets	<u>-</u>	<u>-</u>	<u>7,360</u>	<u>7,360</u>
Total other financing sources (uses)	<u>645,888</u>	<u>645,888</u>	<u>661,027</u>	<u>15,139</u>
NET CHANGE IN FUND BALANCES	<u>(720,296)</u>	<u>(681,533)</u>	<u>(247,885)</u>	<u>433,648</u>
FUND BALANCES, BEGINNING	<u>1,293,449</u>	<u>1,293,449</u>	<u>1,293,449</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 573,153</u>	<u>\$ 611,916</u>	<u>\$ 1,045,564</u>	<u>\$ 433,648</u>

CITY OF COLUMBUS, TEXAS

HOTEL/MOTEL TAX FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Hotel occupancy tax	\$ 240,000	\$ 240,000	\$ 200,051	\$ (39,949)
Investment earnings	5,000	3,000	3,452	452
Total revenues	<u>245,000</u>	<u>243,000</u>	<u>203,503</u>	<u>(39,497)</u>
EXPENDITURES				
Current:				
Economic development	<u>332,620</u>	<u>332,620</u>	<u>267,729</u>	<u>64,891</u>
Total expenditures	<u>332,620</u>	<u>332,620</u>	<u>267,729</u>	<u>64,891</u>
NET CHANGE IN FUND BALANCES	<u>(87,620)</u>	<u>(89,620)</u>	<u>(64,226)</u>	<u>25,394</u>
FUND BALANCES, BEGINNING	<u>451,483</u>	<u>451,483</u>	<u>451,483</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 363,863</u>	<u>\$ 361,863</u>	<u>\$ 387,257</u>	<u>\$ 25,394</u>

CITY OF COLUMBUS, TEXAS

NOTES TO BUDGETARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 which increased total budgeted expenditures by \$27,367 for library grants in the culture and recreation function. In addition, a budget amendment was made for \$15,000 for an economic development study.

CITY OF COLUMBUS, TEXAS

SCHEDULE OF CHANGES IN TMRS NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Measurement Date December 31,	2014	2015	2016
A. Total pension liability			
Service Cost	\$ 225,111	\$ 231,666	\$ 243,411
Interest (on the Total Pension Liability)	463,968	484,124	498,257
Difference between expected and actual experience	(115,052)	(84,508)	(2,739)
Change of assumptions	-	80,347	-
Benefit payments, including refunds of employee contributions	<u>(329,185)</u>	<u>(249,541)</u>	<u>(254,409)</u>
Net change in total pension liability	244,842	462,088	484,520
Total pension liability - beginning	<u>6,680,154</u>	<u>6,924,996</u>	<u>7,387,084</u>
Total pension liability - ending (a)	\$ <u>6,924,996</u>	\$ <u>7,387,084</u>	\$ <u>7,871,604</u>
B. Plan fiduciary net position			
Contributions - employer	\$ 240,607	\$ 218,650	\$ 219,086
Contributions - employee	102,097	97,612	99,963
Net investment income	325,069	8,879	411,476
Benefit payments, including refunds of employee contributions	(329,185)	(249,541)	(254,409)
Administrative expenses	(3,393)	(5,407)	(4,645)
Other	<u>(279)</u>	<u>(268)</u>	<u>(250)</u>
Net change in plan fiduciary net position	334,916	69,925	471,221
Plan fiduciary net position - beginning	<u>5,681,571</u>	<u>6,016,487</u>	<u>6,086,412</u>
Plan fiduciary net position - ending (b)	\$ <u>6,016,487</u>	\$ <u>6,086,412</u>	\$ <u>6,557,633</u>
C. Net pension liability - ending (a) - (b)	\$ <u>908,509</u>	\$ <u>1,300,672</u>	\$ <u>1,313,971</u>
D. Plan fiduciary net position as a percentage of total pension liability	86.88%	82.39%	83.31%
E. Covered payroll	\$ 1,701,613	\$ 1,626,867	\$ 1,666,057
F. Net position liability as a percentage of covered payroll	53.39%	79.95%	78.87%

Note: The schedule is intended to show 10 years of information, additional years will be presented as it becomes available.

2017	2018	2019
\$ 250,666	\$ 247,345	\$ 256,293
530,391	556,914	592,656
(113,799)	7,809	(56,319)
-	-	2,987
(278,571)	(266,785)	(307,276)
388,687	545,283	488,341
<u>7,871,604</u>	<u>8,260,291</u>	<u>8,805,574</u>
\$ <u>8,260,291</u>	\$ <u>8,805,574</u>	\$ <u>9,293,915</u>
\$ 236,414	\$ 248,241	\$ 229,940
103,013	107,619	111,351
909,248	(225,298)	1,141,272
(278,571)	(266,785)	(307,276)
(4,710)	(4,355)	(6,449)
(238)	(227)	(193)
965,156	(140,805)	1,168,645
<u>6,557,633</u>	<u>7,522,789</u>	<u>7,381,984</u>
\$ <u>7,522,789</u>	\$ <u>7,381,984</u>	\$ <u>8,550,629</u>
\$ <u>737,502</u>	\$ <u>1,423,590</u>	\$ <u>743,286</u>
91.07%	83.83%	92.00%
\$ 1,716,888	\$ 1,793,653	\$ 1,855,849
42.96%	79.37%	40.05%

CITY OF COLUMBUS, TEXAS

SCHEDULE OF TMRS CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Fiscal Year September 30,	2014	2015	2016
Actuarial determined contribution	\$ 234,237	\$ 222,113	\$ 218,454
Contributions in relation to the actuarially determined contribution	(234,237)	(222,113)	(218,454)
Contribution deficiency (excess)	-	-	-
Covered payroll	1,659,459	1,629,065	1,651,318
Contributions as a percentage of covered payroll	14.12%	13.63%	13.23%

NOTES TO SCHEDULE OF TMRS CONTRIBUTIONS

Valuation Date Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Note: The schedule is intended to show 10 years of information, additional years will be presented as it becomes available.

2017	2018	2019	2020
\$ 229,867	\$ 245,764	\$ 235,013	\$ 244,418
(229,867)	(245,764)	(235,013)	(244,418)
-	-	-	-
1,690,258	1,778,237	1,837,469	1,964,571
13.60%	13.82%	12.79%	12.44%

CITY OF COLUMBUS, TEXAS

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - TESRS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Measurement Date August 31,	2015	2016	2017
City's proportion of the net pension liability	0.670%	0.700%	0.670%
City's proportionate share of the net pension liability	\$ 178,840	\$ 203,897	\$ 160,811
City's covered payroll	-	-	-
City's proportionate share of the net pension liability as a percentage of its covered payroll	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension	76.90%	76.30%	81.40%

SCHEDULE OF CITY'S TESRS CONTRIBUTIONS

Fiscal year ended September 30,	2014	2015	2016	2017
Contractually required contribution	\$ 31,159	\$ 31,650	\$ 32,055	\$ 33,920
Contributions in relation to the contractually required contribution	<u>(31,159)</u>	<u>(31,650)</u>	<u>(32,055)</u>	<u>(33,920)</u>
Contribution deficiency (excess)	-	-	-	-
City's covered payroll	-	-	-	-
Contributions as a percentage of covered payroll	0%	0%	0%	0%

Note: The schedule is intended to show 10 years of information, additional years will be presented as it becomes available.

2018	2019	2020
0.670%	0.709%	0.666%
\$ 168,252	\$ 200,970	\$ 167,904
-	-	-
0%	0%	0%
84.26%	80.20%	80.20%

2018	2019	2020
\$ 31,440	\$ 31,771	\$ 31,040
(31,440)	(31,771)	(31,040)
-	-	-
-	-	-
0%	0%	0%

CITY OF COLUMBUS, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS - TEXAS MUNICIPAL RETIREMENT SYSTEM
SUPPLEMENTAL DEATH BENEFITS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Measurement Date December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>
A. Total OPEB liability			
Service Cost	\$ 3,777	\$ 4,663	\$ 4,083
Interest (on the Total OPEB Liability)	5,399	5,406	5,949
Differences between expected and actual experience	-	(960)	(5,019)
Changes of assumptions	11,938	(10,599)	28,234
Benefit payments, including refunds of employee contributions	(1,030)	(1,076)	(1,298)
Net change in Total OPEB liability	20,084	(2,566)	31,949
Total OPEB liability - beginning	<u>141,444</u>	<u>161,528</u>	<u>158,962</u>
Total OPEB liability - ending (a)	\$ <u>161,528</u>	\$ <u>158,962</u>	\$ <u>190,911</u>
B. Covered-employee payroll	\$ 1,716,888	\$ 1,793,653	\$ 1,855,849
C. Total OPEB liability as a percentage of covered-employee payroll	9.41%	8.86%	10.29%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- The changes of assumptions generally includes the annual change in the municipal bond index rate.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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.

DEBT SERVICE FUNDS

Debt Service Fund 2005 & 2013 – 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 2010 – 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, 2020

	Capital Projects		Debt Service		Total Nonmajor Governmental Funds
	Equipment	Fire Equipment	2005 & 2013 C of O	2010 C of O	
ASSETS					
Cash and investments	\$ 64,275	\$ 442,939	\$ -	\$ 850	\$ 508,064
Taxes receivable, net	-	-	-	1,605	1,605
Total assets	<u>64,275</u>	<u>442,939</u>	<u>-</u>	<u>2,455</u>	<u>509,669</u>
LIABILITIES	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	879	879
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>879</u>	<u>879</u>
FUND BALANCES					
Restricted for:					
Debt service	-	-	-	1,576	1,576
Assigned for:					
Capital outlay	64,275	442,939	-	-	507,214
Total fund balances	<u>64,275</u>	<u>442,939</u>	<u>-</u>	<u>1,576</u>	<u>508,790</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 64,275</u>	<u>\$ 442,939</u>	<u>\$ -</u>	<u>\$ 2,455</u>	<u>\$ 509,669</u>

CITY OF COLUMBUS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Capital Projects		Debt Service		Total Nonmajor Governmental Funds
	Equipment	Fire Equipment	2005 & 2013 C of O	2010 C of O	
REVENUES					
Property taxes	\$ -	\$ -	\$ 114	\$ 90,726	\$ 90,840
Investment earnings	<u>1,110</u>	<u>8,306</u>	<u>-</u>	<u>63</u>	<u>9,479</u>
Total revenues	<u>1,110</u>	<u>8,306</u>	<u>114</u>	<u>90,789</u>	<u>100,319</u>
EXPENDITURES					
Debt service:					
Principal	-	-	-	66,903	66,903
Interest and other charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,633</u>	<u>23,633</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,536</u>	<u>90,536</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,110</u>	<u>8,306</u>	<u>114</u>	<u>253</u>	<u>9,783</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	20,000	40,000	-	-	60,000
Transfers out	<u>(14,000)</u>	<u>-</u>	<u>(114)</u>	<u>(1,220)</u>	<u>(15,334)</u>
Total other financing sources (uses)	<u>6,000</u>	<u>40,000</u>	<u>(114)</u>	<u>(1,220)</u>	<u>44,666</u>
NET CHANGE IN FUND BALANCES	<u>7,110</u>	<u>48,306</u>	<u>-</u>	<u>(967)</u>	<u>54,449</u>
FUND BALANCES, BEGINNING	<u>57,165</u>	<u>394,633</u>	<u>-</u>	<u>2,543</u>	<u>454,341</u>
FUND BALANCES, ENDING	<u>\$ 64,275</u>	<u>\$ 442,939</u>	<u>\$ -</u>	<u>\$ 1,576</u>	<u>\$ 508,790</u>

CITY OF COLUMBUS, TEXAS

EQUIPMENT CAPITAL PROJECTS FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,000	\$ 1,000	\$ 1,110	\$ 110
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,110</u>	<u>110</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,000	-
Transfers out	(14,000)	(14,000)	(14,000)	-
Total other financing sources (uses)	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>7,000</u>	<u>7,000</u>	<u>7,110</u>	<u>110</u>
FUND BALANCES, BEGINNING	<u>57,165</u>	<u>57,165</u>	<u>57,165</u>	<u>-</u>
FUND BALANCES, ENDING	\$ <u>64,165</u>	\$ <u>64,165</u>	\$ <u>64,275</u>	\$ <u>110</u>

CITY OF COLUMBUS, TEXAS

FIRE EQUIPMENT CAPITAL PROJECTS FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 11,000	\$ 11,000	\$ 8,306	\$(2,694)
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>8,306</u>	<u>(2,694)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total other financing sources (uses)	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>51,000</u>	<u>51,000</u>	<u>48,306</u>	<u>(2,694)</u>
FUND BALANCES, BEGINNING	<u>394,633</u>	<u>394,633</u>	<u>394,633</u>	<u>-</u>
FUND BALANCES, ENDING	\$ <u>445,633</u>	\$ <u>445,633</u>	\$ <u>442,939</u>	\$ <u>(2,694)</u>

CITY OF COLUMBUS, TEXAS

DEBT SERVICE FUND 2005 & 2013

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 35	\$ 35	\$ 114	\$ 79
Total revenues	<u>35</u>	<u>35</u>	<u>114</u>	<u>79</u>
EXPENDITURES				
Debt service:				
Principal	<u>321,000</u>	<u>321,000</u>	<u>-</u>	<u>(321,000)</u>
Total expenditures	<u>321,000</u>	<u>321,000</u>	<u>-</u>	<u>(321,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(320,965)</u>	<u>(320,965)</u>	<u>114</u>	<u>321,079</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	321,000	321,000	-	(321,000)
Transfers out	<u>-</u>	<u>-</u>	<u>(114)</u>	<u>(114)</u>
Total other financing sources (uses)	<u>321,000</u>	<u>321,000</u>	<u>(114)</u>	<u>(321,114)</u>
NET CHANGE IN FUND BALANCES	<u>35</u>	<u>35</u>	<u>-</u>	<u>(35)</u>
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 35</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ (35)</u>

CITY OF COLUMBUS, TEXAS

DEBT SERVICE FUND 2010

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

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 89,770	\$ 89,770	\$ 90,726	\$ 956
Investment earnings	50	50	63	13
Total revenues	<u>89,820</u>	<u>89,820</u>	<u>90,789</u>	<u>969</u>
EXPENDITURES				
Debt service:				
Principal	220,000	220,000	66,903	153,097
Interest and other charges	<u>77,713</u>	<u>77,713</u>	<u>23,633</u>	<u>54,080</u>
Total expenditures	<u>297,713</u>	<u>297,713</u>	<u>90,536</u>	<u>207,177</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(207,893)</u>	<u>(207,893)</u>	<u>253</u>	<u>208,146</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(207,177)</u>	<u>(207,177)</u>	<u>(1,220)</u>	<u>205,957</u>
Total other financing sources (uses)	<u>(207,177)</u>	<u>(207,177)</u>	<u>(1,220)</u>	<u>205,957</u>
NET CHANGE IN FUND BALANCES	<u>(415,070)</u>	<u>(415,070)</u>	<u>(967)</u>	<u>414,103</u>
FUND BALANCES, BEGINNING	<u>2,543</u>	<u>2,543</u>	<u>2,543</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$(412,527)</u>	<u>\$(412,527)</u>	<u>\$ 1,576</u>	<u>\$ 414,103</u>

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STATISTICAL SECTION

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Statistical Section
(Unaudited)

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.

	<u>Page Number</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	58 – 68
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.	69 – 75
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.	76 – 81
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.	82 – 84
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.	85 – 87

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CITY OF COLUMBUS, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$ 1,354,636	\$ 1,277,925	\$ 1,395,779	\$ 1,483,520
Restricted	342,880	463,251	285,550	497,101
Unrestricted	<u>1,155,658</u>	<u>1,166,208</u>	<u>1,185,305</u>	<u>1,223,557</u>
Total governmental activities	<u>\$ 2,853,174</u>	<u>\$ 2,907,384</u>	<u>\$ 2,866,634</u>	<u>\$ 3,204,178</u>
Business-type activities:				
Net investment in capital assets	\$ 3,132,994	\$ 3,261,199	\$ 3,212,280	\$ 2,952,589
Unrestricted	<u>2,317,925</u>	<u>2,395,384</u>	<u>2,043,038</u>	<u>2,115,984</u>
Total business-type activities	<u>\$ 5,450,919</u>	<u>\$ 5,656,583</u>	<u>\$ 5,255,318</u>	<u>\$ 5,068,573</u>
Primary government:				
Net investment in capital assets	\$ 4,487,630	\$ 4,539,124	\$ 4,608,059	\$ 4,436,109
Restricted	342,880	463,251	285,550	497,101
Unrestricted	<u>3,473,583</u>	<u>3,561,592</u>	<u>3,228,343</u>	<u>3,339,541</u>
Total primary government	<u>\$ 8,304,093</u>	<u>\$ 8,563,967</u>	<u>\$ 8,121,952</u>	<u>\$ 8,272,751</u>

TABLE 1

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,747,899	\$ 1,831,601	\$ 2,288,216	\$ 2,416,550	\$ 2,413,215	\$ 2,617,798
570,705	754,318	518,421	424,724	452,152	387,257
<u>626,891</u>	<u>630,750</u>	<u>631,448</u>	<u>604,229</u>	<u>773,962</u>	<u>710,690</u>
<u>\$ 2,945,495</u>	<u>\$ 3,216,669</u>	<u>\$ 3,438,085</u>	<u>\$ 3,445,503</u>	<u>\$ 3,639,329</u>	<u>\$ 3,715,745</u>
\$ 3,689,918	\$ 4,706,157	\$ 4,984,074	\$ 5,590,129	\$ 6,033,610	\$ 6,624,044
<u>1,420,147</u>	<u>1,000,874</u>	<u>801,956</u>	<u>472,757</u>	<u>290,136</u>	<u>33,694</u>
<u>\$ 5,110,065</u>	<u>\$ 5,707,031</u>	<u>\$ 5,786,030</u>	<u>\$ 6,062,886</u>	<u>\$ 6,323,746</u>	<u>\$ 6,657,738</u>
\$ 5,437,817	\$ 6,537,758	\$ 7,272,290	\$ 8,006,679	\$ 8,446,825	\$ 9,241,842
570,705	754,318	518,421	424,724	452,152	387,257
<u>2,047,038</u>	<u>1,631,624</u>	<u>1,433,404</u>	<u>1,076,986</u>	<u>1,064,098</u>	<u>744,384</u>
<u>\$ 8,055,560</u>	<u>\$ 8,923,700</u>	<u>\$ 9,224,115</u>	<u>\$ 9,508,389</u>	<u>\$ 9,963,075</u>	<u>\$ 10,373,483</u>

CITY OF COLUMBUS TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
EXPENSES				
Governmental activities:				
General government	\$ 389,512	\$ 390,388	\$ 453,776	\$ 419,265
Public safety	1,012,625	1,010,135	1,133,864	1,148,463
Public health	65,505	72,323	82,154	72,318
Public works	506,469	516,638	486,505	436,314
Culture and recreation	504,078	480,353	497,033	503,013
Economic development	91,326	143,712	257,954	66,034
Interest on long-term debt	38,005	37,561	37,950	37,896
Total governmental activities	<u>2,607,520</u>	<u>2,651,110</u>	<u>2,949,236</u>	<u>2,683,303</u>
Business-type activities:				
Water	847,389	907,037	1,123,342	869,803
Sewer	581,032	575,110	559,944	585,847
Garbage	636,724	680,444	723,904	768,391
Gas	696,535	539,344	643,572	868,726
Total business-type activities	<u>2,761,680</u>	<u>2,701,935</u>	<u>3,050,762</u>	<u>3,092,767</u>
Total primary government	<u>\$ 5,369,200</u>	<u>\$ 5,353,045</u>	<u>\$ 5,999,998</u>	<u>\$ 5,776,070</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 33,938	\$ 20,598	\$ 65,255	\$ 20,217
Public safety	63,885	73,155	67,780	92,136
Culture and recreation	23,335	19,652	21,335	20,955
Operating grants and contributions	58,366	61,402	123,134	211,482
Capital grants and contributions	41,016	-	-	-
Total governmental activities	<u>220,540</u>	<u>174,807</u>	<u>277,504</u>	<u>344,790</u>
Business-type activities:				
Charges for services:				
Water	1,034,041	912,018	881,687	838,031
Sewer	660,203	699,940	686,360	721,118
Garbage	683,561	764,171	796,801	856,312
Gas	760,700	610,750	697,765	1,024,124
Operating grants and contributions	-	-	-	-
Capital grants and contributions	109,581	407,819	90,000	125,675
Total business-type activities	<u>3,248,086</u>	<u>3,394,698</u>	<u>3,152,613</u>	<u>3,565,260</u>
Total primary government	<u>\$ 3,468,626</u>	<u>\$ 3,569,505</u>	<u>\$ 3,430,117</u>	<u>\$ 3,910,050</u>

TABLE 2

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 699,548	\$ 406,885	\$ 455,126	\$ 442,536	\$ 487,077	\$ 540,229	
1,135,820	1,231,888	1,353,574	1,234,760	1,409,862	1,475,198	
71,159	79,528	93,290	95,333	142,007	167,894	
451,269	491,918	402,189	581,452	511,443	502,142	
498,746	596,015	666,036	637,826	640,571	680,727	
97,917	89,581	115,700	236,393	249,951	267,729	
31,056	30,757	23,375	27,317	32,018	28,984	
<u>2,985,515</u>	<u>2,926,572</u>	<u>3,109,290</u>	<u>3,255,617</u>	<u>3,472,929</u>	<u>3,662,903</u>	
840,349	1,009,153	995,803	1,020,986	976,333	1,025,945	
585,891	575,931	740,254	592,647	540,537	558,264	
787,469	787,615	876,489	861,106	870,635	908,939	
758,466	515,084	533,692	734,314	770,119	646,459	
<u>2,972,175</u>	<u>2,887,783</u>	<u>3,146,238</u>	<u>3,209,053</u>	<u>3,157,624</u>	<u>3,139,607</u>	
\$ <u>5,957,690</u>	\$ <u>5,814,355</u>	\$ <u>6,255,528</u>	\$ <u>6,464,670</u>	\$ <u>6,630,553</u>	\$ <u>6,802,510</u>	
\$ 22,326	\$ 23,375	\$ 40,038	\$ 33,511	\$ 35,185	\$ 68,639	
129,011	189,374	109,306	134,406	111,446	80,622	
18,864	18,989	21,067	13,954	12,982	9,258	
452,335	65,665	90,532	159,791	198,442	174,353	
71,750	70,923	145,000	-	-	-	
<u>694,286</u>	<u>368,326</u>	<u>405,943</u>	<u>341,662</u>	<u>358,055</u>	<u>332,872</u>	
824,319	867,695	1,061,351	1,075,353	1,501,544	1,192,392	
707,917	779,310	944,107	956,092	957,499	956,251	
856,700	849,245	905,691	910,105	938,515	944,690	
926,703	660,184	681,432	827,189	829,701	626,419	
-	-	89,366	90,369	132,702	10,779	
497,975	866,610	90,000	190,260	140,632	389,368	
<u>3,813,614</u>	<u>4,023,044</u>	<u>3,771,947</u>	<u>4,049,368</u>	<u>4,050,593</u>	<u>4,119,899</u>	
\$ <u>4,507,900</u>	\$ <u>4,391,370</u>	\$ <u>4,177,890</u>	\$ <u>4,391,030</u>	\$ <u>4,408,648</u>	\$ <u>4,452,771</u>	

CITY OF COLUMBUS, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
NET (EXPENSE) REVENUES				
Governmental activities	\$(2,386,980)	\$(2,476,303)	\$(2,671,732)	\$(2,338,513)
Business-type activities	486,406	692,763	101,851	472,493
Total primary government	<u>(1,900,574)</u>	<u>(1,783,540)</u>	<u>(2,569,881)</u>	<u>(1,866,020)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	657,475	665,659	687,308	712,022
Sales	732,969	767,295	821,618	865,689
Hotel occupancy	232,716	263,139	283,508	274,796
Franchise	261,982	255,088	246,201	247,048
Alcohol beverage	9,670	6,843	8,306	11,137
Investment earnings	13,192	13,769	17,526	15,493
Gain on sale of capital assets	839	-	11,965	329
Miscellaneous	15,731	32,961	14,805	17,093
Transfers	434,293	525,759	539,745	563,228
Total governmental activities	<u>2,358,867</u>	<u>2,530,513</u>	<u>2,630,982</u>	<u>2,706,835</u>
Business-type activities:				
Other	43,652	38,660	36,628	26,523
Transfers	<u>(434,293)</u>	<u>(525,759)</u>	<u>(539,745)</u>	<u>(563,228)</u>
Total business-type activities	<u>(390,641)</u>	<u>(487,099)</u>	<u>(503,117)</u>	<u>(536,705)</u>
Total primary government	<u>1,968,226</u>	<u>2,043,414</u>	<u>2,127,865</u>	<u>2,170,130</u>
CHANGE IN NET POSITION				
Governmental activities	(117,436)	54,210	(40,750)	368,322
Business-type activities	<u>302,122</u>	<u>205,664</u>	<u>(401,266)</u>	<u>(64,212)</u>
Total primary government	<u>\$ 184,686</u>	<u>\$ 259,874</u>	<u>\$(442,016)</u>	<u>\$ 304,110</u>

TABLE 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$(2,291,229)	\$(2,558,246)	\$(2,703,347)	\$(2,913,955)	\$(3,114,874)	\$(3,330,031)
<u>841,439</u>	<u>1,135,261</u>	<u>625,709</u>	<u>840,315</u>	<u>892,969</u>	<u>980,292</u>
<u>(1,449,790)</u>	<u>(1,422,985)</u>	<u>(2,077,638)</u>	<u>(2,073,640)</u>	<u>(2,221,905)</u>	<u>(2,349,739)</u>
715,735	744,780	811,528	874,437	890,019	1,061,417
871,911	966,595	998,674	996,317	1,127,925	1,180,800
258,465	275,829	225,098	225,662	236,441	200,051
250,639	237,509	236,828	238,973	232,105	223,757
12,509	14,610	13,359	13,020	21,501	15,712
16,872	18,016	21,460	22,743	34,962	20,011
9,880	-	2,950	2,576	10,645	2,760
17,691	14,102	19,023	26,194	21,002	21,785
<u>594,103</u>	<u>557,979</u>	<u>595,843</u>	<u>625,125</u>	<u>707,100</u>	<u>680,154</u>
<u>2,747,805</u>	<u>2,829,420</u>	<u>2,924,763</u>	<u>3,025,047</u>	<u>3,308,700</u>	<u>3,406,447</u>
25,863	19,684	49,133	60,779	74,991	33,854
<u>(594,103)</u>	<u>(557,979)</u>	<u>(595,843)</u>	<u>(625,125)</u>	<u>(707,100)</u>	<u>(680,154)</u>
<u>(568,240)</u>	<u>(538,295)</u>	<u>(546,710)</u>	<u>(564,346)</u>	<u>(632,109)</u>	<u>(646,300)</u>
<u>2,179,565</u>	<u>2,291,125</u>	<u>2,378,053</u>	<u>2,460,701</u>	<u>2,676,591</u>	<u>2,760,147</u>
456,576	271,174	221,416	111,092	193,826	76,416
<u>273,199</u>	<u>596,966</u>	<u>78,999</u>	<u>275,969</u>	<u>260,860</u>	<u>333,992</u>
<u>\$ 729,775</u>	<u>\$ 868,140</u>	<u>\$ 300,415</u>	<u>\$ 387,061</u>	<u>\$ 454,686</u>	<u>\$ 410,408</u>

CITY OF COLUMBUS, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund				
Assigned	\$ -	\$ -	\$ -	\$ -
Unassigned	<u>849,063</u>	<u>844,446</u>	<u>844,528</u>	<u>878,471</u>
Total general fund	<u>\$ 849,063</u>	<u>\$ 844,446</u>	<u>\$ 844,528</u>	<u>\$ 878,471</u>
All other governmental funds				
Restricted	\$ 343,847	\$ 464,686	\$ 287,689	\$ 497,767
Assigned	<u>267,135</u>	<u>292,060</u>	<u>318,257</u>	<u>344,460</u>
Total all other governmental funds	<u>\$ 610,982</u>	<u>\$ 756,746</u>	<u>\$ 605,946</u>	<u>\$ 842,227</u>

TABLE 3

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ 456,919	\$ 720,296	\$ 496,718
<u>1,052,713</u>	<u>1,043,014</u>	<u>1,186,548</u>	<u>637,687</u>	<u>573,153</u>	<u>539,628</u>
<u>\$ 1,052,713</u>	<u>\$ 1,043,014</u>	<u>\$ 1,186,548</u>	<u>\$ 1,094,606</u>	<u>\$ 1,293,449</u>	<u>\$ 1,036,346</u>
\$ 573,328	\$ 754,679	\$ 519,944	\$ 427,592	\$ 454,026	\$ 388,833
<u>259,568</u>	<u>284,347</u>	<u>338,725</u>	<u>384,849</u>	<u>451,798</u>	<u>507,214</u>
<u>\$ 842,227</u>	<u>\$ 1,039,026</u>	<u>\$ 858,669</u>	<u>\$ 812,441</u>	<u>\$ 905,824</u>	<u>\$ 896,047</u>

CITY OF COLUMBUS, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
REVENUES				
Property taxes	\$ 646,047	\$ 671,801	\$ 692,238	\$ 710,327
Other taxes	1,237,337	1,292,365	1,359,633	1,398,670
Licenses and permits	31,693	18,366	63,601	17,175
Fines and forfeitures	66,652	78,525	68,194	94,229
Charges for services	18,949	17,025	17,252	17,886
Intergovernmental	84,596	56,694	115,648	210,025
Miscellaneous	37,915	52,499	42,063	35,133
Total revenues	<u>2,123,189</u>	<u>2,187,275</u>	<u>2,358,629</u>	<u>2,483,445</u>
EXPENDITURES				
General government	360,564	386,077	465,484	394,178
Public safety	876,298	931,916	1,015,739	1,051,456
Public health	62,686	69,569	81,482	72,282
Public works	465,266	502,950	478,011	415,204
Culture and recreation	462,583	445,902	462,441	474,920
Economic development	91,326	143,712	465,888	66,034
Capital outlay	92,971	-	-	206,742
Debt service				
Principal	53,219	56,260	56,260	57,780
Interest and other charges	35,913	35,501	35,752	38,183
Total expenditures	<u>2,500,826</u>	<u>2,571,887</u>	<u>3,061,057</u>	<u>2,776,779</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(377,637)</u>	<u>(384,612)</u>	<u>(702,428)</u>	<u>(293,334)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	503,517	578,166	592,235	614,383
Transfers out	(69,224)	(52,407)	(52,490)	(51,155)
Capital leases	-	-	-	-
Sale of capital assets	2,530	-	11,965	329
Total other financing sources (uses)	<u>436,823</u>	<u>525,759</u>	<u>551,710</u>	<u>563,557</u>
NET CHANGE IN FUND BALANCES	<u>\$ 59,186</u>	<u>\$ 141,147</u>	<u>\$(150,718)</u>	<u>\$ 270,223</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>3.71%</u>	<u>3.72%</u>	<u>3.29%</u>	<u>3.75%</u>

TABLE 4

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 723,757	\$ 742,857	\$ 814,788	\$ 871,965	\$ 890,585	\$ 930,458	
1,393,524	1,494,543	1,473,959	1,473,972	1,644,972	1,620,320	
19,850	20,851	38,116	33,271	34,985	68,539	
130,425	174,178	139,705	142,278	107,293	82,539	
16,007	17,203	16,152	14,194	13,182	9,358	
499,003	125,680	70,753	159,791	198,442	172,103	
37,171	43,107	52,355	48,937	55,964	41,796	
<u>2,819,737</u>	<u>2,618,419</u>	<u>2,605,828</u>	<u>2,744,408</u>	<u>294,423</u>	<u>2,925,113</u>	
679,478	385,867	406,258	426,947	439,286	511,211	
1,074,401	1,114,031	1,137,015	1,222,493	1,263,797	1,359,452	
72,270	80,334	87,892	94,846	132,150	159,014	
381,352	428,549	358,904	561,249	470,647	446,485	
473,271	569,239	607,569	605,477	573,883	623,806	
191,052	96,708	115,700	324,458	249,951	267,729	
298,004	213,471	452,055	183,391	197,112	408,870	
57,780	60,821	62,342	63,862	75,378	82,645	
31,201	30,947	23,609	27,556	32,269	29,256	
<u>3,258,809</u>	<u>2,979,967</u>	<u>3,251,344</u>	<u>3,510,279</u>	<u>3,434,473</u>	<u>3,888,468</u>	
(439,072)	(361,548)	(645,516)	(765,871)	(489,050)	(963,355)	
756,052	612,547	679,390	658,193	750,601	720,488	
(161,949)	(54,568)	(83,547)	(33,068)	(43,501)	(40,334)	
-	-	-	-	63,531	18,179	
9,880	-	12,850	2,576	10,645	7,360	
<u>603,983</u>	<u>557,979</u>	<u>608,693</u>	<u>627,701</u>	<u>781,276</u>	<u>705,693</u>	
\$ <u>164,911</u>	\$ <u>196,431</u>	\$ <u>(36,823)</u>	\$ <u>(138,170)</u>	\$ <u>292,226</u>	\$ <u>(257,662)</u>	
<u>3.13%</u>	<u>3.34%</u>	<u>3.24%</u>	<u>2.82%</u>	<u>3.36%</u>	<u>3.21%</u>	

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CITY OF COLUMBUS, TEXAS

PRINCIPAL GAS PURCHASERS

CURRENT YEAR AND NINE YEARS AGO

Customer	2020			2011		
	Gas Sales	Rank	Percentage of Total Gas Sales	Gas Sales	Rank	Percentage of Total Gas Sales
KW International, LLC	\$ 33,180	1	5.32%			
Columbus Community Hospital	30,387	2	4.87%	\$ 36,829	1	4.91%
Columbus Independent School District	13,444	3	2.16%	20,765	3	2.77%
Los Cabos Mexican Grill	12,452	4	2.00%	19,854	4	2.65%
Texas Great Southern Wood, LLC	11,217	5	1.80%	19,002	5	2.53%
Country Fresh Cleaners	9,692	6	1.55%	13,601	6	1.81%
Schobels Restaurant	9,624	7	1.54%	13,164	7	1.76%
Colorado County Detention Center	8,846	8	1.42%	-		
Jack in the Box #3945	7,685	9	1.23%	-		
Gary Kulhanek (Washateria)	<u>7,159</u>	10	<u>1.15%</u>	-		
River Oaks Convalescent Center (Renamed)				28,922	2	3.86%
Columbus Care Center				12,357	8	1.65%
Tru Care Living Centers				11,469	9	1.53%
Columbus Inn				<u>10,425</u>	10	<u>1.39%</u>
Total	\$ <u>143,687</u>		<u>23.04%</u>	\$ <u>186,388</u>		<u>24.86%</u>

CITY OF COLUMBUS, TEXAS

TAXABLE SALES BY CATEGORY

LAST TEN FISCAL YEARS

	Fiscal Year			
	2011	2012	2013	2014
Agricultural	\$ 17,117	\$ 28,455	\$ 9,063	\$ 6,895
Mining/quarrying/oil extraction	-	-	-	-
Construction	1,598,262	2,113,804	2,732,528	2,183,792
Manufacturing	1,330,107	1,324,114	1,591,674	1,483,024
Wholesale	1,994,558	1,938,044	2,413,099	2,439,096
Retail	38,192,034	40,794,231	40,605,098	40,943,687
Information	171,952	226,919	238,719	447,418
Real estate, rental, leasing	23,553	32,747	6,242	27,354
Professional, scientific, technical services	506,097	508,547	533,343	600,572
Health care, social assistance	129,348	153,582	228,443	199,556
Administrative, support, waste management, remediation services	2,630,274	1,571,722	1,380,055	549,919
Arts, entertainment, recreation	283,926	291,182	238,563	235,375
Accommodation, food services	15,158,966	15,868,440	16,278,752	16,531,550
Other services	<u>1,919,548</u>	<u>2,133,661</u>	<u>2,047,065</u>	<u>1,946,404</u>
Total taxable sales	\$ <u>63,955,742</u>	\$ <u>66,985,448</u>	\$ <u>68,302,644</u>	\$ <u>67,594,642</u>
City direct sales tax rate	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.

TABLE 6

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,736,431	3,679,024	5,328,704	3,472,413	3,791,418	4,032,925
1,643,144	2,134,778	2,214,946	1,492,471	1,193,991	1,655,335
2,395,561	2,124,513	2,160,938	2,058,185	2,070,062	2,615,407
41,825,744	42,171,733	41,661,287	41,328,274	40,230,297	43,571,442
-	752,064	701,157	768,621	1,171,588	622,079
46,631	39,556	8,611	19,040	75,036	105,498
737,168	1,999,970	3,058,941	4,254,008	7,502,077	10,369,347
267,149	329,803	311,997	218,588	205,595	149,569
468,079	516,303	466,992	417,117	378,928	365,831
219,771	175,195	234,307	303,379	200,316	431,886
16,589,505	16,819,096	17,065,127	17,787,882	18,494,525	18,523,449
<u>1,917,542</u>	<u>1,901,313</u>	<u>2,095,857</u>	<u>2,143,553</u>	<u>2,315,306</u>	<u>2,923,667</u>
<u>\$ 67,846,725</u>	<u>\$ 72,643,348</u>	<u>\$ 75,308,864</u>	<u>\$ 74,263,531</u>	<u>\$ 77,629,139</u>	<u>\$ 85,366,435</u>
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

CITY OF COLUMBUS, TEXAS

TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Gross Receipts Tax</u>	<u>Hotel Occupancy Tax</u>	<u>Mixed Beverage Tax</u>	<u>Totals</u>
2011	\$ 646,047	\$ 732,969	\$ 261,982	\$ 232,716	\$ 9,670	\$ 1,883,384
2012	671,800	767,295	255,088	263,139	6,843	1,964,165
2013	692,238	821,618	246,201	283,508	8,306	2,051,871
2014	710,329	865,689	247,048	274,796	11,137	2,108,999
2015	723,624	884,420	250,639	258,465	12,509	2,129,657
2016	742,857	981,205	237,509	275,829	14,610	2,252,010
2017	796,240	998,674	236,828	225,098	13,360	2,270,200
2018	846,798	996,317	238,973	225,662	13,020	2,320,770
2019	890,585	1,127,925	232,105	263,441	21,501	2,535,557
2020	930,458	1,180,800	223,757	200,051	15,712	2,550,778
Change 2011-2020	44.02%	61.10%	(14.59%)	(14.04%)	62.48%	35.44%

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
2011	\$ 218,954,455	\$ 27,303,920	\$ 8,551,472	\$ 237,706,903	0.27312	\$ 246,258,375	96.53%
2012	219,876,334	29,992,938	8,911,084	240,958,188	0.27312	249,869,272	96.43%
2013	223,188,234	31,987,686	9,301,203	245,874,717	0.27312	255,175,920	96.35%
2014	225,304,657	35,539,101	9,313,532	251,530,226	0.27312	260,843,758	96.43%
2015	239,192,108	40,497,180	20,955,498	258,733,790	0.27312	270,892,714	95.51%
2016	246,830,821	48,695,697	24,633,804	270,892,714	0.27312	295,526,518	91.66%
2017	256,908,123	53,135,559	22,193,497	287,850,185	0.28000	310,043,682	92.84%
2018	268,755,763	58,166,741	18,738,092	308,184,412	0.28000	326,922,504	94.27%
2019	278,547,279	46,930,227	18,409,526	307,067,980	0.28500	325,477,506	94.34%
2020	291,457,481	49,695,661	12,630,460	328,522,682	0.28500	338,275,178	97.12%

Source: Colorado County Central Appraisal District.

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	Colorado County Ground Water Conservation District	
2011	\$ 0.22364	\$ 0.04948	\$ 0.27312	\$ 1.19000	\$ 0.48206	\$ 0.01850	\$ 1.96368
2012	0.23576	0.03736	0.27312	1.19000	0.48206	0.01650	1.96168
2013	0.23626	0.03686	0.27312	1.19000	0.48206	0.01500	1.96018
2014	0.23693	0.03619	0.27312	1.18000	0.48206	0.01450	1.94968
2015	0.23925	0.03387	0.27312	1.18000	0.48206	0.01450	1.94968
2016	0.23925	0.03387	0.27312	1.17000	0.48206	0.01250	1.93768
2017	0.24877	0.03123	0.28000	1.16000	0.51000	0.01150	1.96150
2018	0.25042	0.02958	0.28000	1.16000	0.51000	0.01000	1.96000
2019	0.25500	0.03000	0.28500	1.08000	0.52000	0.00950	1.89450
2020	0.25722	0.02778	0.28500	1.08000	0.52000	0.00950	1.89450

Source: Colorado County Central Appraisal District.

TABLE 10

CITY OF COLUMBUS, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2020			2011		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
200 Texas LLC	\$ 13,880,600	1	4.23%			
KWI International LLC	12,057,670	2	3.67%			
DHC Realco - Columbus LLC	4,506,770	3	1.37%			
Colorado Co. Development Group (TLC)	3,816,450	4	1.16%			
LCRA Transmission Svcs. Corp	4,449,770	5	1.35%			
AEP Texas Central Company	3,803,630	6	1.16%			
Goodmark Lodging, LLC (Holiday Inn)	3,583,000	7	1.09%	\$ 2,523,740	5	1.06%
Fairlight Management Company	3,368,390	8	1.03%			
Wal-Mart Stores Texas LP	2,760,230	9	0.84%			
Oyster Enterprises INC	<u>2,366,290</u>	<u>10</u>	<u>0.72%</u>			
Texas Great Southern Wood, LLC				4,920,290	1	2.07%
Frisco Health Investment LP (TLC)				4,072,860	2	1.71%
Mega Texas Realty INC (Comfort Inn)				3,284,520	3	1.38%
Brookfield Lodging INC				2,956,410	4	1.24%
Wal-Mart Stores INC				2,506,890	6	1.05%
Columbus Associates (Wal-Mart)				2,259,010	7	0.95%
AEP Central Power & Light				1,960,190	8	0.82%
Magnolia Living Center				1,954,530	9	0.82%
H. E. Butt Grocery Company				<u>1,940,840</u>	<u>10</u>	<u>0.82%</u>
Total	\$ <u>54,592,800</u>		<u>16.62%</u>	\$ <u>28,379,280</u>		<u>11.94%</u>

Source: Colorado County Central Appraisal District.

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CITY OF COLUMBUS, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

<u>Fiscal Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2011	\$ 649,225	\$ 622,322	95.9%	\$ 26,631	\$ 648,953	100.0%
2012	658,105	637,159	96.8%	20,652	657,811	100.0%
2013	671,533	655,518	97.6%	15,578	671,096	99.9%
2014	686,979	669,270	97.4%	16,796	686,066	99.9%
2015	706,654	696,845	98.6%	8,896	705,741	99.9%
2016	739,862	728,252	98.4%	10,051	738,303	99.8%
2017	805,980	796,240	98.8%	6,345	802,585	99.6%
2018	862,916	846,978	98.2%	7,317	854,295	99.0%
2019	875,146	869,922	99.4%	3,426	873,348	99.8%
2020	925,981	916,960	99.0%	-	916,960	99.0%

Source: Colorado County Central Appraisal District.

CITY OF COLUMBUS, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Capital Leases	\$ -	\$ -	\$ -	\$ -
2010 general obligation refunding bonds	<u>1,096,302</u>	<u>1,040,043</u>	<u>983,783</u>	<u>926,002</u>
Total governmental activities	<u>1,096,302</u>	<u>1,040,043</u>	<u>983,783</u>	<u>926,003</u>
Business-type activities				
2005 certificates of obligation	3,690,000	3,485,000	220,000	-
2010 general obligation refunding bonds	2,508,697	2,379,957	2,251,217	2,118,997
2013 general obligation refunding bonds	-	-	3,025,000	3,010,000
2016 certificates of obligation	-	-	-	-
Premium on bonds	6,999	6,561	195,760	179,408
Capital leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>900,000</u>
Total business-type activities	<u>6,205,696</u>	<u>5,871,518</u>	<u>5,691,977</u>	<u>6,208,405</u>
Total primary government	\$ <u>7,301,998</u>	\$ <u>6,911,561</u>	\$ <u>6,675,760</u>	\$ <u>7,134,408</u>
(1) Percentage of personal income	10.0%	8.6%	6.6%	8.6%
(1) Per capita	\$ 1,986	\$ 1,879	\$ 1,775	\$ 1,904

(1) See the Schedule of Demographics and Economic Statistics on Table 16 for personal income and population data.

TABLE 12

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ 55,056	\$ 57,493
<u>868,222</u>	<u>807,401</u>	<u>745,059</u>	<u>681,197</u>	<u>614,294</u>	<u>547,391</u>
<u>868,222</u>	<u>807,401</u>	<u>745,059</u>	<u>681,197</u>	<u>669,350</u>	<u>604,884</u>
-	-	-	-	-	-
1,986,778	1,847,599	1,704,941	1,558,804	1,414,000	1,252,610
2,770,000	2,525,000	2,270,000	2,010,000	1,745,000	1,475,000
-	-	2,780,000	2,685,000	2,560,000	2,435,000
163,056	146,704	270,933	255,319	223,272	207,813
<u>729,183</u>	<u>554,140</u>	<u>374,350</u>	<u>189,680</u>	<u>63,533</u>	<u>64,516</u>
<u>5,649,017</u>	<u>5,073,443</u>	<u>7,400,224</u>	<u>6,698,803</u>	<u>6,005,805</u>	<u>5,434,939</u>
\$ <u>6,517,239</u>	\$ <u>5,880,844</u>	\$ <u>8,145,283</u>	\$ <u>7,380,000</u>	\$ <u>6,675,155</u>	\$ <u>6,039,823</u>
8.6%	7.0%	10.0%	7.6%	7.2%	6.0%
\$ 1,740	\$ 1,570	\$ 2,161	\$ 2,019	\$ 1,826	\$ 1,652

CITY OF COLUMBUS, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST NINE FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificate of Obligation Bonds	Less Debt Service Resources Available			
2011	\$ 3,611,998	\$ 3,690,000	\$ 2,097	\$ 7,299,901	3.07%	\$ 1,997
2012	3,426,560	3,485,000	1,864	6,909,696	2.87%	1,890
2013	6,455,760	220,000	2,759	6,673,001	2.71%	1,826
2014	6,234,407	-	-	6,234,407	2.48%	1,706
2015	5,788,056	-	-	5,788,056	2.24%	1,584
2016	5,326,704	-	-	5,326,704	1.97%	1,457
2017	4,851,400	2,953,012	-	7,804,412	2.71%	2,135
2018	4,372,109	2,818,211	1,131	7,189,189	2.33%	1,967
2019	3,870,757	2,685,810	699	6,555,868	1.93%	1,794
2020	3,364,311	2,553,410	-	5,917,721	1.80%	1,619

Notes:

See Table 8 for property value data.

See Table 16 for population data.

CITY OF COLUMBUS, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Columbus Independent School District	\$ 7,594,989	30.19%	\$ 2,292,927
Colorado County	4,935,000	12.48%	<u>615,888</u>
Subtotal overlapping debt			2,908,815
City of Columbus direct debt			<u>604,884</u>
Total direct and overlapping debt			<u>\$ 3,513,699</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Tax roll year	2010	2011	2012	2013
Net assessed value	\$ 237,706,903	\$ 240,958,188	\$ 245,874,717	\$ 251,530,226
Plus exempt property	<u>6,331,457</u>	<u>6,616,621</u>	<u>6,940,764</u>	<u>6,949,549</u>
Total assessed value	<u>244,038,360</u>	<u>247,574,809</u>	<u>252,815,481</u>	<u>258,479,775</u>
Debt limit (1)	\$ <u>24,403,836</u>	\$ <u>24,757,481</u>	\$ <u>25,281,548</u>	\$ <u>25,847,978</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 15

Fiscal Year					
2015	2016	2017	2018	2019	2020
2014	2015	2016	2017	2018	2019
\$ 258,733,790	\$ 270,892,714	\$ 287,850,185	\$ 308,184,412	\$ 322,731,277	\$ 328,522,682
<u>23,148,726</u>	<u>24,633,804</u>	<u>22,193,497</u>	<u>18,738,092</u>	<u>15,663,297</u>	<u>12,630,460</u>
<u>281,882,516</u>	<u>295,526,518</u>	<u>310,043,682</u>	<u>326,922,504</u>	<u>338,394,574</u>	<u>341,153,142</u>
<u>\$ 28,188,252</u>	<u>\$ 29,552,652</u>	<u>\$ 31,004,368</u>	<u>\$ 32,692,250</u>	<u>\$ 33,839,457</u>	<u>34,115,314</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⁾
2011	3,655	\$ 72,273,970	\$ 19,774	43	18.8%	1,622	7.3%
2012	3,655	79,993,330	21,886	43	18.3%	1,610	5.6%
2013	3,655	98,988,365	27,083	46	21.9%	1,626	5.2%
2014	3,655	80,347,865	21,983	42	20.4%	1,584	4.0%
2015	3,655	78,421,680	21,456	46	19.3%	1,565	3.9%
2016	3,655	82,526,245	22,579	49	21.0%	1,516	5.6%
2017	3,655	82,672,445	22,619	45	19.3%	1,483	3.6%
2018	3,655	97,548,295	26,689	45	18.9%	1,516	3.2%
2019	3,655	92,997,820	25,444	46	18.6%	1,565	3.1%
2020	3,655	100,618,495	27,529	42	22.2%	1,532	6.1%

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	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Columbus Independent School District	236	1	3.80%	250	1	2.32%
Colorado County (Government)	181	2	2.92%	145	4	1.35%
Columbus Community Hospital	176	3	2.84%	221	2	2.05%
Drymalla Construction Co.	137	4	2.21%	165	3	1.53%
KWI	100	5	1.61%			
TruCare	98	6	1.58%	70	8	0.65%
Great Southern Wood	96	7	1.55%			
Wal-Mart	90	8	1.45%	90	6	0.84%
Columbus Oaks Healthcare Community	90	9	1.45%			
HEB Grocery Company, LP	<u>75</u>	10	<u>1.21%</u>	65	9	0.60%
Schobels Restaurant				90	7	0.84%
River Oaks Convalescent Home (name changed)				115	5	1.07%
Columbus Care-Closed				<u>53</u>	10	<u>-</u> %
City of Columbus	<u>1,279</u>		<u>21.33%</u>	<u>1,142</u>		<u>11.93%</u>

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 TEN FISCAL YEARS

Function	Fulltime Equivalent Employees as of September 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administrative and general	2.87	3.00	3.00	2.98	3.02	3.00	3.00	3.07	3.07	3.07
Police department	11.96	11.74	13.23	13.13	13.43	13.39	13.42	13.11	13.46	13.52
Streets and drainage	4.88	5.02	4.94	4.17	3.07	3.99	3.91	4.24	4.45	4.32
Parks and recreation										
Parks	3.58	3.35	3.47	3.47	2.82	2.55	3.15	3.20	3.18	3.37
Swimming pool	1.12	1.08	0.91	0.92	0.86	1.14	1.01	1.04	1.02	0.94
Library	3.81	4.02	3.92	3.53	3.47	3.81	3.80	3.79	3.79	3.50
Public health	0.74	1.01	1.01	1.01	1.00	1.13	1.39	1.55	2.04	2.60
Tourism and economic development	-	-	-	-	-	-	-	-	-	-
Water	2.76	3.29	3.29	4.32	3.96	4.21	4.33	4.16	4.18	3.26
Sewer	2.72	2.69	2.70	2.68	3.08	2.69	2.42	2.06	2.04	1.77
Garbage	0.49	0.58	0.64	0.49	0.72	0.75	0.55	0.43	0.42	0.42
Gas	4.52	4.39	4.37	4.17	3.42	3.38	3.35	3.17	3.23	4.34
Total	39.45	40.17	41.48	40.87	38.85	40.03	40.33	39.82	40.88	41.11

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.

TABLE 19

CITY OF COLUMBUS, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Building permits issued	32	29	23	26	29	41	61	85	93	79
Building inspections conducted	40	35	37	32	50	24	118	136	113	196
Gas inspections	30	55	32	40	70	11	36	41	31	36
Electrical inspections	84	77	50	63	100	58	143	158	211	195
Plumbing inspections	73	78	44	20	110	39	110	139	96	168
Mechanical inspections	70	59	26	32	66	42	137	114	235	165
Police										
Case reports opened	406	477	422	259	379	282	246	236	322	285
Calls of service	2,332	2,117	2,378	2,469	2,281	2,194	2,410	2,312	2,312	2,425
Citations issued	1,850	1,885	2,685	3,525	2,234	3,051	1,405	1,268	874	562
Fire										
Fire/other calls										
Structure fires	15	16	22	24	11	9	15	19	15	14
Grass/brush fires	98	41	38	41	23	46	45	47	38	46
Car fires	17	19	17	20	24	18	25	17	26	11
Rescues	18	31	27	17	26	32	20	16	19	27
Hazardous	12	14	16	6	24	11	17	12	20	36
False alarms	16	7	15	19	24	21	27	20	25	25
Others	23	11	37	37	40	35	39	39	54	55
Total man hours	7,722	4,201	4,916	4,460	4,085	4,028	4,103	3,217	3,731	3,634
Total training hours	1,346	1,666	1,398	1,610	1,308	1,382	1,284	1,172	1,280	952
Total maintenance hours	321	720	715	750	750	798	846	825	839	765
Municipal court										
Cases filed										
Traffic - non-parking	443	705	594	786	1,338	1,565	1,268	1,085	845	446
Traffic - parking	78	114	27	8	11	5	6	1	3	3
Non-traffic - state law	75	158	179	167	149	152	165	123	73	93
Non-traffic - city ordinance	18	11	27	14	10	9	13	3	2	8
Cases disposed										
Traffic - non-parking	635	686	462	648	1,053	1,497	1,148	1,218	555	375
Traffic - parking	100	97	34	9	13	10	5	2	2	1
Non-traffic - state law	140	191	158	144	141	153	140	108	56	69
Non-traffic - city ordinance	6	16	28	15	9	10	10	2	2	4
Solid waste										
Customers	1,594	1,595	1,600	1,606	1,609	1,595	1,626	1,625	1,622	1,627
Recyclables (tons/day)	0.51	0.41	0.37	0.33	0.29	0.30	0.30	0.30	0.28	0.28
Water										
Customers	1,650	1,656	1,664	1,672	1,678	1,666	1,694	1,693	1,690	1,699
New water taps	8	6	7	10	7	8	5	13	5	12
Average daily consumption (thousands of gallons)	867	672	679	694	542	729	718	709	621	665
Sewer										
Customers	1,584	1,583	1,584	1,590	1,591	1,573	1,694	1,605	1,601	1,605
New sewer taps	4	6	5	9	7	8	5	11	5	10
Average daily discharge (thousands of gallons)	437	313	284	310	304	329	280	369	293	312
Gas										
Customers	1,241	1,218	1,216	1,208	1,192	1,171	1,199	1,190	1,192	1,178
New gas meters	3	5	3	5	5	5	3	6	5	6
Average daily consumption (mcf)	195	173	176	240	235	184	167	206	213	176

Source: Various departments within the City.

CITY OF COLUMBUS, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2011	2012	2013	2014
General government				
Municipal buildings	1	1	1	1
Community buildings	2	2	2	2
Public safety				
Police				
Stations	1	1	1	1
Patrol units	9	9	10	10
Fire				
Stations	1	1	1	1
Fire trucks	11	11	11	12
Highways and streets				
Streets (miles)	29	29	29	29
Culture and recreation				
Acreage	106	106	106	107
Community buildings	1	1	1	1
Playgrounds	3	3	3	3
Baseball/softball diamonds	6	6	6	6
Golf courses	1	1	1	1
Libraries	1	1	1	1
Swimming pool	1	1	1	1
Soccer fields	5	5	5	5
Water				
Wells (active)	3	3	4	4
Water mains (miles)	42	42	42	42
Fire hydrants	207	207	207	207
Storage capacity (millions)	1	1	1	1
Sewer				
Sewer mains (miles)	29	29	29	29
Lift stations	6	6	6	6

Source: Various City departments

TABLE 20

Fiscal Year						
2015	2016	2017	2018	2019	2020	
1	1	1	1	1	1	1
2	2	2	2	2	2	2
1	1	1	1	1	1	1
9	10	11	11	11	11	11
1	1	1	1	1	1	1
12	12	11	11	11	11	11
29	29	29	29	29	29	29
107	107	107	107	107	107	107
1	1	1	2	2	2	2
3	3	3	3	3	3	3
6	6	6	6	6	6	6
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
5	5	5	5	5	5	5
4	4	4	4	4	4	4
42	42	42	42	42	42	42
207	207	207	207	207	207	207
1	1	1	1	1	1	1
29	29	29	29	29	29	29
6	6	6	6	6	6	6

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COMPLIANCE SECTION

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

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas (the “City”) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City’s basic financial statement and have issued our report thereon dated March 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Compliance and Other Matters

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

Purpose of this Report

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 25, 2021