



CITY OF COLUMBUS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013**

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

CITY OF COLUMBUS, TEXAS
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INTRODUCTORY SECTION

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The City of Columbus

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

March 21, 2014

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, 2013.

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

Pattillo, Brown, & Hill L.L.P., has issued an unmodified (“clean”) opinion on the City of Columbus’ financial statements for the year ended September 30, 2013. The independent auditors’ report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditors’ report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Columbus was established in 1835, and first incorporated on June 5, 1837. Current incorporation occurred on January 10, 1927. It is located in Colorado County at the intersection of Interstate Highway 10 and State Highway 71, in south central Texas, approximately 70 miles west of Houston, 120 miles east of San Antonio, and 80 miles southeast of Austin. The City currently has a land area of 2 square miles and a population of 3,655. The City of Columbus is a Type A, General Law City and utilizes the Council-Manager form of government organized under Chapter 25 of the Texas Local Government Code. Policy-making and legislative authority are vested in a governing council consisting of a Mayor and five Council members elected by position. The City Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City and for appointing the heads of the various departments. Council members serve two-year terms, with the Mayor and two Council members elected in odd years and three Council members elected in even numbered years. The Mayor appoints the Municipal Court Judge, and members of various City committees with the approval of City Council.

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

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

Local Economy

As measured by the City's sales tax, Columbus has experienced economic growth over the past ten years. With sales tax revenues for fiscal year end 2004 of \$596,037 and for the current year of \$821,618, the growth for the period was 38%. While 2010 saw a decrease in sales tax revenue of 8% over the prior year mirroring the general downturn in the national economy, the last three years have shown healthy increases with the current year experiencing a 5.9% increase. No single large new business arrived to drive up the City's sales tax revenue. Instead steady, sound growth is being experienced throughout the business sector.

Because of the volatility in the national economy, the City is carefully monitoring its economy.

2013 saw the completion of a new \$14.5 million oil and gas fabricating facility in the City's industrial park. This facility is expected to initially employ 50, with expected expansion to 150. Because of increased demand on the City's natural gas supply made by this facility, the City has obtained a Texas Capital Fund grant to install a new transmission line to the industrial park. This line will not only provide need volumes to the current facility, but will also be available for future expansion at the park. A cable manufacturing company also acquired land in the industrial park in late 2012. They have committed to building a \$1.4 million facility, but have not yet started construction.

The City lies on the edge of the Eagle Ford Shale, which has brought additional oil and gas activity to the area in general. The City's advantage lies in the fact that markets will grow to the City from at least three different directions. As this Sun Belt region grows, as the energy sector expands, and as the City's fundamentals improve, Columbus has the potential to be a leading small town in this area for years to come.

Long-term Financial Planning

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

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

During fiscal year 2008, the City obtained certificates of obligation for \$4 million. \$1.2 million of these funds were used for a major renovation of City Hall facilities and the Fire Station. The remaining \$2.8 million of the proceeds from the 2008 certificates of obligation are being utilized to continue improvements to the Water system and to enhance the Gas delivery system. The Water system improvements were ongoing in 2013 with the completion of a project to replace two-inch water lines in parts of the city. A new water well, which was partially funded through a grant, went online in September of 2012. Planned gas system improvements include boosting gas delivery to the City's industrial park with major funding being provided through a Texas Capital Fund Grant.

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 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.

Relevant Financial Policies

The City awards its depository contract through official bidding procedures for a two-year period with an option to extend for a year. Industry State Bank was awarded the depository contract which will expired September 30, 2014, with a one-year option to renew.

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

During 2013, 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. In 2009, a SCADA (Supervisory Control and Data Acquisition) system was installed which allows the City to remotely monitor the water and sewer plants from two selected locations. In 2010, the City purchased Mobile Data Terminals which were placed in the Police patrol units to allow officers to compile reports in the field and to have improved access to information. In 2012 the City installed an automated fuel control management system at its vehicle fueling station. The City is planning on installing a radio read system for metering customer gas and water usage in 2014.

The Water and Gas Improvement Project, as mentioned earlier, saw the completion of a project to replace water distribution lines in part of the City, and an elevated water tank which could no longer be used was demolished. The water department also saw one of its two remaining elevated water storage tanks go through a complete rehabilitation in 2013.

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, 2012. This was the seventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the finance department staff. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Council members for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Columbus' finances.

Respectively submitted,



Donald Warschak, PE
City Manager



Linda Lakich, CPA
Finance Director/City Secretary



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Columbus
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

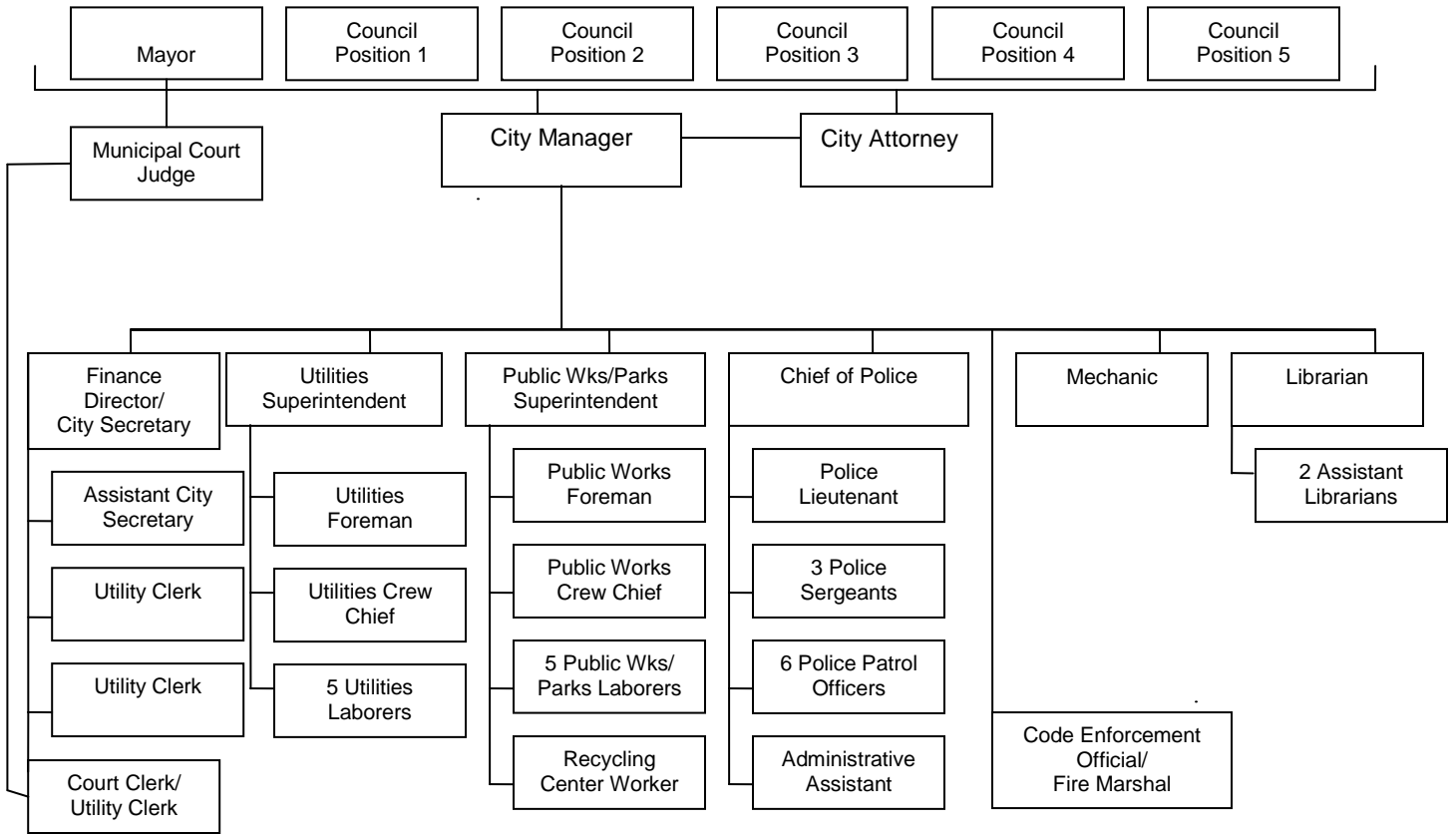
Executive Director/CEO

CITY OF COLUMBUS, TEXAS

ORGANIZATIONAL CHART

SEPTEMBER 30, 2013

City Council



CITY OF COLUMBUS, TEXAS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2013

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

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor
and Members of City Council
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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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, 2013, 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.

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 the TMRS schedule of funding progress on pages 4–12 and 39–42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014, 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 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 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 21, 2014

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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CITY OF COLUMBUS, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2013

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, 2013. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City for its governmental and business-type activities exceeded its liabilities at the close of the fiscal year by \$8,121,952. Of this amount, \$4,608,059 are capital assets, net of related debt, \$620 was restricted for debt service, \$284,930 was restricted for Economic Development. \$3,228,343 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 decreased by \$442,015. A major contributing factor in this decrease is attributable to the increase in Utility Fund repairs and maintenance expense. One of the City's two elevated water storage tanks was completely rehabilitated at a cost of \$292,850 in the current year. In addition grant revenues decreased \$308,819 because of a grant received in the prior year which was used to drill a new water well.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,450,474, a decrease of \$150,718 in comparison with the prior year. Approximately 58% of this total, or \$844,528 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 \$844,528 or 34% percent of total General Fund expenditures for the fiscal year.
- The City's total debt decreased by \$52,425 (5%) during the current fiscal year due to scheduled payments of the 2005 Certificates of Obligation and 2010 General Obligation Bonds.

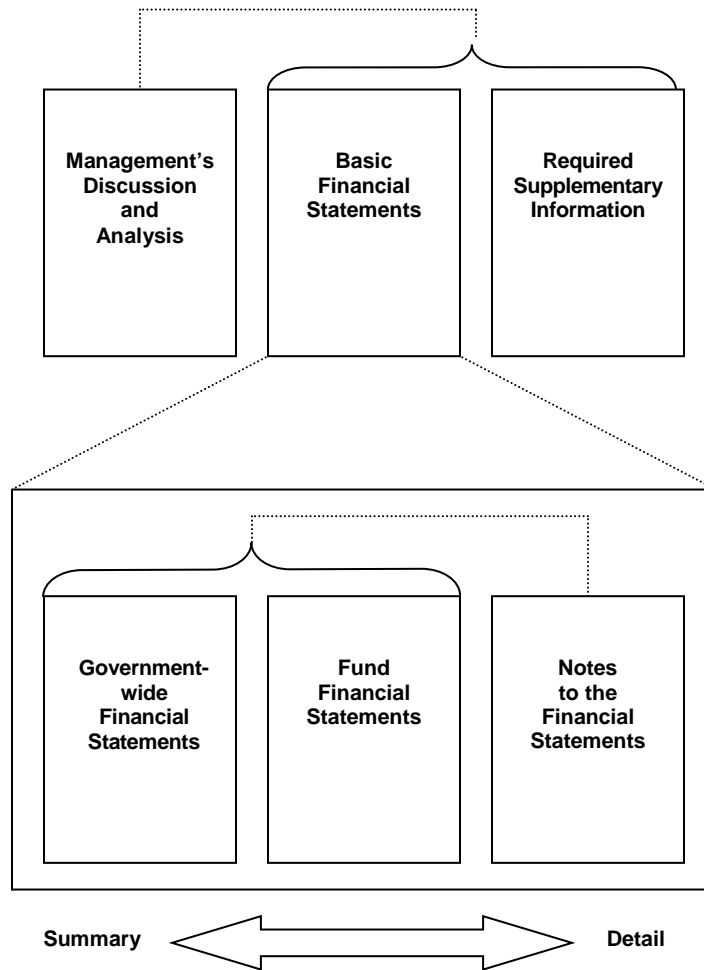
OVERVIEW OF THE FINANCIAL STATEMENTS

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

REQUIRED COMPONENTS OF ANNUAL FINANCIAL REPORT

Figure 1

Figure A-1, Required Components of the 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 are the difference between the City's total assets 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 seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. The City has one kind of proprietary fund. Its Enterprise Fund is used to report the same programs presented as business-type activities in the government-wide financial statements. The City uses its Enterprise Fund (the Utility Fund) to account for its water, sewer, garbage and gas operations. This fund is the same as those programs shown in the business-type activities in the Statement of Net 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 \$2,043,038. The total decrease in unrestricted net position was \$352,346. Other factors concerning the finances of this fund are addressed later in the discussion of the City’s business-type activities.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information (RSI) concerning the City’s progress in funding its obligation to provide pension benefits to its employees. Schedules comparing actual results with the original budget and the final amended budget for the City’s General Fund are also presented in the RSI section. RSI can be found after the notes on pages 41 – 44 of this report.

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

City of Columbus’ Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 1,615,433	\$ 1,835,922	\$ 2,886,897	\$ 3,617,782	\$ 4,502,330	\$ 5,453,704
Capital assets	<u>2,379,561</u>	<u>2,317,967</u>	<u>8,269,131</u>	<u>8,166,014</u>	<u>10,648,692</u>	<u>10,483,981</u>
Total assets	<u>3,994,994</u>	<u>4,153,889</u>	<u>11,156,028</u>	<u>11,783,796</u>	<u>15,151,022</u>	<u>15,937,685</u>
Current and other liabilities	116,004	181,724	386,001	284,308	502,005	466,032
Long-term liabilities	<u>1,012,356</u>	<u>1,064,781</u>	<u>5,514,709</u>	<u>5,842,905</u>	<u>6,527,065</u>	<u>6,907,686</u>
Total liabilities	<u>1,128,360</u>	<u>1,246,505</u>	<u>5,900,710</u>	<u>6,127,213</u>	<u>7,029,070</u>	<u>7,373,718</u>
Net position:						
Net investment,						
in capital assets	1,395,779	1,277,925	3,212,280	3,261,199	4,608,059	4,539,124
Restricted	285,550	463,251	-	-	285,550	463,251
Unrestricted	<u>1,185,305</u>	<u>1,166,208</u>	<u>2,043,038</u>	<u>2,395,384</u>	<u>3,228,343</u>	<u>3,561,592</u>
	<u>\$ 2,866,634</u>	<u>\$ 2,907,384</u>	<u>\$ 5,255,318</u>	<u>\$ 5,656,583</u>	<u>\$ 8,121,952</u>	<u>\$ 8,563,967</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 of the City of Columbus exceeded liabilities by \$8,121,952 as of September 30, 2013. The City's net position decreased by \$442,015 for the fiscal year ended September 30, 2013. Net investment in capital assets of \$4,608,059 accounts for the greatest portion (57%) of net position.

An additional portion of the City's net position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,228,343 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 98%.
- 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	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 154,370	\$ 113,405	\$ 3,062,613	\$ 2,986,879	\$ 3,216,983	\$ 3,100,284
Operating grants and contributions	123,134	61,402	-	-	123,134	61,402
Capital grants and contributions	-	-	90,000	407,819	90,000	407,819
General revenues:						
Property taxes	687,308	665,659	-	-	687,308	665,659
Other taxes	1,359,633	1,292,365	-	-	1,359,633	1,292,365
Other	44,297	46,730	36,628	38,660	80,925	85,390
Total revenues	<u>2,368,742</u>	<u>2,179,561</u>	<u>3,189,241</u>	<u>3,433,358</u>	<u>5,557,983</u>	<u>5,612,919</u>
Expenses:						
General government	453,776	390,388	-	-	453,776	390,388
Public safety	1,133,864	1,010,135	-	-	1,133,864	1,010,135
Public health	82,154	72,323	-	-	82,154	72,323
Public works	486,505	516,638	-	-	486,505	516,638
Culture and recreation	497,033	480,353	-	-	497,033	480,353
Economic development	257,954	143,712	-	-	257,954	143,712
Interest on long-term debt	37,951	37,561	-	-	37,951	37,561
Water	-	-	1,123,340	907,037	1,123,340	907,037
Sewer	-	-	559,944	575,110	559,944	575,110
Garbage	-	-	723,904	680,444	723,904	680,444
Gas	-	-	643,572	539,344	643,572	539,344
Total expenses	<u>2,949,237</u>	<u>2,651,110</u>	<u>3,050,760</u>	<u>2,701,935</u>	<u>5,999,997</u>	<u>5,353,045</u>
Increase (decrease) in net position before transfers	(580,495)	(471,549)	138,481	731,423	(442,014)	259,874
Transfers	<u>539,745</u>	<u>525,759</u>	<u>(539,745)</u>	<u>(525,759)</u>	<u>-</u>	<u>-</u>
Change in net position	(40,750)	54,210	(401,264)	205,664	(442,014)	259,874
Net position, beginning	<u>2,907,384</u>	<u>2,853,174</u>	<u>5,656,583</u>	<u>5,450,919</u>	<u>8,563,967</u>	<u>8,304,093</u>
Net position, ending	<u>\$ 2,866,634</u>	<u>\$ 2,907,384</u>	<u>\$ 5,255,319</u>	<u>\$ 5,656,583</u>	<u>\$ 8,121,953</u>	<u>\$ 8,563,967</u>

Governmental Activities. Governmental activities decreased the City's net position by \$40,750.

Key elements of this decrease are as follows:

- Public Safety expenses increased \$123,729 (12%). This increase was largely due to the addition of one patrol officer to the police force. In addition there was an increase in spending for Fire Department supplies and wearing apparel which impacted the increase.
- Economic Development expenses increased \$114,242 (79%) due to the purchase of property located adjacent to the County Courthouse square using Hotel Occupancy Tax funds. The City has plans to develop this property into a Visitors Center with public restrooms.

Business-type Activities. Business-type activities decreased the City of Columbus' net position by \$401,265.

Key elements of this decrease are as follows:

- Last year the City received a federal grant for over \$308,000 to drill a new water well. The new well was completed in the prior year and was part of the City's continued effort to upgrade its utility systems.
- In the current year the City completed budgeted maintenance to one of two elevated water storage tanks which included painting both the interior and exterior of the tank. Equipment repairs and maintenance increased \$227,079 (240%) over the prior year due to this scheduled maintenance.

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 \$844,528. 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 34% percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$82 during the current fiscal year. This increase is a result of the City's intention to budget appropriations equal to revenues to maintain the City's fund balance.

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 \$2,043,038. The total decrease in net position was \$401,265. Other factors concerning the finances of the Utility Fund have already been addressed in the discussion of the City's business-type activities.

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

Budgeted revenues increased due to funding from library grants (\$5,700), and library donations (\$2,830), police donations (\$6,851), and grant revenue (\$75,792).

Budgeted expenditures increased \$305,918 as supplemental appropriations were needed for the following: \$214,745 for a Hotel Occupancy Tax land acquisition, \$8,530 for library books and supplies, \$6,851 for Police Patrol unit equipment, \$75,792 for Economic Development.

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, 2013, totals \$10,648,692 (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	
	2013	2012	2013	2012	2013	2012
Land	\$ 461,086	\$ 253,152	24,183	\$ 24,183	\$ 485,269	\$ 277,335
Buildings and improvements	2,720,943	2,710,265	581,700	581,700	3,302,643	3,291,965
Distribution and collection systems		-	14,461,319	13,894,352	14,461,319	13,894,352
Machinery and equipment	2,755,413	2,760,060	713,816	733,355	3,469,229	3,493,415
Construction in progress	9,584	-	84,526	60,630	94,110	60,630
Accumulated depreciation	<u>(3,567,465)</u>	<u>(3,405,510)</u>	<u>(7,596,413)</u>	<u>(7,128,206)</u>	<u>(11,163,878)</u>	<u>(10,533,716)</u>
	<u>\$ 2,379,561</u>	<u>\$ 2,317,967</u>	<u>\$ 8,269,131</u>	<u>\$ 8,166,014</u>	<u>\$ 10,648,692</u>	<u>\$ 10,483,981</u>

Major capital asset events during the year included the following:

- Purchase of a new police vehicle for \$31,673.
- Land purchase for a new visitor center for \$207,934.
- Breathing bottles for the fire department for \$8,620.
- Crossing signal for \$10,678.
- Downtown sidewalk improvements for \$9,584.
- Water line additions for \$565,968.
- Gas line additions for \$75,057.

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

Long-term Debt. As of September 30, 2013, the City of Columbus had total long-term certificates of obligation outstanding of \$6,479,999. This debt is backed by the full faith and credit of the City.

City of Columbus' Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Certificates of obligation	\$ -	\$ -	\$ 220,000	\$ 3,485,000	\$ 220,000	\$ 3,485,000
Refunding general obligation bonds	<u>983,782</u>	<u>1,040,042</u>	<u>5,276,217</u>	<u>2,379,957</u>	<u>6,259,999</u>	<u>3,419,999</u>
	<u>\$ 983,782</u>	<u>\$ 1,040,042</u>	<u>\$ 5,496,217</u>	<u>\$ 5,864,957</u>	<u>\$ 6,479,999</u>	<u>\$ 6,904,999</u>

The City's total debt decreased by \$425,000 (6.2%) during the current fiscal year. The key factor in this decrease was scheduled bond payments were made.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for Colorado County is currently 5.2 percent (Columbus is the largest of the three incorporated cities in the county), which is a small decrease from a rate of 5.6 percent a year ago. This compares favorably to the state's average unemployment rate of 6.2 percent and the national average rate of 7.2 percent.
- Inflationary trends in the region compare favorably to national indices.
- The State Comptroller reported an increase of 7.1 percent in taxable sales for the City. Sales tax revenue has increased 37.8 percent since 2004. The City expects sales tax revenue growth to continue to remain strong with an increase of 6% budgeted for 2014.
- Property tax values continue to climb in Colorado County and the region in general. Real property values in the City of Columbus increased \$3,311,900 from the prior year. Values have increased 58.4 percent from 2004. The City's overall property tax rate remained the same for the 2014 budget.
- For the 2014 Budget, the City increased water, sewer and gas rates in an effort to keep up with the cost of utility system maintenance and to encourage water conservation. This was the first increase in two years, and the City's utility rates remain low in comparison to cities of comparable size.

All of these factors were considered in preparing the City's budget for the 2014 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, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit Columbus Industrial Development Corporation</u>
ASSETS				
Cash and investments	\$ 1,237,375	\$ 1,979,817	\$ 3,217,192	\$ 888,686
Receivable (net of allowances for estimated uncollectibles)				
Taxes	331,736	-	331,736	70,151
Other	6,463	348,138	354,601	-
Internal balances	9,081	(9,081)	-	-
Investment in land	-	-	-	283,950
Restricted assets:				
Cash and investments	-	445,490	445,490	-
Debt issue costs	30,778	122,533	153,311	60,194
Capital assets:				
Non-depreciable	470,670	108,709	579,379	-
Depreciable, net	<u>1,908,891</u>	<u>8,160,422</u>	<u>10,069,313</u>	<u>-</u>
Total assets	<u>3,994,994</u>	<u>11,156,028</u>	<u>15,151,022</u>	<u>1,302,981</u>
LIABILITIES				
Accounts payable	81,026	216,776	297,802	4,843
Accrued payroll	30,678	11,180	41,858	-
Accrued interest	4,300	20,360	24,660	18,440
Customer deposits	-	137,685	137,685	-
Noncurrent liabilities:				
Due within one year	64,924	371,172	436,096	101,558
Due in more than one year	<u>947,432</u>	<u>5,143,537</u>	<u>6,090,969</u>	<u>1,226,886</u>
Total liabilities	<u>1,128,360</u>	<u>5,900,710</u>	<u>7,029,070</u>	<u>1,351,727</u>
NET POSITION				
Net investment in capital assets	1,395,779	3,212,280	4,608,059	-
Restricted for:				
Economic development	284,930	-	284,930	-
Debt service	620	-	620	130,164
Unrestricted	<u>1,185,305</u>	<u>2,043,038</u>	<u>3,228,343</u>	<u>(178,910)</u>
Total net position	<u>\$ 2,866,634</u>	<u>\$ 5,255,318</u>	<u>\$ 8,121,952</u>	<u>\$ (48,746)</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, 2013

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 453,776	\$ 65,255	\$ 84,948	\$ -
Public safety	1,133,864	67,780	6,851	-
Public health	82,154	-	-	-
Public works	486,505	-	-	-
Culture and recreation	497,033	21,335	11,335	-
Economic development	257,954	-	20,000	-
Interest on long-term debt	37,951	-	-	-
Total governmental activities	<u>2,949,237</u>	<u>154,370</u>	<u>123,134</u>	<u>-</u>
Business-type activities:				
Water	1,123,341	881,687	-	90,000
Sewer	559,944	686,360	-	-
Garbage	723,904	796,801	-	-
Gas	643,572	697,765	-	-
Total business-type activities	<u>3,050,761</u>	<u>3,062,613</u>	<u>-</u>	<u>90,000</u>
Total primary government	<u>\$ 5,999,998</u>	<u>\$ 3,216,983</u>	<u>\$ 123,134</u>	<u>\$ 90,000</u>
Component unit:				
Columbus Community Industrial Development Corporation	<u>\$ 239,295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Transfers
Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

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

Net (Expenses) Revenues and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Columbus Industrial Development Corporation
\$(303,573)	\$ -	\$(303,573)	\$ -
(1,059,233)	-	(1,059,233)	-
(82,154)	-	(82,154)	-
(486,505)	-	(486,505)	-
(464,363)	-	(464,363)	-
(237,954)	-	(237,954)	-
<u>(37,951)</u>	<u>-</u>	<u>(37,951)</u>	<u>-</u>
<u>(2,671,733)</u>	<u>-</u>	<u>(2,671,733)</u>	<u>-</u>
-	(151,654)	(151,654)	-
-	126,416	126,416	-
-	72,897	72,897	-
<u>-</u>	<u>54,193</u>	<u>54,193</u>	<u>-</u>
<u>-</u>	<u>101,852</u>	<u>101,852</u>	<u>-</u>
<u>(2,671,733)</u>	<u>101,852</u>	<u>(2,569,881)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(239,295)</u>
687,308	-	687,308	-
821,618	-	821,618	410,809
283,508	-	283,508	-
246,201	-	246,201	-
8,306	-	8,306	-
17,527	36,361	53,888	1,314
11,965	-	11,965	-
14,805	267	15,072	810
<u>539,745</u>	<u>(539,745)</u>	<u>-</u>	<u>-</u>
<u>2,630,983</u>	<u>(503,117)</u>	<u>2,127,866</u>	<u>412,933</u>
(40,750)	(401,265)	(442,015)	173,638
<u>2,907,384</u>	<u>5,656,583</u>	<u>8,563,967</u>	<u>(222,384)</u>
<u>\$ 2,866,634</u>	<u>\$ 5,255,318</u>	<u>\$ 8,121,952</u>	<u>\$(48,746)</u>

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CITY OF COLUMBUS, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2013

	<u>General</u>	<u>Hotel/Motel Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 671,175	\$ 245,185	\$ 321,015	\$ 1,237,375
Receivables, net				
Taxes	256,785	72,789	2,162	331,736
Accounts	6,463	-	-	6,463
Due from other funds	9,081	-	-	9,081
Total assets	<u>943,504</u>	<u>317,974</u>	<u>323,177</u>	<u>1,584,655</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	47,982	\$ 33,044	-	81,026
Accrued payroll	30,678	-	-	30,678
Deferred revenue	20,316	-	2,161	22,477
Total liabilities	<u>98,976</u>	<u>33,044</u>	<u>2,161</u>	<u>134,181</u>
Fund balances:				
Restricted for:				
Economic development	-	284,930	-	284,930
Debt service	-	-	2,759	2,759
Assigned for equipment	-	-	318,257	318,257
Unassigned	844,528	-	-	844,528
Total fund balances	<u>844,528</u>	<u>284,930</u>	<u>321,016</u>	<u>1,450,474</u>
 Total liabilities and fund balances	 <u>\$ 943,504</u>	 <u>\$ 317,974</u>	 <u>\$ 323,177</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,379,561
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.	
Deferred property tax revenue	16,015
Deferred municipal court revenue	6,462
Long-term liabilities such as certificates of obligation and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	
Interest payable	(4,300)
Bond issuance cost	30,778
Compensated absences	(28,574)
Certificates of obligation	<u>(983,782)</u>
Net position of governmental activities	<u>\$ 2,866,634</u>

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

CITY OF COLUMBUS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>General</u>	<u>Hotel/Motel Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 597,595	\$ -	\$ 94,643	\$ 692,238
Sales taxes	829,924	-	-	829,924
Franchise taxes	246,201	-	-	246,201
Hotel occupancy tax	-	283,508	-	283,508
Licenses and permits	63,601	-	-	63,601
Fines and forfeitures	68,194	-	-	68,194
Charges for services	17,252	-	-	17,252
Intergovernmental	115,648	-	-	115,648
Investment earnings	7,888	4,489	5,150	17,527
Miscellaneous	24,536	-	-	24,536
Total revenues	<u>1,970,839</u>	<u>287,997</u>	<u>99,793</u>	<u>2,358,629</u>
EXPENDITURES				
Current:				
General government	465,484	-	-	465,484
Public safety	1,015,739	-	-	1,015,739
Public health	81,482	-	-	81,482
Public works	478,011	-	-	478,011
Culture and recreation	462,441	-	-	462,441
Economic development	-	465,888	-	465,888
Debt service:				
Principal	-	-	56,260	56,260
Interest and other charges	-	-	35,752	35,752
Total expenditures	<u>2,503,157</u>	<u>465,888</u>	<u>92,012</u>	<u>3,061,057</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(532,318)</u>	<u>(177,891)</u>	<u>7,781</u>	<u>(702,428)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	543,085	-	49,150	592,235
Transfers out	(22,650)	-	(29,840)	(52,490)
Sale of capital assets	11,965	-	-	11,965
Total other financing sources (uses)	<u>532,400</u>	<u>-</u>	<u>19,310</u>	<u>551,710</u>
NET CHANGE IN FUND BALANCES	82	(177,891)	27,091	(150,718)
FUND BALANCES, BEGINNING	<u>844,446</u>	<u>462,821</u>	<u>293,925</u>	<u>1,601,192</u>
FUND BALANCES, ENDING	<u>\$ 844,528</u>	<u>\$ 284,930</u>	<u>\$ 321,016</u>	<u>\$ 1,450,474</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, 2013

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

Net change in fund balances - total governmental funds \$(150,718)

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 268,489
Depreciation (206,895)

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

Deferred tax revenue (4,930)
Deferred municipal court revenue 3,078

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 56,260
Amortization of bond cost (2,199)

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

Compensated absences (3,835)

Change in net position of governmental activities. \$(40,750)

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

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CITY OF COLUMBUS, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUND

SEPTEMBER 30, 2013

	<u>Utility Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,979,817
Accounts receivable, net	348,138
Restricted assets:	
Cash and cash equivalents	<u>445,490</u>
Total current assets	2,773,445
Noncurrent assets:	
Deferred charges	122,533
Capital assets:	
Non-depreciable	108,709
Depreciable, net	<u>8,160,422</u>
Total noncurrent assets	<u>8,391,664</u>
Total assets	<u>11,165,109</u>
LIABILITIES	
Current liabilities:	
Accounts payable	216,776
Accrued payroll	11,180
Due to other funds	9,081
Accrued interest	20,360
Customer deposits	137,685
Bonds payable - current	368,080
Compensated absences	<u>3,092</u>
Total current liabilities	766,254
Noncurrent liabilities:	
Bonds payable	5,134,261
Compensated absences	<u>9,276</u>
Total noncurrent liabilities	<u>5,143,537</u>
Total liabilities	<u>5,909,791</u>
NET POSITION	
Net investment in capital assets	3,212,280
Unrestricted	<u>2,043,038</u>
Total net position	<u>\$ 5,255,318</u>

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

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CITY OF COLUMBUS, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Utility Fund</u>
OPERATING REVENUES	
Charges for sales and services:	
Water sales	\$ 881,687
Sewer charges	686,360
Garbage fees	796,801
Gas sales	697,765
Other	<u>267</u>
Total operating revenues	<u>3,062,880</u>
OPERATING EXPENSES	
Personnel	586,031
Maintenance and operations	1,796,332
Depreciation	<u>487,746</u>
Total operating expenses	<u>2,870,109</u>
OPERATING INCOME	<u>192,771</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	36,361
Interest and other charges	<u>(180,652)</u>
Total nonoperating revenues (expenses)	<u>(144,291)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	48,480
Capital contributions	90,000
Transfers in	1,840
Transfers out	<u>(541,585)</u>
CHANGE IN NET POSITION	<u>(401,265)</u>
NET POSITION, BEGINNING	<u>5,656,583</u>
NET POSITION, ENDING	<u>\$ 5,255,318</u>

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

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CITY OF COLUMBUS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Utility Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 3,217,739
Cash paid to suppliers	(1,697,591)
Cash paid to employees	(584,921)
Net cash provided by operating activities	<u>935,227</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from other funds	1,840
Transfer to other funds	(541,585)
Net cash used by noncapital financing activities	<u>(539,745)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions - intergovernmental	90,000
Purchase of capital assets	(590,863)
Principal paid on capital debt	(338,740)
Interest and other charges paid on debt	(216,852)
Net cash used by capital and related financing activities	<u>(1,056,455)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>36,361</u>
Net cash provided by investing activities	<u>36,361</u>
NET DECREASE IN CASH AND EQUIVALENTS	(624,612)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>3,049,919</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 2,425,307</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net operating income	\$ 192,771
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	487,746
(Increase) decrease in accounts receivable	141,883
Increase (decrease) in accounts payable	98,741
Increase (decrease) in accrued payroll	2,274
Increase (decrease) in due to other funds	4,876
Increase (decrease) in compensated absences	(1,164)
Increase (decrease) in customer deposits	<u>8,100</u>
Net cash provided by operations	<u>\$ 935,227</u>

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

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CITY OF COLUMBUS, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

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

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

The following component unit is discretely presented:

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

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

Columbus Community and Industrial
Development Corporation
P. O. Box 87
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.

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.

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

D. Cash and Investments

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

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

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

E. Investment in Land

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

F. Interfund Receivables and Payables

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

G. Interfund Services Provided and Used

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

H. Restricted Assets

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

I. Capital Assets

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

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

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

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

J. Compensated Absences

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

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

K. Long-term Obligations

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

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

L. Fund Balance

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

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

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

M. Net Position

Net position represents the difference between assets 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.

N. Use of Estimates

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

2. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

At year-end, the City's investments were in the Texas Cooperative Liquid Assets Securities System (Texas CLASS). The carrying amount and fair value of the investments was \$901,474. Texas CLASS is a local government investment pool supervised by a Board of Trustees who is elected by its participants. Texas CLASS invests solely in securities permitted under the Public Funds Investment Act. Texas CLASS is not registered with the SEC. As an intergovernmental trust comprised solely of governmental entities, it is statutorily exempt from registration. The Program Administrator/Investment Advisor to Texas CLASS, MBIA Municipal Investors Service Corp., is registered with the SEC as a Registered Investment Advisor. The Texas CLASS program is rated AAAM by Standard & Poor's, and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. 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 34 days.

At year-end, the Columbus Industrial Development Corporation's investments were with the Texas Local Government Investment Cooperative (LOGIC). The carrying amount and fair value of the investments was \$439,846.

The Cooperative's governing body is a six-member Board of Directors comprised of employees, officers or elected officials of participant government entities or individuals who do not have a business relationship with the Cooperative and are qualified to advise it. A maximum of two advisory Board members represent the Co-Administrators of the Cooperative. Day-to-day administration of the Cooperative will be performed by First Southwest Asset Management, Inc. and JP Morgan Chase Investment Management, Inc. First Southwest will provide administrative, participant support and marketing services. JP Morgan Chase will provide investment management, custody, fund and transfer agency services. The LOGIC fund is rated AAAM by Standard & Poor's and have a weighted average maturity of 62 days.

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

B. Receivables

Receivables at September 30, 2013, were as follows:

	<u>General</u>	<u>Hotel/ Motel Tax</u>	<u>Nonmajor Governmental</u>	<u>Utility</u>	<u>Total Receivables</u>
Property taxes	\$ 35,036	\$ -	\$ 5,969	\$ -	\$ 41,005
Sales taxes	140,302		-	-	140,302
Hotel/motel taxes	-	72,789	-	-	72,789
Franchise taxes	99,998	-	-	-	99,998
Mixed beverage taxes	2,631	-	-	-	2,631
Intergovernmental	-	-	-	14,121	14,121
Utility accounts	-	-	-	366,139	366,139
Municipal court	<u>61,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,961</u>
Less: allowance for doubtful accounts	<u>(76,680)</u>	<u>-</u>	<u>(3,807)</u>	<u>(32,122)</u>	<u>(112,609)</u>
	<u>\$ 263,248</u>	<u>\$ 72,789</u>	<u>\$ 2,162</u>	<u>\$ 348,138</u>	<u>\$ 686,337</u>

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

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

	<u>Unavailable</u>	<u>Unearned</u>
General fund		
Delinquent property taxes receivable	\$ 13,854	\$ -
Court fines	<u>6,462</u>	<u>-</u>
Total general fund	<u>20,316</u>	<u>-</u>
Nonmajor governmental		
Delinquent property taxes receivable	<u>2,161</u>	<u>-</u>
Total nonmajor governmental	<u>2,161</u>	<u>-</u>
Total governmental funds	<u>\$ 22,477</u>	<u>\$ -</u>

C. Capital Assets

Capital asset activity for the year ended September 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 253,152	\$ 207,934	\$ -	\$ 461,086
Construction in progress	<u>-</u>	<u>9,584</u>	<u>-</u>	<u>9,584</u>
Total capital assets not being depreciated	<u>253,152</u>	<u>217,518</u>	<u>-</u>	<u>470,670</u>
Capital assets being depreciated:				
Buildings and improvements	2,710,265	10,678	-	2,720,943
Machinery and equipment	<u>2,760,060</u>	<u>40,293</u>	<u>44,940</u>	<u>2,755,413</u>
Total capital assets being depreciated	<u>5,470,325</u>	<u>50,971</u>	<u>44,940</u>	<u>5,476,356</u>
Less accumulated depreciation for:				
Buildings and improvements	1,200,108	56,449	-	1,256,557
Machinery and equipment	<u>2,205,402</u>	<u>150,446</u>	<u>44,940</u>	<u>2,310,908</u>
Total accumulated depreciation	<u>3,405,510</u>	<u>206,895</u>	<u>44,940</u>	<u>3,567,465</u>
Total capital assets depreciated, net	<u>2,064,815</u>	<u>(155,924)</u>	<u>-</u>	<u>1,908,891</u>
Governmental activities, capital assets, net	<u>\$ 2,317,967</u>	<u>\$ 61,594</u>	<u>\$ -</u>	<u>\$ 2,379,561</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 24,183	\$ -	\$ -	\$ 24,183
Construction in progress	60,630	74,057	50,161	84,526
Total capital assets not being depreciated	<u>84,813</u>	<u>74,057</u>	<u>50,161</u>	<u>108,709</u>
Capital assets being depreciated:				
Buildings and improvements	581,700	-	-	581,700
Distribution and collection systems	13,894,352	566,967	-	14,461,319
Machinery and equipment	733,355	-	19,539	713,816
Total capital assets being depreciated	<u>15,209,407</u>	<u>566,967</u>	<u>19,539</u>	<u>15,756,835</u>
Less accumulated depreciation for:				
Buildings and improvements	578,137	1,622	-	579,759
Distribution and collection systems	5,935,705	461,989	-	6,397,694
Machinery and equipment	614,364	24,135	19,539	618,960
Total accumulated depreciation	<u>7,128,206</u>	<u>487,746</u>	<u>19,539</u>	<u>7,596,413</u>
Total capital assets depreciated, net	<u>8,081,201</u>	<u>79,221</u>	<u>-</u>	<u>8,160,422</u>
Business-type activities, capital assets, net	<u>\$ 8,166,014</u>	<u>\$ 153,278</u>	<u>\$ 50,161</u>	<u>\$ 8,269,131</u>

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

Governmental activities:	
General government	\$ 26,137
Public safety	116,229
Public health	1,122
Public works	29,689
Culture and recreation	<u>33,718</u>
Total governmental activities	<u>\$ 206,895</u>
Business-type activities:	
Water	\$ 292,524
Sewer	176,597
Garbage	736
Gas	<u>17,889</u>
Total business-type activities	<u>\$ 487,746</u>

D. Interfund Receivables, Payables, and Transfers

Due to/Due from

The composition of the interfund balances as of September 30, 2013, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Utility	\$ <u>9,081</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, 2013, is as follows:

<u>Transfer in Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General	Utility	\$ 515,085
General	Nonmajor governmental	28,000
Nonmajor governmental	General	22,650
Nonmajor governmental	Utility	26,500
Utility	Nonmajor governmental	<u>1,840</u>
		\$ <u>594,075</u>

The General Fund transferred \$10,000 and \$12,650 to the Equipment and Fire Equipment Fund, respectively to cover future capital purchases. The Equipment Fund transferred \$28,000 to the General Fund for the purchase of equipment. The Utility Fund transferred \$359,353 to the General Fund to cover budgeted indirect costs. The Utility Fund transferred payments in lieu of taxes of \$155,732 to the General Fund. The Utility Fund transferred \$16,500 to the Fire Equipment Fund and \$10,000 to the Equipment Fund to cover future capital purchases. The 2005 Certificates of Obligation fund transferred \$1,840 to the Utility Fund to aid in reducing the outstanding certificates of obligation debt.

E. Long-term Debt

The following is a summary of changes in long-term liabilities for the year ended September 30, 2013.

Primary Government

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Refunding GO bonds	\$ 1,040,042	\$ -	\$ 56,260	\$ 983,782	\$ 57,780
Compensated absences	24,739	58,315	54,480	28,574	7,144
Total governmental activities	<u>\$ 1,064,781</u>	<u>\$ 58,315</u>	<u>\$ 110,740</u>	<u>\$ 1,012,356</u>	<u>\$ 64,924</u>
Business-type activities:					
Certificates of obligation	\$ 3,485,000	\$ -	\$ 3,265,000	\$ 220,000	\$ 220,000
Refunding GO bonds	2,379,957	3,065,000	168,740	5,276,217	147,220
Premium on bonds	6,561	196,267	7,068	195,760	16,352
Deferred loss on refunding	(42,145)	(155,351)	(7,860)	(189,636)	(15,492)
Compensated absences	13,532	18,023	19,187	12,368	3,092
Total business-type activities	<u>\$ 5,842,905</u>	<u>\$ 3,123,939</u>	<u>\$ 3,452,135</u>	<u>\$ 5,514,709</u>	<u>\$ 371,172</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
Columbus Community Industrial and Development Corporation:					
Sales tax revenue bonds	\$ 1,460,000	\$ -	\$ 100,000	\$ 1,360,000	\$ 105,000
Premium on bonds	6,008	-	591	5,417	591
Deferred loss on refunding	(41,006)	-	(4,033)	(36,973)	(4,033)
Total Columbus Community and Development Corporation:	<u>\$ 1,425,002</u>	<u>\$ -</u>	<u>\$ 96,558</u>	<u>\$ 1,328,444</u>	<u>\$ 101,558</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 in 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 in by the 2010 Refunding General Obligation Bonds at annual interest rates from 2.00% to 4.00% with a maturity date of August 2027.

Sales Tax Revenue Bonds

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

Bond Refunding

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%. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for the current refunding of the bonds.

In the Water and Sewer Fund, the reacquisition price exceeded the net carrying amount of the old debt by \$155,351. These amounts are being reported as net of long-term debt and are being amortized over the remaining life of the refunding debt. The City refunded the bonds to reduce its total debt service payments over 12 years by \$418,623 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$365,887.

Defeased Bonds

In prior years, the City and component unit defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the financial statements. At September 30, 2013, the City and component unit did not have bonds considered defeased.

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

	Primary Government				Component Unit	
	Governmental Activities		Business-type Activities		Sales Tax Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 57,780	\$ 33,258	\$ 367,220	\$ 162,879	\$ 105,000	\$ 43,594
2015	57,780	32,102	372,220	152,385	105,000	41,494
2016	60,821	30,946	384,179	144,941	105,000	38,869
2017	62,342	29,426	397,658	136,561	115,000	35,569
2018	63,862	27,556	406,138	127,181	115,000	32,119
2019-2023	351,242	106,007	2,193,758	458,904	665,000	95,841
2024-2027	329,955	33,634	1,375,044	105,016	150,000	3,000
Totals	<u>\$ 983,782</u>	<u>\$ 292,929</u>	<u>\$ 5,496,217</u>	<u>\$ 1,287,867</u>	<u>\$ 1,360,000</u>	<u>\$ 290,486</u>

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

B. Contingent Liabilities

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

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

C. Employee Retirement Systems and Plans

Plan Description

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

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

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

	<u>Plan Year 2012</u>	<u>Plan Year 2013</u>
Employee deposit rate	6.0%	6.0%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating

Contributions

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

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Annual Contribution Made</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
09/30/11	\$ 218,885	\$ 218,885	100%	\$ -
09/30/12	210,687	210,687	100%	-
09/30/13	222,387	222,387	100%	-

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

Valuation date	12/31/10	12/31/11	12/31/12
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Single amortization period	26.9 years; closed period	25.8 years; closed period	25 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	10-yr smoothed market	10-yr smoothed market	10-yr smoothed market
Actuarial assumptions:			
Investment rate of return*	7.0%	7.0%	7.0%
Projected salary increases*	Varies by age and service	Varies by age and service	Varies by age and service
*Includes inflation at	3.0%	3.0%	3.0%
Cost of living adjustments	2.1%	2.1%	2.1%

Funded Status and Funding Progress

The funded status as of December 31, 2012, the most recent actuarial valuation date, is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2012	\$ 4,840,400	\$ 5,891,424	\$ 1,051,024	82.2%	\$ 1,503,333	69.9%

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

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

Other Postemployment Benefits

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

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

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

The City's contributions to the TMRS SDBF for the years ended 2013, 2012, and 2011, were \$3,983, \$4,181, and \$5,308, respectively, which equaled the required contributions each year.

Texas Statewide Emergency Services Personnel Retirement Fund

The City acts as agent for the Texas Statewide Emergency Services Personnel Retirement Fund (the "Fund") which is a component unit of the State of Texas. The City reimbursed the Fund \$42,117 for benefits paid on a pay-as-you-go basis during the year in recognition of services provided to the City by volunteer firemen. The Fund has a Board of Directors not designated by City officials and is administered by the State Fire Fighters' Pension Commissioner. There are 35 active participants currently covered by the Fund and payments are being made to 28 retirees or their survivors. The Fund does not prepare separate financial statements for participating departments; however, financial statements for the Fund as a whole may be obtained from the administrator at Fire Fighters' Pension Commissioner, P. O. Box 12577, Austin, Texas 78711.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF COLUMBUS, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 590,404	\$ 590,404	\$ 597,595	7,191
Sales	803,800	803,800	829,924	\$ 26,124
Franchise	260,000	260,000	246,201	(13,799)
Licenses and permits	34,460	34,460	63,601	29,141
Fines and forfeitures	74,850	74,850	68,194	(6,656)
Charges for services	16,650	16,650	17,252	602
Intergovernmental	23,000	104,492	115,648	11,156
Investment earnings	8,500	8,500	7,888	(612)
Miscellaneous	26,550	36,231	24,536	(11,695)
Total revenues	<u>1,838,214</u>	<u>1,929,387</u>	<u>1,970,839</u>	<u>41,452</u>
EXPENDITURES				
General government:				
Personnel	260,276	260,276	260,015	261
Supplies and maintenance	18,800	18,800	17,784	1,016
Other services	<u>114,590</u>	<u>190,382</u>	<u>187,685</u>	<u>2,697</u>
Total general government	<u>393,666</u>	<u>469,458</u>	<u>465,484</u>	<u>3,974</u>
Public safety:				
Police department:				
Personnel	760,856	760,856	731,425	29,431
Supplies and maintenance	68,790	75,641	84,676	(9,035)
Other services	57,101	57,101	51,269	5,832
Capital outlay	<u>51,333</u>	<u>51,333</u>	<u>31,673</u>	<u>19,660</u>
Total police department	<u>938,080</u>	<u>944,931</u>	<u>899,043</u>	<u>45,888</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Public safety:				
Fire department:				
Personnel	\$ 53,080	\$ 53,080	\$ 48,422	\$ 4,658
Supplies and maintenance	42,750	42,750	35,811	6,939
Other services	23,469	23,469	23,843	(374)
Capital outlay	8,750	8,750	8,620	130
Total fire department	<u>128,049</u>	<u>128,049</u>	<u>116,696</u>	<u>11,353</u>
Total public safety	<u>1,066,129</u>	<u>1,072,980</u>	<u>1,015,739</u>	<u>57,241</u>
Public health:				
Personnel	59,882	59,882	60,420	(538)
Supplies and maintenance	7,295	7,295	11,291	(3,996)
Other services	20,040	20,040	9,771	10,269
Total public health	<u>87,217</u>	<u>87,217</u>	<u>81,482</u>	<u>5,735</u>
Public works:				
Personnel	252,760	252,760	255,790	(3,030)
Supplies and maintenance	157,150	157,150	123,874	33,276
Other services	86,983	86,983	78,085	8,898
Capital outlay	207,833	207,833	20,262	187,571
Total public works	<u>704,726</u>	<u>704,726</u>	<u>478,011</u>	<u>226,715</u>
Culture and recreation:				
Personnel	338,582	338,582	335,057	3,525
Supplies and maintenance	62,225	70,755	54,218	16,537
Other services	83,589	83,589	73,166	10,423
Capital outlay	6,000	6,000	-	6,000
Total culture and recreation	<u>490,396</u>	<u>498,926</u>	<u>462,441</u>	<u>36,485</u>
Total expenditures	<u>2,742,134</u>	<u>2,833,307</u>	<u>2,503,157</u>	<u>330,150</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	573,940	573,940	543,085	(30,855)
Transfers out	(22,650)	(22,650)	(22,650)	-
Sale of capital assets	-	-	11,965	11,965
Total other financing sources (uses)	<u>551,290</u>	<u>551,290</u>	<u>532,400</u>	<u>(18,890)</u>
NET CHANGE IN FUND BALANCES	(352,630)	(352,630)	82	352,712
FUND BALANCES, BEGINNING	844,446	844,446	844,446	-
FUND BALANCES, ENDING	\$ <u>491,816</u>	\$ <u>491,816</u>	\$ <u>844,528</u>	\$ <u>352,712</u>

CITY OF COLUMBUS, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2013

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 \$91,173. These amendments were as follows:

<u>Date Budget Amended</u>	<u>Purpose</u>	<u>Amount</u>
January 24, 2013	Police Patrol Unit	\$ 3,700
May 9, 2013	HOME Grant	75,792
June 27, 2013	Library Books	3,000
June 27, 2013	Library Supplies	2,700
August 22, 2013	Police Supplies	3,151
September 12, 2013	Library Supplies	1,830
September 12, 2013	Library Audio/Visual	<u>1,000</u>
		<u>\$ 91,173</u>

CITY OF COLUMBUS, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR TMRS
SEPTEMBER 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/10	3,948,983	4,976,716	1,027,733	79.35%	1,478,012	69.53%
12/31/11	4,402,710	5,428,129	1,025,419	81.11%	1,453,320	70.56%
12/31/12	4,840,400	5,891,424	1,051,024	82.16%	1,503,333	69.91%

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

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

CITY OF COLUMBUS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Capital Projects		
	Equipment	Fire Equipment	Total
ASSETS			
Cash and investments	\$ 50,381	\$ 267,876	\$ 318,257
Taxes receivable, net	-	-	-
	-	-	-
Total assets	\$ 50,381	\$ 267,876	\$ 318,257
LIABILITIES AND FUND BALANCES			
Liabilities:			
Deferred revenue	\$ -	\$ -	\$ -
Total liabilities	-	-	-
Fund balances:			
Restricted for:			
Debt service	-	-	-
Assigned for equipment	50,381	267,876	318,257
Total fund balances	50,381	267,876	318,257
Total liabilities and fund balances	\$ 50,381	\$ 267,876	\$ 318,257

		Debt Service		
2005	2008	2008	Total	Total
C of O	C of O	C of O	C of O	Nonmajor Governmental Funds
\$ 93	\$ 2,665	\$ 2,758	\$ 321,015	
<u>-</u>	<u>2,162</u>	<u>2,162</u>	<u>2,162</u>	
<u>\$ 93</u>	<u>\$ 4,827</u>	<u>\$ 4,920</u>	<u>\$ 323,177</u>	
\$ -	\$ 2,161	\$ 2,161	\$ 2,161	
<u>-</u>	<u>2,161</u>	<u>2,161</u>	<u>2,161</u>	
93	2,666	2,759	2,759	
<u>-</u>	<u>-</u>	<u>-</u>	<u>318,257</u>	
<u>93</u>	<u>2,666</u>	<u>2,759</u>	<u>321,016</u>	
<u>\$ 93</u>	<u>\$ 4,827</u>	<u>\$ 4,920</u>	<u>\$ 323,177</u>	

CITY OF COLUMBUS, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Capital Projects		
	Equipment	Fire Equipment	Total
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Investment earnings	735	4,312	5,047
Total revenues	735	4,312	5,047
EXPENDITURES			
Debt service:			-
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	735	4,312	5,047
OTHER FINANCING SOURCES (USES)			
Transfers in	20,000	29,150	49,150
Transfers out	(28,000)	-	(28,000)
Total other financing sources (uses)	(8,000)	29,150	21,150
NET CHANGE IN FUND BALANCES	(7,265)	33,462	26,197
FUND BALANCES, BEGINNING	57,646	234,414	292,060
FUND BALANCES, ENDING	\$ 50,381	\$ 267,876	\$ 318,257

2005 C of O	Debt Service		Total Nonmajor Governmental Funds
	2008 C of O	Total	
\$ 1,843	\$ 92,800	\$ 94,643	\$ 94,643
-	103	103	5,150
<u>1,843</u>	<u>92,903</u>	<u>94,746</u>	<u>99,793</u>
-	56,260	56,260	56,260
-	35,752	35,752	35,752
-	92,012	92,012	92,012
<u>1,843</u>	<u>891</u>	<u>2,734</u>	<u>7,781</u>
-	-	-	49,150
(1,840)	-	(1,840)	(29,840)
(1,840)	-	(1,840)	19,310
3	891	894	27,091
<u>90</u>	<u>1,775</u>	<u>1,865</u>	<u>293,925</u>
<u>\$ 93</u>	<u>\$ 2,666</u>	<u>\$ 2,759</u>	<u>\$ 321,016</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 700	\$ 700	\$ 735	\$ 35
Total revenues	<u>700</u>	<u>700</u>	<u>735</u>	<u>35</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,000	-
Transfers out	(28,000)	(28,000)	(28,000)	-
Total other financing sources (uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(7,300)	(7,300)	(7,265)	35
FUND BALANCES, BEGINNING	<u>57,646</u>	<u>57,646</u>	<u>57,646</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 50,346</u>	<u>\$ 50,346</u>	<u>\$ 50,381</u>	<u>\$ 35</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ <u>3,200</u>	\$ <u>3,200</u>	\$ <u>4,312</u>	\$ <u>1,112</u>
Total revenues	<u>3,200</u>	<u>3,200</u>	<u>4,312</u>	<u>1,112</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>29,150</u>	<u>29,150</u>	<u>29,150</u>	<u>-</u>
Total other financing sources (uses)	<u>29,150</u>	<u>29,150</u>	<u>29,150</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	32,350	32,350	33,462	1,112
FUND BALANCES, BEGINNING	<u>234,414</u>	<u>234,414</u>	<u>234,414</u>	<u>-</u>
FUND BALANCES, ENDING	\$ <u><u>266,764</u></u>	\$ <u><u>266,764</u></u>	\$ <u><u>267,876</u></u>	\$ <u><u>1,112</u></u>

CITY OF COLUMBUS, TEXAS

DEBT SERVICE FUND 2005

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

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 750	\$ 750	\$ 1,843	\$ 1,093
Total revenues	750	750	1,843	1,093
EXPENDITURES				
Debt service:				
Principal	210,000	210,000	-	210,000
Interest and other charges	143,618	143,618	-	143,618
Total expenditures	353,618	353,618	-	353,618
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(352,868)	(352,868)	1,843	354,711
OTHER FINANCING SOURCES (USES)				
Transfers in	353,618	353,618	-	(353,618)
Transfers out	-	-	(1,840)	(1,840)
Total other financing sources (uses)	353,618	353,618	(1,840)	(355,458)
NET CHANGE IN FUND BALANCES	750	750	3	(747)
FUND BALANCES, BEGINNING	90	90	90	-
FUND BALANCES, ENDING	\$ 840	\$ 840	\$ 93	\$(747)

CITY OF COLUMBUS, TEXAS

DEBT SERVICE FUND 2008

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

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 92,379	\$ 92,379	\$ 92,800	\$ 421
Investment earnings	100	100	103	3
Total revenues	<u>92,479</u>	<u>92,479</u>	<u>92,903</u>	<u>424</u>
EXPENDITURES				
Debt service:				
Principal	185,000	185,000	56,260	128,740
Interest and other charges	<u>113,063</u>	<u>113,063</u>	<u>35,752</u>	<u>77,311</u>
Total expenditures	<u>298,063</u>	<u>298,063</u>	<u>92,012</u>	<u>206,051</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(205,584)</u>	<u>(205,584)</u>	<u>891</u>	<u>206,475</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>207,435</u>	<u>207,435</u>	<u>-</u>	<u>(207,435)</u>
Total other financing sources (uses)	<u>207,435</u>	<u>207,435</u>	<u>-</u>	<u>(207,435)</u>
NET CHANGE IN FUND BALANCES	1,851	1,851	891	(960)
FUND BALANCES, BEGINNING	<u>1,775</u>	<u>1,775</u>	<u>1,775</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 3,626</u>	<u>\$ 3,626</u>	<u>\$ 2,666</u>	<u>\$(960)</u>

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Statistical Section

(Unaudited)

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

	<u>Page Number</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	51 – 59
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.	60 – 67
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.	68 – 72
Demographic and Economic Information These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.	73 – 75
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	76 – 77

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

CITY OF COLUMBUS, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities:				
Net investment in capital assets	\$ 1,034,160	\$ 1,145,267	\$ 1,319,184	\$ 1,375,223
Restricted	36,512	36,871	1,089	2,130
Unrestricted	<u>1,845,395</u>	<u>1,885,626</u>	<u>1,609,595</u>	<u>1,304,614</u>
Total governmental activities net position	<u>\$ 2,916,067</u>	<u>\$ 3,067,764</u>	<u>\$ 2,929,868</u>	<u>\$ 2,681,967</u>
Business-type activities:				
Net investment in capital assets	\$ 3,803,943	\$ 3,571,131	\$ 3,957,138	\$ 3,727,320
Restricted	-	-	-	-
Unrestricted	<u>1,053,265</u>	<u>1,055,325</u>	<u>1,175,124</u>	<u>1,759,621</u>
Total business-type activities net position	<u>\$ 4,857,208</u>	<u>\$ 4,626,456</u>	<u>\$ 5,132,262</u>	<u>\$ 5,486,941</u>
Primary government:				
Net investment in capital assets	\$ 4,838,103	\$ 4,716,398	\$ 5,276,322	\$ 5,102,543
Restricted	36,512	36,871	1,089	2,130
Unrestricted	<u>2,898,660</u>	<u>2,940,951</u>	<u>2,784,719</u>	<u>3,064,235</u>
Total primary government net position	<u>\$ 7,773,275</u>	<u>\$ 7,694,220</u>	<u>\$ 8,062,130</u>	<u>\$ 8,168,908</u>

TABLE 1

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 1,370,592	\$ 1,299,073	\$ 1,459,522	\$ 1,354,636	\$ 1,277,925	\$ 1,395,779
3,367	388,506	204,648	342,880	463,251	285,550
<u>976,383</u>	<u>945,314</u>	<u>1,118,030</u>	<u>1,155,658</u>	<u>1,166,208</u>	<u>1,185,305</u>
<u>\$ 2,350,342</u>	<u>\$ 2,632,893</u>	<u>\$ 2,782,200</u>	<u>\$ 2,853,174</u>	<u>\$ 2,907,384</u>	<u>\$ 2,866,634</u>
\$ 3,738,667	\$ 1,830,862	\$ 3,261,972	\$ 3,132,994	\$ 3,261,199	\$ 3,212,280
-	1,685,888	-	-	-	-
<u>2,023,416</u>	<u>2,180,617</u>	<u>2,093,182</u>	<u>2,317,925</u>	<u>2,395,384</u>	<u>2,043,038</u>
<u>\$ 5,762,083</u>	<u>\$ 5,697,367</u>	<u>\$ 5,355,154</u>	<u>\$ 5,450,919</u>	<u>\$ 5,656,583</u>	<u>\$ 5,255,318</u>
\$ 5,109,259	\$ 3,129,935	\$ 4,721,494	\$ 4,487,630	\$ 4,539,124	\$ 4,608,059
3,367	2,074,394	204,648	342,880	463,251	285,550
<u>2,999,799</u>	<u>3,125,931</u>	<u>3,211,212</u>	<u>3,473,583</u>	<u>3,561,592</u>	<u>3,228,343</u>
<u>\$ 8,112,425</u>	<u>\$ 8,330,260</u>	<u>\$ 8,137,354</u>	<u>\$ 8,304,093</u>	<u>\$ 8,563,967</u>	<u>\$ 8,121,952</u>

CITY OF COLUMBUS TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
EXPENSES				
Governmental activities:				
General government	\$ 183,218	\$ 176,743	\$ 299,796	\$ 359,485
Public safety	658,875	639,122	768,000	792,484
Public health	24,214	28,548	30,820	32,546
Public works	232,502	409,441	417,553	401,228
Culture and recreation	360,990	332,045	412,540	456,391
Economic development	116,263	123,031	128,374	125,276
Interest on long-term debt	-	1,349	4,730	10,117
Total governmental activities expenses	<u>1,576,062</u>	<u>1,710,279</u>	<u>2,061,813</u>	<u>2,177,527</u>
Business-type activities:				
Water	490,701	453,288	543,185	534,162
Sewer	363,082	394,298	393,120	392,061
Garbage	435,503	534,369	555,312	620,013
Gas	687,792	786,602	791,360	748,644
Total business-type activities expenses	<u>1,977,078</u>	<u>2,168,557</u>	<u>2,282,977</u>	<u>2,294,880</u>
Total primary government program expenses	<u>\$ 3,553,140</u>	<u>\$ 3,878,836</u>	<u>\$ 4,344,790</u>	<u>\$ 4,472,407</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 20,609	\$ 27,304	\$ 19,203	\$ 18,928
Public safety	45,228	31,896	49,691	48,060
Public works	2,317	16,717	11,676	5
Culture and recreation	31,737	15,124	18,715	18,747
Operating grants and contributions	6,422	140,685	21,742	61,521
Capital grants and contributions	50,380	39,208	124,318	15,076
Total governmental activities program revenues	<u>156,693</u>	<u>270,934</u>	<u>245,345</u>	<u>162,337</u>
Business-type activities:				
Charges for services:				
Water	423,125	456,607	587,506	509,935
Sewer	338,023	302,882	463,335	469,919
Garbage	406,552	500,181	599,853	637,545
Gas	678,193	723,293	931,557	870,845
Operating grants and contributions	-	-	1,547	-
Capital grants and contributions	-	-	101,110	90,000
Total business-type activities program revenues	<u>1,845,893</u>	<u>1,982,963</u>	<u>2,684,908</u>	<u>2,578,244</u>
Total primary government program revenues	<u>\$ 2,002,586</u>	<u>\$ 2,253,897</u>	<u>\$ 2,930,253</u>	<u>\$ 2,740,581</u>

TABLE 2

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ 324,635	\$ 354,275	\$ 392,785	\$ 389,512	\$ 390,388	\$ 453,776	
891,435	894,696	952,871	1,012,625	1,010,135	1,133,864	
34,689	35,379	38,746	65,505	72,323	82,154	
481,732	487,126	432,312	506,469	516,638	486,505	
435,819	449,684	495,341	504,078	480,353	497,033	
131,556	122,134	126,784	91,326	143,712	257,954	
-	51,139	59,024	38,005	37,561	37,951	
<u>2,299,866</u>	<u>2,394,433</u>	<u>2,497,863</u>	<u>2,607,520</u>	<u>2,651,110</u>	<u>2,949,237</u>	
646,858	833,374	892,209	847,389	907,037	1,123,341	
469,715	571,787	637,526	581,032	575,110	559,944	
609,423	615,091	586,244	636,724	680,444	723,904	
813,248	657,088	837,959	696,535	539,344	643,572	
<u>2,539,244</u>	<u>2,677,340</u>	<u>2,953,938</u>	<u>2,761,680</u>	<u>2,701,935</u>	<u>3,050,761</u>	
<u>\$ 4,839,110</u>	<u>\$ 5,071,773</u>	<u>\$ 5,451,801</u>	<u>\$ 5,369,200</u>	<u>\$ 5,353,045</u>	<u>\$ 5,999,998</u>	
\$ 46,790	\$ 41,328	\$ 35,003	\$ 33,938	\$ 20,598	\$ 65,255	
62,614	76,714	57,611	63,885	73,155	67,780	
5,077	9,655	-	-	-	-	
27,673	21,013	19,308	23,335	19,652	21,335	
14,242	103,945	62,195	58,366	61,402	123,134	
44,250	283,753	75,756	41,016	-	-	
<u>200,646</u>	<u>536,408</u>	<u>249,873</u>	<u>220,540</u>	<u>174,807</u>	<u>277,504</u>	
659,474	813,882	770,263	1,034,041	912,018	881,687	
497,712	618,393	634,215	660,203	699,940	686,360	
660,369	637,383	622,420	683,561	764,171	796,801	
917,565	739,790	942,875	760,700	610,750	697,765	
-	-	-	-	-	-	
135,000	125,000	201,500	109,581	407,819	90,000	
<u>2,870,120</u>	<u>2,934,448</u>	<u>3,171,273</u>	<u>3,248,086</u>	<u>3,394,698</u>	<u>3,152,613</u>	
<u>\$ 3,070,766</u>	<u>\$ 3,470,856</u>	<u>\$ 3,421,146</u>	<u>\$ 3,468,626</u>	<u>\$ 3,569,505</u>	<u>\$ 3,430,117</u>	

CITY OF COLUMBUS, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
NET (EXPENSE) REVENUES				
Governmental activities	\$(1,419,369)	\$(1,439,345)	\$(1,816,468)	\$(2,015,190)
Business-type activities	(131,185)	(185,594)	401,931	283,364
Total primary government net expense	<u>(1,550,554)</u>	<u>(1,624,939)</u>	<u>(1,414,537)</u>	<u>(1,731,826)</u>
 GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	310,524	322,787	424,250	444,169
Sales	596,037	634,052	653,999	698,441
Hotel occupancy	116,263	123,031	128,374	125,276
Franchise	358,702	348,785	259,168	257,381
Alcohol beverage	1,448	1,854	4,948	5,460
Investment earnings	22,068	47,365	72,356	71,409
Gain on sale of capital assets	-	1,695	13	15,589
Miscellaneous	-	-	-	-
Transfers	100,426	102,644	135,467	149,564
Total governmental activities	<u>1,505,468</u>	<u>1,582,213</u>	<u>1,678,575</u>	<u>1,767,289</u>
Business-type activities:				
Other	15,426	57,487	239,342	220,876
Transfers	(100,426)	(102,644)	(135,467)	(149,564)
Total business-type activities	<u>(85,000)</u>	<u>(45,157)</u>	<u>103,875</u>	<u>71,312</u>
Total primary government	<u>1,420,468</u>	<u>1,537,056</u>	<u>1,782,450</u>	<u>1,838,601</u>
 CHANGE IN NET POSITION				
Governmental activities	86,099	142,868	(137,893)	(247,901)
Business-type activities	(216,185)	(230,751)	505,806	354,676
Total primary government	<u>\$(130,086)</u>	<u>\$(87,883)</u>	<u>\$ 367,913</u>	<u>\$ 106,775</u>

TABLE 2

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$(2,099,220)	\$(1,858,025)	\$(2,247,990)	\$(2,386,980)	\$(2,476,303)	\$(2,671,733)
<u>330,876</u>	<u>257,108</u>	<u>217,335</u>	<u>486,406</u>	<u>692,763</u>	<u>101,852</u>
<u>(1,768,344)</u>	<u>(1,600,917)</u>	<u>(2,030,655)</u>	<u>(1,900,574)</u>	<u>(1,783,540)</u>	<u>(2,569,881)</u>
469,274	614,554	617,831	657,475	665,659	687,308
698,525	737,437	674,917	732,969	767,295	821,618
131,930	154,074	160,242	232,716	263,139	283,508
261,436	253,782	261,061	261,982	255,088	246,201
5,483	7,895	7,934	9,670	6,843	8,306
34,714	13,350	15,277	13,192	13,769	17,527
8,945	2,610	810	839	-	11,965
-	-	12,270	15,731	32,961	14,805
<u>157,287</u>	<u>356,875</u>	<u>614,396</u>	<u>434,293</u>	<u>525,759</u>	<u>539,745</u>
<u>1,767,594</u>	<u>2,140,577</u>	<u>2,364,738</u>	<u>2,358,867</u>	<u>2,530,513</u>	<u>2,630,983</u>
101,555	35,053	54,848	43,652	38,660	36,628
<u>(157,287)</u>	<u>(356,876)</u>	<u>(614,396)</u>	<u>(434,293)</u>	<u>(525,759)</u>	<u>(539,745)</u>
<u>(55,732)</u>	<u>(321,823)</u>	<u>(559,548)</u>	<u>(390,641)</u>	<u>(487,099)</u>	<u>(503,117)</u>
<u>1,711,862</u>	<u>1,818,754</u>	<u>1,805,190</u>	<u>1,968,226</u>	<u>2,043,414</u>	<u>2,127,866</u>
(331,626)	282,552	116,748	(28,113)	54,210	(40,750)
<u>275,144</u>	<u>(64,715)</u>	<u>(342,213)</u>	<u>95,765</u>	<u>205,664</u>	<u>(401,265)</u>
<u>\$(56,482)</u>	<u>\$ 217,837</u>	<u>\$(225,465)</u>	<u>\$ 67,652</u>	<u>\$ 259,874</u>	<u>\$(442,015)</u>

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TABLE 3

CITY OF COLUMBUS, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved	\$ 13,540	\$ 15,681	\$ 18,079	\$ 19,722	\$ 22,736	\$ 27,598	\$ -	\$ -	\$ -	\$ -
Unreserved	1,355,048	1,458,053	1,390,565	1,090,074	740,197	691,287	844,564	-	-	-
Unassigned	-	-	-	-	-	-	-	849,063	844,446	844,528
Total general fund	<u>\$ 1,368,588</u>	<u>\$ 1,473,734</u>	<u>\$ 1,408,644</u>	<u>\$ 1,109,796</u>	<u>\$ 762,933</u>	<u>\$ 718,885</u>	<u>\$ 844,564</u>	<u>\$ 849,063</u>	<u>\$ 844,446</u>	<u>\$ 844,528</u>
All other governmental funds										
Reserved, reported in:										
Debt service funds	\$ -	\$ -	\$ -	\$ 186	\$ 186	\$ 2,367	\$ 1,938	\$ -	\$ -	\$ -
Capital projects funds	36,512	36,871	-	-	1,137,009	240,573	6,497	-	-	-
Unreserved, reported in:										
Special revenue funds	342,266	391,470	210,549	202,457	222,867	366,317	448,773	-	-	-
Restricted	-	-	-	-	-	-	-	343,847	343,847	287,689
Assigned	-	-	-	-	-	-	-	267,135	267,135	318,257
Total all other governmental funds	<u>\$ 378,778</u>	<u>\$ 428,341</u>	<u>\$ 210,549</u>	<u>\$ 202,643</u>	<u>\$ 1,360,062</u>	<u>\$ 609,257</u>	<u>\$ 457,208</u>	<u>\$ 610,982</u>	<u>\$ 610,982</u>	<u>\$ 605,946</u>

CITY OF COLUMBUS, TEXAS

**CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Property taxes	\$ 307,843	\$ 323,454	\$ 426,701	\$ 441,603	\$ 467,410	\$ 613,903	\$ 618,780	\$ 646,047	\$ 671,801	\$ 692,238
Other taxes	971,067	1,019,120	1,046,489	1,086,558	1,097,375	1,153,187	1,104,154	1,237,337	1,292,365	1,359,633
Licenses and permits	15,023	19,146	12,551	11,912	37,783	30,897	33,524	31,693	18,366	63,601
Fines and forfeitures	43,227	31,624	48,253	46,227	52,744	75,617	57,720	66,652	78,525	68,194
Charges for services	14,840	16,769	13,915	15,893	24,785	17,717	15,347	18,949	17,025	17,252
Intergovernmental	47,746	157,982	146,293	76,097	43,914	125,770	126,006	84,596	56,694	115,648
Miscellaneous	57,925	91,496	98,402	86,132	59,184	39,567	40,984	37,915	52,499	42,063
Total revenues	<u>1,457,671</u>	<u>1,659,591</u>	<u>1,792,604</u>	<u>1,764,422</u>	<u>1,783,195</u>	<u>2,056,658</u>	<u>1,996,515</u>	<u>2,123,189</u>	<u>2,187,275</u>	<u>2,358,629</u>
EXPENDITURES										
General government	168,477	168,854	320,752	351,438	307,755	355,284	357,262	360,564	386,077	465,484
Public safety	645,442	573,789	1,012,663	739,381	863,991	838,387	831,081	876,298	931,916	1,015,739
Public health	24,017	28,123	30,724	34,247	43,952	34,456	36,404	62,686	69,569	81,482
Public works	224,341	486,905	465,536	491,700	518,859	444,832	391,200	465,266	502,950	478,011
Culture and recreation	372,416	431,115	369,913	367,039	404,403	414,243	448,232	462,583	445,902	462,441
Economic development	119,763	126,031	132,874	129,981	136,556	122,934	126,784	91,326	143,712	465,888
Capital outlay	-	-	-	-	63,354	905,824	381,252	92,971	-	-
Debt service										
Principal	-	10,427	34,964	112,426	-	30,712	54,739	53,219	56,260	56,260
Interest and other charges	-	1,349	4,730	10,117	-	70,799	81,918	35,913	35,501	35,752
Total expenditures	<u>1,554,456</u>	<u>1,826,593</u>	<u>2,372,156</u>	<u>2,236,329</u>	<u>2,338,870</u>	<u>3,217,471</u>	<u>2,708,872</u>	<u>2,500,826</u>	<u>2,571,887</u>	<u>3,061,057</u>

CITY OF COLUMBUS, TEXAS

**CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (96,785)</u>	<u>\$ (167,002)</u>	<u>\$ (579,552)</u>	<u>\$ (471,907)</u>	<u>\$ (555,675)</u>	<u>\$ (1,160,813)</u>	<u>\$ (712,357)</u>	<u>\$ (377,637)</u>	<u>\$ (384,612)</u>	<u>\$ (702,428)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	224,809	203,896	489,650	294,388	274,753	483,522	707,772	503,517	578,166	592,235
Transfers out	(23,000)	(12,650)	(354,183)	(144,824)	(117,466)	(126,646)	(93,376)	(69,224)	(52,407)	(52,490)
Issuance of long-term debt	-	-	-	-	1,200,000	-	1,204,260	-	-	-
Payment to escrow agent	-	-	-	-	-	-	(1,169,288)	-	-	-
Premium on bonds	-	-	-	-	-	-	3,250	-	-	-
Capital leases	-	75,625	82,191	-	-	-	-	-	-	-
Sale of capital assets	-	46,012	13	15,589	8,945	2,610	810	2,530	-	11,965
Total other financing sources (uses)	<u>201,809</u>	<u>312,883</u>	<u>217,671</u>	<u>165,153</u>	<u>1,366,232</u>	<u>359,486</u>	<u>653,428</u>	<u>436,823</u>	<u>525,759</u>	<u>551,710</u>
SPECIAL ITEMS										
Sale of capital assets	-	-	79,000	-	-	-	-	-	-	-
Total special items	-	-	79,000	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ 105,024</u>	<u>\$ 145,881</u>	<u>\$ (282,881)</u>	<u>\$ (306,754)</u>	<u>\$ 810,557</u>	<u>\$ (801,327)</u>	<u>\$ (58,929)</u>	<u>\$ 59,186</u>	<u>\$ 141,147</u>	<u>\$ (150,718)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>- %</u>	<u>0.76%</u>	<u>2.09%</u>	<u>5.82%</u>	<u>- %</u>	<u>4.36%</u>	<u>5.87%</u>	<u>3.71%</u>	<u>3.72%</u>	<u>3.29%</u>

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CITY OF COLUMBUS, TEXAS

PRINCIPAL GAS PURCHASERS

CURRENT YEAR AND NINE YEARS AGO

Customer	2013			2004		
	Gas Sales	Rank	Percentage of Total Gas Sales	Gas Sales	Rank	Percentage of Total Gas Sales
Columbus Community Hospital	\$ 39,292	1	6.07%	\$ 5,844	7	0.87%
Texas Great Southern Wood, LLC	25,042	2	3.87%	-		- %
River Oaks Convalescent Center	20,637	3	3.19%	18,206	2	2.72%
Los Cabos Mexican Grill	17,996	4	2.78%	-		- %
Country Fresh Cleaners	16,507	5	2.55%	10,895	3	1.63%
Columbus Independent School District	14,192	6	2.19%	24,664	1	3.69%
Schobels Restaurant	13,295	7	2.06%	8,290	4	1.24%
Tru Care Living Centers	10,935	8	1.69%	-		- %
Columbus Inn	9,486	9	1.47%	5,228	8	0.78%
Gary Kulhanek (Washateria)	7,744	10	1.20%	7,867	5	1.18%
Columbus Care Center	-		- %	7,069	6	1.06%
Colorado County Detention Center	-		- %	4,963	9	0.74%
H E Butt Co #256	-		- %	4,193	10	0.63%
Total	\$ 175,126		27.08%	\$ 97,219		14.54%

CITY OF COLUMBUS, TEXAS

TAXABLE SALES BY CATEGORY

LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
Agricultural	\$ 4,309	\$ 9,828	\$ 10,666	\$ 11,996
Mining/quarrying/oil extraction	-	-	-	41,146
Construction	1,914,369	2,956,791	1,646,997	1,742,347
Manufacturing	1,254,508	1,713,351	1,947,293	2,896,616
Wholesale	5,055	32,578	707,913	2,074,619
Retail	33,279,328	35,529,503	37,641,393	37,887,867
Information	23,000	19,117	24,540	38,436
Real estate, rental, leasing	463,987	235,926	60,392	137,734
Professional, scientific, technical services	415,859	535,534	838,902	796,969
Health care, social assistance	-	-	-	-
Administrative, support, waste management, remediation services	529,801	763,428	1,395,782	1,694,613
Arts, entertainment, recreation	87,306	156,268	327,348	324,552
Accommodation, food services	10,928,691	12,218,846	12,583,383	12,901,396
Other services	<u>2,363,511</u>	<u>2,072,611</u>	<u>1,856,074</u>	<u>1,902,834</u>
Total taxable sales	\$ <u>51,269,724</u>	\$ <u>56,243,781</u>	\$ <u>59,040,683</u>	\$ <u>62,451,125</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						
2008	2009	2010	2011	2012	2013	
\$ 11,194	\$ 31,459	\$ 19,058	\$ 17,117	\$ 28,455	\$ 9,063	
12,894	-	-	-	-	-	
1,461,977	4,110,732	1,242,215	1,598,262	2,113,804	2,595,868	
1,888,360	1,158,673	958,389	1,330,107	1,324,114	1,595,710	
2,244,137	1,774,390	1,510,938	1,994,558	1,938,044	2,243,855	
38,234,724	38,024,476	36,624,035	38,192,034	40,794,231	40,699,599	
138,654	121,475	-	171,952	226,919	238,719	
114,849	57,252	8,051	23,553	32,747	6,242	
665,880	445,954	413,105	506,097	508,547	507,256	
-	31,956	138,031	129,348	153,582	229,878	
1,891,695	2,222,536	2,361,517	2,630,274	1,571,722	1,408,274	
307,289	146,168	324,608	283,926	291,182	254,052	
13,741,559	14,450,645	13,963,676	15,158,966	15,868,440	16,191,377	
<u>1,865,236</u>	<u>1,886,321</u>	<u>1,850,214</u>	<u>1,919,548</u>	<u>2,133,661</u>	<u>2,054,938</u>	
<u>\$ 62,578,448</u>	<u>\$ 64,462,037</u>	<u>\$ 59,413,837</u>	<u>\$ 63,955,742</u>	<u>\$ 66,985,448</u>	<u>\$ 68,034,831</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
2004	307,843	596,037	257,318	116,263	1,448	1,278,909
2005	323,454	634,052	260,183	123,031	1,854	1,342,574
2006	424,250	653,999	259,168	128,374	4,948	1,470,739
2007	441,603	698,441	257,381	125,276	5,460	1,528,161
2008	467,410	698,525	261,436	131,930	5,483	1,564,784
2009	613,903	737,437	253,782	154,074	7,895	1,767,091
2010	618,780	674,917	261,061	160,242	7,934	1,722,934
2011	646,047	732,969	261,982	232,716	9,670	1,883,384
2012	671,800	767,295	255,088	263,139	6,843	1,964,165
2013	692,238	821,618	246,201	283,508	8,306.00	2,051,871
Change 2004-2013	124.9%	37.8%	(4.3%)	143.9%	473.6%	60.4%

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
2004	140,936,806	19,994,470	4,927,107	156,004,169	0.19581	156,004,169	100.00%
2005	151,683,597	20,303,750	4,671,763	167,315,584	0.19017	167,315,584	100.00%
2006	162,895,625	21,228,450	5,108,213	179,015,862	0.23312	179,015,862	100.00%
2007	171,581,944	22,062,400	5,212,305	188,432,039	0.23312	188,432,039	100.00%
2008	185,060,381	21,636,780	5,695,690	201,001,471	0.23312	201,001,471	100.00%
2009	202,170,771	24,295,540	6,085,022	220,381,289	0.27312	220,381,289	100.00%
2010	206,241,587	25,375,000	8,641,377	222,975,210	0.27312	231,616,587	96.27%
2011	218,954,455	27,303,920	8,551,472	237,706,903	0.27312	246,258,375	96.53%
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%

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	
2004	0.19581	-	0.19581	1.42000	0.43000	-	2.04581
2005	0.19017	-	0.19017	1.58000	0.42800	-	2.19817
2006	0.19312	0.04000	0.23312	1.61500	0.42758	-	2.27570
2007	0.19312	0.04000	0.23312	1.49750	0.41890	-	2.14952
2008	0.19312	0.04000	0.23312	1.19000	0.43000	-	1.85312
2009	0.19202	0.08110	0.27312	1.19000	0.44900	0.02000	1.93212
2010	0.21024	0.06288	0.27312	1.19000	0.46429	0.02000	1.94741
2011	0.22364	0.04948	0.27312	1.19000	0.48206	0.01850	1.96368
2012	0.23576	0.03736	0.27312	1.19000	0.48206	0.01650	1.96168
2013	0.23626	0.03686	0.27312	1.19000	0.48206	0.01500	1.96018

TABLE 10

CITY OF COLUMBUS, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Customer	2013			2004		
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Texas Great Southern Wood	\$ 4,857,730	1	1.98%	\$ 1,263,540	9	0.81%
LCRA Transmission Svcs. Corp	4,631,820	2	1.88%	-		- %
Frisco Health Investments LP (TLC)	4,476,400	3	1.82%	-		- %
Brookfield Lodgings Inc	2,813,990	4	1.14%	-		- %
Wal-Mart Stores, Inc.	2,593,290	5	1.05%	2,282,950	2	1.46%
Goodmark Lodging, LLC (Holiday Inn)	2,580,860	6	1.05%	-		- %
Columbus Associates (Wal-Mart)	2,259,010	7	0.92%	1,449,100	6	0.93%
Magnolia Living Center	1,954,530	8	0.79%	1,338,177	8	0.86%
H. E. Butt Grocery Company	1,896,720	9	0.77%	1,401,720	7	0.90%
Mega Texas Realty (Comfort Inn)	1,898,450	10	0.77%	-		- %
Southwestern Bell Telephone	-		- %	2,695,970	1	1.73%
Columbus Hotel LP	-		- %	1,958,900	3	1.26%
AEP Central Power & Light	-		- %	1,847,210	4	1.18%
River Oaks Convalescent	-		- %	1,694,240	5	1.09%
Columbus Ford-Mercury	-		- %	-		- %
Drymalla Construction Co.	-		- %	1,220,970	10	0.78%
Total	<u>\$ 29,962,800</u>		<u>12.17%</u>	<u>\$ 17,152,777</u>		<u>11.00%</u>

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

<u>Fiscal Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2004	305,472	297,977	97.5%	7,078	305,055	99.9%
2005	317,479	312,172	98.3%	4,862	317,034	99.9%
2006	417,321	411,167	98.5%	5,556	416,723	99.9%
2007	439,273	430,994	98.1%	7,504	438,498	99.8%
2008	468,574	458,536	97.9%	8,944	467,480	99.8%
2009	611,136	597,118	99.2%	12,197	609,315	99.7%
2010	612,157	596,438	97.4%	14,030	610,468	99.7%
2011	649,225	622,274	95.8%	23,168	645,442	99.4%
2012	658,105	637,159	96.8%	8,029	645,188	98.0%
2013	671,533	655,518	97.6%	-	655,518	97.6%

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
2008 certificates of obligation	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000	\$ 1,169,288	\$ -	\$ -	\$ -	\$ -
2010 general obligation refunding bonds	-	-	-	-	-	-	1,149,521	1,096,302	1,040,043	983,783
Capital leases	-	65,199	11,426	-	-	-	-	-	-	-
Total governmental activities	-	65,199	11,426	-	1,200,000	1,169,288	1,149,521	1,096,302	1,040,043	983,783
Business-type activities										
Note payable	\$ 30,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 certificates of obligation	-	4,750,000	4,620,000	4,445,000	4,265,000	4,080,000	3,890,000	3,690,000	3,485,000	220,000
2008 certificates of obligation	-	-	-	-	2,800,000	2,675,715	-	-	-	-
2010 general obligation refunding bonds	-	-	-	-	-	-	2,630,479	2,508,697	2,379,957	2,251,217
2013 general obligation refunding bonds	-	-	-	-	-	-	-	-	-	3,025,000
Premium on bonds	-	66,046	62,689	59,332	55,974	52,617	7,225	6,999	6,561	195,760
Deferred loss on refunding	-	-	-	-	-	-	(47,765)	(44,955)	(42,145)	(189,636)
Capital leases	-	-	30,644	-	-	-	-	-	-	-
Total business-type activities	30,686	4,816,046	4,713,333	4,504,332	7,120,974	6,808,332	6,479,939	6,160,741	5,829,373	5,502,341
Total primary government	\$ 30,686	\$ 4,881,245	\$ 4,724,759	\$ 4,504,332	\$ 8,320,974	\$ 7,977,620	\$ 7,629,460	\$ 7,257,043	\$ 6,869,416	\$ 6,486,124
(1) Percentage of personal income	- %	7.9%	7.6%	7.3%	13.4%	12.9%	12.3%	10.0%	8.6%	6.6%
(1) Per capita	\$ 8	\$ 1,246	\$ 1,207	\$ 1,150	\$ 2,125	\$ 2,037	\$ 2,087	\$ 1,986	\$ 1,879	\$ 1,775

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

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

CITY OF COLUMBUS, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST SIX FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less Debt Service Resources Available	Total		
2008	\$ 1,200,000	\$ 186	\$ 1,199,814	0.60%	\$ 306
2009	1,169,288	2,367	1,166,921	0.53%	298
2010	1,149,521	1,938	1,147,583	0.51%	314
2011	1,096,302	2,097	1,094,205	0.46%	299
2012	1,040,043	1,864	1,038,179	0.43%	284
2013	983,783	2,759	981,024	0.40%	268

Notes:

In fiscal years 2004 - 2007 the City did not have general bonded debt outstanding

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

See Table 8 for property value data.

See Table 16 for population data.

CITY OF COLUMBUS, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Debt repaid with property taxes Columbus Independent School District	\$ 14,076,316	30.190%	\$ 4,249,640
Colorado County	7,551,836	12.480%	<u>942,469</u>
Subtotal overlapping debt			5,192,109
City of Columbus direct debt			<u>983,783</u>
Total direct and overlapping debt			<u>\$ 6,175,892</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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Tax roll year	2003	2004	2005	2006
Net assessed value	\$ 156,004,169	\$ 167,315,584	\$ 179,015,962	\$ 188,432,039
Plus exempt property	<u>4,927,107</u>	<u>4,671,763</u>	<u>5,108,213</u>	<u>5,212,305</u>
Total assessed value	\$ <u>160,931,276</u>	\$ <u>171,987,347</u>	\$ <u>184,124,175</u>	\$ <u>193,644,344</u>
Debt limit (1)	\$ <u>16,093,128</u>	\$ <u>17,198,735</u>	\$ <u>18,412,418</u>	\$ <u>19,364,434</u>

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

TABLE 15

Fiscal Year					
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
2007	2008	2009	2010	2011	2012
\$ 201,001,471	\$ 220,381,289	\$ 222,975,210	\$ 237,706,903	\$ 240,958,188	\$ 245,874,717
<u>5,695,690</u>	<u>6,085,022</u>	<u>6,149,715</u>	<u>6,331,457</u>	<u>6,616,621</u>	<u>6,940,764</u>
\$ <u>206,697,161</u>	\$ <u>226,466,311</u>	\$ <u>229,124,925</u>	\$ <u>244,038,360</u>	\$ <u>247,574,809</u>	\$ <u>252,815,481</u>
\$ <u>20,669,716</u>	\$ <u>22,646,631</u>	\$ <u>22,912,493</u>	\$ <u>24,403,836</u>	\$ <u>24,757,481</u>	\$ <u>25,281,548</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⁾
2004	3,916	61,958,952	15,822	40	16.7%	1,701	4.8%
2005	3,916	61,958,952	15,822	40	16.7%	1,728	4.5%
2006	3,916	61,958,952	15,822	40	16.7%	1,685	4.1%
2007	3,916	61,958,952	15,822	40	16.7%	1,660	3.6%
2008	3,916	61,958,952	15,822	40	16.7%	1,627	4.0%
2009	3,916	61,958,952	15,822	40	16.7%	1,485	6.9%
2010	3,655	61,958,952	15,882	40	16.7%	1,551	7.8%
2011	3,655	72,273,970	19,774	43	18.8%	1,622	7.3%
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%

Data Sources:

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

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

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Columbus Independent School District	243	1	2.25%	200	1	2.00%
Colorado County (Government)	199	2	1.84%	130	3	1.30%
Columbus Community Hospital	196	3	1.81%	175	2	1.75%
River Oaks Convalescent Home	115	4	1.06%	123	5	1.23%
Wal Mart	97	5	0.90%	97	6	0.97%
Drymalla Construction	97	6	0.90%	125	4	1.25%
Tru Care	71	7	0.66%	-		
Schobels Restaurant	70	8	0.65%	70	7	0.70%
HEB Grocery Company LP	63	9	0.58%	60	8	0.60%
Brookshire Bros. (Grocery)	44	10	0.41%	35	9	0.35%
Texas Great Southern Wood	-		- %	35	10	0.35%
Total	<u>1,195</u>		<u>11.06%</u>	<u>\$ 1,050</u>		<u>10.50%</u>

Brookshire Brothers (grocery)

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

Data Sources:

Texas Workforce Commission
Local Employers

CITY OF COLUMBUS, TEXAS
FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	Fulltime Equivalent Employees as of September 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Administrative and general	0.73	1.25	2.97	3.00	3.00	3.00	2.77	2.87	3.00	3.00
Police department	10.91	11.97	12.02	12.15	12.24	12.14	11.92	11.96	11.74	13.23
Streets and drainage	3.04	4.05	4.88	4.91	4.93	4.87	5.10	4.88	5.02	4.94
Parks and recreation										
Parks	3.84	3.82	3.97	4.39	3.69	3.57	3.58	3.58	3.35	3.47
Swimming pool	0.88	0.91	0.94	0.87	0.94	1.00	0.90	1.12	1.08	0.91
Library	3.64	3.59	3.80	3.76	3.81	3.73	3.89	3.81	4.02	3.92
Public health	0.56	0.55	1.03	0.54	0.54	0.53	0.54	0.74	1.01	1.01
Tourism and economic development	-	-	-	-	-	0.51	0.41	-	-	-
Water	4.71	3.97	2.97	4.09	3.13	2.93	3.46	2.76	3.29	3.29
Sewer	1.90	2.92	1.29	2.61	2.65	3.02	3.12	2.72	2.69	2.70
Garbage	5.62	4.11	0.30	0.49	0.49	0.50	0.48	0.49	0.58	0.64
Gas	6.42	6.95	4.98	3.77	4.54	4.68	4.64	4.52	4.39	4.37
Total	<u>42.25</u>	<u>44.09</u>	<u>39.15</u>	<u>40.58</u>	<u>39.96</u>	<u>40.48</u>	<u>40.81</u>	<u>39.45</u>	<u>40.17</u>	<u>41.48</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	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Building permits issued	47	27	33	32	42	34	40	32	29	23
Building inspections conducted	61	67	49	56	34	36	39	40	35	37
Gas inspections	27	15	17	26	22	15	4	30	55	32
Electrical inspections	88	60	57	60	65	82	57	84	77	50
Plumbing inspections	23	63	39	26	25	36	56	73	78	44
Mechanical inspections	20	48	31	45	15	22	76	70	59	26
Police										
Case reports opened	141	149	159	168	203	460	500	406	477	422
Calls of service	1,986	2,578	2,179	2,551	2,422	1,934	2,124	2,332	2,117	2,378
Citations issued	1,146	1,519	1,917	1,519	1,239	1,522	2,109	1,850	1,885	2,685
Fire										
Fire/other calls										
Structure fires	23	29	29	26	25	27	11	15	16	22
Grass/brush fires	37	51	50	29	68	48	26	98	41	38
Car fires	27	23	18	16	9	13	11	17	19	17
Rescues	30	30	49	29	29	31	15	18	31	27
Hazardous	16	8	12	10	6	16	7	12	14	16
False alarms	7	7	5	8	6	3	28	16	7	15
Others	4	5	4	8	4	3	10	23	11	37
Total man hours	2,137	2,322	2,667	2,614	4,561	4,750	4,279	7,722	4,201	4,916
Total training hours	1,842	1,726	1,636	1,935	1,500	1,500	1,500	1,346	1,666	1,398
Total maintenance hours	810	910	1,050	1,152	1,500	1,500	1,500	321	720	715
Municipal court										
Cases filed										
Traffic - non-parking	490	381	440	273	394	612	570	443	705	594
Traffic - parking	6	11	45	13	25	22	47	78	114	27
Non-traffic - state law	47	125	239	156	206	152	157	75	158	179
Non-traffic - city ordinance	11	13	28	24	38	23	13	18	11	27
Cases disposed										
Traffic - non-parking	199	144	327	269	436	537	492	635	686	462
Traffic - parking	4	3	40	16	18	22	30	100	97	34
Non-traffic - state law	12	44	159	120	156	132	84	140	191	158
Non-traffic - city ordinance	4	4	24	11	34	24	12	6	16	28
Solid waste										
Customers	1,872	1,860	1,833	1,829	1,826	1,585	1,598	1,594	1,595	1,600
Recyclables (tons per day)	.4	.59	.42	.47	.34	.31	.30	.51	0.41	0.37
Water										
Customers	1,653	1,649	1,633	1,619	1,641	1,638	1,651	1,650	1,656	1,664
New water taps	7	10	7	15	12	3	4	8	6	7
Average daily consumption (thousands of gallons)	567	587	684	550	716	761	678	867	672	679
Sewer										
Customers	1,598	1,590	1,577	1,566	1,576	1,574	1,587	1,584	1,583	1,584
New sewer taps	6	6	6	7	13	3	4	4	6	5
Average daily discharge (thousands of gallons)	355	365	383	333	376	350	314	437	313	284
Gas										
Customers	1,287	1,266	1,241	1,230	1,239	1,232	1,241	1,241	1,218	1,216
New gas meters	6	5	-	5	3	6	4	3	5	3
Average daily consumption (mcf)	191.34	184.10	183.23	205.45	186.37	188.95	229.70	194.59	172.95	175.94

TABLE 20

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

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Municipal buildings	1	1	1	1	1	1	1	1	1	1
Community buildings	2	2	2	2	2	2	2	2	2	2
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	9	9	9	9	9	9	9	9	10
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire trucks	8	8	9	9	9	10	10	11	11	11
Highways and streets										
Streets (miles)	29	29	29	29	29	29	29	29	29	29
Culture and recreation										
Acreage	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1	106.1
Community buildings	1	1	1	1	1	1	1	1	1	1
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	6	6	6	6	6	6	6	6	6	6
Golf courses	1	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	1
Swimming pool	1	1	1	1	1	1	1	1	1	1
Soccer fields	5	5	5	5	5	5	5	5	5	5
Water										
Wells (active)	4	4	4	3	4	4	4	3	3	4
Water mains (miles)	37.62	37.62	37.62	41.62	41.62	41.62	41.62	41.70	41.70	41.70
Fire hydrants	158	158	158	193	193	205	205	207	207	207
Storage capacity	1,548,000	1,548,000	1,548,000	1,548,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000	1,340,000
Sewer										
Sewer mains (miles)	29.3	29.3	29.3	29.3	29.3	29.3	29.3	29.3	29.3	29.3
Lift stations	6	6	6	6	6	6	6	6	6	6

Source: Various City departments

COMPLIANCE SECTION

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INDEPENDENT AUDITORS' 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

To the Honorable Mayor
and Members of 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, each major fund, and the aggregate remaining fund information of City of Columbus, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Columbus, Texas' internal control over financial reporting (internal control) to determine the 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an 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 21, 2014