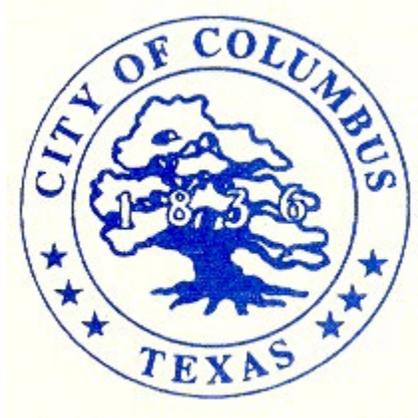




ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2021



CITY OF COLUMBUS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

**Prepared by:
City's Finance Department**

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CITY OF COLUMBUS, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

TABLE OF CONTENTS

SEPTEMBER 30, 2021

**Page
Number**

INTRODUCTORY SECTION

Letter of Transmittal	i – iv
GFOA Certificate of Achievement	v
Organizational Chart	vi
List of Elected and Appointed Officials.....	vii

FINANCIAL SECTION

Independent Auditor’s Report.....	1 – 2
Management’s Discussion and Analysis.....	3 – 9
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11 – 12
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Position – Proprietary Fund.....	17
Statement of Revenues, Expenses, and Change in Fund Net Position – Proprietary Fund	18
Statement of Cash Flows – Proprietary Fund.....	19
Notes to the Financial Statements.....	20 – 39

Required Supplementary Information:

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	40 – 41
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Hotel/Motel Tax Fund	42
Notes to Required Supplementary Information	43
Schedule of Changes in TMRS Net Pension Liability and Related Ratios.....	44 – 45
Schedule of TMRS Contributions.....	46 – 47
Schedule of the City’s Proportionate Share of the Net Pension Liability – TESRS.....	48 – 49
Schedule of Changes in Total OPEB Liability and Related Ratios Texas Municipal Retirement System – Supplemental Death Benefits Fund	50
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet – Nonmajor Governmental Funds.....	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	52
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
Equipment Capital Projects Fund	53
Fire Equipment Capital Projects Fund	54
Debt Service Fund 2005.....	55
Debt Service Fund 2008.....	56

Table

STATISTICAL SECTION

Net Position by Component.....	1	57 – 58
Changes in Net Position.....	2	59 – 62
Fund Balances of Governmental Funds.....	3	63 – 64
Changes in Fund Balances of Governmental Funds	4	65 – 66
Principal Gas Purchasers.....	5	67
Taxable Sales by Category	6	68 – 69
Tax Revenue by Source, Governmental Funds	7	70
Assessed Value and Estimated Actual Value of Taxable Property	8	71
Direct and Overlapping Property Tax Rates.....	9	72
Principal Property Taxpayers	10	73
Property Tax Levies and Collections.....	11	74
Ratios of Outstanding Debt by Type	12	75 – 76

Ratios of General Bonded Debt Outstanding	13	77
Direct and Overlapping Governmental Activities Debt.....	14	78
Legal Debt Margin Information	15	79 – 80
Demographic and Economic Statistics.....	16	81
Principal Employers	17	82
Fulltime Equivalent City Government Employees by Function/Program.....	18	83
Operating Indicators by Function/Program	19	84
Capital Asset Statistics by Function/Program	20	85 – 86

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control Over Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		87 – 88
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INTRODUCTORY SECTION

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The City of Columbus

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

March 30, 2022

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, 2021.

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

Pattillo, Brown, & Hill L.L.P., has issued an unmodified (“clean”) opinion on the City of Columbus’ financial statements for the year ended September 30, 2021. 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 3,739. The City of Columbus is a Type A, General Law City and utilizes the Council-Manager form of government organized under Chapter 25 of the Texas Local Government Code. Policy-making and legislative authority are vested in a governing council consisting of a Mayor and five Council members elected by position. The City Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City and for appointing the heads of the various departments. Council members serve two-year terms, with the Mayor and two Council members elected in odd years and three Council members elected in even numbered years. The Mayor appoints the Municipal Court Judge, and members of various City committees with the approval of City Council.

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

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

Local Economy

As measured by the City's sales tax, Columbus has experienced economic growth over the past ten years. With sales tax revenues for fiscal year end 2012 of \$767,295 and for the current year of \$1,155,086, the growth for the period was 50.5%. While there was a 2% decrease in sales tax during 2021, the prior two years saw increases of 5% in 2020 and 13% in 2019. Although the City experienced an increase in sales tax revenue during the COVID-19 pandemic of 2020, we believe the slight decrease in revenue during 2021 was related to loosening of COVID restrictions. Current year sales tax numbers are indicative of an overall increase in sales tax revenue in 2022. Because of the volatility in the national economy, the City carefully monitors sales tax revenues on a monthly basis, with a goal of identifying new trends.

The City saw an increase in small business openings during 2021. Mostly located in the downtown corridors, these hospitality and retail related enterprises are demonstrative of the interest in revitalizing Columbus' historic downtown area.

A major tenant of the City's industrial park, a wood preserving company, has recently completed a \$2.5 million expansion to their distribution and warehousing facilities. The other major tenet, an oil and gas fabricating facility, continues to be a principal purchaser from the City owned gas utility. Both tenets are major employers in the City. Prior committed land in the industrial park has recently become available for prospective expansion, and interest in other available tracts has been heavy.

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

Although the City saw major flooding during August of 2017 from Hurricane Harvey, clean-up has been completed, and City management is working closely with FEMA and the Army Corp of Engineers to rebuild damaged infrastructure. In November of 2019, the City received a CDBG Disaster Recovery Grant administered by the GLO to install additional storm drains in the northeast part of the city. This area experienced major flooding during Hurricane Harvey. The project was completed under the grant budget, and the GLO has approved additional storm drainage work in the same area on order to expend the entire awarded grant. These additions are scheduled to be completed in June of 2022.

Long-term Financial Planning

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

During fiscal year 2005, the City was successful in obtaining certificates of obligation for \$4.75 million to fund a major Water and Sewer Improvement Project. These funds allowed the City to drill a new water well, install new water and sewer lines throughout the City, and renovate the water and sewer plants. This major project was completed in 2009.

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

During fiscal year 2008, the City obtained certificates of obligation for \$4 million. \$1.2 million of these funds were used for a major renovation of City Hall facilities and the Fire Station. The remaining \$2.8 million of the proceeds from the 2008 certificates of obligation were utilized for improvements to the Water system and to enhance the Gas delivery system.

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

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

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

Relevant Financial Policies

The City awards its depository contract through official bidding procedures for a two-year period with an option to extend for a year. After open bidding in August of 2021, Industry State Bank was again awarded the City's depository contract expiring on September 30th, 2023. City Council can extend the contract with Industry State Bank until September 30, 2024.

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

During 2020, the City Council renewed the existing Investment Policy as required by state law and no significant changes were made to the policy.

Major Initiatives

Technology improvement continues to be a major area of change in the City. The City has implemented technology enhancements with new utility billing, building projects, court, and financial software systems since 2007 with upgrades made in 2018 and in 2021. In 2009, a SCADA (Supervisory Control and Data Acquisition) system was installed which allows the City to remotely monitor the water and sewer plants from two selected locations. In fiscal year 2020, the first of a two-phase upgrade to the next generation SCADA system was installed, allowing for mobile monitoring of the system. In 2012, the City installed an automated fuel control system at its vehicle fueling station. In 2014, the City's Police Department updated its records management system to allow integration between the reporting, mobile, and other local agency software. In 2020, the Police Department implemented a ticket-writer system for easier reporting to the Municipal Court.

Since 2014, the City has been improving and replacing Water and Gas infrastructure. Water distribution lines, the demolition of an elevated storage tank as well as aerator replacement were completed in the water department. A new gas transmission line grant project was completed in 2018. In July of 2020, a CDBG grant project for water line replacement in the area near the junior high was completed.

The City of Columbus has earmarked the almost \$1 million of ARPA funding for water distribution line replacement in the downtown area as well as for asset and permitting software to increase efficiencies and controls with assets, inventory, and time-management. The city has also been awarded a CDBG Downtown Revitalization grant in order to improve sidewalks in the downtown area.

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, 2020. This was the fifteenth 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 unflinching support for maintaining the highest standards of professionalism in the management of the City of Columbus' finances.

Respectively submitted,



Donald Warschak, PE
City Manager



Bana Schneider
Finance Director/City Secretary



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Columbus
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

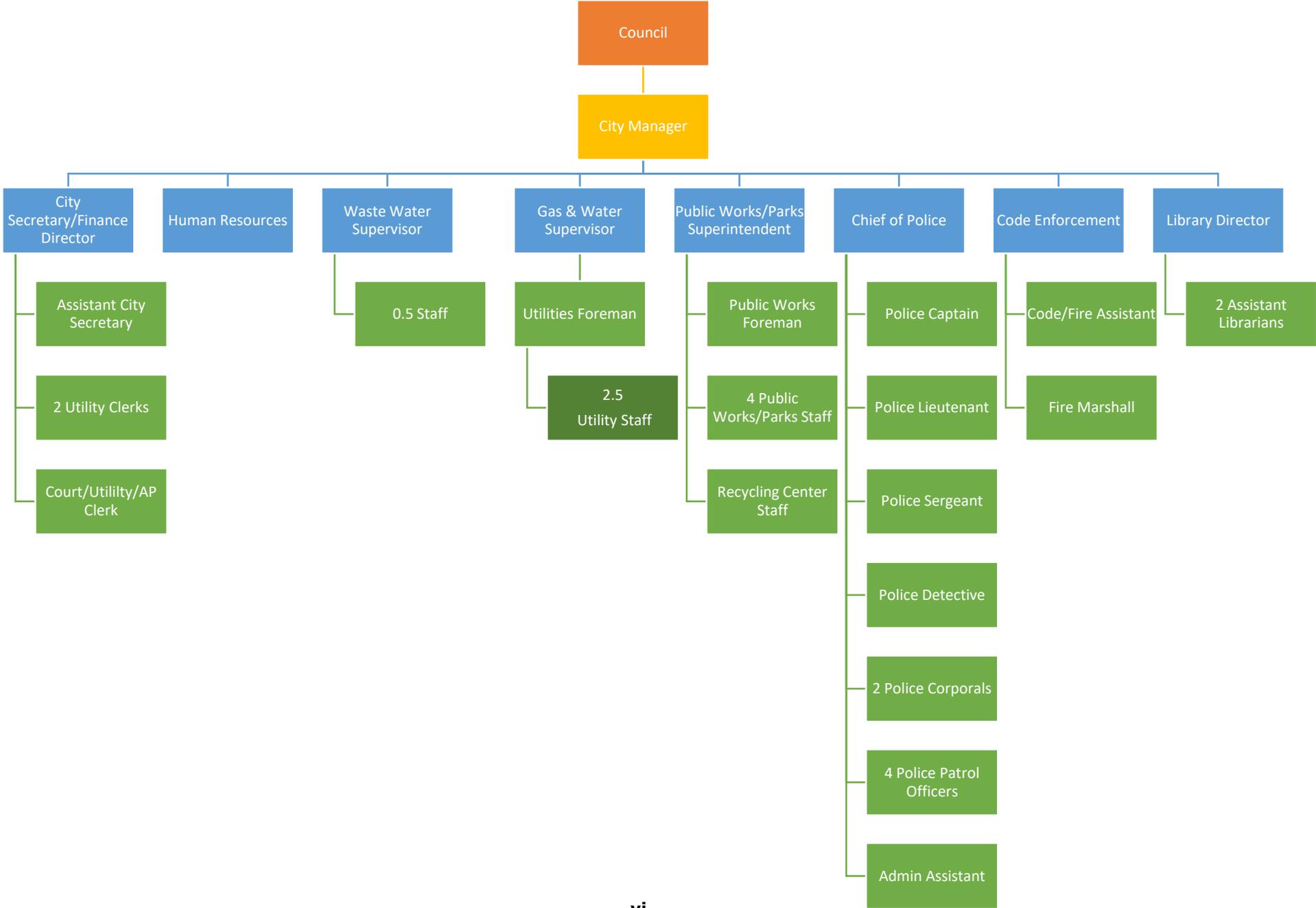
September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF COLUMBUS, TEXAS

Organizational Chart



CITY OF COLUMBUS, TEXAS

LIST OF ELECTED AND APPOINTED OFFICIALS

SEPTEMBER 30, 2021

<u>Title</u>	<u>Name</u>
Mayor	Lori An Gobert
Councilman (Mayor Pro Tem)	Chuck Rankin
Councilman	Keith Cummings
Councilman	Ronny Daley
Councilman	Gary Swindle
Councilwoman	Sandra Frnka
City Manager	Donald Warschak
City Secretary/Finance Director	Bana Schneider
Human Resource Manager	Dinah Jacobs
Police Chief	Milton "Skip" Edman
Fire Chief	Doyle "Dusty" Dittmar
Parks/Public Works Supervisor	Michael Poncik
Water/Gas Supervisor	Kevin Faichtinger
Wastewater Supervisor	Rolando Tello
Building Inspector	Richard LaCourse
Fire Marshall	Brent Gorman, Jr.
Library Director	Susan Chandler
Municipal Court Judge	Leonard Peters

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Columbus, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OFFICE LOCATIONS

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Columbus, Texas' basic financial statements. The introductory section, combining and individual nonmajor 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 nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022, on our consideration of the City of Columbus, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Columbus, Texas' internal control over financial reporting and compliance.

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

Waco, Texas
March 30, 2022

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Columbus, Texas (the "City"), we offer readers of the City financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

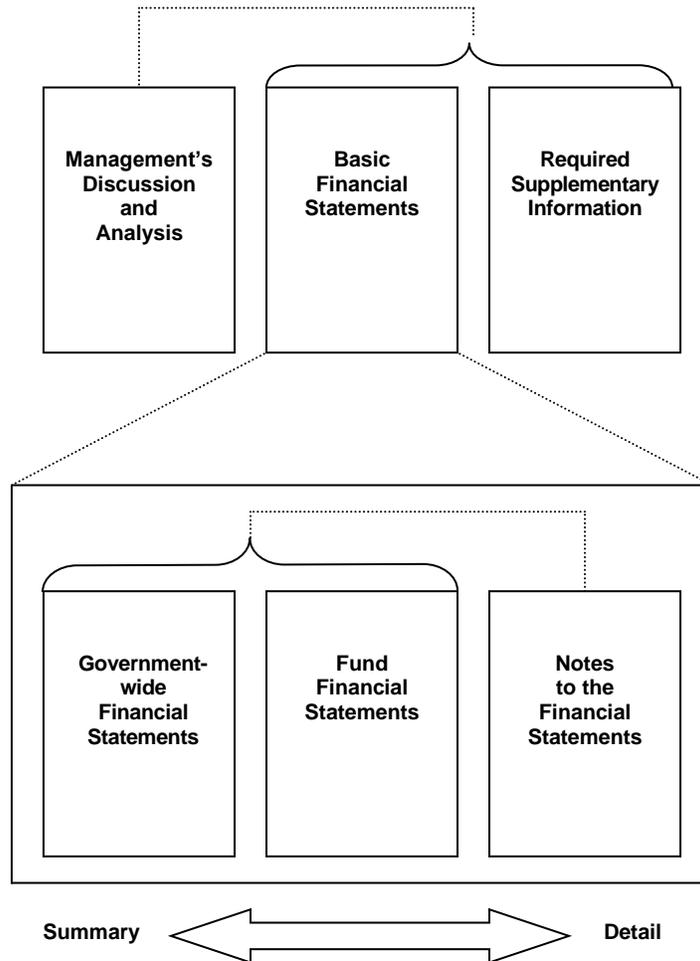
- The assets and deferred outflows of resources of the City for its governmental and business-type activities exceeded the deferred inflows of resources and liabilities at the close of the fiscal year by \$10,841,811. Of this amount, \$9,870,248 represents net investment in capital assets and \$493,000 was restricted for various purposes. \$478,563 is unrestricted and to be used in accordance with finance related legal requirements reflected in the City's fund structure.
- The City's total net position increased by \$468,328. A major contributing factor in this increase is attributable to an increase in operating grants and licenses and charges for services revenue.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,003,755, an increase of \$62,144 in comparison with the prior year. Approximately 27% of this total, or \$534,798 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 \$534,798 or 14% percent of total General Fund expenditures for the fiscal year.
- The City's total governmental long-term liabilities decreased by \$550,165 (36%) during the current fiscal year mostly due to scheduled debt service payments and a decrease in the net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REQUIRED COMPONENTS OF ANNUAL FINANCIAL REPORT
Figure 1

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



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

The two government-wide statements report the City's net position and how they have changed. Net position is the difference between the City's total assets, deferred outflows/inflows of resources and total liabilities. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) discretely presented component unit. The governmental activities encompass most of the City's basic services such as public safety, public health, parks and recreation, and general administration. Property taxes, sales taxes and state and federal grant funds finance most of these activities. The business-type activities are those in which the City charges customers to provide services. These include the water, sewer, garbage service, and gas offered by the City. The final category is the component unit. The City of Columbus has one component unit. Although legally separate from the City, the Columbus Community and Industrial Development Corporation is fiscally dependent upon the City and the City exercises control over the organization by appointing its members.

Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like all other governmental entities, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the general statutes or the City's budget ordinance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

Unrestricted net position of the water, sewer, garbage and gas departments at the end of the fiscal year amounted to a deficit of \$259,686. The total decrease in unrestricted net position was \$293,380. Other factors concerning the finances of this fund are addressed later in the discussion of the City's business-type activities.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information (RSI) which contains information about the City's pension plans and other post-employment benefits plan. Schedules comparing actual results with the original budget and the final amended budget for the City's General Fund and Hotel/Motel Tax Fund are also presented in the RSI section.

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

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 2,241,333	\$ 2,227,966	\$ 1,158,077	\$ 1,465,544	\$ 3,399,410	\$ 3,693,510
Capital assets	<u>3,755,942</u>	<u>3,222,682</u>	<u>11,090,706</u>	<u>11,368,285</u>	<u>14,846,648</u>	<u>14,590,967</u>
Total assets	<u>5,997,275</u>	<u>5,450,648</u>	<u>12,248,783</u>	<u>12,833,829</u>	<u>18,246,058</u>	<u>18,284,477</u>
Deferred outflows of resources	<u>209,871</u>	<u>195,117</u>	<u>121,768</u>	<u>131,215</u>	<u>331,639</u>	<u>326,332</u>
Current and other liabilities	244,092	135,155	907,502	547,074	1,151,594	682,229
Long-term liabilities	<u>990,421</u>	<u>1,540,586</u>	<u>4,955,907</u>	<u>5,670,881</u>	<u>5,946,328</u>	<u>7,211,467</u>
Total liabilities	<u>1,234,513</u>	<u>1,675,741</u>	<u>5,863,409</u>	<u>6,217,955</u>	<u>7,097,922</u>	<u>7,893,696</u>
Deferred inflows of resources	<u>503,125</u>	<u>254,279</u>	<u>134,839</u>	<u>89,351</u>	<u>637,964</u>	<u>343,630</u>
Net position:						
Net investment						
in capital assets	3,238,259	2,617,798	6,631,989	6,624,044	9,870,248	9,241,842
Restricted	493,000	387,257	-	-	493,000	387,257
Unrestricted	<u>738,249</u>	<u>710,690</u>	<u>(259,686)</u>	<u>33,694</u>	<u>478,563</u>	<u>744,384</u>
Total net position	<u>\$ 4,469,508</u>	<u>\$ 3,715,745</u>	<u>\$ 6,372,303</u>	<u>\$ 6,657,738</u>	<u>\$ 10,841,811</u>	<u>\$ 10,373,483</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred inflows of the City of Columbus exceeded liabilities and deferred outflows by \$10,841,811 as of September 30, 2021. The City's net position increased by \$468,328 for the fiscal year ended September 30, 2021. Net investment in capital assets of \$9,870,248 accounts for the greatest portion (91%) of net position.

An additional portion of the City's net position (5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$478,563 is unrestricted and may be used to meet the government's ongoing obligations.

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

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

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 228,213	\$ 158,519	\$ 3,817,861	\$ 3,719,752	\$ 4,046,074	\$ 3,878,271
Operating grants and contributions	322,667	174,353	-	10,779	322,667	185,132
Capital grants and contributions	185,991	-	90,000	389,368	275,991	389,368
General revenues:						
Property taxes	984,899	1,061,417	-	-	984,899	1,061,417
Other taxes	1,611,984	1,620,320	-	-	1,611,984	1,620,320
Other	23,324	44,556	18,005	33,854	41,329	78,410
Total revenues	<u>3,357,078</u>	<u>3,059,165</u>	<u>3,925,866</u>	<u>4,153,753</u>	<u>7,282,944</u>	<u>7,212,918</u>
Expenses:						
General government	472,851	540,229	-	-	472,851	540,229
Public safety	1,358,446	1,475,198	-	-	1,358,446	1,475,198
Public health	157,670	167,894	-	-	157,670	167,894
Public works	452,286	502,142	-	-	452,286	502,142
Culture and recreation	586,457	680,727	-	-	586,457	680,727
Economic development	183,941	267,729	-	-	183,941	267,729
Interest on long-term debt	46,230	28,984	-	-	46,230	28,984
Water	-	-	1,125,556	1,025,945	1,125,556	1,025,945
Sewer	-	-	546,080	558,264	546,080	558,264
Garbage	-	-	915,870	908,939	915,870	908,939
Gas	-	-	969,229	646,459	969,229	646,459
Total expenses	<u>3,257,881</u>	<u>3,662,903</u>	<u>3,556,735</u>	<u>3,139,607</u>	<u>6,814,616</u>	<u>6,802,510</u>
Increase (decrease) in net position before transfers	99,197	(603,738)	369,131	1,014,146	468,328	410,408
Transfers	<u>654,566</u>	<u>680,154</u>	<u>(654,566)</u>	<u>(680,154)</u>	<u>-</u>	<u>-</u>
Change in net position	753,763	76,416	(285,435)	333,992	468,328	410,408
Net position, beginning	<u>3,715,745</u>	<u>3,639,329</u>	<u>6,657,738</u>	<u>6,323,746</u>	<u>10,373,483</u>	<u>9,963,075</u>
Net position, ending	<u>\$ 4,469,508</u>	<u>\$ 3,715,745</u>	<u>\$ 6,372,303</u>	<u>\$ 6,657,738</u>	<u>\$ 10,841,811</u>	<u>\$ 10,373,483</u>

Governmental Activities. Governmental activities increased the City's net position by \$753,763. Key elements of this increase include the City expending less funds than budgeted and receiving more than anticipated.

Business-type Activities. Business-type activities decreased the City of Columbus' net position by \$285,435. Operating income of \$412,275 exceeded contributions and transfers out, but transfers out of \$654,785 caused a net decrease in net position. Ending net position was \$6,372,303.

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 \$534,798, with a total fund balance of \$1,092,691. 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 14% of total General Fund expenditures. Total fund balance represents 33.5% of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$47,127 during the current fiscal year. This increase was a result of an increase in intergovernmental revenue, offset slightly by an increase in expenditures.

The fund balance of the Hotel/Motel Tax Fund increased by \$40,917 or 11% during the current fiscal year. This increase is a result of a decrease in HOT Grants caused by the COVID-19 pandemic related event cancellations.

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

Unrestricted net position of the Utility Fund at the end of the year amounted to a deficit of \$259,686. The total decrease in net position was \$285,435. Other factors concerning the finances of the Utility Fund have already been addressed in the discussion of the City's business-type activities.

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

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

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

Capital Asset and Debt Administration

Capital Assets. The City of Columbus' investment in capital assets for its governmental and business-type activities as of September 30, 2021, totals \$14,846,648 (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	
	2021	2020	2021	2020	2021	2020
Land	\$ 520,086	\$ 520,086	\$ 24,183	\$ 24,183	\$ 544,269	\$ 544,269
Buildings and improvements	3,850,000	3,720,532	581,700	581,700	4,431,700	4,302,232
Distribution and collection systems	-	-	18,499,912	18,058,506	18,499,912	18,058,506
Machinery and equipment	3,763,377	3,407,104	1,083,568	1,067,596	4,846,945	4,474,700
Construction in progress	358,805	118,394	2,753,152	2,834,814	3,111,957	2,953,208
Accumulated depreciation	(4,736,326)	(4,543,434)	(11,851,809)	(11,198,514)	(16,588,135)	(15,741,948)
Total	\$ 3,755,942	\$ 3,222,682	\$ 11,090,706	\$ 11,368,285	\$ 14,846,648	\$ 14,590,967

Major capital asset events during the year included the following:

- Fire department vehicle for \$244,268
- Storm sewer improvements for \$221,809
- Sewer line improvements in the amount of \$281,208

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

Long-term Debt. As of September 30, 2021, the City of Columbus had total long-term certificates of obligation and general obligation bonds outstanding of \$5,423,233. 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	
	2021	2020	2021	2020	2021	2020
Refunding general obligation bonds	\$ 477,447	\$ 547,391	\$ 2,292,553	\$ 2,727,609	\$ 2,770,000	\$ 3,275,000
Certificates of obligation	-	-	2,305,000	2,435,000	2,305,000	2,435,000
Premium on bonds	-	-	183,968	207,721	183,968	207,721
Capital leases	56,438	57,493	45,861	65,018	102,299	122,511
Compensated absences	40,236	47,626	21,730	21,508	61,966	69,134
Total	\$ 574,121	\$ 652,510	\$ 4,849,112	\$ 5,456,856	\$ 5,423,233	\$ 6,109,366

The City's total debt decreased by \$686,133 (11.2%) during the current fiscal year. The key factor in this decrease was scheduled debt service payments.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for Colorado County is currently 4.3 percent (Columbus is the largest of the three incorporated cities in the county), which is a decrease from a rate of 6.1 percent a year ago. This is below the state's average unemployment rate of 5.1 percent and the national average rate of 4.7 percent. The decreasing unemployment rates, both regionally and nationally, are positive indicators of COVID-19 economic recovery.
- Inflationary trends in the region compared to national indices.
- The State Comptroller reported a slight decrease of .065 percent in taxable sales for the City in 2021. Sales tax revenue has increased 26.61 percent since 2012. Although there was no budget increase for sales tax revenue in 2022, the City remains cautiously optimistic sales tax revenue growth will continue.
- Property tax values continue to climb in Colorado County and the region in general. Real property values in the City of Columbus increased \$12,551,155 from the prior year. Values have increased 38.3 percent from 2012. The City's overall property tax rate increased by 2.14 percent for the 2022 budget.
- For the 2022 Budget, the City increased the minimum rates for water, sewer and gas. With these new rates along with the more accurate metering system, the cost for utility system maintenance and debt service requirements for the new water filtration system will be amply covered. Even with the increase, the City's utility rates continue to remain low in comparison to cities of similar size.

All of these factors were considered in preparing the City's budget for the 2022 fiscal year.

REQUESTS FOR INFORMATION

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

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**BASIC
FINANCIAL STATEMENTS**

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CITY OF COLUMBUS, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total	Component Unit Columbus Industrial Development Corporation
ASSETS				
Cash and investments	\$ 1,424,311	\$ 661,124	\$ 2,085,435	\$ 1,777,089
Receivables, net:				
Taxes	384,106	-	384,106	104,577
Other	14,606	408,398	423,004	-
Due from other governments	-	3,850	3,850	-
Internal balances	418,310	(418,310)	-	-
Investment in land	-	-	-	283,950
Restricted cash and investments	-	503,015	503,015	-
Capital assets:				
Non-depreciable	878,891	2,777,335	3,656,226	-
Depreciable, net	<u>2,877,051</u>	<u>8,313,371</u>	<u>11,190,422</u>	<u>-</u>
Total assets	<u>5,997,275</u>	<u>12,248,783</u>	<u>18,246,058</u>	<u>2,165,616</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred charge on refunding	-	66,526	66,526	4,706
Deferred outflow related to OPEB	29,105	9,211	38,316	-
Deferred outflow related to TESRS pension	35,320	-	35,320	-
Deferred outflow related to TMRS pension	<u>145,446</u>	<u>46,031</u>	<u>191,477</u>	<u>-</u>
Total deferred outflow of resources	<u>209,871</u>	<u>121,768</u>	<u>331,639</u>	<u>4,706</u>
LIABILITIES				
Accounts payable	158,799	250,894	409,693	38,638
Accrued liabilities	33,964	11,764	45,728	-
Accrued interest	21,329	22,254	43,583	7,187
Unearned revenue	30,000	421,714	451,714	-
Customer deposits	-	200,876	200,876	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt	104,352	606,363	710,715	140,000
Total OPEB liability	1,370	369	1,739	-
Due in more than one year:				
Long-term debt	469,769	4,242,749	4,712,518	295,689
Net pension liability - TESRS	78,856	-	78,856	-
Net pension liability - TMRS	175,149	55,432	230,581	-
Total OPEB liability	<u>160,925</u>	<u>50,994</u>	<u>211,919</u>	<u>-</u>
Total liabilities	<u>1,234,513</u>	<u>5,863,409</u>	<u>7,097,922</u>	<u>481,514</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflow related to TESRS pension	77,069	-	77,069	-
Deferred inflow related to TMRS pension	413,508	130,868	544,376	-
Deferred outflow related to OPEB	<u>12,548</u>	<u>3,971</u>	<u>16,519</u>	<u>-</u>
Total deferred inflow of resources	<u>503,125</u>	<u>134,839</u>	<u>637,964</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	3,238,259	6,631,989	9,870,248	-
Restricted for:				
Economic development	428,174	-	428,174	1,547,322
Debt service	3,651	-	3,651	141,486
Public safety	61,175	-	61,175	-
Unrestricted	<u>738,249</u>	<u>(259,686)</u>	<u>478,563</u>	<u>-</u>
Total net position	<u>\$ 4,469,508</u>	<u>\$ 6,372,303</u>	<u>\$ 10,841,811</u>	<u>\$ 1,688,808</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, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 472,851	\$ 148,001	\$ 224,228	\$ -
Public safety	1,358,446	68,131	31,439	150,000
Public health	157,670	-	-	-
Public works	452,286	-	-	-
Culture and recreation	586,457	12,081	31,000	35,991
Economic development	183,941	-	36,000	-
Interest on long-term debt	46,230	-	-	-
Total governmental activities	<u>3,257,881</u>	<u>228,213</u>	<u>322,667</u>	<u>185,991</u>
Business-type activities:				
Water	1,125,556	1,090,843	-	30,000
Sewer	546,080	952,339	-	30,000
Garbage	915,870	951,771	-	-
Gas	969,229	822,908	-	30,000
Total business-type activities	<u>3,556,735</u>	<u>3,817,861</u>	<u>-</u>	<u>90,000</u>
Total primary government	\$ <u>6,814,616</u>	\$ <u>4,046,074</u>	\$ <u>322,667</u>	\$ <u>275,991</u>
Component unit:				
Columbus Community Industrial Development Corporation	\$ <u>296,282</u>	\$ -	\$ -	\$ -

General revenues:

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

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

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

Net (Expenses) Revenues and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Columbus Industrial Development Corporation
\$(100,622)	\$ -	\$(100,622)	\$ -
(1,108,876)	-	(1,108,876)	-
(157,670)	-	(157,670)	-
(452,286)	-	(452,286)	-
(507,385)	-	(507,385)	-
(147,941)	-	(147,941)	-
(46,230)	-	(46,230)	-
<u>(2,521,010)</u>	<u>-</u>	<u>(2,521,010)</u>	<u>-</u>
-	(4,713)	(4,713)	-
-	436,259	436,259	-
-	35,901	35,901	-
<u>-</u>	<u>(116,321)</u>	<u>(116,321)</u>	<u>-</u>
<u>-</u>	<u>351,126</u>	<u>351,126</u>	<u>-</u>
<u>(2,521,010)</u>	<u>351,126</u>	<u>(2,169,884)</u>	<u>-</u>
			<u>(296,282)</u>
984,899	-	984,899	-
1,155,086	-	1,155,086	580,246
222,084	-	222,084	-
213,807	-	213,807	-
21,007	-	21,007	-
10,743	9,165	19,908	17,990
1,720	7,575	9,295	-
10,861	1,265	12,126	2,400
<u>654,566</u>	<u>(654,566)</u>	<u>-</u>	<u>-</u>
<u>3,274,773</u>	<u>(636,561)</u>	<u>2,638,212</u>	<u>600,636</u>
<u>753,763</u>	<u>(285,435)</u>	<u>468,328</u>	<u>304,354</u>
<u>3,715,745</u>	<u>6,657,738</u>	<u>10,373,483</u>	<u>1,384,454</u>
<u>\$ 4,469,508</u>	<u>\$ 6,372,303</u>	<u>\$ 10,841,811</u>	<u>\$ 1,688,808</u>

CITY OF COLUMBUS, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	<u>General</u>	<u>Hotel/Motel Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 592,693	\$ 350,588	\$ 481,030	\$ 1,424,311
Receivables, net				
Taxes	304,253	77,717	2,136	384,106
Accounts	14,606	-	-	14,606
Due from other funds	<u>418,310</u>	<u>-</u>	<u>-</u>	<u>418,310</u>
Total assets	<u>1,329,862</u>	<u>428,305</u>	<u>483,166</u>	<u>2,241,333</u>
LIABILITIES				
Accounts payable	158,668	131	-	158,799
Unearned revenue	30,000	-	-	30,000
Accrued payroll	<u>33,964</u>	<u>-</u>	<u>-</u>	<u>33,964</u>
Total liabilities	<u>222,632</u>	<u>131</u>	<u>-</u>	<u>222,763</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	7,292	-	276	7,568
Unavailable revenue - court fines	<u>7,247</u>	<u>-</u>	<u>-</u>	<u>7,247</u>
Total deferred inflows of resources	<u>14,539</u>	<u>-</u>	<u>276</u>	<u>14,815</u>
FUND BALANCES				
Restricted for:				
Economic development	-	428,174	-	428,174
Debt service	-	-	3,375	3,375
Public safety	61,175	-	-	61,175
Assigned for:				
Subsequent year's budget	496,718	-	-	496,718
Capital outlay	-	-	479,515	479,515
Unassigned	<u>534,798</u>	<u>-</u>	<u>-</u>	<u>534,798</u>
Total fund balances	<u>1,092,691</u>	<u>428,174</u>	<u>482,890</u>	<u>2,003,755</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,329,862</u>	 <u>\$ 428,305</u>	 <u>\$ 483,166</u>	 <u>\$ 2,241,333</u>

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

CITY OF COLUMBUS, TEXAS

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

SEPTEMBER 30, 2021

Total fund balances - governmental funds balance sheet	\$ 2,003,755
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the funds.	3,755,942
Certain receivables will not be collected soon enough to pay for the current period's expenditures and are therefore deferred in the funds:	
Property taxes	7,568
Court fines and feeds	7,247
Accrued bond interest is not due and payable in the current period and therefore is not reported in the funds:	(21,329)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(477,447)
Capital leases	(40,236)
Compensated absences	(56,438)
Included in the items related to long-term liabilities is the recognition of the City's net pension liabilities and total OPEB liability, as well as the related deferred inflows and outflows of resources.	
Long-term liabilities:	
Net pension liability - TESRS	(78,856)
Net pension liability - TMRS	(175,149)
Total OPEB liability	(162,295)
Deferred outflows of resources:	
Outflows related to TESRS pension	35,320
Outflows related to TMRS pension	145,446
Outflows related to OPEB	29,105
Deferred inflows of resources:	
Inflows related to TESRS pension	(77,069)
Inflows related to TMRS pension	(413,508)
Inflows related to OPEB	(12,548)
Net position of governmental activities	\$ <u>4,469,508</u>

CITY OF COLUMBUS, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General</u>	<u>Hotel/Motel Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 893,155	\$ -	\$ 93,370	\$ 986,525
Sales taxes	1,176,093	-	-	1,176,093
Franchise taxes	213,807	-	-	213,807
Hotel occupancy tax	-	222,084	-	222,084
Licenses and permits	148,001	-	-	148,001
Fines and forfeitures	73,551	-	-	73,551
Charges for services	12,081	-	-	12,081
Intergovernmental	454,688	-	-	454,688
Investment earnings	1,075	2,774	6,894	10,743
Contributions and donations	185,991	-	-	185,991
Miscellaneous	<u>7,861</u>	<u>-</u>	<u>-</u>	<u>7,861</u>
Total revenues	<u>3,166,303</u>	<u>224,858</u>	<u>100,264</u>	<u>3,491,425</u>
EXPENDITURES				
Current:				
General government	482,297	-	-	482,297
Public safety	1,363,742	-	-	1,363,742
Public health	166,465	-	-	166,465
Public works	423,406	-	-	423,406
Culture and recreation	584,064	-	-	584,064
Economic development	-	183,941	-	183,941
Debt service:				
Principal	17,257	-	69,944	87,201
Interest and other charges	6,125	-	21,458	27,583
Capital outlay	<u>783,198</u>	<u>-</u>	<u>-</u>	<u>783,198</u>
Total expenditures	<u>3,826,554</u>	<u>183,941</u>	<u>91,402</u>	<u>4,101,897</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(660,251)</u>	<u>40,917</u>	<u>8,862</u>	<u>(610,472)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	724,328	-	70,000	794,328
Transfers out	(35,000)	-	(104,762)	(139,762)
Sale of capital assets	<u>18,050</u>	<u>-</u>	<u>-</u>	<u>18,050</u>
Total other financing sources (uses)	<u>707,378</u>	<u>-</u>	<u>(34,762)</u>	<u>672,616</u>
NET CHANGE IN FUND BALANCES	<u>47,127</u>	<u>40,917</u>	<u>(25,900)</u>	<u>62,144</u>
FUND BALANCES, BEGINNING	<u>1,045,564</u>	<u>387,257</u>	<u>508,790</u>	<u>1,941,611</u>
FUND BALANCES, ENDING	<u>\$ 1,092,691</u>	<u>\$ 428,174</u>	<u>\$ 482,890</u>	<u>\$ 2,003,755</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, 2021

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

Net change in fund balances - total governmental funds	\$	62,144
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		798,664
Depreciation	(252,074)
Disposals of capital assets	(13,330)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable tax revenue	(1,626)
Unavailable municipal court revenue	(5,420)
Unavailable grant revenue	(132,021)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bond principal payments		87,201
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension cost		248,928
OPEB cost	(11,244)
Compensated absences	(8,812)
Accrued interest	(<u>18,647</u>)
Change in net position of governmental activities.	\$	<u>753,763</u>

CITY OF COLUMBUS, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUND

SEPTEMBER 30, 2021

	Utility Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 661,124
Accounts receivable, net	408,398
Due from other governments	3,850
Restricted cash and cash equivalents	<u>503,015</u>
Total current assets	1,576,387
Noncurrent assets:	
Non-depreciable	2,777,335
Depreciable, net	<u>8,313,371</u>
Total noncurrent assets	<u>11,090,706</u>
Total assets	<u>12,667,093</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	66,526
Deferred outflow related to TMRS pension	46,031
Deferred outflow related to OPEB	<u>9,211</u>
Total deferred outflows of resources	<u>121,768</u>
LIABILITIES	
Current liabilities:	
Accounts payable	250,894
Accrued liabilities	11,764
Due to other funds	418,310
Accrued interest	22,254
Unearned revenue	421,714
Customer deposits	200,876
Bonds payable	582,015
Capital lease payable	18,915
Compensated absences	5,433
Total OPEB liability	<u>369</u>
Total current liabilities	<u>1,932,544</u>
Noncurrent liabilities:	
Bonds payable	4,199,105
Capital lease payable	27,347
Compensated absences	16,297
Net pension liability	55,432
Total OPEB liability	<u>50,994</u>
Total noncurrent liabilities	<u>4,349,175</u>
Total liabilities	<u>6,281,719</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow related to TMRS pension	130,868
Deferred inflow related to OPEB	<u>3,971</u>
Total deferred inflows of resources	<u>134,839</u>
NET POSITION	
Net investment in capital assets	6,631,989
Unrestricted	<u>(259,686)</u>
Total net position	<u>\$ 6,372,303</u>

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

CITY OF COLUMBUS, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Utility Fund</u>
OPERATING REVENUES	
Charges for sales and services:	
Water sales	\$ 1,090,843
Sewer charges	952,339
Garbage fees	951,771
Gas sales	822,908
Other	<u>1,265</u>
Total operating revenues	<u>3,819,126</u>
OPERATING EXPENSES	
Personnel	586,149
Maintenance and operations	2,144,763
Depreciation	<u>675,939</u>
Total operating expenses	<u>3,406,851</u>
OPERATING INCOME	<u>412,275</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	9,165
Gain (loss) on the sale of assets	7,575
Interest and other charges	<u>(149,884)</u>
Total nonoperating revenues (expenses)	<u>(133,144)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>279,131</u>
Capital contributions	90,000
Transfers in	219
Transfers out	<u>(654,785)</u>
CHANGE IN NET POSITION	<u>(285,435)</u>
NET POSITION, BEGINNING	<u>6,657,738</u>
NET POSITION, ENDING	<u>\$ 6,372,303</u>

CITY OF COLUMBUS, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 3,582,351
Cash paid to suppliers	(2,211,190)
Cash paid to employees	(582,228)
Net cash provided by operating activities	<u>788,933</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from other governments	476,783
Transfer from other funds	219
Transfer to other funds	(654,785)
Net cash used by noncapital financing activities	<u>(177,783)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions - intergovernmental	90,000
Purchase of capital assets	(398,360)
Proceeds from the sale of capital assets	7,575
Principal paid on capital debt	(607,966)
Interest and other charges paid on debt	(136,424)
Net cash used by capital and related financing activities	<u>(1,045,175)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>9,165</u>
Net cash provided by investing activities	<u>9,165</u>
NET DECREASE IN CASH AND EQUIVALENTS	<u>(424,860)</u>
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,588,999</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,164,139</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net operating income	\$ 412,275
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	675,939
(Increase) decrease in accounts receivable	(21,016)
(Increase) decrease in deferred outflows related to pensions	(3,616)
(Increase) decrease in deferred outflows related to OPEB	(2,429)
Increase (decrease) in accounts payable	(62,811)
Increase (decrease) in accrued liabilities	(1,497)
Increase (decrease) in due to other funds	(151,446)
Increase (decrease) in compensated absences	222
Increase (decrease) in customer deposits	5,054
Increase (decrease) in net pension liability	(114,855)
Increase (decrease) in total OPEB liability	7,625
Increase (decrease) in deferred inflows related to pensions	<u>45,488</u>
Net cash provided by operations	<u>\$ 788,933</u>

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

CITY OF COLUMBUS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statement to emphasize that it is legally separate from the City.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below:

The following component unit is discretely presented:

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

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

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

B. Government-wide Financial Statements

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

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

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

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

C. Measurement Focus/Basis of Accounting

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

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

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

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

The City reports the following major governmental funds:

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

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

The City has presented the following major proprietary fund:

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

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

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

D. Cash and Investments

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

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

Investments in government pools are recorded at amortized cost. All other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

E. Investment in Land

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

F. Interfund Receivables and Payables

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

G. Restricted Assets

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

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. General infrastructure assets acquired prior to October 1, 2003, are not reported in the basic financial statements.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and a useful life of over one year.

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

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

I. Deferred Outflows/Inflows of Resources

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

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

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

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

J. Pensions

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

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

K. Other Post-Employment Benefits

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

L. Compensated Absences

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

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

M. Long-term Obligations

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

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

N. Fund Balance

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

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

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

O. Net Position

Net position represents the difference between assets, deferred outflows/inflows of resources and liabilities. Net position investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

P. Use of Estimates

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

2. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash, Cash Equivalents and Investments

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

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

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

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

At year-end, the City’s investments were in the Texas Cooperative Liquid Assets Securities System (Texas CLASS). The carrying amount of the investments was \$330,116 Texas CLASS is a local government investment pool supervised by a Board of Trustees who is elected by its participants. Texas CLASS invests solely in securities permitted under the Public Funds Investment Act. Texas CLASS is not registered with the SEC. As an intergovernmental trust comprised solely of governmental entities, it is statutorily exempt from registration. The Program Administrator/Investment Advisor to Texas CLASS, MBIA Municipal Investors Service Corp., is registered with the SEC as a Registered Investment Advisor. The Texas CLASS program is rated AAAM by Standard & Poor’s.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The bank balance was covered by federal depository insurance or by collateral held in the pledging financial institution’s trust department in the City’s name.

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, the City manages its exposure to interest rate risk by allowing no more than 20% of its investments to have maturities greater than one year. The City’s funds in Texas CLASS have a dollar weighted average maturity of 56 days.

B. Receivables

Receivables at September 30, 2021, were as follows:

	<u>General</u>	<u>Hotel/ Motel Tax</u>	<u>Nonmajor Governmental</u>	<u>Utility</u>	<u>Total Receivables</u>
Property taxes	\$ 21,380	\$ -	\$ 3,450	\$ -	\$ 28,281
Sales taxes	203,747	-	-	-	203,747
Hotel/motel taxes	-	77,717	-	-	77,717
Franchise taxes	89,897	-	-	-	89,897
Mixed beverage taxes	3,264	-	-	-	3,264
Intergovernmental	-	-	-	-	-
Utility accounts	-	-	-	437,274	437,274
Municipal court	127,485	-	-	-	127,485
Other receivable	<u>7,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,360</u>
Less: allowance for doubtful accounts	<u>(134,274)</u>	<u>-</u>	<u>(1,314)</u>	<u>(28,876)</u>	<u>(164,464)</u>
Total	<u>\$ 318,859</u>	<u>\$ 77,717</u>	<u>\$ 2,136</u>	<u>\$ 408,398</u>	<u>\$ 807,110</u>

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

C. Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 520,086	\$ -	\$ -	520,086
Construction in progress	<u>118,394</u>	<u>307,997</u>	<u>67,586</u>	<u>358,805</u>
Total capital assets not being depreciated	<u>638,480</u>	<u>307,997</u>	<u>67,586</u>	<u>878,891</u>
Capital assets being depreciated:				
Buildings and improvements	3,720,532	129,468	-	3,850,000
Machinery and equipment	<u>3,407,102</u>	<u>428,787</u>	<u>72,512</u>	<u>3,763,377</u>
Total capital assets being depreciated	<u>7,127,634</u>	<u>558,255</u>	<u>72,512</u>	<u>7,613,377</u>
Less accumulated depreciation for:				
Buildings and improvements	1,733,047	86,608	-	1,819,655
Machinery and equipment	<u>2,810,387</u>	<u>165,466</u>	<u>59,182</u>	<u>2,916,671</u>
Total accumulated depreciation	<u>4,543,434</u>	<u>252,074</u>	<u>59,182</u>	<u>4,736,326</u>
Total capital assets depreciated, net	<u>2,584,200</u>	<u>306,181</u>	<u>13,330</u>	<u>2,877,051</u>
Governmental activities, capital assets, net	<u>\$ 3,222,680</u>	<u>\$ 614,178</u>	<u>\$ 80,916</u>	<u>\$ 3,755,942</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 24,183	\$ -	\$ -	\$ 24,183
Construction in progress	<u>2,834,814</u>	<u>303,352</u>	<u>385,014</u>	<u>2,753,152</u>
Total capital assets not being depreciated	<u>2,858,997</u>	<u>303,352</u>	<u>385,014</u>	<u>2,777,335</u>
Capital assets being depreciated:				
Buildings and improvements	581,700	-	-	581,700
Distribution and collection systems	18,058,506	441,407	-	18,499,913
Machinery and equipment	<u>1,082,055</u>	<u>48,436</u>	<u>46,924</u>	<u>1,083,567</u>
Total capital assets being depreciated	<u>19,722,261</u>	<u>489,843</u>	<u>46,924</u>	<u>20,165,180</u>
Less accumulated depreciation for:				
Buildings and improvements	581,700	-	-	581,700
Distribution and collection systems	9,842,605	596,989	-	10,439,594
Machinery and equipment	<u>798,489</u>	<u>78,950</u>	<u>46,924</u>	<u>830,515</u>
Total accumulated depreciation	<u>11,222,794</u>	<u>675,939</u>	<u>46,924</u>	<u>11,851,809</u>
Total capital assets depreciated, net	<u>8,499,467</u>	<u>(186,096)</u>	<u>-</u>	<u>8,313,371</u>
Business-type activities, capital assets, net	<u>\$ 11,358,464</u>	<u>\$ 117,256</u>	<u>\$ 385,014</u>	<u>\$ 11,090,706</u>

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

<u>Governmental activities:</u>	
General government	\$ 24,566
Public safety	113,289
Public health	9,126
Public works	51,643
Culture and recreation	<u>53,450</u>
Total governmental activities	<u>\$ 252,074</u>
<u>Business-type activities:</u>	
Water	\$ 382,847
Sewer	163,725
Garbage	3,376
Gas	<u>125,991</u>
Total business-type activities	<u>\$ 675,939</u>

D. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables

The composition of the interfund balances as of September 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Utility	\$ 418,310
Total		<u>\$ 418,310</u>

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

Transfers In/Transfers Out

Interfund activity for the year ended September 30, 2021, is as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General fund	Utility fund	\$ 619,785
General fund	Equipment funds	104,543
Utility fund	Debt service	219
Equipment funds	General fund	35,000
Equipment funds	Utility fund	<u>35,000</u>
Total		<u>\$ 794,547</u>

The General Fund transferred \$35,000 to nonmajor governmental funds to cover future capital purchases. The nonmajor governmental funds transferred \$104,543 to the General Fund for the purchase of equipment. The Utility Fund transferred \$619,785 the General Fund to cover budgeted indirect costs and for payments in lieu of taxes.

E. Long-term Debt

The following is a summary of changes in long-term liabilities for the year ended September 30, 2021.

Primary Government

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Refunding GO bonds	\$ 547,391	\$ -	\$ 69,944	\$ 477,447	\$ 72,985
Compensated absences	47,626	102,169	93,357	56,438	14,110
Capital leases	<u>57,493</u>	<u>-</u>	<u>17,257</u>	<u>40,236</u>	<u>17,257</u>
Total	<u>\$ 652,510</u>	<u>\$ 102,169</u>	<u>\$ 180,558</u>	<u>\$ 574,121</u>	<u>\$ 104,352</u>
Business-type activities:					
Certificates of obligation	\$ 2,435,000	\$ -	\$ 130,000	\$ 2,305,000	\$ 130,000
Refunding GO bonds	2,727,609	-	435,056	2,292,553	452,015
Premium on bonds	207,721	-	23,753	183,968	-
Capital leases	65,018	-	18,756	46,262	18,915
Compensated absences	<u>21,508</u>	<u>17,497</u>	<u>17,676</u>	<u>21,329</u>	<u>5,433</u>
Total	<u>\$ 5,456,856</u>	<u>\$ 17,497</u>	<u>\$ 625,241</u>	<u>\$ 4,849,112</u>	<u>\$ 606,363</u>

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

Component Unit

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<u>CCIDC</u>					
Sales tax revenue bonds	\$ 565,000	\$ -	\$ 130,000	\$ 435,000	\$ 140,000
Premium on bonds	<u>1,280</u>	<u>-</u>	<u>591</u>	<u>689</u>	<u>-</u>
Total	<u>\$ 566,280</u>	<u>\$ -</u>	<u>\$ 130,591</u>	<u>\$ 435,689</u>	<u>\$ 140,000</u>

Certificates of Obligation

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

General Obligation Bonds

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

Combination Tax & Revenue Certificates of Obligation

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

Sales Tax Revenue Bonds

The Columbus Community Industrial Development Corporation component unit has issued sales tax revenue bonds for the acquisition and construction of major capital facilities. The original amount of the bonds issued in prior years was \$2,170,000 for water and sewer lines and street and drainage improvements at the Texas Crossroads Industrial Park. These bonds were refunded by the 2010 Sales Tax Refunding Bonds at annual interest rates from 2.00% to 4.00% with a maturity date of November 2023.

Capital Leases

The City is obligated under a master lease agreement for 8 vehicles. 6 of the leases carry an interest rate of 1.25% and mature 60 months after signing. 2 of the leases carry an interest rate of 1.25% and mature 48 months after signing. The outstanding leases at September 30, 2021 are as follows:

Governmental Activities:

3 Ford F-250 trucks payable in 60 monthly installments of \$1,445, including interest.	\$ <u>29,632</u>
1 Ford F-250 truck payable in 48 monthly installments of \$512, including interest.	\$ <u>10,604</u>
Total	\$ <u>40,236</u>

Business-type Activities:

3 Ford F-250 trucks payable in 60 monthly installments of \$1,620, including interest.	\$ <u>35,453</u>
1 Ford F-250 truck payable in 60 monthly installments of \$506, including interest.	\$ <u>10,809</u>
Total	\$ <u>46,262</u>

The annual debt service requirements on long-term bonds are as follows for the City and its component unit.

	Primary Government				Component Unit	
	Governmental Activities		Business-type Activities		Sales Tax Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 72,985	\$ 19,098	\$ 582,015	\$ 137,602	140,000	14,600
2023	74,506	16,178	600,494	119,772	145,000	8,900
2024	77,547	13,198	617,453	101,402	150,000	3,000
2025	80,588	10,096	639,412	82,454	-	-
2026	85,150	6,873	334,850	62,827	-	-
2027-2031	86,671	3,467	958,329	198,183	-	-
2032-2036	-	-	865,000	79,500	-	-
Totals	\$ <u>477,447</u>	\$ <u>68,910</u>	\$ <u>4,597,553</u>	\$ <u>781,740</u>	\$ <u>435,000</u>	\$ <u>26,500</u>

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

Fiscal Year	Governmental Activities	Business-type Activities
2022	23,482	25,509
2023	23,482	25,509
2024	10,883	13,852
Total amount of minimum lease payments	\$ 57,847	\$ 64,870
Less: amount representing interest	(17,611)	(18,608)
Present value of minimum lease payments	\$ <u>40,236</u>	\$ <u>46,262</u>

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

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

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

3. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For its liability, property and workers' compensation insurance, the City is a participant in the Texas Municipal League Intergovernmental Risk Pool (TML), a public entity risk pool operated by The Texas Municipal League for the benefit of political subdivisions of the State of Texas. The City pays an annual premium to TML for this coverage.

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

B. Contingent Liabilities

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

C. Employee Retirement Systems

Defined Benefit Pension Plan – Texas Municipal Retirement System

Plan Descriptions

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

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

Benefits Provided

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

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

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

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

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

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	23
Active employees	<u>39</u>
Total	<u>95</u>

Contributions

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

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.71% and 12.71% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$238,827, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment rate of return	6.75%

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuarial firm focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

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

Discount Rate

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

Changes in the Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> <u>(a)</u>	<u>Plan Fiduciary Net Position</u> <u>(b)</u>	<u>Net Pension Liability</u> <u>(a) - (b)</u>
Balance at 12/31/2019	\$ 9,293,915	\$ 8,550,629	\$ 743,286
Changes for the year:			
Service cost	261,445	-	261,445
Interest	622,142	-	622,142
Difference between expected and actual experience	(397,727)	-	(397,727)
Contributions - employer	-	238,827	(238,827)
Contributions - employee	-	115,005	(115,005)
Net investment income	-	649,097	(649,097)
Benefit payments, including refunds of employee contributions	(415,424)	(415,424)	-
Administrative expense	-	(4,200)	4,200
Other changes	-	(164)	164
Net changes	<u>70,436</u>	<u>583,141</u>	<u>(512,705)</u>
Balance at 12/31/2020	<u>\$ 9,364,351</u>	<u>\$ 9,133,770</u>	<u>\$ 230,581</u>

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 1,476,684	\$ 230,581	\$(798,078)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2021, the City recognized pension income of \$39,031 and \$12,353 in the governmental activities and business-type activities, respectively, for this plan. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,265	\$ 300,953
Changes in actuarial assumptions	1,319	-
Difference between projected and actual investment earnings	-	243,423
Contributions subsequent to the measurement date	<u>188,893</u>	<u>-</u>
Total	<u>\$ 191,477</u>	<u>\$ 544,376</u>

\$188,893 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

For the Year Ended September 30,	
2022	\$(224,948)
2023	(126,635)
2024	(175,823)
2025	(14,386)

DEFINED BENEFIT PENSION PLAN – TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

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

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

Contributions

Contributions are made by the City for the participating employees. No contributions are required from the individuals who are members of the TESRS, nor are they allowed. The City makes contributions of \$80 per month per member. Contributions to the pension plan for the year ended September 30, 2021, were \$35,320.

Actuarial Assumptions

The total pension liability in the August 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.00%
Salary increases	N/A
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

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

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

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Equities:		
Large cap domestic	20.0%	5.83%
Small/mid cap domestic	10.0%	5.94%
Developed international	15.0%	6.15%
Emerging markets	5.0%	7.25%
Global infrastructure	5.0%	6.41%
Real estate	10.0%	4.48%
Multi asset income	5.0%	3.84%
Fixed income	30.0%	1.99%
Total	100.0%	
Weighted Average		4.60%

Discount Rate

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

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

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the net pension liability	\$ 257,731	\$ 78,856	\$(40,554)

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

At September 30, 2021, the City reported a liability of \$78,856 for its proportionate share of the TESRS's net pension liability. The net pension liability was measured as of August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to contributions of all participating employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2021 the employer's proportion of the collective net pension liability was 0.736%, which was an increase of 0.07% when compared to August 31, 2020.

For the year ended September 30, 2021, the City's pension expense was \$92 in the governmental activities for this plan. At September 30, 2021, the City reported its proportionate share of the TESRS's deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 3,120
Changes in Assumptions		108
Difference between projected and actual investment earnings		73,841
Contributions paid to TESRS subsequent to the measurement date	<u>35,320</u>	<u>-</u>
Total	<u>\$ 35,320</u>	<u>\$ 77,069</u>

\$35,320 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the Year Ended September 30</u>	
2022	\$(20,829)
2023	(12,828)
2024	(24,205)
2025	(19,208)

D. Defined Other Post-Employment Benefit Plans

TMRS SUPPLEMENTAL DEATH BENEFITS FUND

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

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

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

Inactive employees currently receiving benefits	24
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<u>39</u>
Total	<u>71</u>

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.34% for 2021 and 0.25% for 2020, of which 0.08% and 0.08%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2021 and 2020 were \$1,571 and \$1,519, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation		2.50%
Salary Increases	3.50% to 11.5% including inflation	
Discount rate		2.00%

Salary increases were based on a service-related table.

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

Changes in assumptions reflect the annual change in the municipal bond rate. The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Discount Rate. The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 2.00% was used to measure the Total OPEB Liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.00%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
Total OPEB Liability	\$ 255,126	\$ 213,658	\$ 180,837

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At September 30, 2021, the City reported a liability of \$213,658 for its Total OPEB Liability. The Total OPEB Liability was determined by an actuarial valuation as of December 31, 2020. For the year ended September 30, 2021, the City recognized OPEB expense of \$17,927. Of this, the amounts attributed to governmental activities and the utility fund in business-type activities were \$11,244 and \$6,683, respectively. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2019	\$ 190,910
Changes for the year:	
Service cost	6,134
Interest	5,313
Difference between expected and actual experience	(12,560)
Changes of assumptions or other inputs	25,394
Benefit payments	<u>(1,533)</u>
Net changes	<u>22,748</u>
Balance at 12/31/2020	<u>\$ 213,658</u>

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

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

At September 30, 2021, the City reported deferred outflows and inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	-	\$ 12,847
Changes in actuarial assumptions	37,128	3,672
Contributions subsequent to the measurement date	<u>1,188</u>	<u>-</u>
	<u>\$ 38,316</u>	<u>\$ 16,519</u>

\$1,188 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2022. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year
Ended September 30

2022	\$ 6,983
2023	6,481
2024	6,166
2025	979

E. Economic Development Agreement

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

The City has entered into a tax abatement agreement dated January 2019, with a developer to reduce the assessed property tax value for constructing, equipping, and operating a distribution center along with continued operation of the existing facility within TARZ #3. The City agrees to abate 100% of ad valorem taxation of the Certified Appraised Value of all Eligible Property for the first two years, 75% in year three, 50% in year four, and 25% in year 5. In fiscal year 2021, the City rebated property taxes in the amount of \$5,344.

**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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 874,591	\$ 874,591	\$ 893,155	\$ 18,564
Sales	1,138,000	1,138,000	1,176,093	38,093
Franchise	220,000	220,000	213,807	(6,193)
Licenses and permits	59,150	59,150	148,001	88,851
Fines and forfeitures	113,750	113,750	73,551	(40,199)
Charges for services	12,310	12,310	12,081	(229)
Intergovernmental	343,306	369,306	454,688	85,382
Investment earnings	8,000	8,000	1,075	(6,925)
Contributions and donations	-	35,000	185,991	150,991
Miscellaneous	6,650	6,650	7,861	1,211
Total revenues	<u>2,775,757</u>	<u>2,836,757</u>	<u>3,166,303</u>	<u>329,546</u>
EXPENDITURES				
General government:				
Personnel	322,269	322,269	315,787	6,482
Supplies and maintenance	41,424	41,424	31,800	9,624
Other services	176,671	176,671	134,710	41,961
Capital outlay	-	-	3,126	(3,126)
Total general government	<u>540,364</u>	<u>540,364</u>	<u>485,423</u>	<u>54,941</u>
Public safety:				
Police department:				
Personnel	999,590	999,590	984,874	14,716
Supplies and maintenance	136,845	136,845	75,611	61,234
Other services	75,235	75,235	71,285	3,950
Capital outlay	59,500	59,500	57,816	1,684
Total police department	<u>1,271,170</u>	<u>1,271,170</u>	<u>1,189,586</u>	<u>81,584</u>
Fire department:				
Personnel	66,046	66,046	58,379	7,667
Supplies and maintenance	85,900	85,900	121,568	(35,668)
Other services	65,475	65,475	52,025	13,450
Capital outlay	6,000	6,000	283,625	(277,625)
Total fire department	<u>223,421</u>	<u>223,421</u>	<u>515,597</u>	<u>(292,176)</u>
Total public safety	<u>1,494,591</u>	<u>1,494,591</u>	<u>1,705,183</u>	<u>(210,592)</u>
Public health:				
Personnel	139,099	139,099	150,367	(11,268)
Supplies and maintenance	12,433	12,433	12,345	88
Other services	26,648	26,648	3,753	22,895
Capital outlay	4,207	4,207	-	4,207
Total public health	<u>182,387</u>	<u>182,387</u>	<u>166,465</u>	<u>15,922</u>

CITY OF COLUMBUS, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Public works:				
Personnel	\$ 233,468	\$ 233,470	\$ 201,110	\$ 32,360
Supplies and maintenance	218,093	217,200	166,165	51,035
Other services	57,500	57,500	56,131	1,369
Capital outlay	<u>442,084</u>	<u>442,084</u>	<u>299,385</u>	<u>142,699</u>
Total public works	<u>951,145</u>	<u>950,254</u>	<u>722,791</u>	<u>227,463</u>
Culture and recreation:				
Personnel	432,831	432,831	412,371	20,460
Supplies and maintenance	129,251	128,581	70,588	57,993
Other services	135,225	135,225	101,105	34,120
Capital outlay	<u>91,407</u>	<u>155,737</u>	<u>139,246</u>	<u>16,491</u>
Total culture and recreation	<u>788,714</u>	<u>852,374</u>	<u>723,310</u>	<u>129,064</u>
Debt service				
Principal	-	-	17,257	(17,257)
Interest	<u>6,125</u>	<u>6,125</u>	<u>6,125</u>	<u>-</u>
Total debt service	<u>6,125</u>	<u>6,125</u>	<u>23,382</u>	<u>(17,257)</u>
Total expenditures	<u>3,963,326</u>	<u>4,026,095</u>	<u>3,826,554</u>	<u>199,541</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	719,724	719,724	724,328	4,604
Transfers out	(35,000)	(42,360)	(35,000)	7,360
Sale of capital assets	<u>-</u>	<u>-</u>	<u>18,050</u>	<u>18,050</u>
Total other financing sources (uses)	<u>684,724</u>	<u>677,364</u>	<u>707,378</u>	<u>30,014</u>
NET CHANGE IN FUND BALANCES	<u>(508,970)</u>	<u>(511,974)</u>	<u>47,127</u>	<u>559,101</u>
FUND BALANCES, BEGINNING	<u>1,045,564</u>	<u>1,045,564</u>	<u>1,045,564</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 536,594</u>	<u>\$ 533,590</u>	<u>\$ 1,092,691</u>	<u>\$ 559,101</u>

CITY OF COLUMBUS, TEXAS

HOTEL/MOTEL TAX FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Hotel occupancy tax	\$ 200,000	\$ 200,000	\$ 222,084	\$ 22,084
Investment earnings	2,800	2,800	2,774	(26)
Total revenues	<u>202,800</u>	<u>202,800</u>	<u>224,858</u>	<u>22,058</u>
EXPENDITURES				
Current:				
Economic development	<u>331,110</u>	<u>331,110</u>	<u>183,941</u>	<u>147,169</u>
Total expenditures	<u>331,110</u>	<u>331,110</u>	<u>183,941</u>	<u>147,169</u>
NET CHANGE IN FUND BALANCES	<u>(128,310)</u>	<u>(128,310)</u>	<u>40,917</u>	<u>169,227</u>
FUND BALANCES, BEGINNING	<u>387,257</u>	<u>387,257</u>	<u>387,257</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 258,947</u>	<u>\$ 258,947</u>	<u>\$ 428,174</u>	<u>\$ 169,227</u>

CITY OF COLUMBUS, TEXAS

NOTES TO BUDGETARY INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2021

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the Capital Projects Fund, which adopted a project-length budget. All annual appropriations lapse at fiscal year-end.

The City's fiscal year is the 12-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year after which the City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council by September 1. The City Manager also files this proposed budget with the municipal clerk before the 30th day before the date the City Council makes its tax levy for the fiscal year. Upon receipt of the budget estimates, the Council holds public hearings on the proposed budget. On final approval of the budget by the City Council, the budget is filed with the municipal clerk and posted on the City's website.

The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgeted amounts are as originally adopted or as amended by the City Council. The Council made several supplemental budgetary appropriations throughout the year which increased total budgeted expenditures by \$63,791 for library improvements and supplies in the culture and recreation function. In addition, a budget amendment was made for \$244,543 for the purchase of a fire department tower apparatus.

CITY OF COLUMBUS, TEXAS

SCHEDULE OF CHANGES IN TMRS NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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

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

2017	2018	2019	2020
\$ 250,666	\$ 247,345	\$ 256,293	\$ 261,445
530,391	556,914	592,656	622,142
(113,799)	7,809	(56,319)	(397,727)
-	-	2,987	-
(278,571)	(266,785)	(307,276)	(415,424)
388,687	545,283	488,341	70,436
<u>7,871,604</u>	<u>8,260,291</u>	<u>8,805,574</u>	<u>9,293,915</u>
<u>\$ 8,260,291</u>	<u>\$ 8,805,574</u>	<u>\$ 9,293,915</u>	<u>\$ 9,364,351</u>
\$ 236,414	\$ 248,241	\$ 229,940	\$ 238,827
103,013	107,619	111,351	115,005
909,248	(225,298)	1,141,272	649,097
(278,571)	(266,785)	(307,276)	(415,424)
(4,710)	(4,355)	(6,449)	(4,200)
(238)	(227)	(193)	(164)
965,156	(140,805)	1,168,645	583,141
<u>6,557,633</u>	<u>7,522,789</u>	<u>7,381,984</u>	<u>8,550,629</u>
<u>\$ 7,522,789</u>	<u>\$ 7,381,984</u>	<u>\$ 8,550,629</u>	<u>\$ 9,133,770</u>
<u>\$ 737,502</u>	<u>\$ 1,423,590</u>	<u>\$ 743,286</u>	<u>\$ 230,581</u>
91.07%	83.83%	92.00%	97.54%
\$ 1,716,888	\$ 1,793,653	\$ 1,855,849	\$ 1,916,751
42.96%	79.37%	40.05%	12.03%

CITY OF COLUMBUS, TEXAS

SCHEDULE OF TMRS CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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

NOTES TO SCHEDULE OF TMRS CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

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

2017	2018	2019	2020	2021
\$ 229,867	\$ 245,764	\$ 235,013	\$ 244,418	\$ 238,827
(229,867)	(245,764)	(235,013)	(244,418)	(238,827)
-	-	-	-	-
1,690,258	1,778,237	1,837,469	1,964,571	1,963,977
13.60%	13.82%	12.79%	12.44%	12.16%

CITY OF COLUMBUS, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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

SCHEDULE OF CITY'S TESRS CONTRIBUTIONS

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

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

2018	2019	2020	2021
0.670%	0.709%	0.666%	0.736%
\$ 168,252	\$ 200,970	\$ 167,904	\$ 78,856
-	-	-	-
0%	0%	0%	0%
84.26%	80.20%	80.20%	93.10%

2018	2019	2020	2021
\$ 31,440	\$ 31,771	\$ 31,040	\$ 35,320
(31,440)	(31,771)	(31,040)	(35,320)
-	-	-	-
-	-	-	-
0%	0%	0%	0%

CITY OF COLUMBUS, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Measurement Date December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
A. Total OPEB liability				
Service Cost	\$ 3,777	\$ 4,663	\$ 4,083	\$ 6,134
Interest (on the Total OPEB Liability)	5,399	5,406	5,949	5,313
Differences between expected and actual experience	-	(960)	(5,019)	(12,560)
Changes of assumptions	11,938	(10,599)	28,234	25,394
Benefit payments, including refunds of employee contributions	(1,030)	(1,076)	(1,298)	(1,533)
Net change in Total OPEB liability	20,084	(2,566)	31,949	22,748
Total OPEB liability - beginning	<u>141,444</u>	<u>161,528</u>	<u>158,962</u>	<u>190,910</u>
Total OPEB liability - ending (a)	<u>\$ 161,528</u>	<u>\$ 158,962</u>	<u>\$ 190,911</u>	<u>\$ 213,658</u>
B. Covered-employee payroll				
	\$ 1,716,888	\$ 1,793,653	\$ 1,855,849	\$ 1,916,751
C. Total OPEB liability as a percentage of covered-employee payroll				
	9.41%	8.86%	10.29%	11.15%

Notes to Schedule:

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

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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

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

DEBT SERVICE FUNDS

Debt Service Fund 2005 & 2013 – This fund is used to account for resources accumulated and transferred to the Proprietary Fund. These resources supplement Utility Fund resources used to make payments on the principal and interest of the City's 2005 Combination Tax and Revenue Certificates of Obligation.

Debt Service Fund 2010 – This fund is used to account for resources accumulated and payments made for principal and interest on the City's 2008 Combination Tax and Revenue Certificates of Obligation.

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CITY OF COLUMBUS, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	Capital Projects		Debt Service		Total Nonmajor Governmental Funds
	Equipment	Fire Equipment	2005 & 2013 C of O	2010 C of O	
ASSETS					
Cash and investments	\$ 75,173	\$ 404,342	\$ -	\$ 1,515	\$ 481,030
Taxes receivable, net	-	-	-	2,136	2,136
Total assets	<u>75,173</u>	<u>404,342</u>	<u>-</u>	<u>3,651</u>	<u>483,166</u>
LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	276	276
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>276</u>	<u>276</u>
FUND BALANCES					
Restricted for:					
Debt service	-	-	-	3,375	3,375
Assigned for:					
Capital outlay	<u>75,173</u>	<u>404,342</u>	<u>-</u>	<u>-</u>	<u>479,515</u>
Total fund balances	<u>75,173</u>	<u>404,342</u>	<u>-</u>	<u>3,375</u>	<u>482,890</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 75,173</u>	<u>\$ 404,342</u>	<u>\$ -</u>	<u>\$ 3,651</u>	<u>\$ 483,166</u>

CITY OF COLUMBUS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Capital Projects		Debt Service		Total Nonmajor Governmental Funds
	Equipment	Fire Equipment	2005 & 2013 C of O	2010 C of O	
REVENUES					
Property taxes	\$ -	\$ -	\$ 141	\$ 93,229	\$ 93,370
Investment earnings	898	5,946	-	50	6,894
Total revenues	<u>898</u>	<u>5,946</u>	<u>141</u>	<u>93,279</u>	<u>100,264</u>
EXPENDITURES					
Debt service:					
Principal	-	-	-	69,944	69,944
Interest and other charges	-	-	-	21,458	21,458
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,402</u>	<u>91,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>898</u>	<u>5,946</u>	<u>141</u>	<u>1,877</u>	<u>8,862</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	20,000	50,000	-	-	70,000
Transfers out	(10,000)	(94,543)	(141)	(78)	(104,762)
Total other financing sources (uses)	<u>10,000</u>	<u>(44,543)</u>	<u>(141)</u>	<u>(78)</u>	<u>(34,762)</u>
NET CHANGE IN FUND BALANCES	<u>10,898</u>	<u>(38,597)</u>	<u>-</u>	<u>1,799</u>	<u>(25,900)</u>
FUND BALANCES, BEGINNING	<u>64,275</u>	<u>442,939</u>	<u>-</u>	<u>1,576</u>	<u>508,790</u>
FUND BALANCES, ENDING	<u>\$ 75,173</u>	<u>\$ 404,342</u>	<u>\$ -</u>	<u>\$ 3,375</u>	<u>\$ 482,890</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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,000	\$ 1,000	\$ 898	\$(102)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>898</u>	<u>(102)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,000</u>	<u>1,000</u>	<u>898</u>	<u>(102)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	30,060	20,000	(10,060)
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>10,000</u>	<u>20,060</u>	<u>10,000</u>	<u>(10,060)</u>
NET CHANGE IN FUND BALANCES	<u>11,000</u>	<u>21,060</u>	<u>10,898</u>	<u>(10,162)</u>
FUND BALANCES, BEGINNING	<u>64,275</u>	<u>64,275</u>	<u>64,275</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 75,275</u>	<u>\$ 85,335</u>	<u>\$ 75,173</u>	<u>\$(10,162)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 11,000	\$ 11,000	\$ 5,946	\$ (5,054)
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>5,946</u>	<u>(5,054)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,000</u>	<u>11,000</u>	<u>5,946</u>	<u>(5,054)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	(50,000)	(50,000)	50,000	100,000
Transfers out	<u>-</u>	<u>-</u>	<u>(94,543)</u>	<u>(94,543)</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(44,543)</u>	<u>5,457</u>
NET CHANGE IN FUND BALANCES	<u>(39,000)</u>	<u>(39,000)</u>	<u>(38,597)</u>	<u>403</u>
FUND BALANCES, BEGINNING	<u>442,939</u>	<u>442,939</u>	<u>442,939</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 403,939</u>	<u>\$ 403,939</u>	<u>\$ 404,342</u>	<u>\$ 403</u>

CITY OF COLUMBUS, TEXAS

DEBT SERVICE FUND 2005 & 2013

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 20	\$ 20	\$ 141	\$ 121
Total revenues	<u>20</u>	<u>20</u>	<u>141</u>	<u>121</u>
EXPENDITURES				
Debt service:				
Principal	<u>319,250</u>	<u>319,250</u>	<u>-</u>	<u>(319,250)</u>
Total expenditures	<u>319,250</u>	<u>319,250</u>	<u>-</u>	<u>(319,250)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(319,230)</u>	<u>(319,230)</u>	<u>141</u>	<u>319,371</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	319,250	319,250	-	(319,250)
Transfers out	<u>-</u>	<u>-</u>	<u>(141)</u>	<u>(141)</u>
Total other financing sources (uses)	<u>319,250</u>	<u>319,250</u>	<u>(141)</u>	<u>(319,391)</u>
NET CHANGE IN FUND BALANCES	<u>20</u>	<u>20</u>	<u>-</u>	<u>(20)</u>
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ (20)</u>

CITY OF COLUMBUS, TEXAS

DEBT SERVICE FUND 2010

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

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 89,996	\$ 89,996	\$ 93,229	\$ 3,233
Investment earnings	50	50	50	-
Total revenues	<u>90,046</u>	<u>90,046</u>	<u>93,279</u>	<u>3,233</u>
EXPENDITURES				
Debt service:				
Principal	230,000	230,000	69,944	160,056
Interest and other charges	<u>70,563</u>	<u>70,563</u>	<u>21,458</u>	<u>49,105</u>
Total expenditures	<u>300,563</u>	<u>300,563</u>	<u>91,402</u>	<u>209,161</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(210,517)</u>	<u>(210,517)</u>	<u>1,877</u>	<u>212,394</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(209,160)</u>	<u>(209,160)</u>	<u>(78)</u>	<u>209,082</u>
Total other financing sources (uses)	<u>(209,160)</u>	<u>(209,160)</u>	<u>(78)</u>	<u>209,082</u>
NET CHANGE IN FUND BALANCES	<u>(419,677)</u>	<u>(419,677)</u>	<u>1,799</u>	<u>421,476</u>
FUND BALANCES, BEGINNING	<u>1,576</u>	<u>1,576</u>	<u>1,576</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$(418,101)</u>	<u>\$(418,101)</u>	<u>\$ 3,375</u>	<u>\$ 421,476</u>

STATISTICAL SECTION

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Statistical Section
(Unaudited)

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

	<u>Page Number</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	57 – 67
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source – gas revenue, as well as its ability to generate its property taxes and information regarding its sales tax sources.	68 – 74
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	75 – 80
Demographic and Economic Information These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.	81 – 83
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	84 – 86

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

CITY OF COLUMBUS, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	\$ 1,277,925	\$ 1,395,779	\$ 1,483,520	\$ 1,747,899
Restricted	463,251	285,550	497,101	570,705
Unrestricted	<u>1,166,208</u>	<u>1,185,305</u>	<u>1,223,557</u>	<u>626,891</u>
Total governmental activities	<u>\$ 2,907,384</u>	<u>\$ 2,866,634</u>	<u>\$ 3,204,178</u>	<u>\$ 2,945,495</u>
Business-type activities:				
Net investment in capital assets	\$ 3,261,199	\$ 3,212,280	\$ 2,952,589	\$ 3,689,918
Unrestricted	<u>2,395,384</u>	<u>2,043,038</u>	<u>2,115,984</u>	<u>1,420,147</u>
Total business-type activities	<u>\$ 5,656,583</u>	<u>\$ 5,255,318</u>	<u>\$ 5,068,573</u>	<u>\$ 5,110,065</u>
Primary government:				
Net investment in capital assets	\$ 4,539,124	\$ 4,608,059	\$ 4,436,109	\$ 5,437,817
Restricted	463,251	285,550	497,101	570,705
Unrestricted	<u>3,561,592</u>	<u>3,228,343</u>	<u>3,339,541</u>	<u>2,047,038</u>
Total primary government	<u>\$ 8,563,967</u>	<u>\$ 8,121,952</u>	<u>\$ 8,272,751</u>	<u>\$ 8,055,560</u>

TABLE 1

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,831,601	\$ 2,288,216	\$ 2,416,550	\$ 2,413,215	\$ 2,617,798	\$ 3,238,259
754,318	518,421	424,724	452,152	387,257	493,000
<u>630,750</u>	<u>631,448</u>	<u>604,229</u>	<u>773,962</u>	<u>710,690</u>	<u>738,249</u>
<u>\$ 3,216,669</u>	<u>\$ 3,438,085</u>	<u>\$ 3,445,503</u>	<u>\$ 3,639,329</u>	<u>\$ 3,715,745</u>	<u>\$ 4,469,508</u>
\$ 4,706,157	\$ 4,984,074	\$ 5,590,129	\$ 6,033,610	\$ 6,624,044	\$ 6,631,989
<u>1,000,874</u>	<u>801,956</u>	<u>472,757</u>	<u>290,136</u>	<u>33,694</u>	<u>(259,686)</u>
<u>\$ 5,707,031</u>	<u>\$ 5,786,030</u>	<u>\$ 6,062,886</u>	<u>\$ 6,323,746</u>	<u>\$ 6,657,738</u>	<u>\$ 6,372,303</u>
\$ 6,537,758	\$ 7,272,290	\$ 8,006,679	\$ 8,446,825	\$ 9,241,842	\$ 9,870,248
754,318	518,421	424,724	452,152	387,257	493,000
<u>1,631,624</u>	<u>1,433,404</u>	<u>1,076,986</u>	<u>1,064,098</u>	<u>744,384</u>	<u>478,563</u>
<u>\$ 8,923,700</u>	<u>\$ 9,224,115</u>	<u>\$ 9,508,389</u>	<u>\$ 9,963,075</u>	<u>\$ 10,373,483</u>	<u>\$ 10,841,811</u>

CITY OF COLUMBUS, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
EXPENSES				
Governmental activities:				
General government	\$ 390,388	\$ 453,776	\$ 419,265	\$ 699,548
Public safety	1,010,135	1,133,864	1,148,463	1,135,820
Public health	72,323	82,154	72,318	71,159
Public works	516,638	486,505	436,314	451,269
Culture and recreation	480,353	497,033	503,013	498,746
Economic development	143,712	257,954	66,034	97,917
Interest on long-term debt	37,561	37,950	37,896	31,056
Total governmental activities	<u>2,651,110</u>	<u>2,949,236</u>	<u>2,683,303</u>	<u>2,985,515</u>
Business-type activities:				
Water	907,037	1,123,342	869,803	840,349
Sewer	575,110	559,944	585,847	585,891
Garbage	680,444	723,904	768,391	787,469
Gas	539,344	643,572	868,726	758,466
Total business-type activities	<u>2,701,935</u>	<u>3,050,762</u>	<u>3,092,767</u>	<u>2,972,175</u>
Total primary government	<u>\$ 5,353,045</u>	<u>\$ 5,999,998</u>	<u>\$ 5,776,070</u>	<u>\$ 5,957,690</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 20,598	\$ 65,255	\$ 20,217	\$ 22,326
Public safety	73,155	67,780	92,136	129,011
Culture and recreation	19,652	21,335	20,955	18,864
Operating grants and contributions	61,402	123,134	211,482	452,335
Capital grants and contributions	-	-	-	71,750
Total governmental activities	<u>174,807</u>	<u>277,504</u>	<u>344,790</u>	<u>694,286</u>
Business-type activities:				
Charges for services:				
Water	912,018	881,687	838,031	824,319
Sewer	699,940	686,360	721,118	707,917
Garbage	764,171	796,801	856,312	856,700
Gas	610,750	697,765	1,024,124	926,703
Operating grants and contributions	-	-	-	-
Capital grants and contributions	407,819	90,000	125,675	497,975
Total business-type activities	<u>3,394,698</u>	<u>3,152,613</u>	<u>3,565,260</u>	<u>3,813,614</u>
Total primary government	<u>\$ 3,569,505</u>	<u>\$ 3,430,117</u>	<u>\$ 3,910,050</u>	<u>\$ 4,507,900</u>

TABLE 2

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 406,885	\$ 455,126	\$ 442,536	\$ 487,077	\$ 540,229	\$ 472,851	
1,231,888	1,353,574	1,234,760	1,409,862	1,475,198	1,358,446	
79,528	93,290	95,333	142,007	167,894	157,670	
491,918	402,189	581,452	511,443	502,142	452,286	
596,015	666,036	637,826	640,571	680,727	586,457	
89,581	115,700	236,393	249,951	267,729	183,941	
30,757	23,375	27,317	32,018	28,984	46,230	
<u>2,926,572</u>	<u>3,109,290</u>	<u>3,255,617</u>	<u>3,472,929</u>	<u>3,662,903</u>	<u>3,257,881</u>	
1,009,153	995,803	1,020,986	976,333	1,025,945	1,125,556	
575,931	740,254	592,647	540,537	558,264	546,080	
787,615	876,489	861,106	870,635	908,939	915,870	
515,084	533,692	734,314	770,119	646,459	969,229	
<u>2,887,783</u>	<u>3,146,238</u>	<u>3,209,053</u>	<u>3,157,624</u>	<u>3,139,607</u>	<u>3,556,735</u>	
\$ <u>5,814,355</u>	\$ <u>6,255,528</u>	\$ <u>6,464,670</u>	\$ <u>6,630,553</u>	\$ <u>6,802,510</u>	\$ <u>6,814,616</u>	
\$ 23,375	\$ 40,038	\$ 33,511	\$ 35,185	\$ 68,639	\$ 148,001	
189,374	109,306	134,406	111,446	80,622	68,131	
18,989	21,067	13,954	12,982	9,258	12,081	
65,665	90,532	159,791	198,442	174,353	322,667	
70,923	145,000	-	-	-	185,991	
<u>368,326</u>	<u>405,943</u>	<u>341,662</u>	<u>358,055</u>	<u>332,872</u>	<u>736,871</u>	
867,695	1,061,351	1,075,353	1,501,544	1,192,392	1,090,843	
779,310	944,107	956,092	957,499	956,251	952,339	
849,245	905,691	910,105	938,515	944,690	951,771	
660,184	681,432	827,189	829,701	626,419	822,908	
-	89,366	90,369	132,702	10,779	-	
866,610	90,000	190,260	140,632	389,368	90,000	
<u>4,023,044</u>	<u>3,771,947</u>	<u>4,049,368</u>	<u>4,050,593</u>	<u>4,119,899</u>	<u>3,907,861</u>	
\$ <u>4,391,370</u>	\$ <u>4,177,890</u>	\$ <u>4,391,030</u>	\$ <u>4,408,648</u>	\$ <u>4,452,771</u>	\$ <u>4,644,732</u>	

CITY OF COLUMBUS, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
NET (EXPENSE) REVENUES				
Governmental activities	\$(2,476,303)	\$(2,671,732)	\$(2,338,513)	\$(2,291,229)
Business-type activities	<u>692,763</u>	<u>101,851</u>	<u>472,493</u>	<u>841,439</u>
Total primary government	<u>(1,783,540)</u>	<u>(2,569,881)</u>	<u>(1,866,020)</u>	<u>(1,449,790)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	665,659	687,308	712,022	715,735
Sales	767,295	821,618	865,689	871,911
Hotel occupancy	263,139	283,508	274,796	258,465
Franchise	255,088	246,201	247,048	250,639
Alcohol beverage	6,843	8,306	11,137	12,509
Investment earnings	13,769	17,526	15,493	16,872
Gain on sale of capital assets	-	11,965	329	9,880
Miscellaneous	32,961	14,805	17,093	17,691
Transfers	<u>525,759</u>	<u>539,745</u>	<u>563,228</u>	<u>594,103</u>
Total governmental activities	<u>2,530,513</u>	<u>2,630,982</u>	<u>2,706,835</u>	<u>2,747,805</u>
Business-type activities:				
Other	38,660	36,628	26,523	25,863
Transfers	<u>(525,759)</u>	<u>(539,745)</u>	<u>(563,228)</u>	<u>(594,103)</u>
Total business-type activities	<u>(487,099)</u>	<u>(503,117)</u>	<u>(536,705)</u>	<u>(568,240)</u>
Total primary government	<u>2,043,414</u>	<u>2,127,865</u>	<u>2,170,130</u>	<u>2,179,565</u>
CHANGE IN NET POSITION				
Governmental activities	54,210	(40,750)	368,322	456,576
Business-type activities	<u>205,664</u>	<u>(401,266)</u>	<u>(64,212)</u>	<u>273,199</u>
Total primary government	<u>\$ 259,874</u>	<u>\$(442,016)</u>	<u>\$ 304,110</u>	<u>\$ 729,775</u>

TABLE 2

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$(2,558,246)	\$(2,703,347)	\$(2,913,955)	\$(3,114,874)	\$(3,330,031)	\$(2,521,010)
<u>1,135,261</u>	<u>625,709</u>	<u>840,315</u>	<u>892,969</u>	<u>980,292</u>	<u>351,126</u>
<u>(1,422,985)</u>	<u>(2,077,638)</u>	<u>(2,073,640)</u>	<u>(2,221,905)</u>	<u>(2,349,739)</u>	<u>(2,169,884)</u>
744,780	811,528	874,437	890,019	1,061,417	984,899
966,595	998,674	996,317	1,127,925	1,180,800	1,155,086
275,829	225,098	225,662	236,441	200,051	222,084
237,509	236,828	238,973	232,105	223,757	213,807
14,610	13,359	13,020	21,501	15,712	21,007
18,016	21,460	22,743	34,962	20,011	10,743
-	2,950	2,576	10,645	2,760	1,720
14,102	19,023	26,194	21,002	21,785	10,861
<u>557,979</u>	<u>595,843</u>	<u>625,125</u>	<u>707,100</u>	<u>680,154</u>	<u>654,566</u>
<u>2,829,420</u>	<u>2,924,763</u>	<u>3,025,047</u>	<u>3,308,700</u>	<u>3,406,447</u>	<u>3,274,773</u>
19,684	49,133	60,779	74,991	33,854	18,005
<u>(557,979)</u>	<u>(595,843)</u>	<u>(625,125)</u>	<u>(707,100)</u>	<u>(680,154)</u>	<u>(654,566)</u>
<u>(538,295)</u>	<u>(546,710)</u>	<u>(564,346)</u>	<u>(632,109)</u>	<u>(646,300)</u>	<u>(636,561)</u>
<u>2,291,125</u>	<u>2,378,053</u>	<u>2,460,701</u>	<u>2,676,591</u>	<u>2,760,147</u>	<u>2,638,212</u>
271,174	221,416	111,092	193,826	76,416	753,763
<u>596,966</u>	<u>78,999</u>	<u>275,969</u>	<u>260,860</u>	<u>333,992</u>	<u>(285,435)</u>
<u>\$ 868,140</u>	<u>\$ 300,415</u>	<u>\$ 387,061</u>	<u>\$ 454,686</u>	<u>\$ 410,408</u>	<u>\$ 468,328</u>

CITY OF COLUMBUS, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund				
Assigned	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unassigned	<u>844,446</u>	<u>844,528</u>	<u>878,471</u>	<u>1,052,713</u>
Total general fund	<u>\$ 844,446</u>	<u>\$ 844,528</u>	<u>\$ 878,471</u>	<u>\$ 1,052,713</u>
All other governmental funds				
Restricted	\$ 464,686	\$ 287,689	\$ 497,767	\$ 573,328
Assigned	<u>292,060</u>	<u>318,257</u>	<u>344,460</u>	<u>259,568</u>
Total all other governmental funds	<u>\$ 756,746</u>	<u>\$ 605,946</u>	<u>\$ 842,227</u>	<u>\$ 842,227</u>

TABLE 3

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ 456,919	\$ 720,296	\$ 496,718	\$ 496,718
-	-	-	-	-	61,175
<u>1,043,014</u>	<u>1,186,548</u>	<u>637,687</u>	<u>573,153</u>	<u>539,628</u>	<u>534,798</u>
<u>\$ 1,043,014</u>	<u>\$ 1,186,548</u>	<u>\$ 1,094,606</u>	<u>\$ 1,293,449</u>	<u>\$ 1,036,346</u>	<u>\$ 1,092,691</u>
\$ 754,679	\$ 519,944	\$ 427,592	\$ 454,026	\$ 388,833	\$ 431,549
<u>284,347</u>	<u>338,725</u>	<u>384,849</u>	<u>451,798</u>	<u>507,214</u>	<u>479,515</u>
<u>\$ 1,039,026</u>	<u>\$ 858,669</u>	<u>\$ 812,441</u>	<u>\$ 905,824</u>	<u>\$ 896,047</u>	<u>\$ 911,064</u>

CITY OF COLUMBUS, TEXAS

**CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
REVENUES				
Property taxes	\$ 671,801	\$ 692,238	\$ 710,327	\$ 723,757
Other taxes	1,292,365	1,359,633	1,398,670	1,393,524
Licenses and permits	18,366	63,601	17,175	19,850
Fines and forfeitures	78,525	68,194	94,229	130,425
Charges for services	17,025	17,252	17,886	16,007
Intergovernmental	56,694	115,648	210,025	499,003
Contributions and Donations	-	-	-	-
Miscellaneous	52,499	42,063	35,133	37,171
Total revenues	<u>2,187,275</u>	<u>2,358,629</u>	<u>2,483,445</u>	<u>2,819,737</u>
EXPENDITURES				
General government	386,077	465,484	394,178	679,478
Public safety	931,916	1,015,739	1,051,456	1,074,401
Public health	69,569	81,482	72,282	72,270
Public works	502,950	478,011	415,204	381,352
Culture and recreation	445,902	462,441	474,920	473,271
Economic development	143,712	465,888	66,034	191,052
Capital outlay	-	-	206,742	298,004
Debt service				
Principal	56,260	56,260	57,780	57,780
Interest and other charges	35,501	35,752	38,183	31,201
Total expenditures	<u>2,571,887</u>	<u>3,061,057</u>	<u>2,776,779</u>	<u>3,258,809</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(384,612)</u>	<u>(702,428)</u>	<u>(293,334)</u>	<u>(439,072)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	578,166	592,235	614,383	756,052
Transfers out	(52,407)	(52,490)	(51,155)	(161,949)
Capital leases	-	-	-	-
Sale of capital assets	-	11,965	329	9,880
Total other financing sources (uses)	<u>525,759</u>	<u>551,710</u>	<u>563,557</u>	<u>603,983</u>
NET CHANGE IN FUND BALANCES	<u>\$ 141,147</u>	<u>\$(150,718)</u>	<u>\$ 270,223</u>	<u>\$ 164,911</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>3.72%</u>	<u>3.29%</u>	<u>3.75%</u>	<u>3.13%</u>

TABLE 4

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 742,857	\$ 814,788	\$ 871,965	\$ 890,585	\$ 930,458	\$ 986,525	
1,494,543	1,473,959	1,473,972	1,644,972	1,620,320	1,611,984	
20,851	38,116	33,271	34,985	68,539	148,001	
174,178	139,705	142,278	107,293	82,539	73,551	
17,203	16,152	14,194	13,182	9,358	12,081	
125,680	70,753	159,791	198,442	172,103	454,688	
-	-	-	-	-	185,991	
43,107	52,355	48,937	55,964	41,796	18,604	
<u>2,618,419</u>	<u>2,605,828</u>	<u>2,744,408</u>	<u>2,945,423</u>	<u>2,925,113</u>	<u>3,491,425</u>	
385,867	406,258	426,947	439,286	511,211	482,297	
1,114,031	1,137,015	1,222,493	1,263,797	1,359,452	1,363,742	
80,334	87,892	94,846	132,150	159,014	166,465	
428,549	358,904	561,249	470,647	446,485	423,406	
569,239	607,569	605,477	573,883	623,806	584,064	
96,708	115,700	324,458	249,951	267,729	183,941	
213,471	452,055	183,391	197,112	408,870	783,198	
60,821	62,342	63,862	75,378	82,645	87,201	
30,947	23,609	27,556	32,269	29,256	27,583	
<u>2,979,967</u>	<u>3,251,344</u>	<u>3,510,279</u>	<u>3,434,473</u>	<u>3,888,468</u>	<u>4,101,897</u>	
(361,548)	(645,516)	(765,871)	(489,050)	(963,355)	(610,472)	
612,547	679,390	658,193	750,601	720,488	794,328	
(54,568)	(83,547)	(33,068)	(43,501)	(40,334)	(139,762)	
-	-	-	63,531	18,179	-	
-	12,850	2,576	10,645	7,360	18,050	
<u>557,979</u>	<u>608,693</u>	<u>627,701</u>	<u>781,276</u>	<u>705,693</u>	<u>672,616</u>	
\$ <u>196,431</u>	\$ <u>(36,823)</u>	\$ <u>(138,170)</u>	\$ <u>292,226</u>	\$ <u>(257,662)</u>	\$ <u>62,144</u>	
<u>3.34%</u>	<u>3.24%</u>	<u>2.82%</u>	<u>3.36%</u>	<u>3.21%</u>	<u>3.47%</u>	

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TABLE 5

CITY OF COLUMBUS, TEXAS

PRINCIPAL GAS PURCHASERS

CURRENT YEAR AND NINE YEARS AGO

Customer	2021			2012		
	Gas Sales	Rank	Percentage of Total Gas Sales	Gas Sales	Rank	Percentage of Total Gas Sales
KW International, LLC	\$ 60,873	1	7.75%			
Columbus Community Hospital	31,907	2	4.06%	\$ 35,226	1	5.27%
Los Cabos Mexican Grill	19,800	3	2.52%	17,384	3	2.60%
Country Fresh Cleaners	15,420	4	1.96%	13,992	5	2.09%
Schobels Restaurant	14,554	5	1.85%	11,202	7	1.68%
H E Butt CO #256	12,259	6	1.56%			
Jack in the Box #3945	12,139	7	1.54%			
Texas Great Southern Wood, LLC	11,897	8	1.51%	17,065	4	2.55%
Colorado County Detention Center	11,590	9	1.47%			
Nancy's Steakhouse	<u>10,679</u>	10	<u>1.36%</u>			
Columbus Independent School District				11,699	6	1.75%
River Oaks Convalescent Center (Renamed)				20,107	2	3.01%
Tru Care Living Centers				11,040	8	1.65%
Columbus Inn				9,381	9	1.40%
Gary Kulhanek (Washateria)				<u>8,807</u>	10	<u>1.32%</u>
Total	\$ <u>201,116</u>		<u>25.59%</u>	\$ <u>147,096</u>		<u>23.32%</u>

CITY OF COLUMBUS, TEXAS

TAXABLE SALES BY CATEGORY

LAST TEN FISCAL YEARS

	Fiscal Year			
	2012	2013	2014	2015
Agricultural	\$ 28,455	\$ 9,063	\$ 6,895	\$ -
Construction	2,113,804	2,732,528	2,183,792	1,736,431
Manufacturing	1,324,114	1,591,674	1,483,024	1,643,144
Wholesale	1,938,044	2,413,099	2,439,096	2,395,561
Retail	40,794,231	40,605,098	40,943,687	41,825,744
Information	226,919	238,719	447,418	-
Real estate, rental, leasing	32,747	6,242	27,354	46,631
Professional, scientific, technical services	508,547	533,343	600,572	737,168
Health care, social assistance	153,582	228,443	199,556	267,149
Administrative, support, waste management, remediation services	1,571,722	1,380,055	549,919	468,079
Arts, entertainment, recreation	291,182	238,563	235,375	219,771
Accommodation, food services	15,868,440	16,278,752	16,531,550	16,589,505
Other services	<u>2,133,661</u>	<u>2,047,065</u>	<u>1,946,404</u>	<u>1,917,542</u>
Total taxable sales	\$ <u>66,985,448</u>	\$ <u>68,302,644</u>	\$ <u>67,594,642</u>	\$ <u>67,846,725</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%

Note: General grocery items are not taxable.

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

TABLE 6

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,679,024	5,328,704	3,472,413	3,791,418	4,032,925	3,532,884
2,134,778	2,214,946	1,492,471	1,193,991	1,655,335	1,879,168
2,124,513	2,160,938	2,058,185	2,070,062	2,615,407	3,226,442
42,171,733	41,661,287	41,328,274	40,230,297	43,571,442	44,166,616
752,064	701,157	768,621	1,171,588	622,079	1,628,068
39,556	8,611	19,040	75,036	105,498	82,430
1,999,970	3,058,941	4,254,008	7,502,077	10,369,347	6,012,156
329,803	311,997	218,588	205,595	149,569	122,244
516,303	466,992	417,117	378,928	365,831	341,038
175,195	234,307	303,379	200,316	431,886	440,839
16,819,096	17,065,127	17,787,882	18,494,525	18,523,449	20,447,394
<u>1,901,313</u>	<u>2,095,857</u>	<u>2,143,553</u>	<u>2,315,306</u>	<u>2,923,667</u>	<u>2,932,120</u>
<u>\$ 72,643,348</u>	<u>\$ 75,308,864</u>	<u>\$ 74,263,531</u>	<u>\$ 77,629,139</u>	<u>\$ 85,366,435</u>	<u>\$ 84,811,399</u>
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

CITY OF COLUMBUS, TEXAS

TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Gross Receipts Tax	Hotel Occupancy Tax	Mixed Beverage Tax	Totals
2012	\$ 671,800	\$ 767,295	\$ 255,088	\$ 263,139	\$ 6,843	\$ 1,964,165
2013	692,238	821,618	246,201	283,508	8,306	2,051,871
2014	710,329	865,689	247,048	274,796	11,137	2,108,999
2015	723,624	884,420	250,639	258,465	12,509	2,129,657
2016	742,857	981,205	237,509	275,829	14,610	2,252,010
2017	796,240	998,674	236,828	225,098	13,360	2,270,200
2018	846,798	996,317	238,973	225,662	13,020	2,320,770
2019	890,585	1,127,925	232,105	263,441	21,501	2,535,557
2020	930,458	1,180,800	223,757	200,051	15,712	2,550,778
2021	990,840	1,155,086	213,807	222,084	21,007	2,602,824
Change 2012-2021	47.49%	50.54%	(16.18%)	(15.60%)	206.99%	32.52%

TABLE 8**CITY OF COLUMBUS, TEXAS****ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY****LAST TEN FISCAL YEARS**

Fiscal Year	Real Property	Personal Property	Less: Tax-exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a % of Actual Taxable Value
2012	\$ 219,876,334	\$ 29,992,938	\$ 8,911,084	\$ 240,958,188	\$ 0.27312	\$ 249,869,272	96.43%
2013	223,188,234	31,987,686	9,301,203	245,874,717	0.27312	255,175,920	96.35%
2014	225,304,657	35,539,101	9,313,532	251,530,226	0.27312	260,843,758	96.43%
2015	239,192,108	40,497,180	20,955,498	258,733,790	0.27312	270,892,714	95.51%
2016	246,830,821	48,695,697	24,633,804	270,892,714	0.27312	295,526,518	91.66%
2017	256,908,123	53,135,559	22,193,497	287,850,185	0.28000	310,043,682	92.84%
2018	268,755,763	58,166,741	18,738,092	308,184,412	0.28000	326,922,504	94.27%
2019	278,547,279	46,930,227	18,409,526	307,067,980	0.28500	325,477,506	94.34%
2020	291,457,481	49,695,661	12,630,460	328,522,682	0.28500	338,275,178	97.12%
2021	304,008,636	56,478,540	13,760,849	346,726,327	0.28392	356,589,596	97.23%

Source: Colorado County Central Appraisal District.

CITY OF COLUMBUS, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct and Overlapping Rates
	Basic Rate	Debt Service	Total Direct Rate	Columbus I.S.D.	Colorado County	Colorado County Ground Water Conservation District	
2012	\$ 0.23576	\$ 0.03736	\$ 0.27312	\$ 1.19000	\$ 0.48206	\$ 0.01650	\$ 1.96168
2013	0.23626	0.03686	0.27312	1.19000	0.48206	0.01500	1.96018
2014	0.23693	0.03619	0.27312	1.18000	0.48206	0.01450	1.94968
2015	0.23925	0.03387	0.27312	1.18000	0.48206	0.01450	1.94968
2016	0.23925	0.03387	0.27312	1.17000	0.48206	0.01250	1.93768
2017	0.24877	0.03123	0.28000	1.16000	0.51000	0.01150	1.96150
2018	0.25042	0.02958	0.28000	1.16000	0.51000	0.01000	1.96000
2019	0.25500	0.03000	0.28500	1.08000	0.52000	0.00950	1.89450
2020	0.25722	0.02778	0.28500	1.08000	0.52000	0.00950	1.89450
2021	0.25734	0.02658	0.28392	1.07030	0.52000	0.00875	1.88297

Source: Colorado County Central Appraisal District.

TABLE 10

CITY OF COLUMBUS, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2021			2012		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
200 Texas LLC	\$ 13,846,920	1	4.04%			
KWI International LLC	11,599,870	2	3.38%			
M2E3 LLC	6,308,580	3	1.84%			
DHC Realco - Columbus LLC	4,751,730	4	1.39%			
LCRA Transmission Svcs. Corp	4,222,630	5	1.23%	\$ 4,614,660	1	1.92%
Colorado Co. Development Group (TLC)	3,847,550	6	1.12%			
Goodmark Lodging, LLC (Holiday Inn)	3,700,000	7	1.08%	1,987,890	8	0.82%
AEP Texas Central Company	3,155,330	8	0.92%			
Fairlight Management Company	2,726,130	9	0.80%			
Bayou City Equipment LLC	<u>2,481,130</u>	<u>10</u>	<u>0.72%</u>			
Texas Great Southern Wood, LLC				4,609,490	2	1.91%
Frisco Health Investment LP (TLC)				4,534,870	3	1.88%
Mega Texas Realty INC (Comfort Inn)				2,084,200	7	0.86%
Brookfield Lodging INC				3,693,590	4	1.53%
Wal-Mart Stores INC				2,661,320	5	1.10%
Columbus Associates (Wal-Mart)				2,259,010	6	0.94%
Magnolia Living Center				1,954,530	9	0.81%
H. E. Butt Grocery Company				<u>1,948,700</u>	<u>10</u>	<u>0.81%</u>
Total	\$ <u>56,639,870</u>		<u>16.52%</u>	\$ <u>30,348,260</u>		<u>10.68%</u>

Source: Colorado County Central Appraisal District.

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CITY OF COLUMBUS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2012	\$ 658,105	\$ 637,159	96.8%	\$ 20,717	\$ 657,876	100.0%
2013	671,533	655,518	97.6%	15,652	671,170	99.9%
2014	686,979	669,270	97.4%	17,322	686,592	99.9%
2015	706,654	696,845	98.6%	9,505	706,350	100.0%
2016	739,862	728,252	98.4%	10,501	738,753	99.9%
2017	805,980	796,240	98.8%	7,250	803,490	99.7%
2018	862,916	846,978	98.2%	9,096	856,074	99.2%
2019	876,624	869,922	99.4%	6,702	876,624	100.0%
2020	925,981	916,960	99.0%	4,895	921,855	99.6%
2021	970,943	962,839	99.2%	-	962,839	99.2%

Source: Colorado County Central Appraisal District.

CITY OF COLUMBUS, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities				
Capital Leases	\$ -	\$ -	\$ -	\$ -
2010 general obligation refunding bonds	<u>1,040,043</u>	<u>983,783</u>	<u>926,002</u>	<u>868,222</u>
Total governmental activities	<u>1,040,043</u>	<u>983,783</u>	<u>926,003</u>	<u>868,222</u>
Business-type activities				
2005 certificates of obligation	3,485,000	220,000	-	-
2010 general obligation refunding bonds	2,379,957	2,251,217	2,118,997	1,986,778
2013 general obligation refunding bonds	-	3,025,000	3,010,000	2,770,000
2016 certificates of obligation	-	-	-	-
Premium on bonds	6,561	195,760	179,408	163,056
Capital leases	<u>-</u>	<u>-</u>	<u>900,000</u>	<u>729,183</u>
Total business-type activities	<u>5,871,518</u>	<u>5,691,977</u>	<u>6,208,405</u>	<u>5,649,017</u>
Total primary government	<u>\$ 6,911,561</u>	<u>\$ 6,675,760</u>	<u>\$ 7,134,408</u>	<u>\$ 6,517,239</u>
(1) Percentage of personal income	8.6%	6.6%	8.6%	8.6%
(1) Per capita	\$ 1,879	\$ 1,775	\$ 1,904	\$ 1,740
(1) See the Schedule of Demographics and Economic Statistics on Table 16 for personal income and population data.				

TABLE 12

2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ 55,056	\$ 57,493	\$ 40,236
<u>807,401</u>	<u>745,059</u>	<u>681,197</u>	<u>614,294</u>	<u>547,391</u>	<u>477,447</u>
<u>807,401</u>	<u>745,059</u>	<u>681,197</u>	<u>669,350</u>	<u>604,884</u>	<u>517,683</u>
-	-	-	-	-	-
1,847,599	1,704,941	1,558,804	1,414,000	1,252,610	1,092,553
2,525,000	2,270,000	2,010,000	1,745,000	1,475,000	1,200,000
-	2,780,000	2,685,000	2,560,000	2,435,000	2,305,000
146,704	270,933	255,319	223,272	207,813	183,968
<u>554,140</u>	<u>374,350</u>	<u>189,680</u>	<u>63,533</u>	<u>64,516</u>	<u>46,262</u>
<u>5,073,443</u>	<u>7,400,224</u>	<u>6,698,803</u>	<u>6,005,805</u>	<u>5,434,939</u>	<u>4,827,783</u>
\$ <u>5,880,844</u>	\$ <u>8,145,283</u>	\$ <u>7,380,000</u>	\$ <u>6,675,155</u>	\$ <u>6,039,823</u>	\$ <u>5,345,466</u>
7.0%	10.0%	7.6%	7.2%	6.0%	5.3%
\$ 1,570	\$ 2,161	\$ 2,019	\$ 1,826	\$ 1,652	\$ 1,451

CITY OF COLUMBUS, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST NINE FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding				Total	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificate of Obligation Bonds	Less Debt Service Resources Available				
2012	\$ 3,426,560	\$ 3,485,000	\$ 1,864		\$ 6,909,696	2.87%	1,890
2013	6,455,760	220,000	2,759		6,673,001	2.71%	1,826
2014	6,234,407	-	-		6,234,407	2.48%	1,706
2015	5,788,056	-	-		5,788,056	2.24%	1,584
2016	5,326,704	-	-		5,326,704	1.97%	1,457
2017	4,851,400	2,953,012	-		7,804,412	2.71%	2,135
2018	4,372,109	2,818,211	1,131		7,189,189	2.33%	1,967
2019	3,870,757	2,685,810	699		6,555,868	1.93%	1,794
2020	3,364,311	2,553,410	-		5,917,721	1.80%	1,619
2021	2,843,052	2,415,916	-		5,258,968	1.47%	1,407

Notes:

See Table 8 for property value data.

See Table 16 for population data.

CITY OF COLUMBUS, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Columbus Independent School District	\$ 7,532,374	30.19%	\$ 2,274,024
Colorado County	4,480,000	12.48%	<u>559,104</u>
Subtotal overlapping debt			2,833,128
City of Columbus direct debt			<u>517,683</u>
Total direct and overlapping debt			<u>\$ 3,350,811</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Tax roll year	2011	2012	2013	2014
Net assessed value	\$ 240,958,188	\$ 245,874,717	\$ 251,530,226	\$ 258,733,790
Plus exempt property	<u>6,616,621</u>	<u>6,940,764</u>	<u>6,949,549</u>	<u>23,148,726</u>
Total assessed value	<u>247,574,809</u>	<u>252,815,481</u>	<u>258,479,775</u>	<u>281,882,516</u>
Debt limit (1)	\$ <u>24,757,481</u>	\$ <u>25,281,548</u>	\$ <u>25,847,978</u>	\$ <u>28,188,252</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					
2016	2017	2018	2019	2020	2021
2015	2016	2017	2018	2019	2020
\$ 270,892,714	\$ 287,850,185	\$ 308,184,412	\$ 322,731,277	\$ 328,522,682	\$ 342,828,747
<u>24,633,804</u>	<u>22,193,497</u>	<u>18,738,092</u>	<u>15,663,297</u>	<u>12,630,460</u>	<u>13,760,849</u>
<u>295,526,518</u>	<u>310,043,682</u>	<u>326,922,504</u>	<u>338,394,574</u>	<u>341,153,142</u>	<u>356,589,596</u>
\$ <u>29,552,652</u>	\$ <u>31,004,368</u>	\$ <u>32,692,250</u>	\$ <u>33,839,457</u>	\$ <u>34,115,314</u>	\$ <u>35,658,960</u>

CITY OF COLUMBUS, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	Percent of Population With Bachelor's Degree or Higher (1)	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
2012	3,655	\$ 79,993,330	\$ 21,886	43	18.3%	1,610	5.6%
2013	3,655	98,988,365	27,083	46	21.9%	1,626	5.2%
2014	3,655	80,347,865	21,983	42	20.4%	1,584	4.0%
2015	3,655	78,421,680	21,456	46	19.3%	1,565	3.9%
2016	3,655	82,526,245	22,579	49	21.0%	1,516	5.6%
2017	3,655	82,672,445	22,619	45	19.3%	1,483	3.6%
2018	3,655	97,548,295	26,689	45	18.9%	1,516	3.2%
2019	3,655	92,997,820	25,444	46	18.6%	1,565	3.1%
2020	3,655	100,618,495	27,529	42	22.2%	1,532	6.1%
2021	3,739	110,494,928	29,552	40	22.2%	1,566	4.3%

Data Sources:

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

TABLE 17**CITY OF COLUMBUS, TEXAS**

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Columbus Independent School District	239	1	3.81%	249	1	2.31%
Colorado County (Government)	177	2	2.82%	133	3	1.24%
Columbus Community Hospital	175	3	2.79%	213	2	1.98%
Drymalla Construction Co.	140	4	2.23%	101	6	0.94%
Great Southern Wood	100	5	1.59%	50	10	0.46%
TruCare	95	6	1.51%	75	8	0.70%
Wal-Mart	86	7	1.37%	111	5	1.03%
Columbus Oaks Healthcare Community	79	8	1.26%			
KWI	73	9	1.16%			
Schobels Restaurant	70	10	1.12%	95	7	0.88%
HEB Grocery Company, LP				65	9	0.60%
River Oaks Convalescent Home (name changed)				115	4	1.07%
City of Columbus	<u>39</u>		<u>0.62%</u>	<u>43</u>		<u>0.40%</u>
	<u>1,273</u>		<u>20.29%</u>	<u>1,250</u>		<u>11.61%</u>

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

Data Sources:

Texas Workforce Commission
Local Employers

CITY OF COLUMBUS, TEXAS

**FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM**

LAST TEN FISCAL YEARS

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administrative and general	3.00	3.00	2.98	3.02	3.00	3.00	3.07	3.07	3.07	3.08
Police department	11.74	13.23	13.13	13.43	13.39	13.42	13.11	13.46	13.52	13.22
Streets and drainage	5.02	4.94	4.17	3.07	3.99	3.91	4.24	4.45	4.32	3.44
Parks and recreation										
Parks	3.35	3.47	3.47	2.82	2.55	3.15	3.20	3.18	3.37	3.06
Swimming pool	1.08	0.91	0.92	0.86	1.14	1.01	1.04	1.02	0.94	1.13
Library	4.02	3.92	3.53	3.47	3.81	3.80	3.79	3.79	3.50	3.44
Public health	1.01	1.01	1.01	1.00	1.13	1.39	1.55	2.04	2.60	2.60
Water	3.29	3.29	4.32	3.96	4.21	4.33	4.16	4.18	3.26	4.23
Sewer	2.69	2.70	2.68	3.08	2.69	2.42	2.06	2.04	1.77	1.10
Garbage	0.58	0.64	0.49	0.72	0.75	0.55	0.43	0.42	0.42	0.33
Gas	4.39	4.37	4.17	3.42	3.38	3.35	3.17	3.23	4.34	3.83
Total	<u>40.17</u>	<u>41.48</u>	<u>40.87</u>	<u>38.85</u>	<u>40.03</u>	<u>40.33</u>	<u>39.82</u>	<u>40.88</u>	<u>41.11</u>	<u>39.46</u>

Source: City Finance Director

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

TABLE 19

CITY OF COLUMBUS, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Building permits issued	29	23	26	29	41	61	85	93	79	99
Building inspections conducted	35	37	32	50	24	118	136	113	196	148
Gas inspections	55	32	40	70	11	36	41	31	36	69
Electrical inspections	77	50	63	100	58	143	158	211	195	128
Plumbing inspections	78	44	20	110	39	110	139	96	168	80
Mechanical inspections	59	26	32	66	42	137	114	235	165	154
Police										
Case reports opened	477	422	259	379	282	246	236	322	285	209
Calls of service	2,117	2,378	2,469	2,281	2,194	2,410	2,312	2,312	2,425	2,131
Citations issued	1,885	2,685	3,525	2,234	3,051	1,405	1,268	874	562	371
Fire										
Fire/other calls										
Structure fires	16	22	24	11	9	15	19	15	14	10
Grass/brush fires	41	38	41	23	46	45	47	38	46	37
Car fires	19	17	20	24	18	25	17	26	11	14
Rescues	31	27	17	26	32	20	16	19	27	40
Hazardous	14	16	6	24	11	17	12	20	36	51
False alarms	7	15	19	24	21	27	20	25	25	29
Others	11	37	37	40	35	39	39	54	55	39
Total man hours	4,201	4,916	4,460	4,085	4,028	4,103	3,217	3,731	3,634	4,380
Total training hours	1,666	1,398	1,610	1,308	1,382	1,284	1,172	1,280	952	1,280
Total maintenance hours	720	715	750	750	798	846	825	839	765	850
Municipal court										
Cases filed										
Traffic - non-parking	705	594	786	1,338	1,565	1,268	1,085	845	446	341
Traffic - parking	114	27	8	11	5	6	1	3	3	0
Non-traffic - state law	158	179	167	149	152	165	123	73	93	93
Non-traffic - city ordinance	11	27	14	10	9	13	3	2	8	6
Cases disposed										
Traffic - non-parking	686	462	648	1,053	1,497	1,148	1,218	555	375	322
Traffic - parking	97	34	9	13	10	5	2	2	1	2
Non-traffic - state law	191	158	144	141	153	140	108	56	69	61
Non-traffic - city ordinance	16	28	15	9	10	10	2	2	4	7
Solid waste										
Customers	1,595	1,600	1,606	1,609	1,595	1,626	1,625	1,622	1,627	1,628
Recyclables (tons/day)	0.41	0.37	0.33	0.29	0.30	0.30	0.30	0.28	0.28	0.3
Water										
Customers	1,656	1,664	1,672	1,678	1,666	1,694	1,693	1,690	1,699	1,698
New water taps	6	7	10	7	8	5	13	5	12	8
Average daily consumption (thousands of gallons)	672	679	694	542	729	718	709	621	665	580
Sewer										
Customers	1,583	1,584	1,590	1,591	1,573	1,694	1,605	1,601	1,605	1,607
New sewer taps	6	5	9	7	8	5	11	5	10	7
Average daily discharge (thousands of gallons)	313	284	310	304	329	280	369	293	312	340
Gas										
Customers	1,218	1,216	1,208	1,192	1,171	1,199	1,190	1,192	1,178	1,171
New gas meters	5	3	5	5	5	3	6	5	6	10
Average daily consumption (mcf)	173	176	240	235	184	167	206	213	176	195

Source: Various departments within the City.

CITY OF COLUMBUS, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2012	2013	2014	2015
General government				
Municipal buildings	1	1	1	1
Community buildings	2	2	2	2
Public safety				
Police				
Stations	1	1	1	1
Patrol units	9	10	10	9
Fire				
Stations	1	1	1	1
Fire trucks	11	11	12	12
Highways and streets				
Streets (miles)	29	29	29	29
Culture and recreation				
Acreage	106	106	107	107
Community buildings	1	1	1	1
Playgrounds	3	3	3	3
Baseball/softball diamonds	6	6	6	6
Golf courses	1	1	1	1
Libraries	1	1	1	1
Swimming pool	1	1	1	1
Soccer fields	5	5	5	5
Water				
Wells (active)	3	4	4	4
Water mains (miles)	42	42	42	42
Fire hydrants	207	207	207	207
Storage capacity (millions)	1	1	1	1
Sewer				
Sewer mains (miles)	29	29	29	29
Lift stations	6	6	6	6

Source: Various City departments

TABLE 20

Fiscal Year						
2016	2017	2018	2019	2020	2021	
1	1	1	1	1	1	1
2	2	2	2	2	2	2
1	1	1	1	1	1	1
10	11	11	11	11	11	11
1	1	1	1	1	1	1
12	11	11	11	11	11	11
29	29	29	29	29	29	29
107	107	107	107	107	107	107
1	1	2	2	2	2	2
3	3	3	3	3	3	3
6	6	6	6	6	6	6
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
5	5	5	5	5	5	5
4	4	4	4	4	4	4
42	42	42	42	42	42	42
207	207	207	207	207	207	207
1	1	1	1	1	1	1
29	29	29	29	29	29	29
6	6	6	6	6	6	6

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COMPLIANCE SECTION

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

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Texas (the “City”) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statement and have issued our report thereon dated March 30, 2022.

Internal Control Over Financial Reporting

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

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

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

OFFICE LOCATIONS

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Waco, Texas
March 30, 2022