



**CITY OF COLUMBUS, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2011**

**CITY OF COLUMBUS, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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# **INTRODUCTORY SECTION**



## The City of Columbus

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

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March 28, 2012

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, 2011.

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

Pattillo, Brown, & Hill L.L.P., has issued an unqualified (“clean”) opinion on the City of Columbus’ financial statements for the year ended September 30, 2011. 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 seven years. With sales tax revenues for fiscal year end 2005 of \$634,052 and for the current year of \$732,968 the growth for the period was 15%. While 2010 saw a decrease in sales tax revenue of 8% over the prior year mirroring the general downturn in the national economy, the current year showed a healthy 9% increase. No single large new business arrived to drive up the City's sales tax revenue. Instead steady, sound growth is being experienced throughout the business sector.

Because of the volatility in the national economy, the City is carefully monitoring its economy. As the City of Columbus is located almost midway between Houston, Austin, and San Antonio, the City monitors the sales tax revenues of each of these cities to see if any potential change could affect the City of Columbus. A new bank and a national chain auto parts store opened in 2011 in the city. The City lies on the edge of the Eagle Ford Shale which has the potential to bring added oil and gas activity to the area. In 2011 an oil and gas fabricating company acquired land in the City's industrial park. They have plans to begin construction of a new fabricating facility at the park in 2012 with completion in 2013. The City's advantage lies in the fact that markets will grow to the City from at least three different directions. As this Sun Belt region grows, as the energy sector expands and as the City's fundamentals improve, Columbus has the potential to be a leading small town in this area for years to come.

### ***Long-term Financial Planning***

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



During fiscal year 2005, the City was successful in obtaining certificates of obligation for \$4.75 million to fund a major Water and Sewer Improvement Project. These funds allowed the City to drill a new water well, install new water and sewer lines throughout the City, and renovated the water and sewer plants. Work was completed, which allowed the City to achieve its goal of converting from two pressure heads in the water distribution system, each with two water wells to one pressure head with four wells. This allows the City to take a well offline for maintenance without affecting the water supply to the citizens. This major project was completed in 2009.

During fiscal year 2008, the City obtained certificates of obligation for \$4 million. \$1.2 million of these funds were used for a major renovation of City Hall facilities and the Fire Station. These renovations included making City Hall ADA compliant, removing asbestos, and adding a ground floor Council Chambers. At the Fire Station, the funds were used to remove asbestos and replace windows. The remaining \$2.8 million of the proceeds will be utilized to continue improvements to the Water System including replacing two-inch water lines and fire hydrants throughout town and to make improvements to the Gas delivery system. These Water System improvements were ongoing in 2011 with construction of water lines continuing and work beginning on drilling a replacement water well. The new well, which is partially funded through a grant, is scheduled to go online in June of 2012.

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

### ***Relevant Financial Policies***

The City awards its depository contract through official bidding procedures for a two-year period with an option to extend for a year. Industry State Bank of Industry, Texas was awarded the depository contract which expired September 30, 2011, with a one-year option to renew. The City exercised its option to renew the depository contract with the extension expiring on September 30, 2012.

The City's bank depository agreement requires that all demand deposits and time deposits are secured by pledged collateral with a market value equal to 102 percent of the deposits, less \$250,000, which is insured by the Federal Deposit Insurance Corporation. Evidence of the pledged collateral is maintained by a third party financial institution.

During 2011, the City Council renewed the existing Investment Policy as required by state law and no significant changes were made to the policy.

### ***Major Initiatives***

Technology improvements continue to be a big 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. In 2009, a SCADA (Supervisory Control and Data Acquisition) system was installed which allows the City to remotely monitor the water and sewer plants from two selected locations. In 2010, the City purchased Mobile Data Terminals which were placed in the Police patrol cars to allow officers to compile reports in the field and to have improved access to information.

The Water and Gas Improvement Projects, as mentioned earlier are continuing. It is anticipated that these projects will insure the lives of the water, sewer and gas systems which will in turn benefit all the citizens of Columbus and continue to enhance economic development. The City anticipates the Water/Gas project will be completed in 2012.

### ***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, 2010. This was the fifth 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**



**Linda Lakich, CPA  
Finance Director/City Secretary**

# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
City of Columbus  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2010

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



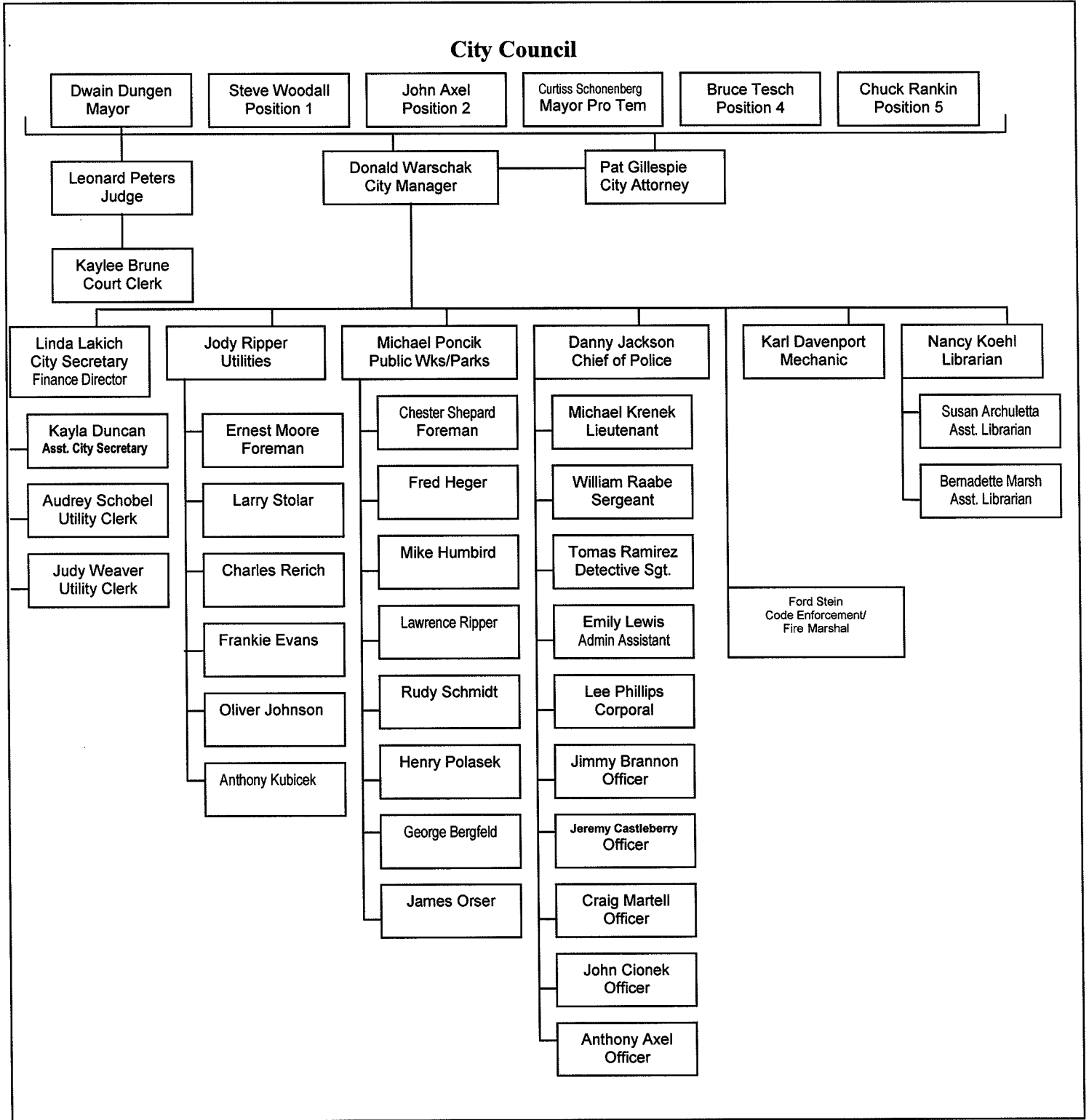
*Linda C. Davison*

President

*Jeffrey R. Enen*

Executive Director

## City of Columbus Organizational Chart



# CITY OF COLUMBUS, TEXAS

## LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2011

<u>Title</u>	<u>Name</u>
Mayor	Dwain Dungen
Councilman (Mayor Pro-Tem)	Curtiss Schonenberg
Councilman	Steve Woodall
Councilman	John Axel
Councilman	Bruce Tesch
Councilman	Chuck Rankin
City Manager	Donald Warschak
City Secretary/Finance Director	Linda Lakich
Police Chief	Danny Jackson
Fire Chief	Walter Glaeser
Parks/Public Works Supervisor	Michael Poncik
Utility Supervisor	Jody Ripper
Fire Marshall/Building Inspector	Ford Stein
Library Director	Nancy Koehl
Municipal Court Judge	Leonard Peters

# **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas, as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Columbus, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas, as of September 30, 2011, and the respective changes in financial position and, where applicable, cash flows where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2012, on our consideration of the City of Columbus, Texas' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information on pages 3 through 12 and 42 through 44 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

March 28, 2012



**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

# CITY OF COLUMBUS, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2011

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, 2011. 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 of the City for its governmental and business-type activities exceeded its liabilities at the close of the fiscal year by \$8,304,093. Of this amount, \$4,487,630 are capital assets, net of related debt, \$2,532 was restricted for debt service, \$340,348 was restricted for Economic Development. \$3,473,583 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 assets increased by \$67,652. Major contributing factors in this increase were both high demand for water due to drought conditions and effective operations of the City's water, sewer, and gas departments. Also contributing to positive results was a general improvement in the general economy and the resulting improvement in sales tax revenues.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,460,045, an increase of \$59,186 in comparison with the prior year. Approximately 58% of this total, or \$849,063 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 \$849,063 or 37% percent of total General Fund expenditures for the fiscal year.
- The City's total debt decreased by \$52,651 (4%) during the current fiscal year due to scheduled payments of the 2005 Certificates of Obligation and 2010 General Obligation Bonds.

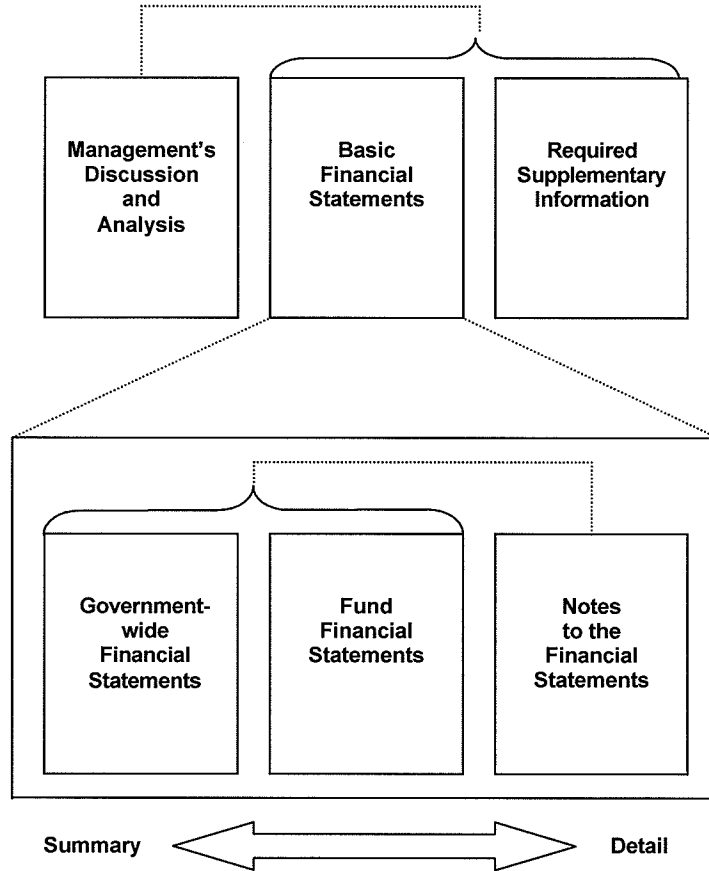
### OVERVIEW OF THE FINANCIAL STATEMENTS

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

# REQUIRED COMPONENTS OF ANNUAL FINANCIAL REPORT

Figure 1

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



## Basic Financial Statements

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

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

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds. Budgetary information 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 assets and how they have changed. Net assets are the difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) discretely presented component unit. The governmental activities encompass most of the City's basic services such as public safety, public health, parks and recreation, and general administration. 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 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 seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other six 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 Assets and the Statement of Activities.

Unrestricted net assets of the water, sewer, garbage and gas departments at the end of the fiscal year amounted to \$2,317,925. The total increase in net assets was \$95,765. Other factors concerning the finances of this fund are addressed later in the discussion of the City’s business-type activities.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information (RSI) concerning the City’s progress in funding its obligation to provide pension benefits to its employees. Schedules comparing actual results with the original budget and the final amended budget for the City’s General Fund are also presented in the RSI section. RSI can be found after the notes on pages 42 – 44 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 45 – 53 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 1,718,455	\$ 1,451,892	\$ 3,732,236	\$ 3,530,630	\$ 5,450,691	\$ 4,982,522
Capital assets	<u>2,447,845</u>	<u>2,598,248</u>	<u>8,204,905</u>	<u>8,596,277</u>	<u>10,652,750</u>	<u>11,194,525</u>
Total assets	<u>4,166,300</u>	<u>4,050,140</u>	<u>11,937,141</u>	<u>12,126,907</u>	<u>16,103,441</u>	<u>16,177,047</u>
Current and other liabilities	195,630	97,793	314,141	280,303	509,771	378,096
Long-term liabilities	<u>1,117,496</u>	<u>1,170,147</u>	<u>6,172,081</u>	<u>6,491,450</u>	<u>7,289,577</u>	<u>7,661,597</u>
Total liabilities	<u>1,313,126</u>	<u>1,267,940</u>	<u>6,486,222</u>	<u>6,771,753</u>	<u>7,799,348</u>	<u>8,039,693</u>
Net assets:						
Invested in capital assets, net of related debt	1,354,636	1,459,522	3,132,994	3,261,972	4,487,630	4,721,494
Restricted	342,880	204,648	-	-	342,880	204,648
Unrestricted	<u>1,155,658</u>	<u>1,118,030</u>	<u>2,317,925</u>	<u>2,093,182</u>	<u>3,473,583</u>	<u>3,211,212</u>
	<u>\$ 2,853,174</u>	<u>\$ 2,782,200</u>	<u>\$ 5,450,919</u>	<u>\$ 5,355,154</u>	<u>\$ 8,304,093</u>	<u>\$ 8,137,354</u>

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the City of Columbus exceeded liabilities by \$8,304,093 as of September 30, 2011. The City's net assets increased by \$67,652 for the fiscal year ended September 30, 2011. Investment in capital assets, net of related debt of \$4,487,630 accounts for the greatest portion (54%) of net assets.

An additional portion of the City's net assets (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,473,583 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 assets:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98%.
- Recovering City sales tax revenues mirrored those of the State of Texas and national economic trends.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 121,158	\$ 111,922	\$ 3,138,505	\$ 2,969,773	\$ 3,259,663	\$ 3,081,695
Operating grants and contributions	58,366	62,195	-	-	58,366	62,195
Capital grants and contributions	41,016	75,756	109,581	201,500	150,597	277,256
General revenues:						
Property taxes	657,475	617,831	-	-	657,475	617,831
Other taxes	1,237,337	1,104,154	-	-	1,237,337	1,104,154
Other	29,762	28,354	43,652	54,847	73,414	83,201
<b>Total revenues</b>	<b>2,145,114</b>	<b>2,000,212</b>	<b>3,291,738</b>	<b>3,226,120</b>	<b>5,436,852</b>	<b>5,226,332</b>
<b>Expenses:</b>						
General government	389,512	392,785	-	-	389,512	392,785
Public safety	1,012,625	952,871	-	-	1,012,625	952,871
Public health	65,505	38,746	-	-	65,505	38,746
Public works	506,469	432,312	-	-	506,469	432,312
Culture and recreation	504,078	495,341	-	-	504,078	495,341
Economic development	91,326	126,784	-	-	91,326	126,784
Interest on long-term debt	38,005	59,024	-	-	38,005	59,024
Water	-	-	847,389	892,209	847,389	892,209
Sewer	-	-	581,032	637,526	581,032	637,526
Garbage	-	-	636,724	586,244	636,724	586,244
Gas	-	-	696,535	837,959	696,535	837,959
<b>Total expenses</b>	<b>2,607,520</b>	<b>2,497,863</b>	<b>2,761,680</b>	<b>2,953,938</b>	<b>5,369,200</b>	<b>5,451,801</b>
Increase (decrease) in net assets before transfers	( 462,406)	( 497,651)	530,058	272,182	67,652	( 225,469)
Transfers	434,293	614,396	( 434,293)	( 614,396)	-	-
<b>Change in net assets</b>	<b>( 28,113)</b>	<b>116,745</b>	<b>95,765</b>	<b>( 342,214)</b>	<b>67,652</b>	<b>( 225,469)</b>
Net assets, beginning	2,782,200	2,632,896	5,355,154	5,697,368	8,137,354	8,330,264
Prior period adjustment	99,087	32,559	-	-	99,087	32,559
Net assets, beginning, as restated	2,881,287	2,665,455	5,355,154	5,697,368	8,236,441	8,362,823
<b>Net assets, ending</b>	<b>\$ 2,853,174</b>	<b>\$ 2,782,200</b>	<b>\$ 5,450,919</b>	<b>\$ 5,355,154</b>	<b>\$ 8,304,093</b>	<b>\$ 8,137,354</b>

**Governmental Activities.** Governmental activities decreased the City's net assets by \$28,113.

Key elements of this decrease are as follows:

- Transfers decreased \$180,103 due in large part to a one-time transfer in 2010 of \$220,000 from the Utility Fund which was to cover budgeted costs and payments in lieu of taxes.
- Public Works expenses increased by almost \$75,000 (17%). This mainly resulted from an increase in seal coating of streets.
- With the additions of two new hotels at the beginning of the year, hotel tax revenues increased \$72,474 (45%). At the same time expenditures for economic development decreased \$35,458 (28%).

- Sales tax revenues increased \$58,052 (9%) due mainly to a recovering local and national economy.
- Due to the refinancing of debt in 2010 interest expense on long term debt decreased \$21,019 (36%).
- Public Health expenses increased \$26,759 (69%) due both to the hiring of a full-time Code Enforcement Officer to replace what had been a part-time employee and the increase in activity in that department which resulted.
- Public Safety expenses increased \$59,754 (6%) over the prior year largely due to full staffing and increased vehicle costs in the Police Department.

**Business-type Activities.** Business-type activities increased the City of Columbus' net assets by \$95,765.

Key elements of this increase are as follows:

- As mentioned above transfers to Governmental Funds decreased because the one-time transfer of \$220,000 in the prior year did not reoccur.
- Due to drought conditions, the consumer demand and resulting charges for sale of water increased \$266,552 (35%).
- Due to the spending down of debt proceeds, interest revenue decreased \$11,664 (23%).

### **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 \$849,063. 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 37% percent of total General Fund expenditures.

The fund balance of the City's General Fund decreased by \$94,588 during the current fiscal year. This decrease is a result of the City's intention to budget appropriations in excess of revenues to fund additional programs including increased street maintenance and code enforcement activities.

**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 assets of the Utility Fund at the end of the year amounted to \$2,317,925. The total increase in net assets was \$95,765. 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 due to funding from grants (\$33,732), and library donations (\$8,442).

Budgeted expenditures increased \$82,449 as supplemental appropriations were needed for the following: \$10,500 for library building maintenance, \$13,674 for library books and supplies, \$15,000 for the Austin Street Railroad Crossing, \$18,000 for a Fire Department skid unit, \$5,000 for Code Enforcement salaries, \$12,875 for demolition of substandard buildings, \$4,500 for fire station roof repairs, and \$2,900 for fire truck tires.

**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, 2011, totals \$10,652,750 (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	
	2011	2010	2011	2010	2011	2010
Land	\$ 253,152	\$ 253,152	\$ 24,183	\$ 24,183	\$ 277,335	\$ 277,335
Buildings and improvements	2,675,739	2,668,781	581,700	581,700	3,257,439	3,250,481
Distribution and collection systems	-	-	13,404,080	13,376,243	13,404,080	13,376,243
Machinery and equipment	2,689,848	2,617,873	672,128	666,590	3,361,976	3,284,463
Construction in progress	-	-	146,895	31,969	146,895	31,969
Accumulated depreciation	<u>(3,170,894)</u>	<u>(2,941,558)</u>	<u>(6,624,081)</u>	<u>(6,084,408)</u>	<u>(9,794,975)</u>	<u>(9,025,966)</u>
	<u>\$ 2,447,845</u>	<u>\$ 2,598,248</u>	<u>\$ 8,204,905</u>	<u>\$ 8,596,277</u>	<u>\$ 10,652,750</u>	<u>\$ 11,194,525</u>

Major capital asset events during the year included the following:

- Purchase of a new police vehicle for \$24,429.
- Purchase of police radar and surveillance systems totaling \$20,741.
- Purchase of a Fire Department skid unit for \$25,595.
- Purchase of a new sewer lift station electrical panel for \$18,743.
- Completion of approximately one third of the construction of a new water well for \$114,926.

Additional information on the City's capital assets can be found in the notes to the basic financial statements.

**Long-term Debt.** As of September 30, 2011, the City of Columbus had total long-term certificates of obligation outstanding of \$7,294,999. 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	
	2011	2010	2011	2010	2011	2010
Certificates of obligation	\$ -	\$ -	\$ 3,690,000	\$ 3,890,000	\$ 3,690,000	\$ 3,890,000
Refunding general obligation bonds	<u>1,096,302</u>	<u>1,149,521</u>	<u>2,508,697</u>	<u>2,630,479</u>	<u>3,604,999</u>	<u>3,780,000</u>
	<u>\$ 1,096,302</u>	<u>\$ 1,149,521</u>	<u>\$ 6,198,697</u>	<u>\$ 6,520,479</u>	<u>\$ 7,294,999</u>	<u>\$ 7,670,000</u>

The City's total debt decreased by \$375,001 (4.9%) during the current fiscal year. The key factor in this decrease was scheduled bond payments were made.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The unemployment rate for Colorado County is currently 7.8 percent (Columbus is the largest of the three incorporated cities in the county), which is an increase from a rate of 6.9 percent a year ago. This compares favorably to the state's average unemployment rate of 8.2 percent and the national average rate of 8.9 percent.
- Inflationary trends in the region compare favorably to national indices.
- The State Comptroller reported an increase of 8.6 percent in taxable sales for the City. Sales tax revenue has increased 36.8 percent since 2002.
- Property tax values continue to climb in Colorado County and the region in general. Real property values in the City of Columbus increased \$12,712,868 from prior year. Values have increased 76.6 percent from 2002.

All of these factors were considered in preparing the City's budget for the 2012 fiscal year.

Property tax rates remained the same for the 2012 budget. The City increased water, sewer and gas rates for the 2012 budget year in an effort to keep up with the cost of maintenance and to encourage water conservation. The City's utility rates remain low in comparison to cities of comparable size.

## **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.columbustexas.net](http://www.columbustexas.net).

**BASIC  
FINANCIAL STATEMENTS**

**CITY OF COLUMBUS, TEXAS**

**STATEMENT OF NET ASSETS**

**SEPTEMBER 30, 2011**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit Columbus Industrial Development Corporation</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,303,471	\$ 2,186,983	\$ 3,490,454	\$ 731,691
Receivable (net of allowances for estimated uncollectibles)				
Taxes	337,616	-	337,616	66,959
Other	4,956	405,903	410,859	-
Internal balances	37,236	( 37,236)	-	-
Investment in land	-	-	-	283,950
Restricted assets:				
Cash and investments	-	1,088,830	1,088,830	-
Debt issue costs	35,176	87,756	122,932	72,124
Capital assets:				
Non-depreciable	253,152	171,078	424,230	-
Depreciable, net	<u>2,194,693</u>	<u>8,033,827</u>	<u>10,228,520</u>	<u>-</u>
Total assets	<u>4,166,300</u>	<u>11,937,141</u>	<u>16,103,441</u>	<u>1,154,724</u>
<b>LIABILITIES</b>				
Accounts payable	158,163	152,970	311,133	15
Accrued payroll	33,028	11,695	44,723	-
Accrued interest	4,439	29,006	33,445	20,092
Customer deposits	-	120,470	120,470	-
Noncurrent liabilities:				
Due within one year	60,499	333,636	394,135	96,558
Due in more than one year	<u>1,056,997</u>	<u>5,838,445</u>	<u>6,895,442</u>	<u>1,425,002</u>
Total liabilities	<u>1,313,126</u>	<u>6,486,222</u>	<u>7,799,348</u>	<u>1,541,667</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	1,354,636	3,132,994	4,487,630	-
Restricted for:				
Economic development	340,348	-	340,348	-
Debt service	2,532	-	2,532	127,569
Unrestricted	<u>1,155,658</u>	<u>2,317,925</u>	<u>3,473,583</u>	<u>( 514,512)</u>
Total net assets	<u>\$ 2,853,174</u>	<u>\$ 5,450,919</u>	<u>\$ 8,304,093</u>	<u>\$ ( 386,943)</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, 2011**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 389,512	\$ 33,938	\$ -	\$ -
Public safety	1,012,625	63,885	19,739	41,016
Public health	65,505	-	-	-
Public works	506,469	-	-	-
Culture and recreation	504,078	23,335	26,477	-
Economic development	91,326	-	12,150	-
Interest on long-term debt	38,005	-	-	-
Total governmental activities	<u>2,607,520</u>	<u>121,158</u>	<u>58,366</u>	<u>41,016</u>
Business-type activities:				
Water	847,389	1,034,041	-	109,581
Sewer	581,032	660,203	-	-
Garbage	636,724	683,561	-	-
Gas	696,535	760,700	-	-
Total business-type activities	<u>2,761,680</u>	<u>3,138,505</u>	<u>-</u>	<u>109,581</u>
Total primary government	<u>\$ 5,369,200</u>	<u>\$ 3,259,663</u>	<u>\$ 58,366</u>	<u>\$ 150,597</u>
Component unit:				
Columbus Community Industrial Development Corporation	<u>\$ 462,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Property taxes  
Sales taxes  
Hotel occupancy tax  
Franchise taxes  
Alcoholic beverage taxes  
Interest revenue  
Gain on sale of capital assets  
Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning, restated

Net assets, ending

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

Net (Expenses) Revenues and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Columbus Industrial Development Corporation
\$( 355,574)	\$ -	\$( 355,574)	\$ -
( 887,985)	-	( 887,985)	-
( 65,505)	-	( 65,505)	-
( 506,469)	-	( 506,469)	-
( 454,266)	-	( 454,266)	-
( 79,176)	-	( 79,176)	-
( 38,005)	-	( 38,005)	-
<u>( 2,386,980)</u>	<u>-</u>	<u>( 2,386,980)</u>	<u>-</u>
-	1,033,910	1,033,910	-
-	660,203	660,203	-
-	683,561	683,561	-
<u>-</u>	<u>760,400</u>	<u>760,400</u>	<u>-</u>
<u>-</u>	<u>486,406</u>	<u>486,406</u>	<u>-</u>
<u>( 2,386,980)</u>	<u>486,406</u>	<u>( 1,900,574)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>( 462,926)</u>
657,475	-	657,475	-
732,969	-	732,969	366,484
232,716	-	232,716	-
261,982	-	261,982	-
9,670	-	9,670	-
13,192	38,385	51,577	1,403
839	-	839	-
15,731	5,267	20,998	61,962
<u>434,293</u>	<u>( 434,293)</u>	<u>-</u>	<u>-</u>
<u>2,358,867</u>	<u>( 390,641)</u>	<u>1,968,226</u>	<u>429,849</u>
( 28,113)	95,765	67,652	( 33,077)
<u>2,881,287</u>	<u>5,355,154</u>	<u>8,236,441</u>	<u>( 353,866)</u>
<u>\$ 2,853,174</u>	<u>\$ 5,450,919</u>	<u>\$ 8,304,093</u>	<u>\$( 386,943)</u>

**CITY OF COLUMBUS, TEXAS**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2011**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 736,018	\$ 567,453	\$ 1,303,471
Receivables (net of allowances for estimated uncollectibles):			
Taxes	263,519	74,097	337,616
Accounts	4,956	-	4,956
Due from other funds	<u>37,236</u>	<u>-</u>	<u>37,236</u>
Total assets	<u>1,041,729</u>	<u>641,550</u>	<u>1,683,279</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	132,469	25,694	158,163
Accrued payroll	33,028	-	33,028
Deferred revenue	<u>27,169</u>	<u>4,874</u>	<u>32,043</u>
Total liabilities	<u>192,666</u>	<u>30,568</u>	<u>223,234</u>
Fund balances:			
Restricted for:			
Economic development	-	340,348	340,348
Debt service	-	2,097	2,097
Capital projects	-	1,402	1,402
Assigned for equipment	-	267,135	267,135
Unassigned	<u>849,063</u>	<u>-</u>	<u>849,063</u>
Total fund balances	<u>849,063</u>	<u>610,982</u>	<u>1,460,045</u>
 Total liabilities and fund balances	 <u>\$ 1,041,729</u>	 <u>\$ 641,550</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,447,845
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.	
Deferred property tax revenue	27,087
Deferred municipal court revenue	4,956
Long-term liabilities such as certificates of obligation and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	
Interest payable	( 4,439)
Bond issuance cost	35,176
Compensated absences	( 21,194)
Certificates of obligation	<u>( 1,096,302)</u>
Net assets of governmental activities	<u>\$ 2,853,174</u>

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



**CITY OF COLUMBUS, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property taxes	\$ 528,317	\$ 117,730	\$ 646,047
Sales taxes	742,639	-	742,639
Franchise taxes	261,982	-	261,982
Hotel occupancy tax	-	232,716	232,716
Licenses and permits	31,693	-	31,693
Fines and forfeitures	66,652	-	66,652
Charges for services	18,949	-	18,949
Intergovernmental	84,596	-	84,596
Investment earnings	6,876	6,316	13,192
Miscellaneous	<u>24,705</u>	<u>18</u>	<u>24,723</u>
Total revenues	<u>1,766,409</u>	<u>356,780</u>	<u>2,123,189</u>
<b>EXPENDITURES</b>			
Current:			
General government	360,564	-	360,564
Public safety	876,298	-	876,298
Public health	62,686	-	62,686
Public works	465,266	-	465,266
Culture and recreation	462,583	-	462,583
Economic development	-	91,326	91,326
Debt service:			
Principal	-	53,219	53,219
Interest and other charges	-	35,913	35,913
Capital outlay	<u>87,847</u>	<u>5,124</u>	<u>92,971</u>
Total expenditures	<u>2,315,244</u>	<u>185,582</u>	<u>2,500,826</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 548,835)</u>	<u>171,198</u>	<u>( 377,637)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	464,367	39,150	503,517
Transfers out	( 12,650)	( 56,574)	( 69,224)
Sale of capital assets	<u>2,530</u>	<u>-</u>	<u>2,530</u>
Total other financing sources (uses)	<u>454,247</u>	<u>( 17,424)</u>	<u>436,823</u>
<b>NET CHANGE IN FUND BALANCES</b>	( 94,588)	153,774	59,186
<b>FUND BALANCES, BEGINNING, RESTATED</b>	<u>943,651</u>	<u>457,208</u>	<u>1,400,859</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 849,063</u>	<u>\$ 610,982</u>	<u>\$ 1,460,045</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, 2011

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

Net change in fund balances - total governmental funds	\$ 59,186
--	-----------

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	101,512
Depreciation	( 250,224)
Sale of capital assets	( 1,691)

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

Deferred tax revenue	11,428
Deferred municipal court revenue	1,117

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal payments	53,219
Amortization of bond cost	( 2,199)

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

Compensated absences	( 568)
Accrued interest	107

Change in net assets of governmental activities.	<u><u>\$ ( 28,113)</u></u>
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The accompanying notes are an integral part of these financial statements.

**CITY OF COLUMBUS, TEXAS**

**STATEMENT OF NET ASSETS**

**PROPRIETARY FUND**

**SEPTEMBER 30, 2011**

	<u>Utility Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 2,186,983
Accounts receivable, net	405,903
Restricted assets:	
Cash and cash equivalents	1,088,830
Noncurrent assets:	
Deferred charges	87,756
Capital assets:	
Non-depreciable	171,078
Depreciable, net	<u>8,033,827</u>
Total assets	<u>11,974,377</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	152,970
Accrued payroll	11,695
Due to other funds	37,236
Accrued interest	29,006
Customer deposits	120,470
Bonds payable - current	331,368
Compensated absences	2,268
Noncurrent liabilities:	
Bonds payable	5,829,373
Compensated absences	<u>9,072</u>
Total liabilities	<u>6,514,386</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	3,132,994
Unrestricted	<u>2,317,925</u>
Total net assets	<u>\$ 5,450,919</u>

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

**CITY OF COLUMBUS, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Utility Fund</u>
<b>OPERATING REVENUES</b>	
Charges for sales and services:	
Water sales	\$ 1,033,910
Sewer charges	660,203
Garbage fees	683,561
Gas sales	760,400
Other	<u>5,267</u>
Total operating revenues	<u>3,143,341</u>
<b>OPERATING EXPENSES</b>	
Personnel	538,441
Maintenance and operations	1,435,925
Depreciation	<u>539,673</u>
Total operating expenses	<u>2,514,039</u>
<b>OPERATING INCOME</b>	<u>629,302</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	38,385
Interest and other charges	<u>( 247,210)</u>
Total nonoperating revenues (expenses)	<u>( 208,825)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	420,477
Capital contributions	109,581
Transfers in	28,574
Transfers out	<u>( 462,867)</u>
<b>CHANGE IN NET ASSETS</b>	95,765
<b>NET ASSETS, BEGINNING</b>	<u>5,355,154</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 5,450,919</u>

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

**CITY OF COLUMBUS, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Utility Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 3,104,757
Cash paid to suppliers	( 1,418,526)
Cash paid to employees	( 533,719)
Net cash provided by operating activities	<u>1,152,512</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer from other funds	28,574
Transfer to other funds	( 462,867)
Net cash used by noncapital financing activities	<u>( 434,293)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital contributions	109,581
Purchase of capital assets	( 148,301)
Principal paid on capital debt	( 319,198)
Interest and other charges paid on debt	( 242,556)
Net cash used by capital and related financing activities	<u>( 600,474)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Decrease in investments	715,968
Interest received	38,385
Net cash provided by investing activities	<u>754,353</u>
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	872,098
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>2,403,715</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 3,275,813</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Net operating income	\$ 629,302
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	539,673
(Increase) decrease in accounts receivable	( 55,662)
Increase (decrease) in accounts payable	17,399
Increase (decrease) in accrued payroll	4,893
Increase (decrease) in due to other funds	4,353
Increase (decrease) in compensated absences	( 171)
Increase (decrease) in customer deposits	<u>12,725</u>
Net cash provided by operations	<u>\$ 1,152,512</u>

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

# CITY OF COLUMBUS, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

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

(continued)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### A. The Reporting Entity (Continued)

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

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

### B. Government-wide Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given program; and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

### C. Measurement Focus/Basis of Accounting

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

(continued)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Measurement Focus/Basis of Accounting (Continued)

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

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

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

The City reports the following major governmental funds:

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

The City has presented the following major proprietary fund:

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

(continued)



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Measurement Focus/Basis of Accounting (Continued)

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

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. The City has selected the option to not follow private sector standards of accounting and financial reporting issued subsequent to November 30, 1989, for its propriety activities.

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

### E. Investment in Land

The City's component unit reports land for resale at historical cost.

### F. Interfund Receivables and Payables

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

(continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**G. Interfund Services Provided and Used**

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

**H. Restricted Assets**

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

**I. Capital Assets**

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

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

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

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

**J. Compensated Absences**

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

(continued)

## 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **J. Compensated Absences** (Continued)

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

### **K. Long-term Obligations**

In the government-wide financial statements and the proprietary fund in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as unamortized debt issue costs and amortized over the term of the related debt.

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

### **L. 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.

(continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Fund Balance (Continued)**

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.

**M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**N. Use of Estimates**

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

2. **DETAILED NOTES ON ALL FUNDS**

**A. Cash, Cash Equivalents and Investments**

The City's deposits and investments are permitted by The Public Funds Investment Act and the City of Columbus' adopted Investment Policy.

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

(continued)

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

### A. Cash, Cash Equivalents and Investments (Continued)

At year-end, the City's investments were in the Texas Cooperative Liquid Assets Securities System (Texas CLASS). The carrying amount and fair value of the investments was \$1,107,976. Texas CLASS is a local government investment pool supervised by a Board of Trustees who is elected by its participants. Texas CLASS invests solely in securities permitted under the Public Funds Investment Act. Texas CLASS is not registered with the SEC. As an intergovernmental trust comprised solely of governmental entities, it is statutorily exempt from registration. The Program Administrator/Investment Advisor to Texas CLASS, MBIA Municipal Investors Service Corp., is registered with the SEC as a Registered Investment Advisor. The Texas CLASS program is rated AAAM by Standard & Poor's, and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

***Custodial Credit Risk – Deposits.*** In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At year-end, the bank balance of the City's deposits with financial institutions was \$3,503,789. 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 30 days.

At year-end, the Columbus Industrial Development Corporation's investments were with the Texas Local Government Investment Cooperative (LOGIC). The carrying amount and fair value of the investments was \$438,176.

The Cooperative's governing body is a six-member Board of Directors comprised of employees, officers or elected officials of participant government entities or individuals who do not have a business relationship with the Cooperative and are qualified to advise it. A maximum of two advisory Board members represent the Co-Administrators of the Cooperative. Day-to-day administration of the Cooperative will be performed by First Southwest Asset Management, Inc. and JP Morgan Chase Investment Management, Inc. First Southwest will provide administrative, participant support and marketing services. JP Morgan Chase will provide investment management, custody, fund and transfer agency services. The LOGIC fund is rated AAAM by Standard & Poor's and have a weighted average maturity of 42 days.

(continued)

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

**A. Cash, Cash Equivalents and Investments (Continued)**

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

**B. Receivables**

Receivables at September 30, 2011, were as follows:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Utility</u>	<u>Total Receivables</u>
Property taxes	\$ 40,394	\$ 9,120	\$ -	\$ 49,514
Sales taxes	133,918	-	-	133,918
Hotel/motel taxes	-	69,223	-	69,223
Franchise taxes	105,756	-	-	105,756
Mixed beverage taxes	1,633	-	-	1,633
Utility accounts	-	-	434,784	434,784
Municipal court	<u>62,496</u>	<u>-</u>	<u>-</u>	<u>62,496</u>
Less: allowance for doubtful accounts	<u>( 75,722)</u>	<u>( 4,246)</u>	<u>( 28,881)</u>	<u>( 108,849)</u>
	<u>\$ 268,475</u>	<u>\$ 74,097</u>	<u>\$ 405,903</u>	<u>\$ 748,475</u>

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

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

(continued)

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

**B. Receivables (Continued)**

	<u>Unavailable</u>
General fund	
Delinquent property taxes receivable	\$ 22,213
Court fines	<u>4,956</u>
Total general fund	<u>27,169</u>
Nonmajor governmental	
Delinquent property taxes receivable	<u>4,874</u>
Total nonmajor governmental	<u>4,874</u>
Total governmental funds	<u>\$ 32,043</u>

**C. Capital Assets**

Capital asset activity for the year ended September 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 253,152	\$ -	\$ -	\$ 253,152
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>253,152</u>	<u>-</u>	<u>-</u>	<u>253,152</u>
Capital assets being depreciated:				
Buildings and improvements	2,668,781	6,958	-	2,675,739
Machinery and equipment	<u>2,617,873</u>	<u>94,554</u>	<u>22,579</u>	<u>2,689,848</u>
Total capital assets being depreciated	<u>5,286,654</u>	<u>101,512</u>	<u>22,579</u>	<u>5,365,587</u>
Less accumulated depreciation for:				
Buildings and improvements	1,069,197	67,043	-	1,136,240
Machinery and equipment	<u>1,872,361</u>	<u>183,181</u>	<u>20,888</u>	<u>2,034,654</u>
Total accumulated depreciation	<u>2,941,558</u>	<u>250,224</u>	<u>20,888</u>	<u>3,170,894</u>
Total capital assets depreciated, net	<u>2,345,096</u>	<u>( 148,712)</u>	<u>1,691</u>	<u>2,194,693</u>
Governmental activities, capital assets, net	<u>\$ 2,598,248</u>	<u>\$( 148,712)</u>	<u>\$ 1,691</u>	<u>\$ 2,447,845</u>

(continued)

2. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 24,183	\$ -	\$ -	\$ 24,183
Construction in progress	31,969	114,926	-	146,895
Total capital assets not being depreciated	<u>56,152</u>	<u>114,926</u>	<u>-</u>	<u>171,078</u>
Capital assets being depreciated:				
Buildings and improvements	581,700	-	-	581,700
Distribution and collection systems	13,376,243	27,837	-	13,404,080
Machinery and equipment	666,590	5,538	-	672,128
Total capital assets being depreciated	<u>14,624,533</u>	<u>33,375</u>	<u>-</u>	<u>14,657,908</u>
Less accumulated depreciation for:				
Buildings and improvements	563,885	11,201	-	575,086
Distribution and collection systems	4,999,598	476,872	-	5,476,470
Machinery and equipment	520,925	51,600	-	572,525
Total accumulated depreciation	<u>6,084,408</u>	<u>539,673</u>	<u>-</u>	<u>6,624,081</u>
Total capital assets depreciated, net	<u>8,540,125</u>	<u>( 506,298)</u>	<u>-</u>	<u>8,033,827</u>
Business-type activities, capital assets, net	<u>\$ 8,596,277</u>	<u>\$( 391,372)</u>	<u>\$ -</u>	<u>\$ 8,204,905</u>

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

Governmental activities:	
General government	\$ 28,380
Public safety	136,327
Public health	2,819
Public works	41,203
Culture and recreation	<u>41,495</u>
Total governmental activities	<u>\$ 250,224</u>
Business-type activities:	
Water	\$ 310,377
Sewer	186,797
Garbage	4,141
Gas	<u>38,358</u>
Total business-type activities	<u>\$ 539,673</u>

(continued)



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

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

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

The composition of the interfund balances as of September 30, 2011, is as follows:

**Due to/Due from**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Utility	\$ <u>37,236</u>

**Transfers In/Transfers Out**

<u>Transfer in Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General	Utility	\$ 436,367
General	Nonmajor governmental	28,000
Nonmajor governmental	General	12,650
Nonmajor governmental	Utility	26,500
Utility	Nonmajor governmental	<u>28,574</u>
		<u>\$ 532,091</u>

The General Fund transferred \$12,650 to the Fire Equipment Fund to cover future capital purchases. The Equipment Fund transferred \$28,000 to the General Fund for the purchase of equipment. The Utility Fund transferred \$290,714 to the General Fund to cover budgeted indirect costs. The Utility Fund transferred payments in lieu of taxes of \$145,653 to the General Fund. The Utility Fund transferred \$16,500 to the Fire Equipment Fund and \$10,000 to the Equipment Fund to cover future capital purchases. The 2005 Certificates of Obligation fund transferred \$28,574 to the Utility Fund to aid in reducing the outstanding certificates of obligation debt.

(continued)

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

### E. Long-term Debt

The following is a summary of changes in long-term liabilities for the year ended September 30, 2011.

#### Primary Government

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Refunding GO bonds	\$ 1,149,521	\$ -	\$ 53,219	\$ 1,096,302	\$ 56,260
Compensated absences	20,626	3,489	2,921	21,194	4,239
<b>Total governmental activities</b>	<b>\$ 1,170,147</b>	<b>\$ 3,489</b>	<b>\$ 56,140</b>	<b>\$ 1,117,496</b>	<b>\$ 60,499</b>
<b>Business-type activities:</b>					
Certificates of obligation	\$ 3,890,000	\$ -	\$ 200,000	\$ 3,690,000	\$ 205,000
Refunding GO bonds	2,630,479	-	121,782	2,508,697	128,740
Premium on bonds	7,225	-	226	6,999	438
Deferred loss on refunding	( 47,765)	-	( 2,810)	( 44,955)	( 2,810)
Compensated absences	11,511	3,111	3,282	11,340	2,268
<b>Total business-type activities</b>	<b>\$ 6,491,450</b>	<b>\$ 3,111</b>	<b>\$ 322,480</b>	<b>\$ 6,172,081</b>	<b>\$ 333,636</b>

#### Component Unit

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Columbus Community Industrial and Development Corporation:</b>					
Sales tax revenue bonds	\$ 1,645,000	\$ -	\$ 85,000	\$ 1,560,000	\$ 100,000
Premium on bonds	7,190	-	591	6,599	591
Deferred loss on refunding	( 49,072)	-	( 4,033)	( 45,039)	( 4,033)
<b>Total Columbus Community and Development Corporation:</b>	<b>\$ 1,603,118</b>	<b>\$ -</b>	<b>\$ 81,558</b>	<b>\$ 1,521,560</b>	<b>\$ 96,558</b>

#### Certificates of Obligation

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

#### General Obligation Bonds

Certificates of obligation were issued in 2008 was \$4,000,000 for water and gas improvements and remodeling City Hall. These bonds were refunded in by the 2010 Refunding General Obligation Bonds at annual interest rates from 2.00% to 4.00% with a maturity date of August 2027.

(continued)

2. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt (Continued)

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

**Defeased Bonds**

In prior years, the City and component unit defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the financial statements. At September 30, 2011, the City and component unit did not have bonds considered defeased.

The annual debt service requirements on long-term debt 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
2012	\$ 56,260	\$ 35,508	\$ 333,740	\$ 232,047	\$ 100,000	\$ 47,644
2013	56,260	34,383	338,740	222,297	100,000	45,644
2014	57,780	33,258	352,220	212,372	105,000	43,594
2015	57,780	32,102	357,220	202,028	105,000	41,494
2016	60,821	30,947	374,179	191,283	105,000	38,869
2017-2021	329,955	127,713	2,080,044	751,662	610,000	140,029
2022-2026	390,776	65,444	2,164,224	305,242	435,000	26,500
2027	86,670	3,467	198,330	7,933	-	-
Totals	\$ 1,096,302	\$ 362,822	\$ 6,198,697	\$ 2,124,864	\$ 1,560,000	\$ 383,774

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.

(continued)

### 3. OTHER INFORMATION (Continued)

#### A. Risk Management (Continued)

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

#### B. Contingent Liabilities

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

The City is defendant in several pending lawsuits. City management estimates, based on the advice of legal counsel, that the potential claims against the City, in excess of insurance coverage, would not materially affect the basic financial statements of the City.

#### C. Employee Retirement Systems and Plans

##### **Plan Description**

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The City of Columbus Volunteer Firemen are covered by a separate pension plan, therefore they are not included in the Texas Municipal Retirement System plan. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

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

(continued)

3. OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Plans (Continued)

**Plan Description** (Continued)

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:

	<u>Plan Year 2010</u>	<u>Plan Year 2011</u>
Employee deposit rate	6.0%	6.0%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

**Contributions**

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

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation/(asset) are as follows:

Annual Required Contribution (ARC)	\$ 213,577
Interest on Net Pension Asset	( 2,672)
Adjustment to the ARC	<u>2,219</u>
Annual Pension Cost	213,124
Contributions Made	<u>( 218,885)</u>
Increase in Net Pension Asset	( 5,761)
Net Pension Asset, beginning of year	<u>( 35,622)</u>
Net Pension Asset, ending of year	<u><u>\$ ( 41,383)</u></u>

(continued)

3. OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Plans (Continued)

Contributions (Continued)

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contribution Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
09/30/09	\$ 181,647	\$ 191,647	106%	\$( 35,307)
09/30/10	223,510	223,510	100%	( 35,622)
09/30/11	213,124	218,885	102%	( 41,383)

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

The required contribution rates for fiscal year 2011 were determined as part of the December 31, 2008 and 2009 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2010, also follows:

Valuation date	12/31/08	12/31/09	12/31/10 - Restructured	12/31/10 - Prior to Restructuring
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll	Level percent of payroll
Single amortization period	29 years; closed period	27.9 years; closed period	26.9 years; closed period	26.9 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years	30 years
Asset valuation method	Amortized Cost	10-yr smoothed market	10-yr smoothed market	10-yr smoothed market
Actuarial assumptions:				
Investment rate of return*	7.5%	7.5%	7.5%	7.5%
Projected salary increases*	Varies by age and service	Varies by age and service	Varies by age and service	Varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%	3.0%
Cost of living adjustments	2.1%	2.1%	2.1%	2.1%

**Funded Status and Funding Progress**

In June 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. This legislation provided for the actuarial valuation to be completed, as if restructuring had occurred on December 31, 2010. In addition, the actuarial assumptions were updated for the new fund structure, based on an actuarial experience study that was adopted by the TMRS Board at their May 2011 meeting (the review compared actual to expected experience for the four-year period of January 1, 2006 through December 31, 2009). For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Comprehensive Annual Financial Report (CAFR).

(continued)

3. **OTHER INFORMATION (Continued)**

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

**Funded Status and Funding Progress (Continued)**

The funded status as of December 31, 2010, under the two separate actuarial valuations, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10 (1)	\$ 2,935,201	\$ 4,164,613	\$ 1,229,412	70.5%	\$ 1,478,012	83.2%
12/31/10 (2)	\$ 3,948,983	\$ 4,976,716	\$ 1,027,733	79.3%	\$ 1,478,012	69.5%

(1) Actuarial valuation performed under the original fund structure.

(2) Actuarial valuation performed under the new fund structure.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**Other Postemployment Benefits**

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

(continued)

### 3. OTHER INFORMATION (Continued)

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

##### **Other Postemployment Benefits** (Continued)

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

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

The City's contributions to the TMRS SDBF for the years ended 2011, 2010, and 2009, were \$5,308, \$4,854, and \$5,190, respectively, which equaled the required contributions each year.

##### **Texas Statewide Emergency Services Personnel Retirement Fund**

The City acts as agent for the Texas Statewide Emergency Services Personnel Retirement Fund (the "Fund") which is a component unit of the State of Texas. The City reimbursed the Fund \$26,424 for benefits paid on a pay-as-you-go basis during the year in recognition of services provided to the City by volunteer firemen. The Fund has a Board of Directors not designated by City officials and is administered by the State Fire Fighters' Pension Commissioner. There are 35 active participants currently covered by the Fund and payments are being made to 28 retirees or their survivors. The Fund does not prepare separate financial statements for participating departments; however, financial statements for the Fund as a whole may be obtained from the administrator at Fire Fighters' Pension Commissioner, P. O. Box 12577, Austin, Texas 78711.

#### D. Change in Accounting Principles

For fiscal year 2011, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the City reclassifying funds and presenting fund balance classifications in accordance with the new accounting standards.

(continued)



**3. OTHER INFORMATION (Continued)**

**E. Prior Period Adjustment**

During the current year, the City determined franchise taxes receivable was understated in the prior year. The net effect was an increase in beginning General fund balance of \$99,087. General fund balance was \$844,564 as of September 30, 2010, and has been restated to \$943,651.

**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, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Sales	\$ 680,000	\$ 680,000	\$ 732,969	\$ 52,969
Property	540,108	540,108	528,317	( 11,791)
Franchise	260,000	260,000	261,982	1,982
Other	7,800	7,800	9,670	1,870
Licenses and permits	28,100	28,100	31,693	3,593
Fines and forfeitures	53,075	53,075	66,652	13,577
Miscellaneous	29,350	37,792	24,705	( 13,087)
Investment earnings	6,000	6,000	6,876	876
Charges for services	15,200	15,200	18,949	3,749
Intergovernmental	<u>72,791</u>	<u>106,523</u>	<u>84,596</u>	<u>( 21,927)</u>
Total revenues	<u>1,692,424</u>	<u>1,734,598</u>	<u>1,766,409</u>	<u>31,811</u>
<b>EXPENDITURES</b>				
General government:				
Personnel	260,028	260,028	231,131	28,897
Supplies and maintenance	18,800	18,800	17,994	806
Other services	112,175	112,175	111,439	736
Capital outlay	<u>23,000</u>	<u>23,000</u>	<u>4,805</u>	<u>18,195</u>
Total general government	<u>414,003</u>	<u>414,003</u>	<u>365,369</u>	<u>48,634</u>
Public safety:				
Police department:				
Personnel	693,010	693,010	667,562	25,448
Supplies and maintenance	47,850	47,850	55,009	( 7,159)
Other services	67,768	67,768	57,107	10,661
Capital outlay	<u>58,061</u>	<u>58,061</u>	<u>56,948</u>	<u>1,113</u>
Total police department	<u>866,689</u>	<u>866,689</u>	<u>836,626</u>	<u>30,063</u>

**(continued)**

**CITY OF COLUMBUS, TEXAS**

**GENERAL FUND**

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

(Continued)

**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Public safety (continued):				
Fire department:				
Personnel	\$ 27,800	\$ 27,800	\$ 28,288	\$( 488)
Supplies and maintenance	38,550	45,950	42,120	3,830
Other services	29,507	29,507	26,212	3,295
Capital outlay	-	18,000	18,000	-
Total fire department	<u>95,857</u>	<u>121,257</u>	<u>114,620</u>	<u>6,637</u>
Total public safety	<u>962,546</u>	<u>987,946</u>	<u>951,246</u>	<u>36,700</u>
Public health:				
Personnel	29,215	34,215	42,633	( 8,418)
Supplies and maintenance	3,700	3,700	2,167	1,533
Other services	<u>16,249</u>	<u>29,124</u>	<u>17,886</u>	<u>11,238</u>
Total public health	<u>49,164</u>	<u>67,039</u>	<u>62,686</u>	<u>4,353</u>
Public works:				
Personnel	247,226	247,226	247,417	( 191)
Supplies and maintenance	160,350	175,350	146,346	29,004
Other services	<u>94,059</u>	<u>94,059</u>	<u>71,503</u>	<u>22,556</u>
Total public works	<u>541,635</u>	<u>556,635</u>	<u>465,266</u>	<u>91,369</u>
Culture and recreation:				
Personnel	329,424	329,424	333,939	( 4,515)
Supplies and maintenance	46,150	70,324	72,574	( 2,250)
Other services	64,017	64,017	56,070	7,947
Capital outlay	<u>12,075</u>	<u>12,075</u>	<u>8,094</u>	<u>3,981</u>
Total culture and recreation	<u>451,666</u>	<u>475,840</u>	<u>470,677</u>	<u>5,163</u>
Total expenditures	<u>2,419,014</u>	<u>2,501,463</u>	<u>2,315,244</u>	<u>186,219</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	473,633	473,633	464,367	( 9,266)
Transfers out	( 12,650)	( 12,650)	( 12,650)	-
Sale of capital assets	-	-	2,530	2,530
Total other financing sources (uses)	<u>460,983</u>	<u>460,983</u>	<u>454,247</u>	<u>( 6,736)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>( 265,607)</b>	<b>( 305,882)</b>	<b>( 94,588)</b>	<b>211,294</b>
<b>FUND BALANCES, BEGINNING, RESTATED</b>	<u>943,651</u>	<u>943,651</u>	<u>943,651</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 678,044</u>	<u>\$ 637,769</u>	<u>\$ 849,063</u>	<u>\$ 211,294</u>

# CITY OF COLUMBUS, TEXAS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2011

### 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 30<sup>th</sup> 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 \$82,449. These amendments were as follows:

<u>Date Budget Amended</u>	<u>Purpose</u>	<u>Amount</u>
November 23, 2010	Library Security System	\$ 4,500
December 9, 2010	Austin Street Railroad Crossing	15,000
March 24, 2011	Library Supplies	4,246
March 24, 2011	Library Books	1,486
March 24, 2011	Library Office Supplies	4,000
March 24, 2011	Library Building Repairs	6,000
May 12, 2011	Fire Department Skid Unit	18,000
May 26, 2011	Demolition of Substandard Buildings	12,875
July 14, 2011	Library Books	2,000
August 11, 2011	Fire Tanker Truck Tires	2,900
August 11, 2011	Fire Station Roof Repair	4,500
September 22, 2011	Library Supplies	1,942
September 22, 2011	Code Enforcement Salaries	<u>5,000</u>
		<u>\$ 82,449</u>

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

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

### **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.

*Capital Projects Fund* – This fund is used to account for 2008 Certificates of Obligation proceeds for major capital improvements.

### **DEBT SERVICE FUNDS**

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

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

**CITY OF COLUMBUS, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2011**

	Special Revenue	Capital Projects			
	Hotel/Motel Tax	Equipment	Fire Equipment	Capital Projects	Total
<b>ASSETS</b>					
Cash and investments	\$ 296,819	\$ 64,973	\$ 202,162	\$ 1,402	\$ 268,537
Taxes receivable, net	<u>69,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 366,042</u>	<u>\$ 64,973</u>	<u>\$ 202,162</u>	<u>\$ 1,402</u>	<u>\$ 268,537</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 25,694	\$ -	\$ -	\$ -	\$ -
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>25,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted for:					
Economic development	340,348	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	1,402	1,402
Assigned for equipment	<u>-</u>	<u>64,973</u>	<u>202,162</u>	<u>-</u>	<u>267,135</u>
Total fund balances	<u>340,348</u>	<u>64,973</u>	<u>202,162</u>	<u>1,402</u>	<u>268,537</u>
Total liabilities and fund balances	<u>\$ 366,042</u>	<u>\$ 64,973</u>	<u>\$ 202,162</u>	<u>\$ 1,402</u>	<u>\$ 268,537</u>



Debt Service			Total Nonmajor Governmental Funds
2005 C of O	2008 C of O	Total	
\$ 90	\$ 2,007	\$ 2,097	\$ 567,453
<u>1,131</u>	<u>3,743</u>	<u>4,874</u>	<u>74,097</u>
<u>\$ 1,221</u>	<u>\$ 5,750</u>	<u>\$ 6,971</u>	<u>\$ 641,550</u>
\$ -	\$ -	\$ -	\$ 25,694
<u>1,131</u>	<u>3,743</u>	<u>4,874</u>	<u>4,874</u>
<u>1,131</u>	<u>3,743</u>	<u>4,874</u>	<u>30,568</u>
-	-	-	340,348
90	2,007	2,097	2,097
-	-	-	1,402
-	-	-	<u>267,135</u>
<u>90</u>	<u>2,007</u>	<u>2,097</u>	<u>610,982</u>
<u>\$ 1,221</u>	<u>\$ 5,750</u>	<u>\$ 6,971</u>	<u>\$ 641,550</u>

**CITY OF COLUMBUS, TEXAS**

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

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Special Revenue	Capital Projects			
	Hotel/Motel Tax	Equipment	Fire Equipment	Capital Projects	Total
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	232,716	-	-	-	-
Investment earnings	2,456	866	2,830	29	3,725
Miscellaneous	<u>18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>235,190</u>	<u>866</u>	<u>2,830</u>	<u>29</u>	<u>3,725</u>
<b>EXPENDITURES</b>					
Current:					
Economic development	91,326	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,124</u>	<u>5,124</u>
Total expenditures	<u>91,326</u>	<u>-</u>	<u>-</u>	<u>5,124</u>	<u>5,124</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>143,864</u>	<u>866</u>	<u>2,830</u>	<u>( 5,095)</u>	<u>( 1,399)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	10,000	29,150	-	39,150
Transfers out	<u>-</u>	<u>( 28,000)</u>	<u>-</u>	<u>-</u>	<u>( 28,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>( 18,000)</u>	<u>29,150</u>	<u>-</u>	<u>11,150</u>
<b>NET CHANGE IN FUND BALANCES</b>	143,864	( 17,134)	31,980	( 5,095)	9,751
<b>FUND BALANCES, BEGINNING</b>	<u>196,484</u>	<u>82,107</u>	<u>170,182</u>	<u>6,497</u>	<u>258,786</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 340,348</u>	<u>\$ 64,973</u>	<u>\$ 202,162</u>	<u>\$ 1,402</u>	<u>\$ 268,537</u>

Debt Service		Total Nonmajor Governmental Funds	
2005 C of O	2008 C of O	Total	
\$ 28,458	\$ 89,272	\$ 117,730	\$ 117,730
-	-	-	232,716
-	135	135	6,316
-	-	-	18
<u>28,458</u>	<u>89,407</u>	<u>117,865</u>	<u>121,608</u>
-	-	-	91,326
-	53,219	53,219	53,219
-	35,913	35,913	35,913
-	-	-	5,124
<u>-</u>	<u>89,132</u>	<u>89,132</u>	<u>185,582</u>
<u>28,458</u>	<u>275</u>	<u>28,733</u>	<u>171,198</u>
-	-	-	39,150
( 28,574)	-	( 28,574)	( 56,574)
( 28,574)	-	( 28,574)	( 17,424)
( 116)	275	159	153,774
<u>206</u>	<u>1,732</u>	<u>1,938</u>	<u>457,208</u>
<u>\$ 90</u>	<u>\$ 2,007</u>	<u>\$ 2,097</u>	<u>\$ 610,982</u>

**CITY OF COLUMBUS, TEXAS**

**HOTEL OCCUPANCY TAX SPECIAL REVENUE FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Hotel occupancy tax	\$ 160,000	\$ 160,000	\$ 232,716	\$ 72,716
Investment earnings	1,000	1,000	2,456	1,456
Miscellaneous	-	-	18	18
Total revenues	<u>161,000</u>	<u>161,000</u>	<u>235,190</u>	<u>74,190</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	<u>123,420</u>	<u>123,420</u>	<u>91,326</u>	<u>32,094</u>
Total expenditures	<u>123,420</u>	<u>123,420</u>	<u>91,326</u>	<u>32,094</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>37,580</u>	<u>37,580</u>	<u>143,864</u>	<u>106,284</u>
<b>FUND BALANCES, BEGINNING</b>	<u>196,484</u>	<u>196,484</u>	<u>196,484</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 234,064</u>	<u>\$ 234,064</u>	<u>\$ 340,348</u>	<u>\$ 106,284</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, 2011**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ 1,000	\$ 1,000	\$ 866	\$ ( 134)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>866</u>	<u>( 134)</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,000	10,000	10,000	-
Transfers out	( 28,000)	( 28,000)	( 28,000)	-
Total other financing sources (uses)	<u>( 18,000)</u>	<u>( 18,000)</u>	<u>( 18,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	( 17,000)	( 17,000)	( 17,134)	( 134)
<b>FUND BALANCES, BEGINNING</b>	<u>82,107</u>	<u>82,107</u>	<u>82,107</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 65,107</u>	<u>\$ 65,107</u>	<u>\$ 64,973</u>	<u>\$ ( 134)</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, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 2,300	\$ 2,300	\$ 2,830	\$ 530
Total revenues	<u>2,300</u>	<u>2,300</u>	<u>2,830</u>	<u>530</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>29,150</u>	<u>29,150</u>	<u>29,150</u>	<u>-</u>
Total other financing sources (uses)	<u>29,150</u>	<u>29,150</u>	<u>29,150</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	31,450	31,450	31,980	530
<b>FUND BALANCES, BEGINNING</b>	<u>170,182</u>	<u>170,182</u>	<u>170,182</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 201,632</u>	<u>\$ 201,632</u>	<u>\$ 202,162</u>	<u>\$ 530</u>

**CITY OF COLUMBUS, TEXAS**

**DEBT SERVICE FUND 2005**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 29,789	\$ 29,789	\$ 28,458	\$( 1,331)
Total revenues	<u>29,789</u>	<u>29,789</u>	<u>28,458</u>	<u>( 1,331)</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	( 29,789)	( 29,789)	( 28,574)	1,215
Total other financing sources (uses)	<u>( 29,789)</u>	<u>( 29,789)</u>	<u>( 28,574)</u>	<u>1,215</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	( 116)	( 116)
<b>FUND BALANCES, BEGINNING</b>	<u>206</u>	<u>206</u>	<u>206</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 206</u>	<u>\$ 206</u>	<u>\$ 90</u>	<u>\$( 116)</u>

**CITY OF COLUMBUS, TEXAS**

**DEBT SERVICE FUND 2008**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 92,079	\$ 92,079	\$ 89,272	\$( 2,807)
Investment earnings	<u>100</u>	<u>100</u>	<u>135</u>	<u>35</u>
Total revenues	<u>92,179</u>	<u>92,179</u>	<u>89,407</u>	<u>( 2,772)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	53,219	53,219	53,219	-
Interest and other charges	<u>37,963</u>	<u>37,963</u>	<u>35,913</u>	<u>2,050</u>
Total expenditures	<u>91,182</u>	<u>91,182</u>	<u>89,132</u>	<u>2,050</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>997</u>	<u>997</u>	<u>275</u>	<u>( 722)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>1,732</u>	<u>1,732</u>	<u>1,732</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,729</u>	<u>\$ 2,729</u>	<u>\$ 2,007</u>	<u>\$( 722)</u>



# **STATISTICAL SECTION**

# 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.

	<b><u>Page Number</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	54 – 61
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source – gas revenue, as well as its ability to generate its property taxes and information regarding its sales tax sources.	62 – 68
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	69 – 73
<b>Demographic and Economic Information</b> These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.	74 – 75
<b>Operating Information</b> These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	76 – 78

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

TABLE 1

## CITY OF COLUMBUS, TEXAS

## NET ASSETS BY COMPONENT

LAST EIGHT FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:								
Invested in capital assets, net of related debt	\$ 1,034,160	\$ 1,145,267	\$ 1,319,184	\$ 1,375,223	\$ 1,370,592	\$ 1,299,073	\$ 1,459,522	\$ 1,354,636
Restricted	36,512	36,871	1,089	2,130	3,367	388,506	204,648	342,880
Unrestricted	1,845,395	1,885,626	1,609,595	1,304,614	976,383	945,314	1,118,030	1,155,658
Total governmental activities net assets	\$ 2,916,067	\$ 3,067,764	\$ 2,929,868	\$ 2,681,967	\$ 2,350,342	\$ 2,632,893	\$ 2,782,200	\$ 2,853,174
Business-type activities:								
Invested in capital assets, net of related debt	\$ 3,803,943	\$ 3,571,131	\$ 3,957,138	\$ 3,727,320	\$ 3,738,667	\$ 1,830,862	\$ 3,261,972	\$ 3,132,994
Restricted	-	-	-	-	-	1,685,888	-	-
Unrestricted	1,053,265	1,055,325	1,175,124	1,759,621	2,023,416	2,180,617	2,093,182	2,317,925
Total business-type activities net assets	\$ 4,857,208	\$ 4,626,456	\$ 5,132,262	\$ 5,486,941	\$ 5,762,083	\$ 5,697,367	\$ 5,355,154	\$ 5,450,919
Primary government:								
Invested in capital assets, net of related debt	\$ 4,838,103	\$ 4,716,398	\$ 5,276,322	\$ 5,102,543	\$ 5,109,259	\$ 3,129,935	\$ 4,721,494	\$ 4,487,630
Restricted	36,512	36,871	1,089	2,130	3,367	2,074,394	204,648	342,880
Unrestricted	2,898,660	2,940,951	2,784,719	3,064,235	2,999,799	3,125,931	3,211,212	3,473,583
Total primary government net assets	\$ 7,773,275	\$ 7,694,220	\$ 8,062,130	\$ 8,168,908	\$ 8,112,425	\$ 8,330,260	\$ 8,137,354	\$ 8,304,093

Note:

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

**CITY OF COLUMBUS TEXAS**

**CHANGES IN NET ASSETS**

**LAST EIGHT FISCAL YEARS**  
(accrual basis of accounting)

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

TABLE 2

		Fiscal Year							
		2007	2008	2009	2010	2011			
\$	359,485	\$	324,635	\$	354,275	\$	392,785	\$	389,512
	792,484		891,435		894,696		952,871		1,012,625
	32,546		34,689		35,379		38,746		65,505
	401,228		481,732		487,126		432,312		506,469
	456,391		435,819		449,684		495,341		504,078
	125,276		131,556		122,134		126,784		91,326
	10,117		-		51,139		59,024		38,005
	<u>2,177,527</u>		<u>2,299,866</u>		<u>2,394,433</u>		<u>2,497,863</u>		<u>2,607,520</u>
	534,162		646,858		833,374		892,209		847,389
	392,061		469,715		571,787		637,526		581,032
	620,013		609,423		615,091		586,244		636,724
	<u>748,644</u>		<u>813,248</u>		<u>657,088</u>		<u>837,959</u>		<u>696,535</u>
	<u>2,294,880</u>		<u>2,539,244</u>		<u>2,677,340</u>		<u>2,953,938</u>		<u>2,761,680</u>
\$	<u>4,472,407</u>	\$	<u>4,839,110</u>	\$	<u>5,071,773</u>	\$	<u>5,451,801</u>	\$	<u>5,369,200</u>
\$	18,928	\$	46,790	\$	41,328	\$	35,003	\$	33,938
	48,060		62,614		76,714		57,611		63,885
	5		5,077		9,655		-		-
	18,747		27,673		21,013		19,308		23,335
	61,521		14,242		103,945		62,195		58,366
	<u>15,076</u>		<u>44,250</u>		<u>283,753</u>		<u>75,756</u>		<u>41,016</u>
	<u>162,337</u>		<u>200,646</u>		<u>536,408</u>		<u>249,873</u>		<u>220,540</u>
	509,935		659,474		813,882		770,263		1,034,041
	469,919		497,712		618,393		634,215		660,203
	637,545		660,369		637,383		622,420		683,561
	870,845		917,565		739,790		942,875		760,700
	-		-		-		-		-
	<u>90,000</u>		<u>135,000</u>		<u>125,000</u>		<u>201,500</u>		<u>109,581</u>
	<u>2,578,244</u>		<u>2,870,120</u>		<u>2,934,448</u>		<u>3,171,273</u>		<u>3,248,086</u>
\$	<u>2,740,581</u>	\$	<u>3,070,766</u>	\$	<u>3,470,856</u>	\$	<u>3,421,146</u>	\$	<u>3,468,626</u>

(continued)

## CITY OF COLUMBUS, TEXAS

### CHANGES IN NET ASSETS (Continued) LAST EIGHT FISCAL YEARS (accrual basis of accounting)

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

Note:

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

TABLE 2

Fiscal Year				
2007	2008	2009	2010	2011
\$( 2,015,190)	\$( 2,099,220)	\$( 1,858,025)	\$( 2,247,990)	\$( 2,386,980)
<u>283,364</u>	<u>330,876</u>	<u>257,108</u>	<u>217,335</u>	<u>486,406</u>
<u>( 1,731,826)</u>	<u>( 1,768,344)</u>	<u>( 1,600,917)</u>	<u>( 2,030,655)</u>	<u>( 1,900,574)</u>
444,169	469,274	614,554	617,831	657,475
698,441	698,525	737,437	674,917	732,969
125,276	131,930	154,074	160,242	232,716
257,381	261,436	253,782	261,061	261,982
5,460	5,483	7,895	7,934	9,670
71,409	34,714	13,350	15,277	13,192
15,589	8,945	2,610	810	839
-	-	-	12,270	15,731
<u>149,564</u>	<u>157,287</u>	<u>356,875</u>	<u>614,396</u>	<u>434,293</u>
<u>1,767,289</u>	<u>1,767,594</u>	<u>2,140,577</u>	<u>2,364,738</u>	<u>2,358,867</u>
220,876	101,555	35,053	54,848	43,652
<u>( 149,564)</u>	<u>( 157,287)</u>	<u>( 356,876)</u>	<u>( 614,396)</u>	<u>( 434,293)</u>
<u>71,312</u>	<u>( 55,732)</u>	<u>( 321,823)</u>	<u>( 559,548)</u>	<u>( 390,641)</u>
<u>1,838,601</u>	<u>1,711,862</u>	<u>1,818,754</u>	<u>1,805,190</u>	<u>1,968,226</u>
( 247,901)	( 331,626)	282,552	116,748	( 28,113)
<u>354,676</u>	<u>275,144</u>	<u>( 64,715)</u>	<u>( 342,213)</u>	<u>95,765</u>
<u>\$ 106,775</u>	<u>\$( 56,482)</u>	<u>\$ 217,837</u>	<u>\$( 225,465)</u>	<u>\$ 67,652</u>

CITY OF COLUMBUS, TEXAS

FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Reserved	\$ 8,255	\$ 10,354	\$ 13,540	\$ 15,681	\$ 18,079	\$ 19,722	\$ 22,736	\$ 27,598	\$ -	\$ -
Unreserved	990,050	1,271,701	1,355,048	1,458,053	1,390,565	1,090,074	740,197	691,287	844,564	-
Unassigned	-	-	-	-	-	-	-	-	-	849,063
Total general fund	\$ 998,305	\$ 1,282,055	\$ 1,368,588	\$ 1,473,734	\$ 1,408,644	\$ 1,109,796	\$ 762,933	\$ 718,885	\$ 844,564	\$ 849,063
All other governmental funds										
Reserved, reported in:										
Debt service funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186	\$ 186	\$ 2,367	\$ 1,938	\$ -
Capital projects funds	22,852	62,314	36,512	36,871	-	-	1,137,009	240,573	6,497	-
Unreserved, reported in:										
Special revenue funds	252,934	297,975	342,266	391,470	210,549	202,457	222,867	366,317	448,773	-
Restricted	-	-	-	-	-	-	-	-	-	343,847
Assigned	-	-	-	-	-	-	-	-	-	267,135
Total all other governmental funds	\$ 275,786	\$ 360,289	\$ 378,778	\$ 428,341	\$ 210,549	\$ 202,643	\$ 1,360,062	\$ 609,257	\$ 457,208	\$ 610,982



TABLE 4

## CITY OF COLUMBUS, TEXAS

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDSLAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>REVENUES</b>										
Property taxes	\$ 260,325	\$ 288,594	\$ 307,843	\$ 323,454	\$ 426,701	\$ 441,603	\$ 467,410	\$ 613,903	\$ 618,780	\$ 646,047
Non-property taxes	890,358	876,978	971,067	1,019,120	1,046,489	1,086,558	1,097,375	1,153,187	1,104,154	1,237,337
Licenses and permits	18,425	19,434	15,023	19,146	12,551	11,912	37,783	30,897	33,524	31,693
Fines and forfeitures	25,140	36,536	43,227	31,624	48,253	46,227	52,744	75,617	57,720	66,652
Charges for services	26,671	26,727	14,840	16,769	13,915	15,893	24,785	17,717	15,347	18,949
Intergovernmental	357,618	122,789	47,746	157,982	146,293	76,097	43,914	125,770	126,006	84,596
Miscellaneous	65,364	65,704	57,925	91,496	98,402	86,132	59,184	39,567	40,984	37,915
Total revenues	1,643,901	1,436,762	1,457,671	1,659,591	1,792,604	1,764,422	1,783,195	2,056,658	1,996,515	2,123,189
<b>EXPENDITURES</b>										
General government	123,333	136,031	168,477	168,854	320,752	351,438	307,755	355,284	357,262	360,564
Public safety	559,152	576,531	645,442	573,789	1,012,663	739,381	863,991	838,387	831,081	876,298
Public health	21,782	24,062	24,017	28,123	30,724	34,247	43,952	34,456	36,404	62,686
Public works	260,464	245,323	224,341	486,905	465,536	491,700	518,859	444,832	391,200	465,266
Culture and recreation	252,228	285,450	372,416	431,115	369,913	367,039	404,403	414,243	448,232	462,583
Economic development	119,798	105,451	119,763	126,031	132,874	129,981	136,556	122,934	126,784	91,326
Industrial development	356,461	80,508	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	63,354	905,824	381,252	92,971
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	10,427	34,964	112,426	-	30,712	54,739	53,219
Interest and other charges	-	-	-	1,349	4,730	10,117	-	70,799	81,918	35,913
Total expenditures	1,693,218	1,453,356	1,554,456	1,826,593	2,372,156	2,236,329	2,338,870	3,217,471	2,708,872	2,500,826

(continued)

CITY OF COLUMBUS, TEXAS

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
(Continued)  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ ( 49,317 )	\$ ( 16,594 )	\$ ( 96,785 )	\$ ( 167,002 )	\$ ( 579,552 )	\$ ( 471,907 )	\$ ( 555,675 )	\$ ( 1,160,813 )	\$ ( 712,357 )	\$ ( 377,637 )
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	198,315	266,922	224,809	203,896	489,650	294,388	274,753	483,522	707,772	503,517
Transfers out	( 10,913 )	( 38,000 )	( 23,000 )	( 12,650 )	( 354,183 )	( 144,824 )	( 117,466 )	( 126,646 )	( 93,376 )	( 69,224 )
Issuance of long-term debt	-	-	-	-	-	-	1,200,000	-	1,204,260	-
Payment to escrow agent	-	-	-	-	-	-	-	-	( 1,169,288 )	-
Premium on bonds	-	-	-	-	-	-	-	-	3,250	-
Capital leases	-	-	-	75,625	82,191	-	-	-	-	-
Sale of capital assets	1,090	-	-	46,012	13	15,589	8,945	2,610	810	2,530
Total other financing sources (uses)	188,492	228,922	201,809	312,883	217,671	165,153	1,366,232	359,486	653,428	436,823
<b>SPECIAL ITEMS</b>										
Sale of capital assets	-	39,500	-	-	79,000	-	-	-	-	-
Total special items	-	39,500	-	-	79,000	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	\$ 139,175	\$ 251,828	\$ 105,024	\$ 145,881	\$ ( 282,881 )	\$ ( 306,754 )	\$ 810,557	\$ ( 801,327 )	\$ ( 58,929 )	\$ 59,186
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	- %	- %	- %	0.76%	2.09%	5.82%	- %	4.36%	5.87%	3.71%

TABLE 5

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

Customer	2011			2004		
	Gas Sales	Rank	Percentage of Total Gas Sales	Gas Sales	Rank	Percentage of Total Gas Sales
Columbus Community Hospital	\$ 36,829	1	4.91%	\$ 5,844	7	0.87%
River Oaks Convalescent Center	28,922	2	3.86%	18,206	2	2.72%
Columbus Independent School District	20,765	3	2.77%	24,664	1	3.69%
Los Cabos Mexican Grill	19,854	4	2.65%	-		- %
Texas Great Southern Wood, LLC	19,002	5	2.53%	-		- %
Country Fresh Cleaners	13,601	6	1.81%	10,895	3	1.63%
Schobels Restaurant	13,164	7	1.76%	8,290	4	1.24%
Columbus Care Center	12,357	8	1.65%	7,069	6	1.06%
Tru Care Living Centers	11,469	9	1.53%	-		
Columbus Inn	10,425	10	1.39%	5,228	8	0.78%
Gary Kulhanek (Washateria)	-		- %	7,867	5	1.18%
Colorado County Detention Center	-		- %	4,963	9	0.74%
H E Butt Co. #256	-		- %	4,193	10	0.63%
Total	\$ <u>186,387</u>		<u>24.86%</u>	\$ <u>97,219</u>		<u>14.54%</u>

Note: Data for top ten gas purchasers is not available for 2001 due to utility billing software changes.

CITY OF COLUMBUS, TEXAS

TAXABLE SALES BY CATEGORY

LAST NINE FISCAL YEARS

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Agricultural	\$ 4,242	\$ 4,309	\$ 9,828	\$ 10,666	\$ 11,996	\$ 11,194	\$ 31,459	\$ 19,058	\$ 17,117
Mining/quarrying/oil extraction	-	-	-	-	41,146	12,894	-	-	-
Construction	1,823,716	1,914,369	2,956,791	1,646,997	1,742,347	1,461,977	4,110,732	1,242,215	1,598,262
Manufacturing	1,758,528	1,254,508	1,713,351	1,947,293	2,896,616	1,888,360	1,158,673	958,389	1,330,107
Wholesale	27,707	5,055	32,578	707,913	2,074,619	2,244,137	1,774,390	1,510,938	1,994,558
Retail	31,360,300	33,279,328	35,529,503	37,641,393	37,887,867	38,234,724	38,024,476	36,624,035	38,192,034
Information	-	23,000	19,117	24,540	38,436	138,654	121,475	-	171,952
Real estate, rental, leasing	468,936	463,987	235,926	60,392	137,734	114,849	57,252	8,051	23,553
Professional, scientific, technical services	344,918	415,859	535,534	838,902	796,969	665,880	445,954	413,105	506,097
Health care, social assistance	-	-	-	-	-	-	31,956	138,031	129,348
Administrative, support, waste management, remediation services	532,591	529,801	763,428	1,395,782	1,694,613	1,891,695	2,222,536	2,361,517	2,630,274
Arts, entertainment, recreation	174,095	87,306	156,268	327,348	324,552	307,289	146,168	324,608	283,926
Accommodation, food services	10,768,432	10,928,691	12,218,846	12,583,383	12,901,396	13,741,559	14,450,645	13,963,676	15,158,966
Other services	2,286,424	2,363,511	2,072,611	1,856,074	1,902,834	1,865,236	1,886,321	1,850,214	1,919,548
<b>Total taxable sales</b>	<b>\$ 49,549,889</b>	<b>\$ 51,269,724</b>	<b>\$ 56,243,781</b>	<b>\$ 59,040,683</b>	<b>\$ 62,451,125</b>	<b>\$ 62,578,448</b>	<b>\$ 64,462,037</b>	<b>\$ 59,413,837</b>	<b>\$ 63,955,742</b>
<b>City direct sales tax rate</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>

Note: General grocery items are not taxable.

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

## CITY OF COLUMBUS, TEXAS

## TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Gross Receipts Tax	Hotel Occupancy Tax	Mixed Beverage Tax	Totals
2002	\$ 260,324	\$ 535,736	\$ 236,149	\$ 117,798	\$ 860	\$ 1,150,867
2003	288,594	545,516	228,002	101,951	1,509	1,165,572
2004	307,843	596,037	257,318	116,263	1,448	1,278,909
2005	323,454	634,052	260,183	123,031	1,854	1,342,574
2006	424,250	653,999	259,168	128,374	4,948	1,470,739
2007	441,603	698,441	257,381	125,276	5,460	1,528,161
2008	467,410	698,525	261,436	131,930	5,483	1,564,784
2009	613,903	737,437	253,782	154,074	7,895	1,767,091
2010	618,780	674,917	261,061	160,242	7,934	1,722,934
2011	646,047	732,969	261,982	232,716	9,670	1,883,384
Change 2002-2011	148.2%	36.8%	10.9%	97.6%	1,024.4%	63.6%

**TABLE 8**

**CITY OF COLUMBUS, TEXAS**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Less: Tax-exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a % of Actual Taxable Value</u>
2002	\$ 123,960,746	\$ 18,552,544	\$ 5,585,184	\$ 136,928,106	\$ 0.18881	\$ 136,928,106	100.00%
2003	127,547,707	19,492,810	5,171,845	141,868,672	0.19881	141,868,672	100.00%
2004	140,936,806	19,994,470	4,927,107	156,004,169	0.19581	156,004,169	100.00%
2005	151,683,597	20,303,750	4,671,763	167,315,584	0.19017	167,315,584	100.00%
2006	162,895,625	21,228,450	5,108,213	179,015,862	0.23312	179,015,862	100.00%
2007	171,581,944	22,062,400	5,212,305	188,432,039	0.23312	188,432,039	100.00%
2008	185,060,381	21,636,780	5,695,690	201,001,471	0.23312	201,001,471	100.00%
2009	202,170,771	24,295,540	6,085,022	220,381,289	0.27312	220,381,289	100.00%
2010	206,241,587	25,375,000	8,641,377	222,975,210	0.27312	231,616,587	96.27%
2011	218,954,455	27,303,920	8,551,472	237,706,903	0.27312	246,258,375	96.53%

## 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	
2002	\$ 0.18881	\$ -	\$ 0.18881	\$ 1.40000	\$ 0.39000	\$ 1.97881
2003	0.19881	-	0.19881	1.42100	0.39750	2.01731
2004	0.19581	-	0.19581	1.42000	0.43000	2.04581
2005	0.19017	-	0.19017	1.58000	0.42800	2.19817
2006	0.19312	0.04000	0.23312	1.61500	0.42758	2.27570
2007	0.19312	0.04000	0.23312	1.49750	0.41890	2.14952
2008	0.19312	0.04000	0.23312	1.19000	0.43000	1.85312
2009	0.19202	0.08110	0.27312	1.19000	0.44900	1.91212
2010	0.21024	0.06288	0.27312	1.19000	0.46429	1.92741
2011	0.22364	0.04948	0.27312	1.19000	0.48206	1.94518

TABLE 10

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

Customer	2011			2002		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Great Southern Wood	\$ 4,920,290	1	2.07%			
Frisco Health Investments LP (TLC)	4,072,860	2	1.71%			
Mega Texas Realty Inc. (Comfort Inn)	3,284,520	3	1.38%			
Brookfield Lodgings Inc.	2,956,410	4	1.24%			
Goodmark Lodging, LLC (Holiday Inn)	2,523,740	5	1.06%	2,027,300	2	1.50%
Wal-Mart Stores, Inc.	2,506,890	6	1.05%	2,160,498	1	1.60%
Columbus Associates (Wal-Mart)	2,259,010	7	0.95%	1,449,100	7	1.10%
AEP Central Power & Light	1,960,190	8	0.82%	1,544,840	5	1.20%
Magnolia Living Center	1,954,530	9	0.82%	1,001,400	9	0.70%
H. E. Butt Grocery Company	1,940,840	10	0.82%	1,499,596	6	1.10%
Southwestern Bell Telephone	-		- %	1,998,580	3	1.50%
River Oaks Convalescent	-		- %	1,614,000	4	1.20%
Columbus Ford-Mercury	-		- %	1,160,504	8	0.90%
Drymalla Construction Co.	-		- %	994,089	10	0.70%
Total	<u>\$ 28,379,280</u>		<u>11.94%</u>	<u>\$ 15,449,907</u>		<u>11.50%</u>



**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>
2002	\$ 258,534	\$ 251,781	97.4%	\$ 6,435	\$ 258,216	99.9%
2003	282,049	277,313	98.3%	4,067	281,380	99.8%
2004	305,472	297,977	97.5%	6,872	304,849	99.8%
2005	317,479	312,172	98.3%	4,608	316,780	99.8%
2006	417,321	411,167	98.5%	5,136	416,303	99.8%
2007	439,273	430,994	98.1%	5,872	436,866	99.5%
2008	468,574	458,536	97.9%	6,907	465,443	99.3%
2009	611,136	597,118	99.2%	9,100	606,218	99.2%
2010	612,157	596,438	97.4%	8,505	604,943	98.8%
2011	649,225	622,274	95.8%	-	622,274	95.8%

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
2008 certificates of obligation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000	\$ 1,169,288	\$ -	\$ -
2010 general obligation refunding bonds	-	-	-	-	-	-	-	-	1,149,521	1,096,302
Capital leases	-	-	-	65,199	11,426	-	-	-	-	-
Total governmental activities	-	-	-	65,199	11,426	-	1,200,000	1,169,288	1,149,521	1,096,302
Business-type activities										
Note payable	\$ 92,444	\$ 61,611	\$ 30,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 certificates of obligation	-	-	-	4,750,000	4,620,000	4,445,000	4,265,000	4,080,000	3,890,000	3,690,000
2008 certificates of obligation	-	-	-	-	-	-	2,800,000	2,675,715	-	-
2010 general obligation refunding bonds	-	-	-	-	-	-	-	-	2,630,479	2,508,697
Capital leases	-	-	-	-	30,644	-	-	-	-	-
Total business-type activities	92,444	61,611	30,686	4,750,000	4,650,644	4,445,000	7,065,000	6,755,715	6,520,479	6,198,697
Total primary government	\$ 92,444	\$ 61,611	\$ 30,686	\$ 4,815,199	\$ 4,662,070	\$ 4,445,000	\$ 8,265,000	\$ 7,925,003	\$ 7,670,000	\$ 7,294,999
(1) Percentage of personal income	0.1%	0.1%	- %	7.9%	7.6%	7.3%	13.4%	12.9%	12.5%	10.1%
(1) Per capita	\$ 24	\$ 16	\$ 8	\$ 1,246	\$ 1,207	\$ 1,150	\$ 2,125	\$ 2,037	\$ 2,112	\$ 1,996

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

(1) See the Schedule of Demographics and Economic Statistics on page 74 for personal income and population data.

## CITY OF COLUMBUS, TEXAS

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

## LAST FOUR FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less Debt Service Resources Available	Total		
2008	\$ 1,200,000	\$ 186	\$ 1,199,814	0.60%	\$ 306
2009	1,169,288	2,367	1,166,921	0.53%	298
2010	1,149,521	1,938	1,147,583	0.51%	314
2011	1,096,302	2,097	1,094,205	0.46%	299

## Notes:

In fiscal years 2002 - 2007 the City did not have general bonded debt outstanding

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

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, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>(1)</sup>	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Columbus Independent School District	\$ 15,037,083	30.190%	\$ 4,539,695
Colorado County	5,342,769	12.480%	<u>666,778</u>
Subtotal overlapping debt			5,206,473
City of Columbus direct debt			<u>1,096,302</u>
Total direct and overlapping debt			<u>\$ 6,302,775</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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Tax roll year	2001	2002	2003	2004
Net assessed value	\$ 136,928,106	\$ 141,868,672	\$ 156,004,169	\$ 167,315,584
Plus exempt property	<u>5,585,184</u>	<u>5,171,845</u>	<u>4,927,107</u>	<u>4,671,763</u>
Total assessed value	\$ <u>142,513,290</u>	\$ <u>147,040,517</u>	\$ <u>160,931,276</u>	\$ <u>171,987,347</u>
Debt limit (1)	<u>\$ 14,251,329</u>	<u>\$ 14,704,052</u>	<u>\$ 16,093,128</u>	<u>\$ 17,198,735</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					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
2005	2006	2007	2008	2009	2010
\$ 179,015,962	\$ 188,432,039	\$ 201,001,471	\$ 220,381,289	\$ 222,975,210	\$ 237,706,903
<u>5,108,213</u>	<u>5,212,305</u>	<u>5,695,690</u>	<u>6,085,022</u>	<u>6,149,715</u>	<u>6,331,457</u>
<u>\$ 184,124,175</u>	<u>\$ 193,644,344</u>	<u>\$ 206,697,161</u>	<u>\$ 226,466,311</u>	<u>\$ 229,124,925</u>	<u>\$ 244,038,360</u>
<u>\$ 18,412,418</u>	<u>\$ 19,364,434</u>	<u>\$ 20,669,716</u>	<u>\$ 22,646,631</u>	<u>\$ 22,912,493</u>	<u>\$ 24,403,836</u>

**CITY OF COLUMBUS, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Population <sup>(1)</sup>	Personal Income <sup>(1)</sup>	Per Capita Personal Income <sup>(1)</sup>	Median Age <sup>(1)</sup>	Percent of Population With Bachelor's Degree or Higher (1)	School Enrollment <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>
2002	3,916	\$ 61,958,952	\$ 15,822	40	16.7%	1,682	4.7%
2003	3,916	61,958,952	15,822	40	16.7%	1,639	5.4%
2004	3,916	61,958,952	15,822	40	16.7%	1,701	4.8%
2005	3,916	61,958,952	15,822	40	16.7%	1,728	4.5%
2006	3,916	61,958,952	15,822	40	16.7%	1,685	4.1%
2007	3,916	61,958,952	15,822	40	16.7%	1,660	3.6%
2008	3,916	61,958,952	15,822	40	16.7%	1,627	4.0%
2009	3,916	61,958,952	15,822	40	16.7%	1,485	6.9%
2010	3,655	61,958,952	15,882	40	16.7%	1,551	7.8%
2011	3,655	72,273,970	19,774	43	18.8%	1,622	7.3%

## 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 TEN YEARS AGO**

Employer	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Columbus Independent School District	250	1	2.32%	\$ 231	1	2.36%
Columbus Community Hospital	221	2	2.05%	222	2	2.27%
Drymalla Construction Co.	165	3	1.53%	150	3	1.53%
Colorado County (government)	145	4	1.35%	123	5	1.26%
River Oaks Convalescent Home	115	5	1.07%	125	4	1.28%
Wal-Mart	90	6	0.84%	90	6	0.92%
Schobels Restaurant	90	7	0.84%	90	7	0.92%
Tru Care	70	8	0.65%	-		
HEB Grocery Company, LP	65	9	0.60%	62	8	0.63%
Columbus Care	53	10	0.49%	54	9	0.55%
Brookshire Brothers (grocery)	-		- %	45	10	0.46%
Total	<u>1,264</u>		<u>11.74%</u>	\$ <u>1,192</u>		<u>12.17%</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 EIGHT FISCAL YEARS**

Function	Fulltime Equivalent Employees as of September 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Administrative and general	0.73	1.25	2.97	3.00	3.00	3.00	2.77	2.87
Police department	10.91	11.97	12.02	12.15	12.24	12.14	11.92	11.96
Streets and drainage	3.04	4.05	4.88	4.91	4.93	4.87	5.10	4.88
Parks and recreation								
Parks	3.84	3.82	3.97	4.39	3.69	3.57	3.58	3.58
Swimming pool	0.88	0.91	0.94	0.87	0.94	1.00	0.90	1.12
Library	3.64	3.59	3.80	3.76	3.81	3.73	3.89	3.81
Public health	0.56	0.55	1.03	0.54	0.54	0.53	0.54	0.74
Tourism and economic development	-	-	-	-	-	0.51	0.41	-
Water	4.71	3.97	2.97	4.09	3.13	2.93	3.46	2.76
Sewer	1.90	2.92	1.29	2.61	2.65	3.02	3.12	2.72
Garbage	5.62	4.11	0.30	0.49	0.49	0.50	0.48	0.49
Gas	6.42	6.95	4.98	3.77	4.54	4.68	4.64	4.52
<b>Total</b>	<b>42.25</b>	<b>44.09</b>	<b>39.15</b>	<b>40.58</b>	<b>39.96</b>	<b>40.48</b>	<b>40.81</b>	<b>39.45</b>

Source: City Finance Director

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

TABLE 19

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

Function/Program	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>General government</b>								
Building permits issued	47	27	33	32	42	34	40	32
Building inspections conducted	61	67	49	56	34	36	39	40
Gas inspections	27	15	17	26	22	15	4	30
Electrical inspections	88	60	57	60	65	82	57	84
Plumbing inspections	23	63	39	26	25	36	56	73
Mechanical inspections	20	48	31	45	15	22	76	70
<b>Police</b>								
Case reports opened	141	149	159	168	203	460	500	406
Calls of service	1,986	2,578	2,179	2,551	2,422	1,934	2,124	2,332
Citations issued	1,146	1,519	1,917	1,519	1,239	1,522	2,109	1,850
<b>Fire</b>								
<b>Fire/other calls</b>								
Structure fires	23	29	29	26	25	27	11	15
Grass/brush fires	37	51	50	29	68	48	26	98
Car fires	27	23	18	16	9	13	11	17
Rescues	30	30	49	29	29	31	15	18
Hazardous	16	8	12	10	6	16	7	12
False alarms	7	7	5	8	6	3	28	16
Others	4	5	4	8	4	3	10	23
Total man hours	2,137	2,322	2,667	2,614	4,561	4,750	4,279	7,722
Total training hours	1,842	1,726	1,636	1,935	1,500	1,500	1,500	1,346
Total maintenance hours	810	910	1,050	1,152	1,500	1,500	1,500	321
<b>Municipal court</b>								
<b>Cases filed</b>								
Traffic - non-parking	490	381	440	273	394	612	570	443
Traffic - parking	6	11	45	13	25	22	47	78
Non-traffic - state law	47	125	239	156	206	152	157	75
Non-traffic - city ordinance	11	13	28	24	38	23	13	18
<b>Cases disposed</b>								
Traffic - non-parking	199	144	327	269	436	537	492	635
Traffic - parking	4	3	40	16	18	22	30	100
Non-traffic - state law	12	44	159	120	156	132	84	140
Non-traffic - city ordinance	4	4	24	11	34	24	12	6
<b>Solid waste</b>								
Customers	1,872	1,860	1,833	1,829	1,826	1,585	1,598	1,594
Recyclables (tons per day)	.4	.59	.42	.47	.34	.31	.30	.51
<b>Water</b>								
Customers	1,653	1,649	1,633	1,619	1,641	1,638	1,651	1,650
New water taps	7	10	7	15	12	3	4	8
Average daily consumption (thousands of gallons)	567	587	684	550	716	761	678	867
<b>Sewer</b>								
Customers	1,598	1,590	1,577	1,566	1,576	1,574	1,587	1,584
New sewer taps	6	6	6	7	13	3	4	4
Average daily discharge (thousands of gallons)	355	365	383	333	376	350	314	437
<b>Gas</b>								
Customers	1,287	1,266	1,241	1,230	1,239	1,232	1,241	1,241
New gas meters	6	5	-	5	3	6	4	3
Average daily consumption (mcf)	191.34	184.10	183.23	205.45	186.37	188.95	229.70	194.59

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

Function/Program	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>General government</b>								
Municipal buildings	1	1	1	1	1	1	1	1
Community buildings	2	2	2	2	2	2	2	2
<b>Public safety</b>								
<b>Police</b>								
Stations	1	1	1	1	1	1	1	1
Patrol units	7	9	9	9	9	9	9	9
<b>Fire</b>								
Stations	1	1	1	1	1	1	1	1
Fire trucks	8	8	9	9	9	10	10	11
<b>Highways and streets</b>								
Streets (miles)	29	29	29	29	29	29	29	29
<b>Culture and recreation</b>								
Acreage	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1
Community buildings	1	1	1	1	1	1	1	1
Playgrounds	3	3	3	3	3	3	3	3
Baseball/softball diamonds	6	6	6	6	6	6	6	6
Golf courses	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1
Swimming pool	1	1	1	1	1	1	1	1
Soccer fields	5	5	5	5	5	5	5	5
<b>Water</b>								
Wells (active)	4	4	4	3	4	4	4	3
Water mains (miles)	37.62	37.62	37.62	41.62	41.62	41.62	41.62	41.70
Fire hydrants	158	158	158	193	193	205	205	207
Storage capacity	1,548,000	1,548,000	1,548,000	1,548,000	1,340,000	1,340,000	1,340,000	1,340,000
<b>Sewer</b>								
Sewer mains (miles)	29.3	29.3	29.3	29.3	29.3	29.3	29.3	29.3
Lift stations	6	6	6	6	6	6	6	6

Source: Various City departments

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