

CITY OF COLUMBIA HEIGHTS

STATE OF MINNESOTA

PREPARED BY:

FINANCE DEPARTMENT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2020

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I. INTRODUCTORY SECTION

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CITY OF COLUMBIA HEIGHTS, MINNESOTA

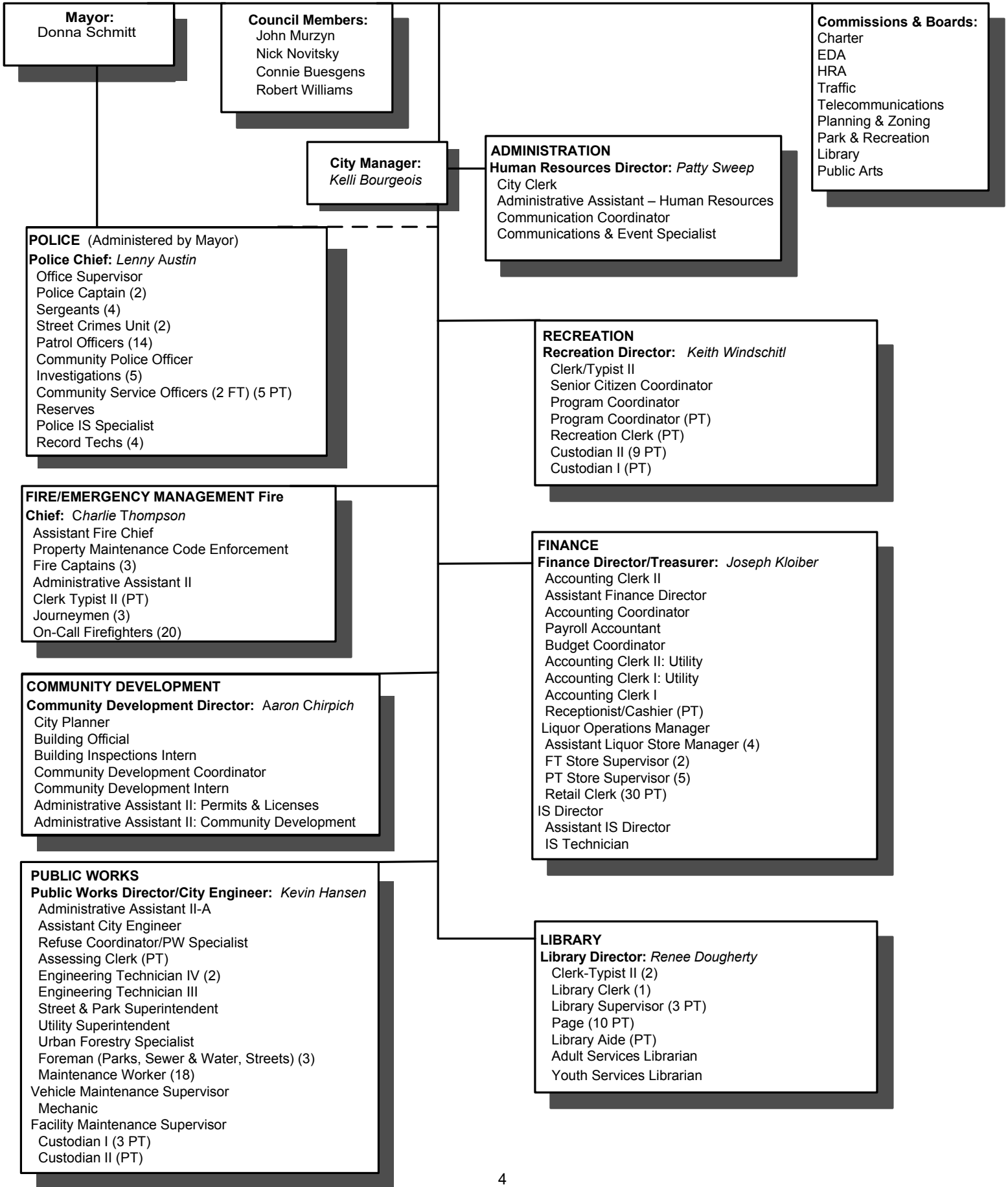
PRINCIPAL CITY OFFICIALS

December 31, 2020

Name	Official Title
Mayor and Council:	
Donna Schmitt	Mayor
John Murzyn, Jr	Councilmember
Robert A. Williams	Councilmember
Connie Buesgens	Councilmember
Nick Novitsky	Councilmember
Administration:	
Kelli Bourgeois	City Manager
Patty Sweep	Human Resources Manager
Joseph Kloiber	Finance Director
Jim Hoeft	City Attorney
Kevin Hansen	Public Works Director, City Engineer
Lenny Austin	Chief of Police
Charlie Thompson	Chief of Fire
Renee Dougherty	Library Director
Aaron Chirpich	Community Development Director
Keith Windschitl	Recreation Services Director
Jason Schulz	Liquor Operations Manager

City of Columbia Heights Organizational Chart

2020





City of Columbia Heights | *Finance Department*

590 40th Avenue NE, Columbia Heights, MN 55421 ▪ Ph: 763-706-3600 ▪ www.columbiaheightsmn.gov

June 14, 2021

To the Citizens of the City of Columbia Heights,
Mayor, Council Members, and City Manager

The Annual Comprehensive Financial Report of the City of Columbia Heights for the fiscal year ended December 31, 2020, is hereby submitted. The City's management assumes responsibility for both the completeness and the reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed its anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Redpath and Company, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Columbia Heights financial statements for the year ended December 31, 2020. Their independent auditors' report is located at the front of the financial section of this report.

State law requires Minnesota cities to issue by June 30th of each year a complete set of audited financial statements for the preceding fiscal year ended December 31st. In addition, state law requires that Minnesota cities undergo an annual Minnesota Legal Compliance Audit. During the year ended December 31, 2020, the City expended more than \$750,000 in federal grant awards. The City was therefore required to have an audit in conformity with the provisions of the Single Audit Act of 1984 and the United States Office of Management and Budget's Uniform Guidance for 2020. Information related to the Minnesota Legal Compliance Audit and the Single Audit, including the Schedule of Expenditures of Federal Awards is included in the Other Required Reports Section at the back of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Columbia Heights' MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Columbia Heights, a suburb located north of the City of Minneapolis in Anoka County in east-central Minnesota, was originally incorporated as a village in 1898. In 1921, pursuant to the adoption of a home rule City Charter by the qualified voters of the City, a council-manager form of government, was instituted.

The City Council consists of a Mayor and four Council Members. All are elected at-large, on a non-partisan basis. The Mayor serves a two-year term and the Council Members serve four-

year terms. The City Manager is appointed by the City Council. The City covers an area of 3.52 square miles and currently has a population of 19,496. The City is empowered to levy a tax on both real and personal property within its boundaries.

All City funds, departments, commissions and other organizations for which the City of Columbia Heights is financially accountable, including all component units, are presented within the Annual Comprehensive Financial Report. The Columbia Heights Housing and Redevelopment Authority (HRA) and the Columbia Heights Economic Development Authority (EDA) are included in the reporting entity as blended component units of the City of Columbia Heights due to the fact that the governing boards are substantively the same and the City is in a relationship of financial benefit/burden with the authorities.

The City provides a full range of services to its citizens. These services include, but are not limited to, police and fire protection; water and sanitation services; the construction and maintenance of highways, streets, and infrastructure; library; recreational facilities; and general administrative services.

LOCAL ECONOMY

The City is located within the varied and stable economic base of the Minneapolis-Saint Paul greater metropolitan area, which is a major center for both the state and the upper-midwest. The local 2020 unemployment rate of 6.0% was of course an increase over the 2019 rate due to the economic effects of the COVID-19 pandemic. The largest employers located within the boundaries of the City in 2020 included Independent School District 13 and one division of Medtronic Inc., a medical device manufacturer.

With its close proximity to the Minneapolis downtown area (4 miles), and single family housing that is affordable compared to the metropolitan area average, there has been a relatively stable demand for housing in the City. However, as an older, fully developed, inner-ring suburb of a major city, the management and residents of the City of Columbia Heights are faced with the challenges of an aging infrastructure and dependency on state aid to supplement local revenues. The City Council and the City's management are taking a proactive approach to dealing with these concerns, and they currently have a number of initiatives in progress to address them. Some of these are described below.

LONG-TERM FINANCIAL PLANNING

The City has a planned Street Rehabilitation Program including, as needed, roadways, alleys, water mains, sanitary sewer and storm sewer improvements. The program divides the City into seven street rehabilitation zones and calls for approximately one zone to be rehabilitated every one to two years. A portion of cost of street rehabilitation is charged to the benefiting properties in the form of special assessments. Utility system improvements are funded by the utility rate structure, which is periodically reviewed for long-term sustainability. In some cases, the City issues bonds to initially finance the project, repaying the bonds with special assessments and/or utility revenues collected over a number of years.

Historically, local government aid (LGA) from the State of Minnesota has been a key component

of the City's annual operating and debt service budgets. The amount provided by the state however, has been both unpredictable, and for many years now, significantly reduced from historical levels. To provide for more stable operations, the City has gradually reduced the use of LGA in its annual operating and debt service budgets, by using moderate incremental increases in property taxes over the last decade. It now uses approximately 50% of the LGA received in these annual budgets, compared to 100% used ten years ago.

Currently, approximately \$1.8 million in LGA is received annually. The 50% portion of this not used in the annual operating and debt service budgets is essentially treated as a one-time revenue source. It is used for capital projects and equipment that would otherwise be purchased with property taxes.

RELEVANT FINANCIAL POLICIES

By Council resolution, a formal policy has been adopted regarding the minimum unassigned fund balance for the general fund. The goal of the policy is to begin each year with sufficient working capital to fund operations. The policy establishes a year-end targeted unassigned fund balance of 45% of the general fund budgeted expenditures for the subsequent year. At December 31, 2020, the unassigned fund balance in the general fund was sufficient to meet this goal.

The City's policy is to budget and recognize license and permit revenues of the community development function, such as building permit revenue, in the planning and inspections fund, a non-major special revenue fund. License and permit revenues of other functions are budgeted and recognized in the general fund. For this reason, license and permit revenues reported in the City's general fund are often lower than other comparable Minnesota cities, which more commonly budget and recognize all license and permit revenues in the general fund.

CURRENT MAJOR INITIATIVES

The Economic Development Authority (EDA) conducts a program to revitalize the City's commercial corridors. The main component of this program is the acquisition and redevelopment of nonconforming and/or blighted properties within the City's commercial corridors. A second component of this program is the award of small matching grants to local businesses for façade improvements to retail and commercial building exteriors. The third component of this program is a partnership with the police department and local businesses to add video surveillance in these commercial corridors, to aid crime reduction. In 2020, the EDA acquired two single-family homes for demolition and awarded one \$5,000 façade improvement grant.

2020 MAJOR PROJECTS

In the fall of 2020, the EDA demolished the long-vacant six story office building located at 3989 Central Avenue NE. The property was subsequently sold to the EDA's redevelopment partner for the site, Alatus LLC. In late 2020, Alatus broke ground on a mixed-use development project valued at \$70 million that includes the following base elements:

- 266 high amenity market rate apartments
- Underground parking

- 20,000 square foot City Hall/Office on the ground floor
- 3,000+ square feet of retail/restaurant space on the ground floor
- Pocket park and outdoor dining space

This project serves to accomplish many of the long-range economic development and planning goals established in the City's Comprehensive Plan. The Comprehensive Plan guidelines for this location recommend Transit Oriented Development. Transit Oriented Development seeks to develop properties to have a mix of residential, retail, and office space. Transit Oriented Development also seeks to include pedestrian friendly access and design. The project has already served as a catalyst for additional spin-off development in the immediate area.

AWARD AND AKNOWLEDGEMENTS

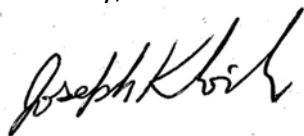
The Government Finance Officers' Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Columbia Heights, Minnesota for its Annual Comprehensive Financial Report for the year ended December 31, 2019. The Certificate of Achievement is a prestigious national award that recognizes conformity with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. The ACFR 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 our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA program for review.

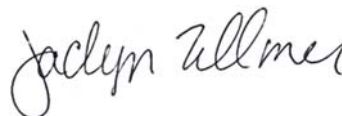
The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the City Manager and City Council, preparation of this report would not have been possible.

Sincerely,



Joseph P. Kloiber
Finance Director



Jaclyn Zillmer
Assistant Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Columbia Heights
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

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II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Columbia Heights, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia Heights, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, each major fund, and the aggregate remaining fund information of the City of Columbia Heights, Minnesota, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the City of Columbia Heights, Minnesota's 2019 financial statements and we expressed an unmodified audit opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information in our report dated June 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 schedules of OPEB and pension information, as listed in the table of contents 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 Columbia Heights, Minnesota's 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 June 14, 2021, on our consideration of the City of Columbia Heights, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Columbia Heights, Minnesota's 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 Columbia Heights, Minnesota's internal control over financial reporting and compliance.



REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 14, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Columbia Heights, Minnesota (the City), we offer readers of the City of Columbia Heights' financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at December 31, 2020, by \$79,687,686 (net position). Of this amount, \$31,884,812 or 40% is unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.

During 2020, the City's total government-wide net position increased by \$6,469,570. The City's governmental activities provided \$5,445,763 of this increase, and the City's business-type activities generated the remaining \$1,023,807 of this increase.

As of December 31, 2020, the combined fund balances of the City's governmental funds were \$30,511,601. This is an increase of \$408,093 or 1% from the prior year. Also, 24% of the combined fund balances of the City's governmental funds were unassigned fund balance, available for spending at the City Council's discretion.

As of December 31, 2020, unassigned fund balance in the General fund was \$8,067,967 or 96% of the total fund balance in the General fund. The City's minimum fund balance policy for the General fund, detailed in the notes to the financial statements, was met at December 31, 2020.

Total bonded debt decreased in 2020 by \$1,476,730; equal to principal payments on existing bonded debt, to an end-of-year total of \$21,511,570.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net

Management's Discussion and Analysis

position may serve as a useful indicator of whether or not the financial position of the City is improving.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation and community development. The business-type activities of the City include water, sanitary sewer, refuse, storm sewer and liquor operations.

The government-wide financial statements are presented as Statements 1 and 2 of this report.

Fund financial statements. 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 other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 fund 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 financial 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 City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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 each major governmental fund. The major governmental funds in 2020 are the following:

Management's Discussion and Analysis

- General Fund
- EDA (Component Unit) Redevelopment Project Fund
- Capital Improvements-PIR Fund
- Capital Improvement General Government Buildings Fund
- HRA (Component Unit) Parkview Villa North and South Fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements are presented as Statements 3 through 5 of this report.

The City adopts an annual appropriated budget for its general and certain special revenue funds listed in the notes to the financial statements. A budgetary comparison statement has been provided for each these funds to demonstrate compliance with this budget.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, refuse, storm sewer, and liquor operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its municipal service center (for vehicle and facilities maintenance), information systems, property and liability insurance, and certain employee benefits. As these internal transactions predominately benefit the governmental rather than the business-type activities, the internal service funds have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, refuse, storm sewer and liquor operations, all of which are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements are presented as Statements 6 through 8 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. In 2020, the City had no fiduciary fund activity to report.

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.

Management's Discussion and Analysis

Other information. Required supplementary information for the General fund is presented as Statement 9 of this report. Required supplementary information on pensions and other post-employment benefits are presented as Statements 10 through 14 of this report. Certain additional combining and individual fund statements and schedules are presented as Statements 15 through 65 of this report.

Government-wide Financial Analysis

As noted above, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2020, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$79,687,686.

\$44,744,407 or 56% of the City's net position reflects its investment in capital assets (e.g. land, buildings, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. It should be noted that, although net position invested in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves would not be used to liquidate these liabilities.

The restricted portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$31,884,812 or 40%, may be used to meet the City's ongoing obligations to citizens and creditors.

At December 31, 2020, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

CITY OF COLUMBIA HEIGHTS' NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$47,749,220	\$44,544,557	\$10,259,016	\$11,212,807	\$58,008,236	\$55,757,364
Capital assets	<u>47,235,445</u>	<u>46,074,518</u>	<u>16,740,532</u>	<u>15,374,337</u>	<u>63,975,977</u>	<u>61,448,855</u>
Total assets	<u>94,984,665</u>	<u>90,619,075</u>	<u>26,999,548</u>	<u>26,587,144</u>	<u>121,984,213</u>	<u>117,206,219</u>
Deferred outflows of resources	<u>2,632,181</u>	<u>3,696,813</u>	<u>28,756</u>	<u>22,318</u>	<u>2,660,937</u>	<u>3,719,131</u>
Liabilities:						
Current liabilities	3,514,956	3,131,085	1,272,207	1,414,732	4,787,163	4,545,817
Noncurrent liabilities	<u>33,927,452</u>	<u>33,724,157</u>	<u>2,970,901</u>	<u>3,430,682</u>	<u>36,898,353</u>	<u>37,154,839</u>
Total liabilities	<u>37,442,408</u>	<u>36,855,242</u>	<u>4,243,108</u>	<u>4,845,414</u>	<u>41,685,516</u>	<u>41,700,656</u>
Deferred inflows of resources	<u>3,260,609</u>	<u>5,992,580</u>	<u>11,339</u>	<u>13,998</u>	<u>3,271,948</u>	<u>6,006,578</u>
Net position:						
Net invested in capital assets	31,424,776	29,402,901	13,319,631	11,498,655	44,744,407	40,901,556
Restricted	2,541,590	2,745,259	516,877	517,261	3,058,467	3,262,520
Unrestricted	<u>22,947,463</u>	<u>19,319,906</u>	<u>8,937,349</u>	<u>9,734,134</u>	<u>31,884,812</u>	<u>29,054,040</u>
Total net position	<u>\$56,913,829</u>	<u>\$51,468,066</u>	<u>\$22,773,857</u>	<u>\$21,750,050</u>	<u>\$79,687,686</u>	<u>\$73,218,116</u>

Management's Discussion and Analysis

Changes in net position - governmental activities. In 2020, the net position of the City's governmental activities increased by \$5,445,763. This increase of 11% differed from the prior year increase of 4% as explained below.

Governmental activities revenue increased \$2,756,212 or 13% over the prior year. Key elements of this change include:

- Planned increases in property taxes of \$1,016,000 to support 3% inflation on existing services and five additional full-time positions. Four of these positions are in the public safety function, and one position is shared across multiple functions.
- Grants and contribution revenue increased by \$2,273,000. This included:
 - \$1,570,000 of federal Coronavirus Relief Funds to aid for expenses incurred due to the pandemic.
 - \$750,000 increase in special assessment charges from completed improvement projects, offset by a reduction of state grants for street reconstruction.
 - \$80,000 of park dedication fees collected for a mixed-use redevelopment with 260 market-rate apartments.
- Charges for services decreased \$492,000 across several departments. This reflects 2019 one-time fees of approximately \$282,000 for conduit debt issuance and construction services, and 2020 reductions in a wide variety of activities due to the Coronavirus pandemic.
- Investment income decreased by \$360,000; primarily from less favorable interest rates.

Governmental activities expenses increased \$1,823,490 or 10% from the prior year. Key elements of this change include:

- Public safety expenses increased \$1,332,000 primarily from activities eligible for federal Coronavirus relief funds.
- Public works expenses, and culture and recreation expenses, decreased \$157,000 and \$352,000 respectively, as a result of the pandemic limiting normal activities.
- Community Development expenses increased \$837,000 principally from:
 - Payment of \$265,000 of unused prior years' tax increment to the underlying tax jurisdictions, upon the decertification of a tax increment district in 2020.
 - \$290,000 more in developer incentives paid in 2020 under existing pay-as-go tax increment financing agreements.
 - 2019 adjustment of land held for resale to the lower of cost or net realizable value, offset 2019 expenses by \$266,000. There was no comparable adjustment required

Management's Discussion and Analysis

to land held for resale in 2020.

Changes in net position - Business-type activities. In 2020, the net position of the City's business-type activities increased by \$1,023,807. This 5% increase differed from the prior year increase of 7% as explained below:

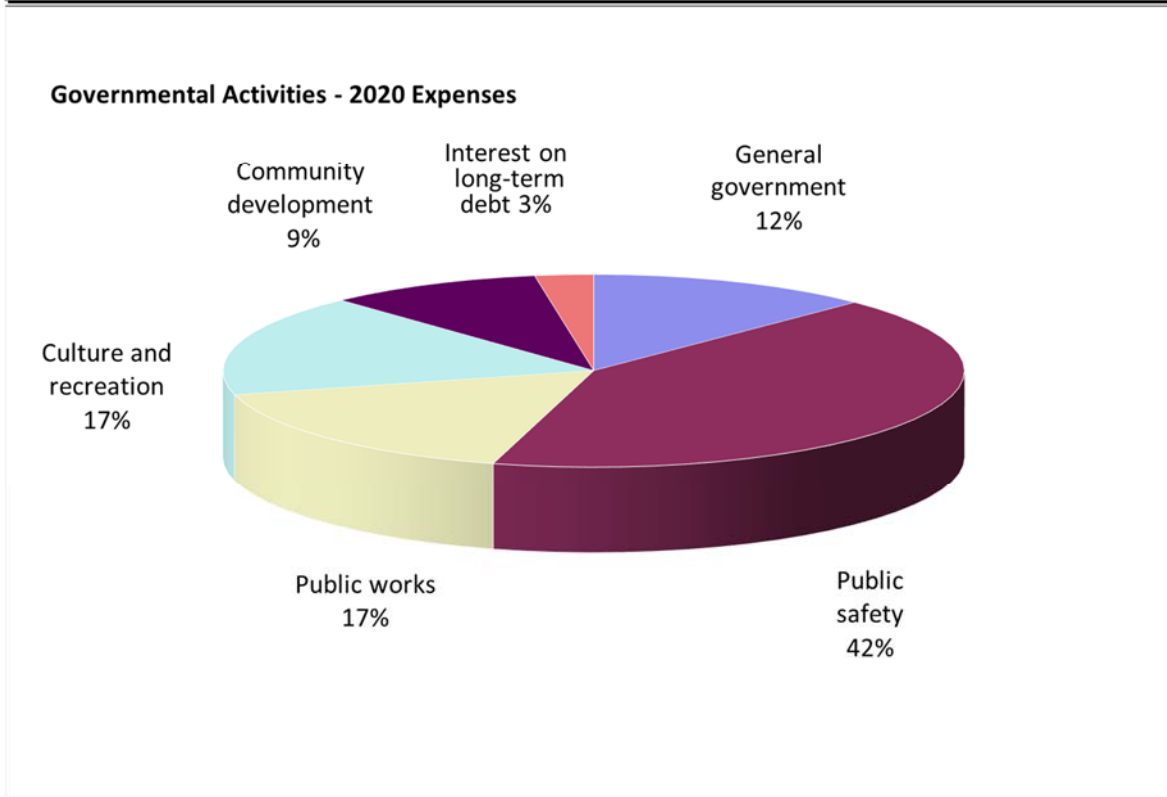
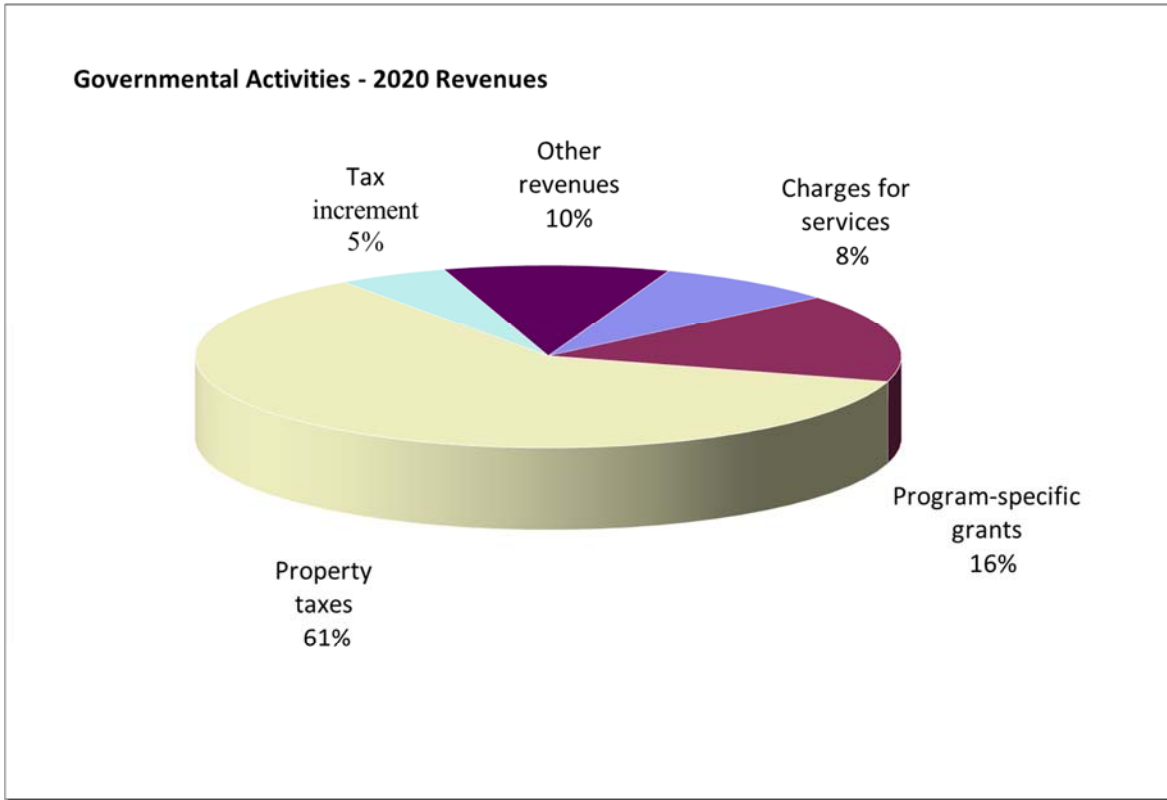
- Business-type activities revenue decreased by \$1,313,611 or 7% under the prior year. This consisted principally of a decrease in municipal liquor sales of \$1,330,000 due to reduced store hours open to the public from both the pandemic and civil unrest. Additionally, within utility revenues, a 2019 one-time capital grant of \$510,000 for storm water improvements, was approximately offset by increases in all utility rates. These rate increases were required to maintain existing service levels.
- Business-type activities expense decreased by \$882,057 or 6% under the prior year. This reflects decreases in municipal liquor cost of goods sold and operating expenses (\$1,161,987), from reduced store hours open to the public. This was somewhat offset by increases in operating volume for water, sewer, and refuse.

Management's Discussion and Analysis

CITY OF COLUMBIA HEIGHTS' CHANGES IN NET POSITION

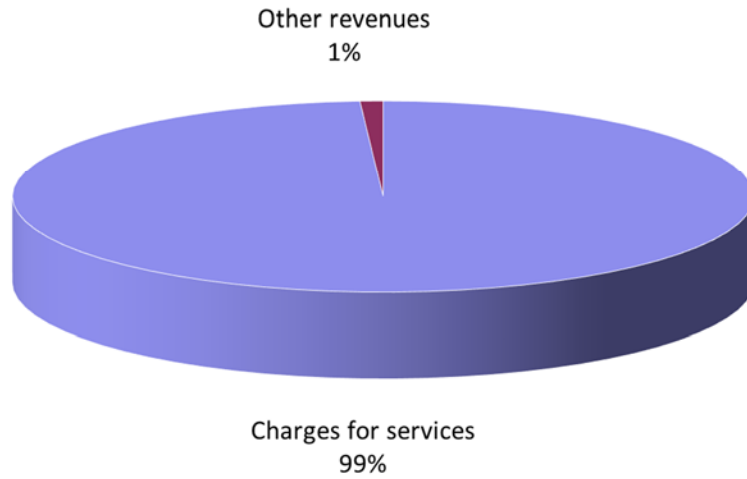
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$1,828,859	\$2,321,232	\$16,220,692	\$16,970,625	\$18,049,551	\$19,291,857
Operating grants and contributions	2,864,670	885,209	107,786	106,220	2,972,456	991,429
Capital grants and contributions	614,692	321,087	-	510,541	614,692	831,628
General revenues:						
Property taxes	13,412,668	12,325,204	-	-	13,412,668	12,325,204
Tax increment collections	1,116,114	977,598	-	-	1,116,114	977,598
Grants and contributions not restricted to specific programs	1,796,904	1,684,119	-	-	1,796,904	1,684,119
Unrestricted investment earnings	469,067	829,368	63,599	118,302	532,666	947,670
Gain on sale of capital assets used in governmental activities	22,555	25,500	-	-	22,555	25,500
Total revenues	22,125,529	19,369,317	16,392,077	17,705,688	38,517,606	37,075,005
Expenses:						
General government	2,436,098	2,237,467	-	-	2,436,098	2,237,467
Public safety	8,206,813	6,875,101	-	-	8,206,813	6,875,101
Public works	3,249,175	3,404,984	-	-	3,249,175	3,404,984
Culture and recreation	3,347,512	3,699,635	-	-	3,347,512	3,699,635
Community development	1,839,279	1,002,298	-	-	1,839,279	1,002,298
Interest on long-term debt	499,896	535,798	-	-	499,896	535,798
Water	-	-	2,904,931	2,678,905	2,904,931	2,678,905
Sewer	-	-	2,144,690	1,994,854	2,144,690	1,994,854
Refuse	-	-	2,028,140	1,883,849	2,028,140	1,883,849
Storm sewer	-	-	572,081	812,304	572,081	812,304
Liquor	-	-	7,329,328	8,491,315	7,329,328	8,491,315
Total expenses	19,578,773	17,755,283	14,979,170	15,861,227	34,557,943	33,616,510
Increase (decrease) in net position before transfers and special items	2,546,756	1,614,034	1,412,907	1,844,461	3,959,663	3,458,495
Special Item gain (loss) on land sale	2,509,907	-	-	-	2,509,907	-
Transfers	389,100	422,200	(389,100)	(422,200)	-	-
Increase in net position	5,445,763	2,036,234	1,023,807	1,422,261	6,469,570	3,458,495
Net position - January 1	51,468,066	49,431,832	21,750,050	20,327,789	73,218,116	69,759,621
Net position - December 31	<u>\$56,913,829</u>	<u>\$51,468,066</u>	<u>\$22,773,857</u>	<u>\$21,750,050</u>	<u>\$79,687,686</u>	<u>\$73,218,116</u>

Management's Discussion and Analysis

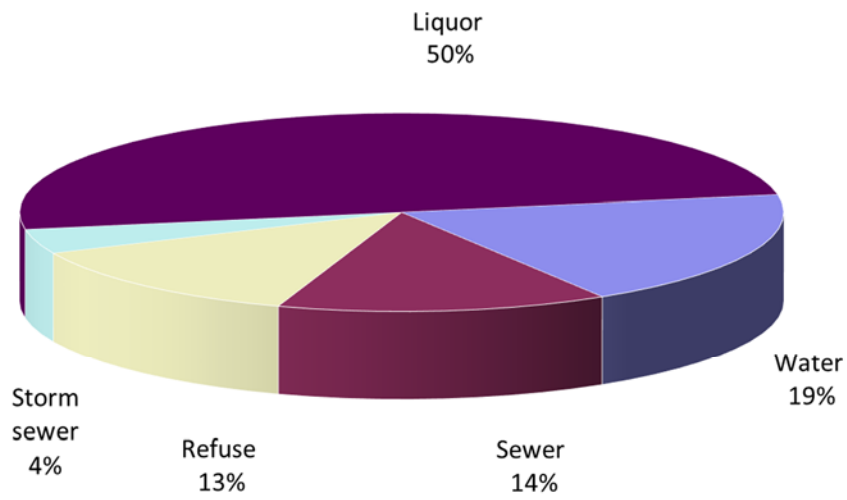


Management's Discussion and Analysis

Business-Type Activities - 2020 Revenues



Business-Type Activities - 2020 Expenses



Management's Discussion and Analysis

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 spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2020, the City's governmental funds reported combined fund balances of \$30,511,601. 88% of this amount or \$26,776,757 was not subject to external legal restrictions. This unrestricted portion of the combined fund balances includes all committed, assigned and unassigned fund balances. The remaining 12% of the combined fund balances is nonspendable or restricted; to indicate that it is not available for new spending because it has already been obligated for prepaid items (\$134,459), debt service (\$1,472,189), tax increment purposes (\$1,496,371), and various other purpose restrictions (\$631,825) detailed in the notes to the financial statements.

The General Fund is the chief operating fund of the City. During the current year, fund balance in the General Fund increased by \$501,459. This differs from the prior year increase of \$1,036,082 as follows:

- Revenues increased by \$741,000 or 6% over the prior year. This reflects an increase of \$1,119,000 in property taxes consistent with the City's five-year financial plan, offset by a reduction in charges for services of \$167,000 due to pandemic-related reductions in normal customer services, and an investment revenue decline of \$144,000 due to less favorable interest rates.
- Expenditures increased by \$724,000 or 6% over the prior year. This includes:
 - Personnel increases, including both a 3% labor contract increase and approximately four additional FTE over 2019 actual expenses, plus biennial election staffing.
 - Purchases in response to the pandemic, including construction to segregate office space, creation of satellite emergency operation centers, upgrades to the main emergency operation center, and a radio system for public works use.
 - The above expense increases were partially offset by reduced operating expenses for certain activities reduced by the pandemic, such as recreation programs.
- A one-time transfer of \$600,000 in 2020 from the General Fund to the Capital Improvements General Government Buildings Fund, under a plan to accumulate funds for future building improvement and replacement.

The changes in fund balance of the other major governmental funds in 2020, and significant elements of those changes, were as follows:

Management's Discussion and Analysis

- The Economic Development Authority (Component Unit) Redevelopment Project Fund increased by \$1,705,583. This reflects a one-time sale of redevelopment property in the City's downtown area, reported in the fund financial statements as a special item.
- The Capital Improvements PIR Fund decreased by \$536,437. This decrease is the amount by which the current year street project expenditures exceeded special assessments collected. PIR is the acronym for Public Improvement Revolving Fund.
- The Capital Improvements General Government Buildings Fund increased by \$1,157,477 from the allocation of \$700,000 of state aid revenue (LGA) to this fund, and a one-time transfer of surplus from the general fund of \$600,000. Both transactions are part of a plan to accumulate funds for future building improvement and replacement.

The combined fund balances of the non-major governmental funds decreased by \$2,419,989 or 17% from the prior year. The most significant elements of this decrease were:

- \$1,587,000 of prior year fund balance was expended for infrastructure and equipment.
- \$1,163,470 of business relocation expenses were incurred in connection with the aforementioned one-time sale in 2020 of redevelopment property in the City's downtown area. These expenses are reported in the fund financial statements as a special item.

Proprietary funds. The City's proprietary funds provide the same type of information that is found in the government-wide financial statements for business-type activities, but in more detail. At December 31, 2020, net position of the major proprietary funds included the following amounts of unrestricted net position:

- Water Fund \$1,490,048
- Sewer Fund \$1,180,600
- Refuse Fund \$2,202,276
- Storm Sewer Fund \$556,180
- Liquor Fund \$3,288,171

The 2020 changes in net position of the major proprietary funds were as follows:

- Water Fund \$763,666
- Sewer Fund (\$2,477)
- Refuse Fund \$101,626
- Storm Sewer Fund (\$43,942)
- Liquor Fund \$157,070

Other factors concerning the finances of the proprietary funds are addressed above in the analysis of the City's business-type activities.

Management's Discussion and Analysis

Budgetary Highlights

General Fund. The changes between the original and final 2020 General Fund budget included several small budget amendments to increase intergovernmental revenue by a total of \$38,227. These revenue changes were paired with related increases to budgeted city clerk and fire department expenditures for various services and training funded by external entities in mid-year.

In addition, 2020 budgeted transfers-out were increased by \$600,000 to transfer General Fund surplus for use within the City's long-term capital improvement plan.

Actual general fund revenues in 2020 were more than budgeted by \$246,767 or 2%, which approximates the excess tax increment refunded to the City from tax increment financing districts, an item which the City does not forecast in its budget estimates.

Charges for service were under budget by \$173,000 due to pandemic-related reductions in programs and customer services. This was substantially offset however by the net variance for all other 2020 General Fund revenue budget line items.

Actual general fund expenditures in 2020 were less than budgeted by \$929,000 or 7%. Major elements of this variance include:

- Approximately \$400,000 of personnel and services originally planned for use within normal General Fund operations were diverted to unexpected use within the non-major funds to address aspects of the COVID-19 pandemic.
- Approximately an additional \$400,000 of personnel budget planned for use within normal General Fund operations was not spent due to several temporarily vacant positions and replacement staff hired at starting rates lower than the position incumbents.

Capital Asset and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of December 31, 2020, amount to \$63,975,977 net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress.

Management's Discussion and Analysis

City of Columbia Heights' Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets - not depreciated:				
Land	\$6,440,531	\$ -	\$ -	\$6,440,531
Construction in progress	365,383	2,723,528	(182,821)	2,906,090
Total capital assets not being depreciated	<u>6,805,914</u>	<u>2,723,528</u>	<u>(182,821)</u>	<u>9,346,621</u>
Capital assets - being depreciated:				
Buildings	32,306,087	-	-	32,306,087
Equipment	10,390,084	1,227,680	(84,369)	11,533,395
Infrastructure	35,951,874	-	-	35,951,874
Total capital assets being depreciated	<u>78,648,045</u>	<u>1,227,680</u>	<u>(84,369)</u>	<u>79,791,356</u>
Less accumulated depreciation for:				
Buildings	11,586,752	920,966	-	12,507,718
Equipment	7,298,164	545,202	(84,367)	7,758,999
Infrastructure	20,494,525	1,141,290	-	21,635,815
Total accumulated depreciation	<u>39,379,441</u>	<u>2,607,458</u>	<u>(84,367)</u>	<u>41,902,532</u>
Capital assets being depreciated - net	<u>39,268,604</u>	<u>(1,379,778)</u>	<u>(2)</u>	<u>37,888,824</u>
Governmental activities capital assets - net	<u>46,074,518</u>	<u>1,343,750</u>	<u>(182,823)</u>	<u>47,235,445</u>
Business-type activities:				
Capital assets - not depreciated:				
Land	2,349,213	-	-	2,349,213
Construction in progress	68,629	1,921,305	(19,333)	1,970,601
Total capital assets not being depreciated	<u>2,417,842</u>	<u>1,921,305</u>	<u>(19,333)</u>	<u>4,319,814</u>
Capital assets - being depreciated:				
Buildings	5,673,893	-	-	5,673,893
Equipment	2,717,400	179,288	(8,539)	2,888,149
Infrastructure	19,308,003	-	(1,350,027)	17,957,976
Total capital assets being depreciated	<u>27,699,296</u>	<u>179,288</u>	<u>(1,358,566)</u>	<u>26,520,018</u>
Less accumulated depreciation for:				
Buildings	2,315,110	159,283	-	2,474,393
Equipment	2,057,460	107,765	(8,539)	2,156,686
Infrastructure	10,370,231	448,017	(1,350,027)	9,468,221
Total accumulated depreciation	<u>14,742,801</u>	<u>715,065</u>	<u>(1,358,566)</u>	<u>14,099,300</u>
Capital assets being depreciated - net	<u>12,956,495</u>	<u>(535,777)</u>	<u>-</u>	<u>12,420,718</u>
Business-type activities capital assets - net	<u>15,374,337</u>	<u>1,385,528</u>	<u>(19,333)</u>	<u>16,740,532</u>
Total capital assets - net	<u>61,448,855</u>	<u>2,729,278</u>	<u>(202,156)</u>	<u>63,975,977</u>

Management's Discussion and Analysis

Significant capital asset activity during 2020 included the following:

Project	Year Started	As of December 31, 2020	
		Cost to Date	Status
Street Rehab Zone 4	2017	556,762	in-progress
Street Overlay	2018	736,253	in-progress
Water Main Construction	2019	1,067,240	in-progress
Concrete Alley Construction	2019	521,176	in-progress
City Hall	2019	293,497	in-progress
Boat Landing Reconstruction	2019	563,136	in-progress
Silver Lake Lift Station Reconstruction	2019	364,759	in-progress
Sanitary Sewer Lining	2020	254,388	in-progress

At December 31, 2020, the City had \$1,119,738 of non-cancellable contractual commitments for construction in 2021, primarily for street reconstruction and sewer lining projects. Additional information on the City's capital assets can be found in Note 5 to the financial statements.

Long-term debt. Total bonded debt decreased in 2020 by \$1,476,730 to an end of year total of \$21,511,570. This resulted from regularly scheduled principal repayments.

Bonded debt outstanding at year end included general obligation bonds, which are backed by the full faith and credit of the City, and revenue bonds, for which only revenues from the related projects financed are pledged for repayment. Some of the general obligation bonds have specific revenue sources pledged other than property taxes, but in the event those other sources were insufficient, the City would be required to fund the shortfall through property taxes.

State statute limits the amount of certain general obligation debt that a Minnesota city may issue to 3% of the estimated market value of property within a city's taxing jurisdiction. At December 31, 2020, the City's debt limit under this statute was \$48,765,373 and \$15,725,670 of the City's outstanding debt was of the type to which this limit applies.

At December 31, 2020, the City's general obligation bonds have an AA rating from Standard and Poor's and Aa2 rating from Moody's. The outstanding revenue bonds of the governmental activities at December 31, 2020, are repaid only with tax increment and are unrated.

In conjunction with a 2015 sale of real property, the Housing and Redevelopment Authority issued a 30-year no-interest note payable to the U.S. Department of Housing and Redevelopment for \$5,200,000 with all principal due in 2047. This is reported in the financial statements within the liability - Due to Other Governments.

Other long-term obligations consist of compensated absences, post-employment health insurance, and net pension benefit. Additional information on the City's long-term debt is included in Note 7 to

Management’s Discussion and Analysis

the financial statements.

City of Columbia Heights’ Long-Term Debt

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds:						
Repaid only with general taxes	\$15,385,000	\$16,115,000	\$ -	\$ -	\$15,385,000	\$16,115,000
With other pledged revenues	430,000	550,000	3,380,000	3,825,000	3,810,000	4,375,000
Revenue bonds	1,935,000	2,065,000	-	-	1,935,000	2,065,000
Unamortized premium	340,669	382,618	40,901	50,682	381,570	433,300
Due to other government	5,200,000	5,200,000	-	-	5,200,000	5,200,000
Compensated absences	1,184,462	1,123,708	-	-	1,184,462	1,123,708
Net pension liability	9,031,244	7,958,096	-	-	9,031,244	7,958,096
Postemployment benefits other than pensions	1,527,677	1,420,635	-	-	1,527,677	1,420,635
	<u>\$35,034,052</u>	<u>\$34,815,057</u>	<u>\$3,420,901</u>	<u>\$3,875,682</u>	<u>\$38,454,953</u>	<u>\$38,690,739</u>

Economic Factors and Next Year’s Budget

In 2020, the average annual unemployment rate for Anoka County, which includes the City, was 6.0%. This is an increase from a rate of 3.1% from the prior year. This compares to the average annual 2020 state and national rates of 6.2% and 8.1% respectively. The 2020 increase in the Consumer Price Index in the Midwest region compares favorably to national trends. These factors were considered when preparing the City of Columbia Heights’ 2021 budget.

Requests for Information.

This financial report is designed to provide a general overview of the City of Columbia Heights’ finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Columbia Heights, Finance Department, 590 40th Avenue NE, Columbia Heights, Minnesota 55421-3878.

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BASIC FINANCIAL STATEMENTS

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STATEMENT OF NET POSITION

December 31, 2020

With Comparative Totals For December 31, 2019

Statement 1

Page 1 of 2

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2020	2019
Assets:				
Current assets:				
Cash and investments	\$34,055,902	\$5,424,777	\$39,480,679	\$36,519,543
Receivables - current:				
Accounts (net of allowance for uncollectibles)	2,200,814	2,198,207	4,399,021	2,112,513
Special assessments	619,101	-	619,101	554,329
Taxes	899,242	-	899,242	425,667
Interest	74,660	10,700	85,360	72,117
Due from other governmental units	151,680	24,370	176,050	1,002,920
Internal balances	(202,657)	202,657	-	-
Prepayments	221,410	110,767	332,177	319,280
Inventory - at cost	66,054	2,287,538	2,353,592	2,391,533
Real estate held for resale	1,352,923	-	1,352,923	4,261,106
Total current assets	39,439,129	10,259,016	49,698,145	47,659,008
Noncurrent assets:				
Receivables - noncurrent:				
Special assessments	1,334,783	-	1,334,783	1,115,548
Loans	6,975,308	-	6,975,308	6,982,808
Capital assets (net of accumulated depreciation):				
Land	6,440,531	2,349,213	8,789,744	8,789,744
Buildings	19,798,369	3,199,500	22,997,869	24,078,119
Equipment	3,774,396	731,463	4,505,859	3,751,860
Infrastructure	14,316,059	8,489,755	22,805,814	24,395,120
Construction in process	2,906,090	1,970,601	4,876,691	434,012
Total noncurrent assets	55,545,536	16,740,532	72,286,068	69,547,211
Total assets	94,984,665	26,999,548	121,984,213	117,206,219
Deferred outflows of resources:				
Related to pensions	2,455,533	-	2,455,533	3,559,714
Related to other postemployment benefits	176,648	28,756	205,404	159,417
Total deferred outflows of resources	2,632,181	28,756	2,660,937	3,719,131

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STATEMENT OF NET POSITION

December 31, 2020

With Comparative Totals For December 31, 2019

Statement 1

Page 2 of 2

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2020	2019
Liabilities:				
Current liabilities:				
Accounts payable	\$666,893	\$419,236	\$1,086,129	\$1,162,237
Accrued salaries and withholdings payable	169,054	29,416	198,470	525,540
Contracts payable	892,081	117,731	1,009,812	181,427
Due to other governmental units	167,648	223,637	391,285	433,841
Unearned revenue	232,908	-	232,908	51,519
Accrued interest payable	214,413	32,187	246,600	264,019
Deposits	65,359	-	65,359	391,334
Compensated absences payable	106,600	-	106,600	110,900
Bonds payable	1,000,000	450,000	1,450,000	1,425,000
Total current liabilities	<u>3,514,956</u>	<u>1,272,207</u>	<u>4,787,163</u>	<u>4,545,817</u>
Noncurrent liabilities:				
Compensated absences payable	1,077,862	-	1,077,862	1,012,808
Other postemployment benefits payable	1,527,677	-	1,527,677	1,420,635
Bonds payable	17,090,669	2,970,901	20,061,570	21,563,300
Due to other governmental units	5,200,000	-	5,200,000	5,200,000
Net pension liability	9,031,244	-	9,031,244	7,958,096
Total noncurrent liabilities	<u>33,927,452</u>	<u>2,970,901</u>	<u>36,898,353</u>	<u>37,154,839</u>
Total liabilities	<u>37,442,408</u>	<u>4,243,108</u>	<u>41,685,516</u>	<u>41,700,656</u>
Deferred inflows of resources:				
Related to pensions	3,189,208	-	3,189,208	5,904,848
Related to other postemployment benefits	71,401	11,339	82,740	101,730
Total deferred inflows of resources	<u>3,260,609</u>	<u>11,339</u>	<u>3,271,948</u>	<u>6,006,578</u>
Net position:				
Net investment in capital assets	31,424,776	13,319,631	44,744,407	40,901,556
Restricted for:				
Debt service	1,215,855	516,877	1,732,732	1,690,747
Tax increment purposes	693,910	-	693,910	1,382,832
Other purposes	631,825	-	631,825	188,941
Unrestricted	22,947,463	8,937,349	31,884,812	29,054,040
Total net position	<u>\$56,913,829</u>	<u>\$22,773,857</u>	<u>\$79,687,686</u>	<u>\$73,218,116</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2020

With Comparative Totals For the Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges For Services</u>
Primary government:		
Governmental activities:		
General government	\$2,436,098	\$234,197
Public safety	8,206,813	834,238
Public works	3,249,175	29,133
Culture and recreation	3,347,512	99,542
Community development	1,839,279	631,749
Interest on long-term debt	499,896	-
Total governmental activities	<u>19,578,773</u>	<u>1,828,859</u>
Business-type activities:		
Water	2,904,931	3,766,630
Sewer	2,144,690	2,242,078
Refuse	2,028,140	2,103,590
Storm sewer	572,081	523,011
Liquor	7,329,328	7,585,383
	<u>14,979,170</u>	<u>16,220,692</u>
Total primary government	<u>\$34,557,943</u>	<u>\$18,049,551</u>

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

Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government			
Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Business-Type Activities	Totals	
				2020	2019
\$303,740	\$39,605	(\$1,858,556)	\$ -	(\$1,858,556)	(\$1,987,126)
983,477	297,196	(6,091,902)	-	(6,091,902)	(5,401,273)
1,152,281	139,738	(1,928,023)	-	(1,928,023)	(2,595,134)
129,179	80,330	(3,038,461)	-	(3,038,461)	(3,411,113)
295,993	57,823	(853,714)	-	(853,714)	(297,311)
-	-	(499,896)	-	(499,896)	(535,798)
<u>2,864,670</u>	<u>614,692</u>	<u>(14,270,552)</u>	<u>0</u>	<u>(14,270,552)</u>	<u>(14,227,755)</u>
-	-	-	861,699	\$861,699	752,906
-	-	-	97,388	97,388	239,994
103,695	-	-	179,145	179,145	286,850
-	-	-	(49,070)	(49,070)	18,816
4,091	-	-	260,146	260,146	427,593
<u>107,786</u>	<u>0</u>	<u>0</u>	<u>1,349,308</u>	<u>1,349,308</u>	<u>1,726,159</u>
<u>\$2,972,456</u>	<u>\$614,692</u>	<u>(14,270,552)</u>	<u>1,349,308</u>	<u>(12,921,244)</u>	<u>(12,501,596)</u>
General revenues:					
Property taxes		13,412,668	-	13,412,668	12,325,204
Tax increment collections		1,116,114	-	1,116,114	977,598
Grants and contributions not restricted to specific programs		1,796,904	-	1,796,904	1,684,119
Unrestricted investment earnings		469,067	63,599	532,666	947,670
Gain on sale of capital assets used in governmental activities		22,555	-	22,555	25,500
Transfers		389,100	(389,100)	-	-
Special item		2,509,907	-	2,509,907	-
Total general revenues, transfers, and special items		<u>19,716,315</u>	<u>(325,501)</u>	<u>19,390,814</u>	<u>15,960,091</u>
Change in net position		5,445,763	1,023,807	6,469,570	3,458,495
Net position - January 1		<u>51,468,066</u>	<u>21,750,050</u>	<u>73,218,116</u>	<u>69,759,621</u>
Net position - December 31		<u>\$56,913,829</u>	<u>\$22,773,857</u>	<u>\$79,687,686</u>	<u>\$73,218,116</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	General Fund	EDA (Component Unit) Redevelopment Project Fund 408	Capital Improvements PIR Fund 415
Assets			
Cash and investments	\$8,169,075	\$3,322,760	\$395,552
Receivables:			
Accounts	31,916	2,116,708	-
Special assessments	-	-	1,673,980
Taxes	818,704	7,476	-
Loans	-	-	-
Interest	31,260	1,700	500
Due from other governmental units	54,466	-	44,573
Interfund receivable	-	-	-
Prepayments	131,857	-	-
Real estate held for resale	-	872,615	-
Total assets	\$9,237,278	\$6,321,259	\$2,114,605
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$190,677	\$5,838	\$33,833
Accrued salaries and withholdings payable	140,201	-	934
Contracts payable - retained percentage	2,774	-	91,818
Due to other governmental units	157,507	-	-
Interfund payable	-	-	-
Unearned revenue	180,048	-	-
Deposits	-	-	10,000
Total liabilities	671,207	5,838	136,585
Deferred inflows of resources:			
Unavailable revenue	188,858	2,115,600	1,644,565
Total deferred inflows of resources	188,858	2,115,600	1,644,565
Fund balance:			
Nonspendable	131,857	-	-
Restricted	-	-	-
Committed	-	4,199,821	333,455
Assigned	177,389	-	-
Unassigned	8,067,967	-	-
Total fund balances	8,377,213	4,199,821	333,455
Total liabilities, deferred inflows of resources, and fund balances	\$9,237,278	\$6,321,259	\$2,114,605

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

Capital Improvements General Gov't Buildings Fund 411	HRA (Component Unit) Parkview Villa North & South Fund 203 & 213	Other Governmental Funds	Interfund Eliminations	Total Governmental Funds
\$6,037,283	\$ -	\$12,040,796	\$ -	\$29,965,466
-	-	52,190	-	2,200,814
-	-	279,904	-	1,953,884
-	-	73,062	-	899,242
-	6,585,000	390,308	-	6,975,308
12,000	-	22,600	-	68,060
-	-	52,484	-	151,523
-	-	134,120	(134,120)	-
-	-	2,602	-	134,459
-	-	480,308	-	1,352,923
<u>\$6,049,283</u>	<u>\$6,585,000</u>	<u>\$13,528,374</u>	<u>(\$134,120)</u>	<u>\$43,701,679</u>
\$3,817	\$ -	\$388,548	\$ -	\$622,713
29	-	17,163	-	158,327
-	-	689,014	-	783,606
-	-	10,141	-	167,648
-	-	134,120	(134,120)	-
-	-	43,423	-	223,471
-	-	55,359	-	65,359
<u>3,846</u>	<u>0</u>	<u>1,337,768</u>	<u>(134,120)</u>	<u>2,021,124</u>
-	6,585,000	634,931	-	11,168,954
<u>0</u>	<u>6,585,000</u>	<u>634,931</u>	<u>0</u>	<u>11,168,954</u>
-	-	2,602	-	134,459
-	-	3,600,385	-	3,600,385
6,045,437	-	8,674,528	-	19,253,241
-	-	-	-	177,389
-	-	(721,840)	-	7,346,127
<u>6,045,437</u>	<u>0</u>	<u>11,555,675</u>	<u>0</u>	<u>30,511,601</u>
<u>\$6,049,283</u>	<u>\$6,585,000</u>	<u>\$13,528,374</u>	<u>(\$134,120)</u>	<u>\$43,701,679</u>

Fund balance reported above	\$30,511,601
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.	46,244,542
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	5,968,954
Internal service funds are used by management to charge the costs of municipal service center, information systems, risk management and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	(7,397,711)
Long-term liabilities, including bonds payable and pollution remediation obligation, are not due and payable in the current period and, therefore, are not reported in the funds.	(18,413,557)
Net position of governmental activities	<u>\$56,913,829</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For The Year Ended December 31, 2020

	General Fund	EDA (Component Unit) Redevelopment Project Fund 408	Capital Improvements PIR Fund 415
Revenues:			
Taxes	\$11,274,608	\$246,245	\$ -
Tax increment collections	-	-	-
Special assessments	-	-	494,062
Licenses and permits	334,596	-	-
Intergovernmental	955,096	-	-
Charges for services	447,822	-	18,173
Fines and forfeitures	101,309	-	-
Investment income:			
Interest and dividends	142,941	8,000	6,936
Change in fair value	43,393	2,400	700
Other revenues	19,759	73,039	4,651
Total revenues	<u>13,319,524</u>	<u>329,684</u>	<u>524,522</u>
Expenditures:			
Current:			
General government	2,340,486	-	-
Public safety	6,692,165	-	-
Public works	1,606,427	-	266,952
Culture and recreation	1,570,452	-	-
Community development	-	181,876	-
Capital outlay:			
General government	-	-	-
Public safety	76,571	-	-
Public works	259,235	-	744,988
Community development	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Developer incentives	-	-	-
Total expenditures	<u>12,545,336</u>	<u>181,876</u>	<u>1,011,940</u>
Revenues over (under) expenditures	<u>774,188</u>	<u>147,808</u>	<u>(487,418)</u>
Other financing sources (uses):			
Transfers in	497,000	-	1,449
Transfers out	(771,759)	-	(50,468)
Sale of capital assets	2,030	-	-
Total other financing sources (uses)	<u>(272,729)</u>	<u>0</u>	<u>(49,019)</u>
Special item	-	1,557,775	-
Net change in fund balance	501,459	1,705,583	(536,437)
Fund balance - January 1	<u>7,875,754</u>	<u>2,494,238</u>	<u>869,892</u>
Fund balance - December 31	<u>\$8,377,213</u>	<u>\$4,199,821</u>	<u>\$333,455</u>

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

Statement 4

Capital Improvements General Gov't Buildings Fund 411	HRA (Component Unit) Parkview Villa North & South Fund 203 & 213	Other Governmental Funds	Interfund Eliminations	Total Governmental Funds
\$ -	\$ -	\$1,987,371	\$ -	\$13,508,224
-	-	1,116,418	-	1,116,418
-	-	105,296	-	599,358
-	-	346,230	-	680,826
700,000	-	2,611,708	-	4,266,804
-	-	472,189	-	938,184
-	-	8,592	-	109,901
55,000	-	119,497	-	332,374
16,700	-	33,700	-	96,893
-	-	82,829	-	180,278
<u>771,700</u>	<u>0</u>	<u>6,883,830</u>	<u>0</u>	<u>21,829,260</u>
-	-	115,144	-	2,455,630
-	-	1,227,370	-	7,919,535
-	-	267,727	-	2,141,106
-	-	1,076,097	-	2,646,549
-	-	894,276	-	1,076,152
237,223	-	39,605	-	276,828
-	-	521,494	-	598,065
-	-	1,769,638	-	2,773,861
-	-	22,200	-	22,200
-	-	980,000	-	980,000
-	-	555,801	-	555,801
-	-	769,402	-	769,402
<u>237,223</u>	<u>0</u>	<u>8,238,754</u>	<u>0</u>	<u>22,215,129</u>
<u>534,477</u>	<u>0</u>	<u>(1,354,924)</u>	<u>0</u>	<u>(385,869)</u>
623,000	-	244,433	(976,782)	389,100
-	-	(166,555)	976,782	(12,000)
-	-	20,525	-	22,555
<u>623,000</u>	<u>0</u>	<u>98,403</u>	<u>0</u>	<u>399,655</u>
-	-	(1,163,468)	-	394,307
1,157,477	0	(2,419,989)	0	408,093
<u>4,887,960</u>	<u>-</u>	<u>13,975,664</u>	<u>-</u>	<u>30,103,508</u>
<u>\$6,045,437</u>	<u>\$0</u>	<u>\$11,555,675</u>	<u>\$0</u>	<u>\$30,511,601</u>

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

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For The Year Ended December 31, 2020

Statement 5

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Net changes in fund balances - total governmental funds (Statement 4)	\$408,093
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The differences are the net amount of depreciation and outlay for capital assets.	1,210,741
The issuance of long-term debt provides current financial resources to the governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has any effect on net position however. This amount is the net effect of these differences in the treatment of long-term debt.	1,021,949
Interest on long-term debt is reported in the governmental funds in the year it is paid. Whereas, this amount is reported in the statement of activities in the year in which it accrues.	13,956
In the governmental funds, revenues are reported in the year available as current resources. Whereas in the statement of activities, revenues are reported in the year earned.	2,281,760
The net revenues (expenses) of certain activities of internal service funds are reported within the governmental activities in the statement of activities.	<u>509,264</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$5,445,763</u></u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

Assets:	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
Current assets:			
Cash and cash equivalents	\$958,232	\$569,911	\$1,746,270
Receivables:			
Accounts (net of allowance for uncollectibles)	870,757	600,797	584,168
Interest	1,600	1,900	3,100
Due from other governmental units	-	-	23,982
Prepayments	-	103,380	-
Inventory - at cost	8,792	-	-
Total current assets	<u>1,839,381</u>	<u>1,275,988</u>	<u>2,357,520</u>
Noncurrent assets:			
Capital assets:			
Land	45,223	36,586	-
Construction in progress	1,343,167	619,147	-
Buildings	1,305,172	403,659	56,000
Equipment	728,156	1,194,140	112,893
Infrastructure	8,613,661	6,677,171	-
Total capital assets	<u>12,035,379</u>	<u>8,930,703</u>	<u>168,893</u>
Less: accumulated depreciation	<u>(5,087,210)</u>	<u>(5,437,806)</u>	<u>(139,518)</u>
Net capital assets	<u>6,948,169</u>	<u>3,492,897</u>	<u>29,375</u>
Total noncurrent assets	<u>6,948,169</u>	<u>3,492,897</u>	<u>29,375</u>
Total assets	<u>8,787,550</u>	<u>4,768,885</u>	<u>2,386,895</u>
Deferred outflows of resources:			
Related to pensions and OPEB	-	-	-
Liabilities:			
Current liabilities:			
Accounts payable	43,741	1,072	153,444
Accrued salaries and withholdings payable	7,430	3,250	1,800
Contracts payable - retained percentage	69,947	30,396	-
Due to other governmental units	137,198	-	-
Accrued interest payable	3,111	2,058	-
Unearned revenue	-	-	-
Compensated absences payable - current	-	-	-
Bonds payable - current	80,000	53,400	-
Total current liabilities	<u>341,427</u>	<u>90,176</u>	<u>155,244</u>
Noncurrent liabilities:			
Compensated absences payable - noncurrent	-	-	-
Other postemployment benefits payable	-	-	-
Bonds payable - noncurrent	250,000	178,800	-
Net pension liability	-	-	-
Total noncurrent liabilities	<u>250,000</u>	<u>178,800</u>	<u>0</u>
Total liabilities	<u>591,427</u>	<u>268,976</u>	<u>155,244</u>
Deferred inflows of resources:			
Related to pensions and OPEB	-	-	-
Net position:			
Net investments in capital assets	6,618,169	3,260,697	29,375
Restricted for debt service	87,906	58,612	-
Unrestricted	1,490,048	1,180,600	2,202,276
Total net position	<u>\$8,196,123</u>	<u>\$4,499,909</u>	<u>\$2,231,651</u>

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds
Net position of business-type activities

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

Business-Type Activities - Enterprise Funds			
Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds	Internal Service Funds
\$502,755	\$1,647,609	\$5,424,777	\$4,090,436
142,485	-	2,198,207	-
1,400	2,700	10,700	6,600
-	388	24,370	157
-	7,387	110,767	86,951
-	2,278,746	2,287,538	66,054
<u>646,640</u>	<u>3,936,830</u>	<u>10,056,359</u>	<u>4,250,198</u>
260,690	2,006,714	2,349,213	15,779
-	8,287	1,970,601	-
-	3,909,062	5,673,893	1,978,957
402,607	450,353	2,888,149	605,235
2,667,144	-	17,957,976	-
<u>3,330,441</u>	<u>6,374,416</u>	<u>30,839,832</u>	<u>2,599,971</u>
<u>(1,461,124)</u>	<u>(1,973,642)</u>	<u>(14,099,300)</u>	<u>(1,609,068)</u>
<u>1,869,317</u>	<u>4,400,774</u>	<u>16,740,532</u>	<u>990,903</u>
<u>1,869,317</u>	<u>4,400,774</u>	<u>16,740,532</u>	<u>990,903</u>
<u>2,515,957</u>	<u>8,337,604</u>	<u>26,796,891</u>	<u>5,241,101</u>
-	-	-	2,660,937
6,774	214,205	419,236	44,180
1,430	15,506	29,416	10,726
17,388	-	117,731	-
-	86,439	223,637	-
2,374	24,644	32,187	-
-	-	-	9,437
-	-	-	106,600
<u>56,600</u>	<u>260,000</u>	<u>450,000</u>	<u>-</u>
<u>84,566</u>	<u>600,794</u>	<u>1,272,207</u>	<u>170,943</u>
-	-	-	1,077,862
-	-	-	1,527,677
181,200	2,360,901	2,970,901	-
-	-	-	9,031,244
<u>181,200</u>	<u>2,360,901</u>	<u>2,970,901</u>	<u>11,636,783</u>
<u>265,766</u>	<u>2,961,695</u>	<u>4,243,108</u>	<u>11,807,726</u>
-	-	-	3,271,948
1,631,517	1,779,873	13,319,631	990,903
62,494	307,865	516,877	-
556,180	3,288,171	8,717,275	(8,168,539)
<u>\$2,250,191</u>	<u>\$5,375,909</u>	<u>22,553,783</u>	<u>(\$7,177,636)</u>
		220,074	
		<u>\$22,773,857</u>	

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For The Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
Operating revenues:			
Charges for services	\$237,408	\$2,241,481	\$2,103,590
Charges for sales, net of discounts	3,528,514	-	-
Total operating revenues	<u>3,765,922</u>	<u>2,241,481</u>	<u>2,103,590</u>
Operating expenses:			
Cost of sales, services and goods sold	1,616,685	1,206,459	1,766,657
Operating expense	985,677	776,671	260,702
Depreciation	300,170	165,698	2,500
Total operating expenses	<u>2,902,532</u>	<u>2,148,828</u>	<u>2,029,859</u>
Net income (loss) from operations	<u>863,390</u>	<u>92,653</u>	<u>73,731</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest and dividends	7,300	8,899	14,100
Change in fair value	2,200	2,700	4,300
Intergovernmental	-	-	103,695
Miscellaneous revenues	708	597	-
Miscellaneous expense	-	-	-
Interest and fiscal charges	(7,932)	(5,326)	-
Total nonoperating revenues (expenses)	<u>2,276</u>	<u>6,870</u>	<u>122,095</u>
Net income (loss) before transfers and capital contributions	<u>865,666</u>	<u>99,523</u>	<u>195,826</u>
Transfers and capital contributions:			
Transfers in	-	-	-
Transfers out	(102,000)	(102,000)	(94,200)
Total transfers and capital contributions	<u>(102,000)</u>	<u>(102,000)</u>	<u>(94,200)</u>
Change in net position	763,666	(2,477)	101,626
Net position - January 1	<u>7,432,457</u>	<u>4,502,386</u>	<u>2,130,025</u>
Net position - December 31	<u><u>\$8,196,123</u></u>	<u><u>\$4,499,909</u></u>	<u><u>\$2,231,651</u></u>

Reconciliation to Statement of Activities:

Amount reported above

Amounts reported for business-type activities in the statement of activities are different because:

Adjustment to reflect consolidation of internal service fund activities

Amounts reported on the statement of activities

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

Business-Type Activities - Enterprise Funds				
Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds		Internal Service Funds
\$522,652	\$ -	\$5,105,131		\$4,047,877
-	7,585,383	11,113,897		105,270
522,652	7,585,383	16,219,028		4,153,147
-	5,649,325	10,239,126		3,636,872
456,459	1,520,529	4,000,038		-
112,437	134,261	715,066		78,698
568,896	7,304,115	14,954,230		3,715,570
(46,244)	281,268	1,264,798		437,577
6,100	12,400	48,799		30,500
1,900	3,700	14,800		9,300
-	4,091	107,786		67,754
359	-	1,664		-
-	(2,500)	(2,500)		-
(6,057)	(50,989)	(70,304)		-
2,302	(33,298)	100,245		107,554
(43,942)	247,970	1,365,043		545,131
-	-	-		12,000
-	(90,900)	(389,100)		-
0	(90,900)	(389,100)		12,000
(43,942)	157,070	975,943		557,131
2,294,133	5,218,839	21,577,840		(7,734,767)
\$2,250,191	\$5,375,909	\$22,553,783		(\$7,177,636)
		Change in Net Position		Transfers
		\$975,943		(\$389,100)
		47,864		-
		\$1,023,807		(\$389,100)

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For The Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
Cash flows provided by (used in) operating activities:			
Cash received from customers	\$3,690,082	\$2,197,185	\$2,094,419
Cash received from interfund goods and services provided	-	-	-
Cash paid to suppliers for goods and services	(2,083,818)	(1,669,259)	(1,875,505)
Cash payments to employees for services	(425,818)	(340,082)	(139,657)
Net cash flows provided by (used in) operating activities	<u>1,180,446</u>	<u>187,844</u>	<u>79,257</u>
Cash flows provided by (used in) noncapital financing activities:			
Transfers in			
Transfers out	(102,000)	(102,000)	(94,200)
Intergovernmental	-	-	103,695
Interfund payable (repaid to) advanced by other funds	-	-	-
Increases in other postemployment benefits payable	-	-	-
Net cash flows provided by (used in) noncapital financing activities	<u>(102,000)</u>	<u>(102,000)</u>	<u>9,495</u>
Cash flows provided by (used in) capital and related financing activities:			
Acquisition of capital assets	(1,360,043)	(699,459)	-
Principal payments - bonds	(80,000)	(53,400)	-
Interest and fiscal charges	(8,497)	(5,799)	-
Net cash flows provided by (used in) capital and related financing activities	<u>(1,448,540)</u>	<u>(758,658)</u>	<u>0</u>
Cash flows provided by (used in) investing activities:			
Investment income:			
Interest and dividends	7,000	8,799	13,700
Change in fair value	2,200	2,700	4,300
Net cash flows provided by (used in) investing activities	<u>9,200</u>	<u>11,499</u>	<u>18,000</u>
Net increase (decrease) in cash and cash equivalents	(360,894)	(661,315)	106,752
Total cash and cash equivalents - January 1	<u>1,319,126</u>	<u>1,231,226</u>	<u>1,639,518</u>
Total cash and cash equivalents - December 31	<u>\$958,232</u>	<u>\$569,911</u>	<u>\$1,746,270</u>
Noncash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Business-Type Activities - Enterprise Funds

Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds	Internal Service Funds
\$540,690	\$7,580,850	\$16,103,226	\$ -
-	-	-	4,929,122
(335,947)	(6,202,662)	(12,167,191)	(3,236,064)
(149,979)	(1,099,873)	(2,155,409)	(1,720,008)
54,764	278,315	1,780,626	(26,950)
-	(90,900)	(389,100)	12,000
-	4,091	107,786	-
-	-	-	67,754
-	-	-	-
0	(86,809)	(281,314)	42,065
			121,819
(3,849)	(17,909)	(2,081,260)	(28,886)
(56,600)	(255,000)	(445,000)	-
(6,361)	(62,892)	(83,549)	-
(66,810)	(335,801)	(2,609,809)	(28,886)
5,600	12,000	47,099	29,400
1,900	3,700	14,800	9,300
7,500	15,700	61,899	38,700
(4,546)	(128,595)	(1,048,598)	104,683
507,301	1,776,204	6,473,375	3,985,753
\$502,755	\$1,647,609	\$5,424,777	\$4,090,436
\$ -	\$ -	\$ -	\$ -

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$863,390	\$92,653	\$73,731
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	300,170	165,698	2,500
Miscellaneous revenues (expenses)	708	597	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(76,268)	(42,051)	(9,094)
(Increase) decrease in due from other governmental units	-	-	(77)
(Increase) decrease in prepayments	-	(2,842)	-
(Increase) decrease in inventory, at cost	428	-	-
(Increase) decrease in deferred pension outflows	-	-	-
Increase (decrease) in accounts payable	20,125	(36,585)	14,671
Increase (decrease) in accrued salaries and withholdings payable	(7,573)	(9,890)	(2,474)
Increase (decrease) in contracts payable - retained percentage	69,947	20,264	-
Increase (decrease) in due to other governmental units	9,719	-	-
Increase (decrease) in deposits payable	(200)	-	-
Increase (decrease) in deferred revenue	-	-	-
Increase (decrease) in compensated absences	-	-	-
Increase (decrease) in net pension liability	-	-	-
Increase (decrease) in deferred pension inflows	-	-	-
Total adjustments	317,056	95,191	5,526
Net cash flows from operating activities	\$1,180,446	\$187,844	\$79,257

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

Business-Type Activities - Enterprise Funds			
Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds	Internal Service Funds
(\$46,244)	\$281,268	\$1,264,798	\$437,577
112,437	134,261	715,066	78,698
359	(2,500)	(836)	-
(16,066)	109	(143,370)	-
33,745	2,745	36,413	229
-	(7,387)	(10,229)	(8,341)
-	62,418	62,846	(7,866)
-	-	-	1,087,142
(25,151)	(141,537)	(168,477)	(11,600)
(2,653)	(34,920)	(57,510)	(21,326)
(1,663)	-	88,548	-
-	(16,142)	(6,423)	-
-	-	(200)	-
-	-	-	275
-	-	-	60,754
-	-	-	1,073,148
-	-	-	(2,715,640)
101,008	(2,953)	515,828	(464,527)
\$54,764	\$278,315	\$1,780,626	(\$26,950)

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

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Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Columbia Heights, Minnesota (the City) was incorporated in 1898. A Council composed of an elected mayor and four council members governs the City. The Council exercises legislative authority and determines all matters of policy. The Manager, appointed by the Council, is responsible for the proper administration of all affairs relating to the City.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant policies.

A. FINANCIAL REPORTING ENTITY

The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The City has two component units - the Housing and Redevelopment Authority (HRA) and the Economic Development Authority (EDA). The HRA and the EDA are considered component units because the governing boards are substantively the same as that of the City and because the City is in a relationship of financial benefit or burden with each of the entities. It is this criterion that results in the HRA and EDA being reported as a blended component unit.

The financial position and results of operations of the HRA and the EDA component units are presented using the blended method. These blended component units, although legally separate entities, are, in substance, part of the City's operations. The component units consist of Nonmajor Governmental Funds using the modified accrual basis of accounting, and as such are included in the other governmental funds. Separate financial statements for the HRA and EDA are not prepared.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity 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 function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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 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 all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year 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.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

The *Capital Improvement – general government building fund* was established for improvements to city buildings.

The *EDA (component unit) Redevelopment Project fund* was established to fund land acquisitions and other activities of redevelopment.

The *Capital Improvement – PIR Fund* was established to account for projects that will be assessed to the affected properties.

The *HRA (component unit) Parkview Villa North & South fund* was established to account for the revenue and expenditures of the senior housing complex.

The City reports the following major proprietary funds:

The *water fund* accounts for revenue and expenses associated with water services to area residents.

The *sewer fund* accounts for revenues and expenses associated with sewer disposal within the City.

The *refuse fund* accounts for revenues and expenses associated with organized collection of refuse and recycling within the City.

The *storm sewer fund* accounts for revenues and expenses associated with storm water disposal.

The *liquor fund* accounts for revenues and expenses associated with the operation of three off-sale liquor stores.

Additionally, the City reports the following fund types:

Internal service funds account for municipal service center, information systems, risk management and certain employee benefit services provided to other departments of the City on a cost reimbursement basis.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 fund's principal ongoing operations. The principal operating revenues of the water, sewer, refuse, storm sewer and liquor enterprise funds and of the internal service funds are charges to customers for sales and services. Liquor fund sales are reported net of discounts. No other fund provides discounts. For 2020, liquor sales discounts were \$212,454. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. BUDGETARY DATA

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing on January 1 of the following year. At least one special Council meeting is conducted to obtain public comments as required by the State Truth in Taxation Law.

The City Council annually adopts budgets prior to January 1 for the General Fund and the following special revenue funds:

Nonmajor special revenue funds:

Cable Television Fund

Library Fund

After-School Programs Fund

Twenty-First Century Arts Fund

Planning and Inspections Fund

Downtown Parking Fund

Economic Development Authority (component unit):

Economic Development Authority administration fund

The budgets are prepared by fund, function and activity. The budgets are adopted on a basis consistent with generally accepted accounting principles and all appropriations lapse at the end of the budget year to the extent that they have not been expended. Total expenditures appropriated in the budget resolution may not legally exceed the estimated revenues available from various sources.

Formal budgetary integration is employed as a management control device during the year. Budget revisions between functions or activities may be made by the City Manager. Budget revisions at the fund level are authorized by the City Council in accordance with the City Charter at the request of the City Manager. The legal level of budgetary control is therefore at the fund level.

The City does not use encumbrance accounting.

E. CASH AND INVESTMENTS

Cash balances from all funds of the City are pooled and invested to the extent available in authorized investments. Investments are stated at fair value, except for investments in any external investment pools that meet GASB 79 requirements, which are stated at amortized cost. Investment income is allocated to the individual funds on the basis of applicable cash balance participation by each fund using an average of monthly beginning cash and investment balances.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. The interfund balances are eliminated on the government-wide financial statements.

Investments are stated at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable. A detail of the fair value hierarchy of investments held by the City are disclosed in Note 2.

F. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Interfund loans are classified as “interfund receivables/payables.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Because property taxes, special assessments and utility bills form liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables, and have not been reported.

G. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes received by the City are recognized as revenue for the current year. Delinquent taxes that are collected by the County by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent taxes receivable in governmental funds are offset by deferred inflow of resources.

H. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are allocated first to the County's costs of administering all tax forfeit properties. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land, in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent and deferred special assessments receivable in governmental funds are offset by deferred inflow of resources.

I. INVENTORIES

GOVERNMENTAL FUNDS

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. These funds do not maintain material amounts of inventories. Real estate held for resale is valued at the lower of cost or estimated net realizable value. Sales of real estate held for resale are recognized as charges for services in the government-wide statements and sale of capital assets in the fund financials.

PROPRIETARY FUNDS

Inventories of the Proprietary Funds are stated at cost, which approximates market, using the first-in, first-out (FIFO) method.

J. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

K. CAPITAL ASSETS

Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., roads, sidewalks, water systems, sewer systems and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an estimated useful life in excess of one year and an initial individual cost of more than the following:

	<u>Capitalization Threshold</u>
Land	\$1
Buildings	25,000
Equipment	5,000
Infrastructure	250,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Infrastructure assets acquired prior to June 30, 1980 are not recorded. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Capital Assets	
Buildings (and building components)	10 - 50 years
Equipment	3 - 15 years
Infrastructure	20 - 60 years

L. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits to certain limits. All vacation pay and the vested portion of sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Typically, resources from the employee benefits fund are used to liquidate the liability for compensated absences.

M. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, 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 are deferred and amortized over the life of the bonds.

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

N. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – consists of amounts that are not in spendable forms, such as prepaid items and assets for resale unless proceeds from the sale are committed or restricted.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consist of internally imposed constraints. These constraints are established by Resolution of the City Council. Once adopted, the limitation imposed requires a similar action be taken to remove or revise the limitation.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City’s intended use. These constraints are established by the City Council and/or management. Pursuant to City Council resolution 2010-138, the City Manager is authorized to establish assignment of fund balance.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to first use restricted resources, and then use unrestricted as they are needed. When committed, assigned or unassigned resources are available for use, it is the City’s policy to use resources in the following order; 1) committed, 2) assigned and 3) unassigned.

O. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

P. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

Q. COMPARATIVE DATA/RECLASSIFICATIONS

Certain comparative total data for the prior year has been presented in the government-wide financial statements in order to provide an understanding of the changes in the City’s financial position and operations. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

R. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

Deferred Inflows of resources: In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow or resources (revenue) until that time. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenue from the following sources: property taxes, special assessments, due from other governmental units, and loans receivable.

Pensions: For the purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deletions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net positions and results from actuarial calculations.

S. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation states, “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$18,413,557) difference are as follows:

Pollution Remediation Obligation	(\$108,475)
Accrued interest payable	(214,413)
Bonds payable	<u>(18,090,669)</u>
Adjustment to fund balance - total governmental funds - to arrive at net position of governmental activities	<u><u>(\$18,413,557)</u></u>

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures and changes in fund balance includes a reconciliation between *net changes in fund balance – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states, “Governmental funds report capital outlays as expenditures.

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However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The differences are the net amount of depreciation and outlay for capital assets." The details of this \$1,210,741 difference are as follows:

Total capital outlay in government fund financial statements	\$3,739,501
Depreciation expense	<u>(2,528,760)</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>\$1,210,741</u></u>

Another element of that reconciliation states, "The issuance of long-term debt provides current financial resources to the governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position however. This amount is the net effect of these differences in the treatment of long-term debt." The details of this \$1,021,949 difference are as follows:

Debt issued:	
Principal repayments:	
General obligation bonds	\$850,000
Revenue bonds	130,000
Amortization of deferred premiums	<u>41,949</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>\$1,021,949</u></u>

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Another element of that reconciliation states, "In the governmental funds, revenues are reported in the year available as current resources. Whereas in the statement of activities, revenues are reported in the year earned." The details of this \$2,281,760 difference are as follows:

Unavailable revenue - General property taxes:	
At December 31, 2019	(\$294,263)
At December 31, 2020	198,707
Unavailable revenue - Tax increment taxes:	
At December 31, 2019	(14,481)
At December 31, 2020	14,177
Unavailable revenue - Special assessments:	
At December 31, 2019	(1,662,449)
At December 31, 2020	1,924,469
Unavailable revenue - Loan receivable:	
At December 31, 2019	(6,916,000)
At December 31, 2020	<u>9,031,600</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	 <u><u>\$2,281,760</u></u>

T. STATEMENT OF CASH FLOWS

For purposes of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. All of the Proprietary Funds' equity in the City-wide cash and investment management pool is considered to be cash equivalents.

Note 2 DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds of the City. The City's total cash and investment balances as of December 31, 2020 are as follows:

	Carrying Amount At Fair Value
Investments	\$37,176,257
Deposits	2,296,649
Cash on hand	7,773
	<u>\$39,480,679</u>

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Minnesota Statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. The City has no additional deposit policies addressing custodial credit risk. At December 31, 2020, the bank balances of the City's deposits were insured by the FDIC or covered by pledged collateral held in the City's name.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Clerk/Treasurer or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

- (1) United States government treasury bills, treasury notes and treasury bonds;
- (2) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- (3) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- (4) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- (5) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- (6) Time deposits that are fully insured by the Federal Deposit Insurance Corporation.

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Deposits as of December 31, 2020 are as follows:

	Bank Balances	Carrying Amount At Fair Value
Demand deposits	\$2,163,778	\$1,533,490
Time deposits	<u>763,002</u>	<u>763,159</u>
Total	<u>\$2,926,780</u>	<u>\$2,296,649</u>

B. INVESTMENTS

Minnesota Statutes Section 118A authorizes the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies described in Section 118A.05. This includes primarily money market funds rated in the top two rating categories by a national rating service, and companies whose only investments are described in items a) through h) of this note.
- c) Obligations of the State of Minnesota or any of its municipalities as follows:
 - (1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
 - (2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
 - (3) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
 - (4) any security which is an obligation of a school district with an original maturity not exceeding 13 months and rated in the highest category by a national bond rating service, or enrolled in the credit enhancement program pursuant to Section 126C.55.
- d) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- e) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7, 469.178, subdivision 5 or 475.61, subdivision 6.
- f) Funds held in a debt service fund may be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms.

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Investments as of December 31, 2020 are as follows:

	Weighted Average Maturities In Years	Carrying Amount At Fair Value	Percentage of Total
Notes issued by U.S. government agencies:			
Federal Home Loan Mortgage Corporation	2.5	5,987,922	16%
Other U.S. government agencies*	3.2	4,315,769	12%
State and local government bonds:			
New Jersey Economic Dev Authority	2.1	2,580,471	7%
Other state and local government bonds*	1.9	5,653,467	15%
Negotiable certificates of deposit*	1.1	7,454,959	20%
Money market mutual funds:			
Federated Investors I Prime Value Fund	Less than 1 yr	9,642,531	27%
Evergreen U.S. Government Fund	Less than 1 yr	1,035,110	3%
Other Issuers	Less than 1 yr	<u>506,028</u>	<u>1%</u>
Total investments		<u>\$ 37,176,257</u>	<u>100%</u>

* from various issuers, each less than 3% of the fair value of total investments

The City has the following recurring fair value measurements as of December 31, 2020:

- Money market mutual funds are investments not categorized.
- All others are values using Level 2 inputs, significant other observable inputs.

C. INVESTMENT RISKS

The City's investment policy follows Minnesota State Statutes described above, to limit the City's exposure to credit, custodial credit and interest rate risks. Additional risk information for the City:

- Interest rate risk - Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. To address this risk, the City's policy is to hold investments to maturity whenever practical to do so.
- Credit risk - investments - Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. In order to limit credit risk to an acceptable level, the City's investments are limited to securities with the credit quality described above in Part B of this note.
- Concentration of credit risk - Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the

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amount the City may invest in any one issuer. The table above details the percentage of the City's investments with each issuer at December 31, 2020.

- d) Custodial credit risk – Custodial credit risk is the risk that in the event of a failure of the counterparty, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. At December 31, 2020, the securities listed above are held by two separate custodians in the City's name, with \$500,000 of SIPC insurance coverage specific to the City's investments held at each custodian. Each custodian has provided additional protection by providing additional insurance. This additional insurance is subject to aggregate limits applied to all of the custodian's accounts however. Investments in money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures.

Note 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2020 are as follows:

	Major Funds			Nonmajor Funds			Total
	HRA (component unit) Parkview Villa North & South	EDA Redev Proj Fund (Component Unit)	2008A Taxable GO Housing Imp Area Bonds Fund	Anoka County Comm Dev Program Fund	EDA Administration (Component Unit)	Capital Improvement Development	
Special assessments receivable	\$ -	\$ -	\$192,241	\$ -	\$ -	\$ -	\$1,334,783
Loan receivable	6,585,000	-	-	231,000	100,000	59,308	6,975,308
Long-term receivable	-	2,115,600	-	-	-	-	2,115,600
Total	\$6,585,000	\$2,115,600	\$192,241	\$231,000	\$100,000	\$59,308	\$10,425,691

On September 24, 2015, the Housing and Redevelopment Authority (HRA) sold a 150 unit senior apartment facility (Parkview Villa North and South) to Aeon, a regional non-profit housing entity. The terms of the sale included a 30 year \$6,585,000 long-term note receivable from Aeon due December 31, 2047. Once the note is collected, the HRA will remit \$5,200,000 to U.S. Department of Housing and Urban Development (HUD), for the dissolution of the Parkview Villa North portion of the facility as a Public Housing Agency project.

In 2020, a developer purchased certain land within the City's downtown business district from the EDA. Part of the purchase agreement included a contractual obligation to develop and construct the City Hall Component of Minimum Improvements and convey to the City upon completion. December 31, 2020, the estimated fair value assigned to the right to receive the future condominium shell is \$2,115,600.

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NOTES TO FINANCIAL STATEMENTS
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Note 4 UNAVAILABLE REVENUES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Property Taxes	Tax Increment	Special Assessments	Loan Receivable	Long Term Receivable	Total
Major Funds:						
General Fund	\$188,858	\$ -	\$ -	\$ -	\$ -	\$188,858
EDA (Component Unit) Redevelopment Proj	-	-	-	-	2,115,600	2,115,600
Capital Improvements - PIR Funds	-	-	1,644,565	-	-	1,644,565
HRA Parkview Villa North & South	-	-	-	6,585,000	-	6,585,000
Nonmajor Governmental Funds:	9,850	14,177	279,904	331,000	-	634,931
Total unavailable revenue	\$198,708	\$14,177	\$1,924,469	\$6,916,000	2,115,600	\$11,168,954

CITY OF COLUMBIA HEIGHTS, MINNESOTA
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Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets - not depreciated:				
Land	\$6,440,531	\$ -	\$ -	\$6,440,531
Construction in progress	365,383	2,723,528	(182,821)	2,906,090
Total capital assets not being depreciated	6,805,914	2,723,528	(182,821)	9,346,621
Capital assets - being depreciated:				
Buildings	32,306,087	-	-	32,306,087
Equipment	10,390,084	1,227,680	(84,369)	11,533,395
Infrastructure	35,951,874	-	-	35,951,874
Total capital assets being depreciated	78,648,045	1,227,680	(84,369)	79,791,356
Less accumulated depreciation for:				
Buildings	11,586,752	920,966	-	12,507,718
Equipment	7,298,164	545,202	(84,367)	7,758,999
Infrastructure	20,494,525	1,141,290	-	21,635,815
Total accumulated depreciation	39,379,441	2,607,458	(84,367)	41,902,532
Capital assets being depreciated - net	39,268,604	(1,379,778)	(2)	37,888,824
Governmental activities capital assets - net	46,074,518	1,343,750	(182,823)	47,235,445
Business-type activities:				
Capital assets - not depreciated:				
Land	2,349,213	-	-	2,349,213
Construction in progress	68,629	1,921,305	(19,333)	1,970,601
Total capital assets not being depreciated	2,417,842	1,921,305	(19,333)	4,319,814
Capital assets - being depreciated:				
Buildings	5,673,893	-	-	5,673,893
Equipment	2,717,400	179,288	(8,539)	2,888,149
Infrastructure	19,308,003	-	(1,350,027)	17,957,976
Total capital assets being depreciated	27,699,296	179,288	(1,358,566)	26,520,018
Less accumulated depreciation for:				
Buildings	2,315,110	159,283	-	2,474,393
Equipment	2,057,460	107,765	(8,539)	2,156,686
Infrastructure	10,370,231	448,017	(1,350,027)	9,468,221
Total accumulated depreciation	14,742,801	715,065	(1,358,566)	14,099,300
Capital assets being depreciated - net	12,956,495	(535,777)	-	12,420,718
Business-type activities capital assets - net	15,374,337	1,385,528	(19,333)	16,740,532
Total capital assets - net	61,448,855	2,729,278	(202,156)	63,975,977

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Depreciation expense was charged to functions/programs of the primary government – governmental activities as follows:

Governmental activities:	
General government	\$35,890
Public safety	579,763
Public works	1,174,946
Culture and recreation	733,156
Community development	5,005
Depreciation on capital assets held by governmental internal service activities is charged to each function based on use:	
Municipal Service Center	68,322
Information Systems	<u>10,376</u>
Total depreciation expense - capital assets held by governmental activities	<u><u>\$2,607,458</u></u>

Depreciation expense was charged to functions/programs of the primary government - business-type activities as follows:

Business-type activities:	
Water	\$300,170
Sewer	165,698
Refuse	2,500
Storm sewer	112,437
Liquor	<u>134,261</u>
Total depreciation expense - capital assets held by business-type activities	<u><u>\$715,066</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
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Note 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

INTERFUND RECEIVABLES, PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2020 are as follows:

Fund	Receivable	Payable
Nonmajor funds	\$134,120	\$134,120
Total	<u>\$134,120</u>	<u>\$134,120</u>

All interfund balances at December 31, 2020, reflect lending arrangements to cover deficit cash balances at yearend. Substantially all such other amounts are expected to be repaid within one year.

INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2020 are as follows:

	Transfers In					Total
	Major Funds			Nonmajor Funds		
	General	Governmental		Other Govtl Funds	Internal Service Funds	
	Capital Imp Fund	Capital Imprvmts Gen Govt Bldg				
Transfers out:						
Major funds:						
Governmental:						
General	\$ -	\$1,449	\$623,000	\$135,310	\$12,000	\$771,759
Capital Imprvmts PIR	-	-	-	50,468	-	50,468
Enterprise:						
Water	102,000	-	-	-	-	102,000
Sewer	102,000	-	-	-	-	102,000
Refuse	94,200	-	-	-	-	94,200
Liquor	90,900	-	-	-	-	90,900
Nonmajor funds:						
Other governmental funds	107,900	-	-	58,655	-	166,555
Total	<u>\$497,000</u>	<u>\$1,449</u>	<u>\$623,000</u>	<u>\$244,433</u>	<u>\$12,000</u>	<u>\$1,377,882</u>

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2020 interfund transfers were primarily for the following purposes:

- a) To fund capital projects and equipment replacement
- b) To fund debt service funds with pledged resources from the funds authorized to collect those resources
- c) To fund general government functions of the General Fund which are broadly applicable to all activities of the primary government.

Note 7 LONG-TERM DEBT

GENERAL OBLIGATION BONDS

The City issues General Obligation Bonds to provide funds for the acquisition and construction of major capital improvements. General Obligation Bonds are direct obligations and are backed by the full faith and credit of the City. Any deficiencies in pledged revenues will be offset by general property taxes. All of the bonds are serial bonds, which require semiannual payments of principal and/or interest from the date the bonds are issued. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions. General obligation bonds outstanding at December 31, 2020, are as follows:

	Pledged revenue, if any, in addition to <u>general property taxes</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Balance End of Year</u>
Governmental activities:						
GO Library series 2015A	None	6,875,000	2.50-3.25%	3/4/2015	2/1/2036	\$5,795,000
GO Refunding series 2017B - Advanced Refunding	None	8,505,000	2.65-3.25%	7/6/2017	2/1/2038	7,655,000
GO Refunding series 2018A - Refunding	None	2,070,000	2.45-3.45%	12/27/2018	2/1/2038	1,935,000
Taxable GO housing imprvmt area series 2008A	Special assessments	975,000	5.00-6.05%	7/16/2008	2/1/2024	345,000
GO Improvement series 2013A	Special assessments	235,000	0.40-2.50%	11/21/2013	2/1/2024	85,000
Business-type activities:						
GO Utility revenue series 2013A	Utility revenues	1,685,000	0.40-2.50%	11/21/2013	2/1/2024	800,000
GO Refunding series 2017A - Refunding	Liquor revenues	3,265,000	2.00-3.00%	7/6/2017	2/1/2029	<u>2,580,000</u>
Total general obligation bonds outstanding						<u>\$19,195,000</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
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As of December 31, 2020, the annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending December 31	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$870,000	\$450,345	\$450,000	\$72,918
2022	890,000	421,654	460,000	63,618
2023	920,000	392,056	475,000	53,709
2024	950,000	361,376	485,000	43,238
2025	760,000	335,332	285,000	33,600
2026	785,000	314,863	295,000	24,900
2027	815,000	294,107	300,000	17,325
2028	830,000	271,678	315,000	10,710
2029	860,000	247,754	315,000	3,623
2030	890,000	222,974	-	-
2031-2035	4,875,000	713,609	-	-
2036-2038	2,370,000	97,222	-	-
Total	\$15,815,000	\$4,122,970	\$3,380,000	\$323,639

REVENUE BONDS

The City issues revenue bonds for which the City pledges only the income derived from the acquired or constructed assets or redevelopment to pay the debt service. All of the bonds are serial bonds, which require semiannual payments of principal and/or interest from the date the bonds are issued. There are a number of limitations and restrictions contained in the bond indentures. The City is in compliance with all significant limitations and restrictions. Revenue bonds outstanding at December 31, 2020 are as follows:

	Pledged revenue	Original Issue	Interest Rate	Issue Date	Final Maturity	Balance End of Year
Governmental activities:						
Tax increment revenue series 2016 - Refunding	Tax increment	\$2,435,000	2.28-3.009%	6/30/2016	2/15/2032	\$1,935,000
Total revenue bonds outstanding						\$1,935,000

CITY OF COLUMBIA HEIGHTS, MINNESOTA
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As of December 31, 2020, the annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year Ending December 31	Governmental Activities	
	Principal	Interest
2021	\$130,000	\$59,747
2022	135,000	57,295
2023	135,000	54,156
2024	140,000	50,200
2025	145,000	45,925
2026	145,000	40,850
2027	155,000	34,850
2028	160,000	28,550
2029	165,000	22,050
2030	170,000	16,200
2031	175,000	11,025
2032	280,000	4,200
Total	<u>\$1,935,000</u>	<u>\$425,048</u>

PLEDGED REVENUES

Refer to the schedules above for the terms of bonds with pledged revenues. Additional information on pledged revenues by type, as of December 31, 2020, and for the year then ended, is as follows:

Pledged Revenue	Activity Financed	Total Remaining		Current Year	
		Related Bond Principal and Interest	As Percentage of Revenue Pledged	Related Bond Principal and Interest	Pledged Revenue
Project-specific special assessments	Street improvements	\$88,835	95%	\$26,660	\$50,498
Project-specific special assessments	Private redevelopment	388,086	95%	98,432	107,796
Project-specific tax increment	Public/Private redevelopment	2,360,049	83%	189,748	791,317
Water, sewer and storm- sewer net revenues	Utility system improvements	838,481	16%	206,242	1,257,561

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CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds repaid only with general taxes	\$16,115,000	\$ -	(\$730,000)	\$15,385,000	\$770,000
General obligation bonds with other pledged revenues	550,000	-	(120,000)	430,000	100,000
Revenue bonds	2,065,000	-	(130,000)	1,935,000	130,000
Unamortized premium/discount	382,618	-	(41,949)	340,669	-
Total bonds payable	19,112,618	-	(1,021,949)	18,090,669	1,000,000
Due to Other Government	5,200,000	-	-	5,200,000	-
Compensated absences	1,123,708	950,254	(889,500)	1,184,462	106,600
Net pension liability	7,958,096	1,073,148	-	9,031,244	-
Postemployment benefits other than pensions	1,420,635	159,028	(51,986)	1,527,677	-
	<u>\$34,815,057</u>	<u>\$2,182,430</u>	<u>(\$1,963,435)</u>	<u>\$35,034,052</u>	<u>\$1,106,600</u>
Business-type activities:					
Bonds payable:					
General obligation bonds with other pledged revenues	\$3,825,000	\$ -	(\$445,000)	\$3,380,000	\$450,000
Unamortized premium/discount	50,682	-	(9,781)	40,901	-
Total bonds payable	3,875,682	-	(454,781)	3,420,901	450,000
Total business-type activity long-term liabilities	<u>\$3,875,682</u>	<u>\$0</u>	<u>(\$454,781)</u>	<u>\$3,420,901</u>	<u>\$450,000</u>

Compensated absences, net pension liability and other postemployment benefits are liquidated by the employee benefits fund, an internal service fund.

See note 3 for detail of Due to Other Government.

Note 8 CONDUIT DEBT

From time to time, the City has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from private-sector entity revenues. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City, the EDA, and the HRA, are not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2020 there was an estimated aggregate principal amount payable of approximately \$63,492,230 in bonds of this type.

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Note 9 FUND EQUITY

A. CLASSIFICATIONS

At December 31, 2020, the City has various fund equities through legal restrictions and City Council authorizations. A summary of such classifications are as follows:

	General Fund	EDA (component unit) Redev Project	PIR	Cap Imp Gen Govt Building	HRA (component unit) Parkview Villa No & So	Nonmajor Gov't	Total
2020 Fund Balance							
Nonspendable							
Prepaid items	\$131,857	\$ -	\$ -	\$ -	\$ -	\$2,602	\$134,459
Total nonspendable	131,857	-	-	-	-	2,602	134,459
Restricted for:							
Debt service	-	-	-	-	-	1,472,189	1,472,189
Streets	-	-	-	-	-	506,793	506,793
Tax Increment	-	-	-	-	-	1,496,371	1,496,371
Police Forfeiture	-	-	-	-	-	20,948	20,948
Grant sponsored Rec Programs	-	-	-	-	-	104,084	104,084
Total restricted	-	-	-	-	-	3,600,385	3,600,385
Committed for:							
Downtown Parking Maintenance	-	-	-	-	-	16,767	16,767
Capital Improvements/Replacement	-	-	333,455	6,045,437	-	4,047,722	10,426,614
Cable TV Operations	-	-	-	-	-	1,101,638	1,101,638
Library Operations	-	-	-	-	-	717,522	717,522
Economic Redevelopment	-	4,199,821	-	-	-	2,790,879	6,990,700
Total committed	-	4,199,821	333,455	6,045,437	-	8,674,528	19,253,241
Assigned for:							
2021 Appropriation	177,389	-	-	-	-	-	177,389
Unassigned:	8,067,967	-	-	-	-	(721,840)	7,346,127
Total	\$ 8,377,213	\$ 4,199,821	\$ 333,455	\$ 6,045,437	\$ -	\$ 11,555,675	\$ 30,511,601

B. DEFICIT FUND BALANCE

The following funds had fund deficits as of December 31, 2020. The City will finance these deficits through collections of revenues in future years.

Nonmajor Funds:	
Major Funds:	
Anoka County Comm. Dev. Programs	(\$616,546)
Debt Service Funds:	
TIF Central Valu Center	(2,638)
TIF Scattered Site	<u>(102,656)</u>
	<u><u>(\$721,840)</u></u>

C. MINIMUM FUND BALANCE POLICY

The City Council has formally adopted a fund balance policy for the General Fund and the Library Fund (a non-major fund). The most significant revenue sources for these funds are property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City’s goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes. The policy establishes a year-end target of unassigned fund balance for the General Fund and spendable fund balance for the Library fund equal to at least 45% of the next year’s budgeted expenditures. At December 31, 2020, both funds have met this goal.

Note 10 DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. PLAN DESCRIPTION

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA’s defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA’s defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF)

All full-time (with the exception of employees covered by PEPFF) and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

B. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

1. GERF Benefits

Benefits Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. PEPFF Benefits

Benefits Benefits for the PEPFF members first hired after June 30, 2010 but before July 1, 2014 vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014 vest on a prorated basis from 50% after ten years up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will

receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

GERF Contributions

Coordinated plan members were required to contribute 6.5% of their annual salary in fiscal year 2020 and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the GERF for the year ended December 31, 2020 were \$490,969. The City's contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Police and Fire member's contribution rates increased from 11.3% of pay to 11.8% and employer rates increased from 16.95% to 17.70% on January 1, 2020. The City's contributions to the PEPFF for the year ended December 31, 2020 were \$624,095. The City's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

GERF Pension Costs

At December 31, 2020, the City reported a liability of \$5,210,052 for its proportionate share of GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$160,517. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0869% at the end of the measurement period and 0.0865% for the beginning of the period.

City's proportionate share of the net pension liability	\$5,210,052
State of Minnesota's proportionate share of the net pension liability associated with the city	<u>160,517</u>
Total	<u>\$5,370,569</u>

For the year ended December 31, 2020, the City recognized pension expense of \$247,979 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional

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\$13,970 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$16 million to the GERF.

At December 31, 2020, the City reported its proportionate share of the GERF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ 47,507	\$ 19,712
Changes in actuarial assumptions	-	193,288
Differences between projected and actual investment earnings	90,512	-
Changes in proportions	60,280	63,367
Contributions paid to PERA subsequent to the measurement date	258,498	-
Total	<u>\$ 456,797</u>	<u>\$ 276,367</u>

The \$258,498 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2021	(277,303)
2022	(31,203)
2023	104,560
2024	125,877
2025	-
Thereafter	-
	<u>\$ (78,069)</u>

PEPFF Pension Costs

At December 31, 2020, the City reported a liability of \$3,821,192 for its proportionate share of the PEPFF’s net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportionate share of the net pension liability was based on the City’s contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of PERA’s participating employers. The City’s proportionate share was 0.2899% at the end of the measurement period and 0.2983% for the beginning of the period.

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The State of Minnesota also contributed \$13.5 million to PEPFF during the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in fire state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in fire state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

As a result, the State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota’s pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized pension expense of \$354,865 for its proportionate share of the Police and Fire Plan’s pension expense. In addition, the City recognized an additional \$13,351 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$4.5 million to the PEPFF.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$27,093 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

At December 31, 2020, the City reported its proportionate share of the PEPFF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ 168,021	\$ 173,077
Changes in actuarial assumptions	1,221,370	2,346,081
Differences between projected and actual investment earnings	126,455	-
Changes in proportions	153,279	393,683
Contributions paid to PERA subsequent to the measurement date	329,611	-
Total	\$ 1,998,736	\$ 2,912,841

The \$329,611 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension

liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as outflows:

Year ended December 31:	Pension Expense Amount
2021	\$ (342,051)
2022	(1,091,772)
2023	47,823
2024	154,366
2025	(12,083)
Thereafter	-
	<u>\$ (1,243,717)</u>

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Salary Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA’s experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for GERF and 1.0% per year for PEPFF.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for GERF was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employment Fund

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- As recommended in the June 30, 2019 experience study, assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.

- The base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Police and Fire Fund

- The mortality projection scale was changed from MP-2018 to MP-2019.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.5%	5.10%
Private Markets	25%	5.90%
Fixed Income	20%	0.75%
International Equity	17.5%	5.90%
Cash Equivalents	2%	0.00%

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rate set in Minnesota statutes. Based on that assumption, the fiduciary net position of the GERF and the PEPFF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% decrease in discount rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% increase in discount rate (8.5%)</u>
City's Proportionate share of the GERF net pension liability	\$8,349,906	\$5,210,052	\$2,619,925
City's Proportionate share of the PEPFF net pension liability	\$7,616,186	\$3,821,192	\$681,500

H. PENSION EXPENSE

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

I. PENSION PLAN FIDUCIARY NET POSITION

Pension expense recognized by the City for the year ended December 31, 2020 is as follows:

GERF	\$ 247,979
PEPFF	<u>354,865</u>
Total	<u><u>602,844</u></u>

Note 11 DEFINED CONTRIBUTION PLAN

A. FIRE RELIEF ASSOCIATION, PAID ON-CALL DIVISION

The Columbia Heights Fire Department Relief Association is the administrator of a single-employer pension plan for the paid on-call members of the City of Columbia Heights Fire Department.

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Through October 26, 1997, the association operated as a defined benefit plan. Effective October 27, 1997, the Association amended its by-laws and converted to a defined contribution plan. The pension plan was fully funded at the time of conversion.

Benefits and contribution requirements are established by the Association’s by-laws and can be amended by the Association’s Board of Directors with approval from the City. All provisions are within limitations established by Minnesota statutes.

Type of Benefit. The exclusive pension provided by the Association is a "Defined Contribution Lump Sum Service Pension" as defined in Minnesota Statutes §424A.02, Subdivision 4.

Contributions Required and Contributions Made. No contributions are required from the plan members or the City. The plan is funded through state aid, investment income and discretionary contributions from the City. For 2020, state aid was contributed to the plan. This state aid revenue and the related contribution expense/expenditure of \$115,508 are recognized in the accompanying financial statements for the year ended December 31, 2020.

B. COUNCIL MEMBERS

Certain council members of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under section 401(a) of the Internal Revenue Code and all contributions by or on behalf of the employees are tax deferred until time of withdrawal.

The defined contribution plan consists of individual accounts paying a lump-sum benefit, plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary, which is matched by the elected official’s employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of 1% (.0025) of the assets in each member's account annually.

Pension expense for the year is equal to contributions made. Total contributions made by the City of Columbia Heights for the last three fiscal years were:

For the Year Ended:	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
December 31, 2020	\$ 1,080	\$ 1,080	5%	5%	5%
December 31, 2019	\$ 390	\$ 390	5%	5%	5%
December 31, 2018	\$ 465	\$ 465	5%	5%	5%

Note 12 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. PLAN DESCRIPTION

The City administers a single-employer defined benefit health care plan (the plan.) By state statute, the plan provides an implicit rate subsidy for retired participants by allowing retirees under age 65 to purchase health insurance at the premium rate available to active employees. In addition, by state statute, the plan provides payment of insurance premiums, up to age 65, for public safety employees that retire with a qualifying disability, equal to the current employer-paid portion of premiums for an active employee. The employer-paid portion of premiums for an active employee is determined periodically by negotiation between the City and collective bargaining units of city employees. The plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. FUNDING POLICY

Participants under the implicit rate subsidy provision are required to contribute 100% of the stated premium billed by the insurer. For 2020, participants under disabled public safety retiree provision were required to contribute \$0 for single coverage or a portion of the stated premium billed by the insurer for family coverage.

Under both provisions of the plan, the City is only required to contribute on a pay-as-go basis. This amount is listed below for the current year.

The State of Minnesota, solely at its option, reimburses the City annually for a portion of the City's costs under the disabled public safety retiree provision. Historically, these reimbursements have approximated 60% of the pay-as-go cost of this plan provision. These reimbursements are reported as revenue in the year received, separate from OPEB expenses/expenditures.

C. PARTICIPANTS

As of January 1, 2019 actuarial valuation, participants of the plan consisted of:

Active Employees	116
Inactive employees or beneficiaries currently receiving benefits	23
	<u>139</u>

D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY

The City's total OPEB liability of \$1,527,677 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2019. Changes in the total OPEB liability during 2020 were:

Balance - beginning of year	\$ 1,420,635
Charges for the year:	
Service Cost	33,807
Interest	39,144
Change of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	86,077
Benefit payments	<u>(51,986)</u>
Net changes	<u>107,042</u>
Balance - end of year	<u>\$ 1,527,677</u>

E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases (Average)	3.50%
Discount rate	2.12%
Investment rate of return	N/A
Retirees' share of benefit-related costs	100%
<u>Healthcare cost trend rates:</u>	
First year (FYE 2019)	3.00%
Second year (FYE 2020)	6.75%
Third year (FYE 2021)	6.50%
Ultimate year (FYE 2031)	4.00%
Years to ultimate year	12

Since the plan is funded on a pay-as-you-go basis, both the discount rate and the investment rate of return was based on the 20 year AA rated municipal bond rate as of December 31, 2020.

Mortality rates were based on the RP-2014 Total Dataset Mortality tables with Scale MP-2014 and Scale MP-2018.

Based on past experience of the plan, 60% of future retirees are assumed to continue medical coverage until age 65. 80% of police/fire employees are assumed to continue medical coverage until age 65.

F. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE.

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.12%) or 1% higher (3.12%) than the current discount rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	<u>\$ 1,681,586</u>	<u>\$ 1,527,677</u>	<u>\$ 1,392,183</u>

G. SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.5% decreasing to 3%) or 1% higher (7.5% decreasing to 5%) than the current healthcare cost trend rates.

	1% Decrease (5.5% decreasing to 3%)	Health Cost Trend Rates (6.5% Decreasing to 4%)	1% Increase (7.5% decreasing to 5%)
Total OPEB liability	<u>\$ 1,368,785</u>	<u>\$ 1,527,677</u>	<u>\$ 1,711,792</u>

H. OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2020, the City recognized \$94,051 of OPEB expense. At December 31, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	<u>\$ 132,063</u>	<u>\$ 0</u>
Change of assumptions and other inputs	<u>\$ 73,341</u>	<u>(\$ 82,740)</u>

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Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense
2021	(\$ 21,100)
2022	(21,100)
2023	(21,100)
2024	(21,100)
2025	(28,603)
Thereafter	(9,661)
	<u>(\$122,664)</u>

Note 13 TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT

A. TAX INCREMENT DISTRICTS

The City’s tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

B. TAX ABATEMENTS – PAY-AS-YOU-GO TAX INCREMENT

The City provides tax abatements pursuant to Minnesota Statutes 469.174 to 469.1794 (Tax Increment Financing) through a pay-as-you-go note program. Tax increment financing (TIF) can be used to encourage private development, redevelopment, renovation and renewal, growth in low-to-moderate-income housing, and economic development within the City. TIF captures the increase in tax capacity and property taxes from development or redevelopment to provide funding for the related project.

The City has four tax increment pay-as-you-go agreements. The agreements are not a general obligation of the City and are payable solely from available tax increment. Accordingly, these agreements are not reflected in the financial statements of the City. Details of the pay-as-you-go notes are as follows:

TIF District K2, Barnick:

Issued in 1994 in the principal sum of \$50,417 with no interest. Principal and interest shall be paid on August 1, 1995 and each February 1 and August 1 thereafter to and including February 1, 2020. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer when tax increment received in the prior six months is greater than \$3,680.56. The payment reimburses the developer for land acquisition. Principal and interest payments was completed February 1, 2020. The City shall have no

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2020.

TIF District R8, Crest View Project:

Issued in 2005 in the principal sum of \$780,000 with an interest rate of 11% per annum. Principal and interest shall be paid on November 1, 2005 and each February 1 and August 1 thereafter to and including February 1, 2023. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 89.78% of all tax increment received in the prior six months. The payment reimburses the developer for land acquisition, site preparation, demolition & removal, soil corrections & remediation, utility work, sidewalks, curb & gutter work, earthwork, and landscaping. Principal and interest payments will be completed February 1, 2023. The current year abatement (TIF note payments) amounted to \$33,130. At December 31, 2020, the principal amount outstanding on the note was \$732,801.

TIF District R8, Townhouse View Project (Columbia Court Townhomes):

Issued in 2002 in the principal sum of \$175,100 with an interest rate of 9.5% per annum. Principal and interest shall be paid on August 1, 2003 and each February 1 and August 1 thereafter to and including February 1, 2023. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 89.78% of all tax increment received in the prior six months. The payment reimburses the developer for land acquisition, site preparation, demolition & removal, soil corrections & remediation, utility work, sidewalks, curb & gutter work, earthwork, and landscaping. Principal and interest payments will be completed February 1, 2023. The current year abatement (TIF note payments) amounted to \$17,564. At December 31, 2020, the principal amount outstanding on the note was \$175,100.

TIF District T6, Huset Park Development:

Issued in 2007 in the principal sum of \$6,650,000 plus allowable increase of \$598,782 with an interest rate of 6.00% per annum. Principal and interest shall be paid on February 15, 2009 and each August 15 and February 15 thereafter to and including February 15, 2032. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to all tax increment received in the prior six months that is in excess of bond payments, paying agent fees and \$16,500 per payment period for administrative TIF expenses. The payment reimburses the developer for relocation, demolition, environmental costs, grading & site preparation, onsite roads & utilities, economic development authority costs, land acquisition, and interest on any listed items to the extent such cost represents interest on any valid evidence of indebtedness under federal income tax principles. Principal and interest payments will be completed February 15, 2032. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 15, 2032. The current year

abatement (TIF note payments) amounted to \$529,329. At December 31, 2020, the principal amount outstanding on the note was \$7,248,782.

TIF District Z6, Dominion Apartment Project:

Issued in 2017 in the principal sum of \$1,170,000 with an interest rate of 5.36% per annum. Principal and interest shall be paid on August 1, 2020 and each February 1 and August 1 thereafter to and including February 1, 2032. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 89.78% of all tax increment received in the prior six months. The payment reimburses the developer for acquisition costs, soil correction, site preparation and public improvements.. Principal and interest payments will be completed February 1, 2032. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2032. The current year abatement (TIF note payments) amounted to \$177,941. At December 31, 2020, the principal amount outstanding on the note was \$1,170,000.

Note 14 COMMITMENTS AND CONTINGENCIES

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.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible.

Property, casualty and automobile insurance coverage are provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions. These deductibles are considered immaterial to the financial statements.

The City carries commercial insurance for other risks of loss, including employee health and disability insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

B. LITIGATION

In connection with the normal conduct of its affairs, the City is involved in various claims, litigation and judgments. One such claim, pertaining to relocation of leased cellular antenna space between properties owned by the City, was settled in 2020. Remaining amounts that will be paid in 2021 under that settlement, including the cost to construct a replacement tower, are approximately \$661,947. A liability for this amount is reported in the City's financial statements for the year ended December 31, 2020.

All other existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgement of the City management, remotely recoverable by plaintiffs.

C. FEDERAL AND STATE FUNDS

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

D. CONTRACTUAL COMMITMENTS

The City has entered into contractual commitments for street construction projects and other various projects that are in process at yearend. At December 31, 2020, the City's obligation for such projects was approximately \$1,120,000.

E. POLLUTION REMEDIATION LIABILITY

Prior to purchasing property located at 3930 University Avenue NE in 2019 for redevelopment, the City determined the property is contaminated from the prior owner's business activities there. The City has begun a three-phase approach to remediate the soil and groundwater. Phase I and II, including a contamination investigation and preparation of a Response Action Plan were completed 2020.

The Minnesota Pollution Control Agency has reviewed and approved the Response Action Plan. The City will complete the planned remediation of the site (Phase III), and also demolish the buildings on the property by the end of 2021. The costs of the remediation are estimated at \$108,000 using the expected value method, with those costs expected to be incurred in 2021. A liability for this estimate is recorded within the governmental activities of the December 31, 2020, Statement of Net Position.

In 2019, Anoka County awarded the City a federal Community Development Block Grant (CDBG) to liquidate this liability, conditioned on performing the remediation.

Note 15 SPECIAL ITEM

A special item is reported within the financial statements for the year ended December 31, 2020 for sale of certain land held for resale. The developer, BPOZ Columbia Heights LLC (dba "Alatus"), purchased certain land within the City's downtown business district from the EDA in 2020. The developer intends to construct approximately 266 multifamily rental apartment dwellings, approximately 3,280 square feet of commercial space, and approximately 21,256 square feet of gray-shell finish space designed for use as a city hall to be owned and operated by the City as a condominium. At December 31, 2020, the estimated fair value assigned to City's right to receive the future condominium shell was \$2,115,600. The above transaction had a net special item effect of \$394,307 in the governmental funds and \$2,509,907 in the government-wide statement of activities.

Note 16 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 87 Leases. The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 91 Conduit Debt Obligations. The provisions of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92 Omnibus 2020. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 93 Replacement of Interbank Offered Rates. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. The requirements of this Statement relating to leases are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020.

Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96 Subscription-Based Information Technology Arrangements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2022.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statements No. 87 may have a material impact.

REQUIRED SUPPLEMENTARY INFORMATION

	2020		Actual Amounts	Variance with Final Budget Positive (Negative)	2019 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Taxes	\$10,963,000	\$10,963,000	\$11,274,608	\$311,608	\$10,156,071
Licenses and permits	348,100	348,100	334,596	(13,504)	371,369
Intergovernmental	921,500	959,727	955,096	(4,631)	970,495
Charges for services	620,500	620,500	447,822	(172,678)	614,312
Fines and forfeitures	91,000	91,000	101,309	10,309	116,759
Investment income:					
Interest and dividends	75,000	75,000	142,941	67,941	212,174
Change in fair value	-	-	43,393	43,393	118,020
Other revenues	15,400	15,400	19,759	4,359	19,344
Total revenues	13,034,500	13,072,727	13,319,524	246,797	12,578,544
Expenditures:					
General government:					
Council	185,650	185,650	166,570	19,080	157,472
Manager	626,450	626,450	597,603	28,847	466,948
Clerk	125,800	141,398	144,851	(3,453)	51,206
Legal	181,200	181,200	212,212	(31,012)	173,229
Finance	954,000	954,000	945,979	8,021	915,805
Assessing	125,300	125,300	124,213	1,087	125,286
General government buildings	160,700	160,700	135,735	24,965	150,763
Contingencies	35,000	35,000	13,323	21,677	3,350
Total general government	2,394,100	2,409,698	2,340,486	69,212	2,044,059
Public safety:					
Police	5,245,170	5,245,170	5,024,157	221,013	4,693,753
Fire	2,035,991	2,058,621	1,668,008	390,613	1,675,053
Capital outlay	-	-	76,571	(76,571)	11,582
Total public safety	7,281,161	7,303,791	6,768,736	535,055	6,380,388
Public works:					
Engineering	407,754	407,754	301,628	106,126	283,548
Maintenance	1,440,083	1,440,083	1,304,799	135,284	1,257,617
Capital outlay	7,000	7,000	259,235	(252,235)	60,817
Total public works	1,854,837	1,854,837	1,865,662	(10,825)	1,601,982
Other departments:					
Parks and recreation	1,905,873	1,905,873	1,570,452	335,421	1,794,915
Total recreation	1,905,873	1,905,873	1,570,452	335,421	1,794,915
Total expenditures	13,435,971	13,474,199	12,545,336	928,863	11,821,344
Revenues over (under) expenditures	(401,471)	(401,472)	774,188	1,175,660	757,200

See accompanying notes to the required supplementary information.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For The Year Ended December 31, 2020
 With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020				2019 Actual Amounts
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
Other financing sources (uses):					
Transfers in	\$507,000	\$497,000	\$497,000	\$ -	\$472,400
Transfers out	(158,000)	(758,000)	(771,759)	(13,759)	(193,518)
Sale of capital asset	-	-	2,030	2,030	-
Total other financing sources (uses)	<u>349,000</u>	<u>(261,000)</u>	<u>(272,729)</u>	<u>(11,729)</u>	<u>278,882</u>
Net change in fund balance	<u>(\$52,471)</u>	<u>(\$662,472)</u>	501,459	<u>\$1,163,931</u>	1,036,082
Fund balance - January 1			<u>7,875,754</u>		<u>6,839,672</u>
Fund balance - December 31			<u>\$8,377,213</u>		<u>\$7,875,754</u>

See accompanying notes to the required supplementary information.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 For The Last Ten Years

Statement 10

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability:				
Service cost	\$39,449	\$40,684	\$27,667	\$33,807
Interest	46,400	45,266	50,256	39,144
Differences between expected and actual experience	-	-	186,771	-
Changes in assumptions	45,106	(86,181)	(46,691)	86,077
Benefit payments	(43,938)	(43,788)	(50,240)	(51,986)
Net change in total OPEB liability	<u>87,017</u>	<u>(44,019)</u>	<u>167,763</u>	<u>107,042</u>
Total OPEB liability - beginning	<u>1,209,874</u>	<u>1,296,891</u>	<u>1,252,872</u>	<u>1,420,635</u>
Total OPEB liability - ending	<u><u>\$1,296,891</u></u>	<u><u>\$1,252,872</u></u>	<u><u>\$1,420,635</u></u>	<u><u>\$1,527,677</u></u>
Covered-employee payroll	\$7,604,667	\$7,304,846	\$8,151,167	\$7,759,473
Total OPEB liability as a percentage of covered-employee payroll	17.1%	17.2%	17.4%	19.7%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2017 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF COLUMBIA HEIGHTS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 11

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF PLAN NET PENSION LIABILITY -

GENERAL EMPLOYEES RETIREMENT FUND

For The Last Ten Years

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0873%	\$4,524,339	\$ -	\$4,524,339	\$5,065,173	89.3%	78.2%
2016	2016	0.0849%	6,893,459	90,022	6,983,481	5,265,065	132.6%	68.9%
2017	2017	0.0860%	5,490,183	69,015	5,559,198	5,538,743	100.4%	75.9%
2018	2018	0.0886%	4,915,165	161,391	5,076,556	5,958,300	85.2%	79.5%
2019	2019	0.0865%	4,782,391	148,660	4,931,051	6,119,252	80.6%	80.2%
2020	2020	0.0869%	5,210,052	160,517	5,370,569	6,194,990	86.7%	79.1%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND
For The Last Ten Years

Statement 12

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$388,736	\$388,736	\$ -	\$5,183,147	7.5%
December 31, 2016	406,405	406,405	-	5,418,727	7.5%
December 31, 2017	428,288	428,288	-	5,710,502	7.5%
December 31, 2018	459,367	459,367	-	6,124,888	7.5%
December 31, 2019	460,213	460,213	-	6,136,162	7.5%
December 31, 2020	490,969	490,969	-	6,546,255	7.5%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF COLUMBIA HEIGHTS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF PLAN NET PENSION LIABILITY -
PUBLIC EMPLOYEES POLICE AND FIRE FUND

For The Last Ten Years

Statement 13

Measurement Date	Fiscal Year Ending	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	December 31, 2015	0.3140%	\$3,567,778	\$2,816,543	126.7%	86.6%
June 30, 2016	December 31, 2016	0.3200%	12,842,157	3,080,202	416.9%	63.9%
June 30, 2017	December 31, 2017	0.3070%	4,144,865	3,156,438	131.3%	85.4%
June 30, 2018	December 31, 2018	0.2950%	3,144,396	3,108,859	101.1%	88.8%
June 30, 2019	December 31, 2019	0.2983%	3,175,705	3,145,971	100.9%	89.3%
June 30, 2020	December 31, 2020	0.2899%	3,821,192	3,269,979	116.9%	87.2%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF COLUMBIA HEIGHTS, MINNESOTA

REQUIRED SUPPLEMENTARY INFORMATION

Statement 14

SCHEDULE OF PENSION CONTRIBUTIONS - PUBLIC EMPLOYEES POLICE AND FIRE FUND

For The Last Ten Years

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
December 31, 2015	\$478,016	\$478,016	\$ -	\$2,950,716	16.20%
December 31, 2016	500,328	500,328	-	3,088,446	16.20%
December 31, 2017	516,268	516,268	-	3,186,840	16.20%
December 31, 2018	503,189	503,189	-	3,106,104	16.20%
December 31, 2019	541,507	541,507	-	3,194,734	16.95%
December 31, 2020	624,095	624,095	-	3,525,958	17.70%

The schedule is provided prospectively beginning with the City's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2020

Note A LEGAL COMPLIANCE – BUDGETS

The legal level of budgetary control is at the fund level. The General Fund and the following Special Revenue Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America:

- Nonmajor special revenue funds:
 - Cable Television Fund
 - Library Fund
 - After-School Programs Fund
 - Twenty-first Century Arts Fund
 - Downtown Parking Fund
 - Planning and Inspections Fund
 - Economic Development Authority (Component Unit):
 - Economic Development Authority Administration Fund

Expenditures occurred in excess of appropriations in the following funds:

- Twenty-First Century Arts Fund exceeded the budget by \$1,780. However, actual revenue exceeded the budget by \$1,780.

Note B OPEB INFORMATION

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

2020 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 2.74 percent to 2.12 percent based on the 20 year AA rated municipal bond rates.
- Per capita claims costs were reset to reflect updated experience, plan(s), and premiums as of January 1, 2020.
- Decrement assumptions (i.e. withdrawal, retirement and mortality rates) are the same assumptions used in the June 30, 2019 General Employees Retirement Fund and June 30, 2019 Public Employees Police and Fire Fund actuarial valuations. The mortality improvement projection scale assumption was the only update.
- Healthcare trend rates were reset to reflect updated cost increase expectations.

2019 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 4.11 percent to 2.74 percent based on the 20 year AA rated municipal bond rates.
- Decrement assumptions (i.e. withdrawal, retirement and mortality rates) have been updated to be the assumptions used in the June 30, 2019 General Employees Retirement Fund and June 30, 2019 Public Employees Police and Fire Fund actuarial valuations.
- Healthcare trend rates were reset to reflect updated cost increase expectations.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2020

- The general inflation rate was changed to the 2.50% rate used in the June 30, 2019 General Employees Retirement Fund and June 30, 2019 Public Employees Police and Fire Fund actuarial valuations (from 2.75%).
- The additional family direct subsidy premium for public safety officers disabled in the line of duty was updated with new amounts of \$200 (family subsidy of \$1,095 – single subsidy of \$895) for 2019, \$250 (\$1,175 - \$925) for 2020, and \$300 (\$1,255 - \$955) for 2021. The additional family direct subsidy premium of \$300 in 2021 is assumed to continue at \$300 after 2021 (changed from \$0 for 2019 and later).

2018 Changes

Changes in Actuarial Assumptions:

- The discount rate was changed from 3.44 percent to 4.11 percent based on the 20 year AA rated municipal bond rates.
- Decrement assumptions (i.e. withdrawal, retirement and mortality rates) have been updated to be the assumptions used in the July 1, 2018 General Employees Retirement Fund and July 1, 2018 Public Employees Police and Fire Fund actuarial valuations.

Note C Pension Information

PERA – General Employees Retirement Fund

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- As recommended in the June 30, 2019 experience study, assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- The base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018

CITY OF COLUMBIA HEIGHTS, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2020

Changes in the Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 Changes

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years.
- The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

PERA – Public Employees Police and Fire Fund

2020 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

2019 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018

Changes in the Plan Provisions:

- There have been no changes since the prior valuation.

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

2017 Changes

Changes in Actuarial Assumptions:

- The single discount rate was changed from 5.6 percent to 7.5 percent.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65 percent to 60 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent thereafter to 1.0 percent per year for all future years.
- The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate changed from 7.9 percent to 5.6 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

A Special Revenue Fund is used to account for the proceeds of special revenue sources that are legally restricted to expenditures for specified purposes.

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources for, and payment of, interest, principal, and related costs on general long-term debt (other than debt of the proprietary funds.)

CAPITAL PROJECT FUNDS

The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

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Assets	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Cash and investments	\$4,253,386	\$2,980,478	\$4,806,932	\$12,040,796
Receivables:				
Accounts	52,190	-	-	52,190
Special assessments	-	279,904	-	279,904
Taxes	17,887	55,175	-	73,062
Loans	331,000	-	59,308	390,308
Interest	8,100	3,800	10,700	22,600
Due from other governmental units	17,065	-	35,419	52,484
Interfund receivable	8,474	105,334	20,312	134,120
Prepayments	2,602	-	-	2,602
Real estate held for resale	54,845	205,314	220,149	480,308
Total assets	\$4,745,549	\$3,630,005	\$5,152,820	\$13,528,374
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$17,340	\$361,515	\$9,693	\$388,548
Accrued salaries and withholdings payable	15,535	-	1,628	17,163
Contracts payable - retained percentage	661,947	-	27,067	689,014
Due to other governmental units	8,012	2,129	-	10,141
Interfund payable	25,106	109,014	-	134,120
Unearned revenue	43,423	-	-	43,423
Deposits	30,850	-	24,509	55,359
Total liabilities	802,213	472,658	62,897	1,337,768
Deferred inflows of resources:				
Unavailable revenue	340,850	294,081	-	634,931
Total deferred inflows of resources	340,850	294,081	0	634,931
Fund balance:				
Nonspendable	2,602	-	-	2,602
Restricted	125,032	2,968,560	506,793	3,600,385
Committed	4,091,398	-	4,583,130	8,674,528
Unassigned	(616,546)	(105,294)	-	(721,840)
Total fund balance	3,602,486	2,863,266	5,089,923	11,555,675
Total liabilities, deferred inflows of resources, and fund balance	\$4,745,549	\$3,630,005	\$5,152,820	\$13,528,374

CITY OF COLUMBIA HEIGHTS, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Statement 16

NONMAJOR GOVERNMENTAL FUNDS

For The Year Ended December 31, 2020

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$1,251,127	\$736,244	\$ -	\$1,987,371
Tax increment collections	-	1,116,418	-	1,116,418
Special assessments	-	105,296	-	105,296
Licenses and permits	346,230	-	-	346,230
Intergovernmental	1,704,820	475,000	431,888	2,611,708
Charges for services	300,359	-	171,830	472,189
Fines and forfeitures	8,592	-	-	8,592
Investment income:				
Interest and dividends	37,900	28,031	53,566	119,497
Change in fair value	11,400	7,300	15,000	33,700
Other revenues	78,806	3,948	75	82,829
Total revenues	<u>3,739,234</u>	<u>2,472,237</u>	<u>672,359</u>	<u>6,883,830</u>
Expenditures:				
Current:				
General government	115,144	-	-	115,144
Public safety	1,197,522	-	29,848	1,227,370
Public works	73,489	-	194,238	267,727
Culture and recreation	1,076,097	-	-	1,076,097
Community development	606,624	287,652	-	894,276
Capital outlay:				
General government	39,605	-	-	39,605
Public safety	234,663	-	286,831	521,494
Public works	121,506	-	1,648,132	1,769,638
Community development	22,200	-	-	22,200
Debt service:				
Principal retirement	-	980,000	-	980,000
Interest and fiscal charges	-	555,801	-	555,801
Developer incentives	-	769,402	-	769,402
Total expenditures	<u>3,486,850</u>	<u>2,592,855</u>	<u>2,159,049</u>	<u>8,238,754</u>
Revenues over (under) expenditures	<u>252,384</u>	<u>(120,618)</u>	<u>(1,486,690)</u>	<u>(1,354,924)</u>
Other financing sources (uses):				
Transfers in	156,000	88,123	310	244,433
Transfers out	(128,900)	(37,655)	-	(166,555)
Sale of capital assets	-	-	20,525	20,525
Total other financing sources (uses)	<u>27,100</u>	<u>50,468</u>	<u>20,835</u>	<u>98,403</u>
Special item	<u>(684,219)</u>	<u>(479,249)</u>	<u>-</u>	<u>(1,163,468)</u>
Net change in fund balance	(404,735)	(549,399)	(1,465,855)	(2,419,989)
Fund balance - January 1	<u>4,007,221</u>	<u>3,412,665</u>	<u>6,555,778</u>	<u>13,975,664</u>
Fund balance - December 31	<u>\$3,602,486</u>	<u>\$2,863,266</u>	<u>\$5,089,923</u>	<u>\$11,555,675</u>

NONMAJOR SPECIAL REVENUE FUNDS

The City of Columbia Heights had the following Nonmajor Special Revenue Funds during the year:

Cable Television Fund 225 – established to account for revenues and expenditures associated with the cable television franchise.

Police Forfeiture Fund 265 – established to account for forfeited cash and property received by the police department.

Public Safety Grant Fund 272 – established to account for revenues and expenditures associated with grants aimed towards public safety.

Library Fund 240 – established in 1993 to account for revenues and expenditures of the library.

After School Programs Fund 261 – established to account for revenues and expenditures associated with various youth enrichment activities conducted by the recreation department and the library, under agreements with Independent School District 13.

Twenty-first Century Arts Fund 262 – established to account for revenues and expenditures associated with a grant received through Independent School District 13.

Contributed Projects – Recreation Fund 881 – established to monitor contributions for recreational activities and related expenditures.

Contributed Projects – Other Fund 883 – established to monitor contributions and related expenditures for activities other than recreation.

Special Projects Fund 226 – established to monitor revenues from special projects and related expenditures.

Downtown Parking Fund 228 – established to account for revenues and expenditures associated with municipal parking in the downtown area.

Planning & Inspection Fund 201 – established to account for revenues and expenditures associated with planning and building inspections within the City.

Anoka County Comm. Dev Programs Fund 202 – established to account for revenues and expenditures of community development programs funded by or passed-through Anoka County to the City.

Economic Development Authority – a separate legal entity from the City. The mayor and City Council comprise the majority membership of this component unit. Its purpose is to foster economic development in the City.

Economic Development Authority Administration Fund 204 – established to account for revenues and expenditures of all EDA activity not accounted for in other EDA funds.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUBCOMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2020

	Cable Television Fund 225	Police Forfeiture Fund 265	Library Fund 240	After-School Programs Fund 261	Twenty-first Century Arts Fund 262	Contributed Projects - Recreation Fund 881
Assets						
Cash and investments	\$1,048,693	\$31,956	\$738,873	\$99,083	\$ -	\$209,395
Receivables:						
Accounts	52,190	-	-	-	-	-
Taxes	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Interest	2,400	-	1,100	200	-	500
Due from other governmental units	-	-	-	-	6,197	-
Interfund receivable	-	-	-	4,794	-	-
Prepayments	-	-	2,602	-	-	-
Real estate held for resale	-	-	-	-	-	-
Total assets	<u>\$1,103,283</u>	<u>\$31,956</u>	<u>\$742,575</u>	<u>\$104,077</u>	<u>\$6,197</u>	<u>\$209,895</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$1,000	\$ -	\$9,216	\$ -	\$1,089	\$ -
Accrued salaries and withholdings payable	645	-	8,970	-	307	-
Contracts payable	-	-	-	-	-	-
Due to other governmental units	-	-	4,265	-	-	-
Interfund payable	-	-	-	-	4,794	-
Unearned revenue	-	11,008	-	-	-	-
Deposits	-	-	-	-	-	-
Total liabilities	<u>1,645</u>	<u>11,008</u>	<u>22,451</u>	<u>0</u>	<u>6,190</u>	<u>0</u>
Deferred inflows of resources:						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance:						
Nonspendable	-	-	2,602	-	-	-
Restricted	-	20,948	-	104,077	7	-
Committed	1,101,638	-	717,522	-	-	209,895
Unassigned	-	-	-	-	-	-
Total fund balance	<u>1,101,638</u>	<u>20,948</u>	<u>720,124</u>	<u>104,077</u>	<u>7</u>	<u>209,895</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$1,103,283</u>	<u>\$31,956</u>	<u>\$742,575</u>	<u>\$104,077</u>	<u>\$6,197</u>	<u>\$209,895</u>

Contributed Projects - Other Fund 883	Special Projects Fund 226	Downtown Parking Fund 228	Planning and Inspections Fund 201	Anoka County Comm. Dev. Programs Fund 202	Public Safety Grant Fund 272	EDA Administration Fund 204 (Component Unit)	Total Nonmajor Special Revenue Funds
\$221,041	\$859,714	\$19,958	\$425,617	\$ -	\$ -	\$599,056	\$4,253,386
-	-	-	-	-	-	-	52,190
-	-	-	-	-	-	17,887	17,887
-	-	-	-	231,000	-	100,000	331,000
500	1,900	-	700	-	-	800	8,100
-	-	-	-	10,868	-	-	17,065
-	-	-	-	-	-	3,680	8,474
-	-	-	-	-	-	-	2,602
-	-	-	-	54,845	-	-	54,845
<u>\$221,541</u>	<u>\$861,614</u>	<u>\$19,958</u>	<u>\$426,317</u>	<u>\$296,713</u>	<u>\$0</u>	<u>\$721,423</u>	<u>\$4,745,549</u>
\$ -	\$ -	\$3,191	\$2,315	\$ -	\$ -	\$529	\$17,340
-	-	-	3,123	-	-	2,490	15,535
-	-	-	-	661,947	-	-	661,947
-	-	-	3,747	-	-	-	8,012
-	-	-	-	20,312	-	-	25,106
-	32,415	-	-	-	-	-	43,423
-	5,850	-	-	-	-	25,000	30,850
<u>0</u>	<u>38,265</u>	<u>3,191</u>	<u>9,185</u>	<u>682,259</u>	<u>0</u>	<u>28,019</u>	<u>802,213</u>
-	-	-	-	231,000	-	109,850	340,850
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>231,000</u>	<u>0</u>	<u>109,850</u>	<u>340,850</u>
-	-	-	-	-	-	-	2,602
-	-	-	-	-	-	-	125,032
221,541	823,349	16,767	417,132	-	-	583,554	4,091,398
-	-	-	-	(616,546)	-	-	(616,546)
<u>221,541</u>	<u>823,349</u>	<u>16,767</u>	<u>417,132</u>	<u>(616,546)</u>	<u>0</u>	<u>583,554</u>	<u>3,602,486</u>
<u>\$221,541</u>	<u>\$861,614</u>	<u>\$19,958</u>	<u>\$426,317</u>	<u>\$296,713</u>	<u>\$0</u>	<u>\$721,423</u>	<u>\$4,745,549</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2020

	Cable Television Fund 225	Police Forfeiture Fund 265	Library Fund 240	After-School Programs Fund 261	Twenty-first Century Arts Fund 262	Contributed Projects - Recreation Fund 881
Revenues:						
Taxes	\$ -	\$ -	\$1,002,850	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	45,022	-
Fees/program revenues	174,592	-	7,347	236	2,158	-
Rents	-	-	-	-	-	-
Fines and forfeitures	-	4,189	4,403	-	-	-
Investment income:						
Interest and dividends	11,000	-	5,300	1,100	-	2,100
Change in fair value	3,300	-	1,600	300	-	600
Other revenues:						
Contributions	-	-	-	-	-	21,200
Miscellaneous	32,918	-	2,301	-	-	-
Total revenues	<u>221,810</u>	<u>4,189</u>	<u>1,023,801</u>	<u>1,636</u>	<u>47,180</u>	<u>23,900</u>
Expenditures:						
Personal services	47,357	-	674,632	1,740	22,526	-
Supplies	2,889	-	97,518	-	11,239	7,980
Other services and charges	64,898	-	222,486	1,155	13,415	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>115,144</u>	<u>0</u>	<u>994,636</u>	<u>2,895</u>	<u>47,180</u>	<u>7,980</u>
Revenues over (under) expenditures	<u>106,666</u>	<u>4,189</u>	<u>29,165</u>	<u>(1,259)</u>	<u>0</u>	<u>15,920</u>
Other financing sources (uses):						
Transfers in	-	-	11,000	-	-	-
Transfers out	(65,400)	-	(14,500)	-	-	-
Total other financing sources (uses)	<u>(65,400)</u>	<u>0</u>	<u>(3,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Special item	-	-	-	-	-	-
Net change in fund balance	41,266	4,189	25,665	(1,259)	0	15,920
Fund balance - January 1	1,060,372	16,759	694,459	105,336	7	193,975
Fund balance - December 31	<u>\$1,101,638</u>	<u>\$20,948</u>	<u>\$720,124</u>	<u>\$104,077</u>	<u>\$7</u>	<u>\$209,895</u>

Contributed Projects - Other Fund 883	Special Projects Fund 226	Downtown Parking Fund 228	Planning and Inspections Fund 201	Anoka County Comm. Dev. Programs Fund 202	Public Safety Grant Fund 272	EDA Administration Fund 204 (Component Unit)	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$248,277	\$1,251,127
-	-	-	346,230	-	-	-	346,230
-	33,300	-	-	35,623	1,590,875	-	1,704,820
-	29,438	-	99	-	-	30	213,900
-	68,259	18,200	-	-	-	-	86,459
-	-	-	-	-	-	-	8,592
2,200	8,700	100	3,300	200	-	3,900	37,900
700	2,600	-	1,000	100	-	1,200	11,400
18,550	-	-	-	-	-	-	39,750
2,876	-	-	429	532	-	-	39,056
<u>24,326</u>	<u>142,297</u>	<u>18,300</u>	<u>351,058</u>	<u>36,455</u>	<u>1,590,875</u>	<u>253,407</u>	<u>3,739,234</u>
-	-	202	351,279	-	383,502	147,639	1,628,877
24,621	15,524	-	2,069	-	453,523	1,922	617,285
-	57,965	23,204	49,321	35,621	335,876	18,773	822,714
-	-	-	-	-	417,974	-	417,974
<u>24,621</u>	<u>73,489</u>	<u>23,406</u>	<u>402,669</u>	<u>35,621</u>	<u>1,590,875</u>	<u>168,334</u>	<u>3,486,850</u>
(295)	68,808	(5,106)	(51,611)	834	0	85,073	252,384
-	-	10,000	135,000	-	-	-	156,000
-	(10,000)	-	(19,500)	-	-	(19,500)	(128,900)
<u>0</u>	<u>(10,000)</u>	<u>10,000</u>	<u>115,500</u>	<u>0</u>	<u>0</u>	<u>(19,500)</u>	<u>27,100</u>
-	-	-	-	(684,219)	-	-	(684,219)
(295)	58,808	4,894	63,889	(683,385)	0	65,573	(404,735)
<u>221,836</u>	<u>764,541</u>	<u>11,873</u>	<u>353,243</u>	<u>66,839</u>	<u>-</u>	<u>517,981</u>	<u>4,007,221</u>
<u>\$221,541</u>	<u>\$823,349</u>	<u>\$16,767</u>	<u>\$417,132</u>	<u>(\$616,546)</u>	<u>\$0</u>	<u>\$583,554</u>	<u>\$3,602,486</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - CABLE TELEVISION FUND 225

Statement 19

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020			Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Franchise fees	\$165,000	\$165,000	\$174,592	\$9,592	\$182,085
Investment income:					
Interest and dividends	5,000	5,000	11,000	6,000	16,000
Change in fair value	-	-	3,300	3,300	8,900
Other revenues:					
Miscellaneous	31,000	31,000	32,918	1,918	35,399
Total revenues	<u>201,000</u>	<u>201,000</u>	<u>221,810</u>	<u>20,810</u>	<u>242,384</u>
Expenditures:					
Personal services	49,500	49,500	47,357	2,143	43,479
Supplies	2,200	2,200	2,889	(689)	11,826
Other services and charges	91,600	91,600	64,898	26,702	43,120
Total expenditures	<u>143,300</u>	<u>143,300</u>	<u>115,144</u>	<u>28,156</u>	<u>98,425</u>
Revenues over expenditures	57,700	57,700	106,666	48,966	143,959
Other financing sources (uses):					
Transfers out	<u>(65,400)</u>	<u>(65,400)</u>	<u>(65,400)</u>	-	<u>(64,500)</u>
Net change in fund balance	<u>(\$7,700)</u>	<u>(\$7,700)</u>	41,266	<u>\$48,966</u>	79,459
Fund balance - January 1			1,060,372		980,913
Fund balance - December 31			<u>\$1,101,638</u>		<u>\$1,060,372</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 SPECIAL REVENUE FUND - POLICE FORFEITURE FUND 265
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - ACTUAL
 For The Year Ended December 31, 2020
 With Comparative Actual Amounts For the Year Ended December 31, 2019

Statement 20

	<u>2020</u>	<u>2019</u>
Revenues:		
Forfeitures	\$4,189	\$ -
Expenditures:	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	4,189	0
Fund balance - January 1	<u>16,759</u>	<u>16,759</u>
Fund balance - December 31	<u><u>\$20,948</u></u>	<u><u>\$16,759</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - LIBRARY FUND 240
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

Statement 21

	2020				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Original	Final			
Revenues:					
Taxes	\$1,002,850	\$1,002,850	\$1,002,850	\$ -	\$955,095
Charges for services	15,300	15,300	7,347	(7,953)	15,278
Fines	11,000	11,000	4,403	(6,597)	9,344
Investment income:					
Interest and dividends	12,000	12,000	5,300	(6,700)	7,700
Change in fair value	-	-	1,600	1,600	4,300
Other revenues:					
Miscellaneous	500	500	2,301	1,801	1,104
Total revenues	<u>1,041,650</u>	<u>1,041,650</u>	<u>1,023,801</u>	<u>(17,849)</u>	<u>992,821</u>
Expenditures:					
Personal services	706,700	706,700	674,632	32,068	637,245
Supplies	98,500	98,500	97,518	982	88,179
Other services and charges	232,950	232,950	222,486	10,464	232,164
Total expenditures	<u>1,038,150</u>	<u>1,038,150</u>	<u>994,636</u>	<u>43,514</u>	<u>957,588</u>
Revenues over expenditures	<u>3,500</u>	<u>3,500</u>	<u>29,165</u>	<u>25,665</u>	<u>35,233</u>
Other financing sources (uses):					
Transfers in	11,000	11,000	11,000	-	11,000
Transfers out	(14,500)	(14,500)	(14,500)	-	(14,700)
Total other financing sources (uses)	<u>(3,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>0</u>	<u>(3,700)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	25,665	<u>\$25,665</u>	31,533
Fund balance - January 1			694,459		662,926
Fund balance - December 31			<u>\$720,124</u>		<u>\$694,459</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - AFTER-SCHOOL PROGRAMS FUND 261

Statement 22

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020		Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Program revenue	\$20,000	\$20,000	\$236	(\$19,764)	\$6,816
Investment income:					
Interest and dividends	2,000	2,000	1,100	(900)	1,800
Change in fair value	-	-	300	300	1,000
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>1,636</u>	<u>(20,364)</u>	<u>9,616</u>
Expenditures:					
Personal services	22,600	22,600	1,740	20,860	5,617
Supplies	3,000	3,000	-	3,000	-
Other services and charges	18,000	18,000	1,155	16,845	10,085
Total expenditures	<u>43,600</u>	<u>43,600</u>	<u>2,895</u>	<u>40,705</u>	<u>15,702</u>
Revenues over (under) expenditures	<u>(\$21,600)</u>	<u>(\$21,600)</u>	(1,259)	<u>\$20,341</u>	(6,086)
Fund balance - January 1			<u>105,336</u>		<u>111,422</u>
Fund balance - December 31			<u>\$104,077</u>		<u>\$105,336</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - CONTRIBUTED PROJECTS-RECREATION FUND 881

Statement 23

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ACTUAL

For The Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Investment income:		
Interest and dividends	\$2,100	\$2,900
Change in fair value	600	1,600
Other revenue:		
Contributions	21,200	23,995
Total revenues	<u>23,900</u>	<u>28,495</u>
Expenditures:		
Supplies	7,980	11,094
Other services and charges	-	200
Total expenditures	<u>7,980</u>	<u>11,294</u>
Revenues over expenditures	15,920	17,201
Fund balance - January 1	<u>193,975</u>	<u>176,774</u>
Fund balance - December 31	<u>\$209,895</u>	<u>\$193,975</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - CONTRIBUTED PROJECTS - OTHER FUND 883

Statement 24

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ACTUAL

For The Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Investment income:		
Interest and dividends	\$2,200	\$3,800
Change in fair value	700	2,100
Contributions	18,550	7,953
Miscellaneous	2,876	306
Total revenues	<u>24,326</u>	<u>14,159</u>
Expenditures:		
Supplies	24,621	19,985
Other services and charges	-	5,887
Total expenditures	<u>24,621</u>	<u>25,872</u>
Revenues over (under) expenditures	(295)	(11,713)
Fund balance - January 1	<u>221,836</u>	<u>233,549</u>
Fund balance - December 31	<u><u>\$221,541</u></u>	<u><u>\$221,836</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND 226
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL
For The Year Ended December 31, 2020
With Comparative Actual Amounts For the Year Ended December 31, 2019

Statement 25

	<u>2020</u>	<u>2019</u>
Revenues:		
Intergovernmental	\$33,300	\$ -
Fees/program revenue	29,438	181,935
Rents	68,259	38,192
Investment income:		
Interest and dividends	8,700	10,300
Change in fair value	2,600	5,700
Total revenues	<u>142,297</u>	<u>236,127</u>
Expenditures:		
Supplies	15,524	-
Other services and charges	57,965	497
Total expenditures	<u>73,489</u>	<u>497</u>
Revenues over (under) expenditures	68,808	235,630
Other financing sources (uses):		
Transfers out	<u>(10,000)</u>	<u>(300,000)</u>
Net change in fund balance	58,808	(64,370)
Fund balance - January 1	<u>764,541</u>	<u>828,911</u>
Fund balance - December 31	<u><u>\$823,349</u></u>	<u><u>\$764,541</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - PLANNING AND INSPECTIONS FUND 201

Statement 26

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020			Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Licenses and permits	\$320,585	\$320,585	\$346,230	\$25,645	\$273,460
Fees/program revenues	-	-	99	99	1,071
Investment income:					
Interest and dividends	-	-	3,300	3,300	5,500
Change in fair value	-	-	1,000	1,000	3,100
Miscellaneous	2,000	2,000	429	(1,571)	413
Total revenues	<u>322,585</u>	<u>322,585</u>	<u>351,058</u>	<u>28,473</u>	<u>283,544</u>
Expenditures:					
Personal services	409,300	409,300	351,279	58,021	407,633
Supplies	2,950	2,950	2,069	881	10,246
Other services and charges	25,935	25,935	49,321	(23,386)	29,980
Total expenditures	<u>438,185</u>	<u>438,185</u>	<u>402,669</u>	<u>35,516</u>	<u>447,859</u>
Revenues over (under) expenditures	<u>(115,600)</u>	<u>(115,600)</u>	<u>(51,611)</u>	<u>63,989</u>	<u>(164,315)</u>
Other financing sources (uses):					
Transfers in	135,000	135,000	135,000	-	135,000
Transfers out	<u>(19,500)</u>	<u>(19,500)</u>	<u>(19,500)</u>	-	<u>(16,000)</u>
Total other financing sources (uses):	<u>115,500</u>	<u>115,500</u>	<u>115,500</u>	-	<u>119,000</u>
Net change in fund balance	<u>(\$100)</u>	<u>(\$100)</u>	63,889	<u>\$63,989</u>	(45,315)
Fund balance - January 1			353,243		398,558
Fund balance - December 31			<u>\$417,132</u>		<u>\$353,243</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - ANOKA COUNTY COMM. DEV. PROGRAMS FUND 202

Statement 27

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ACTUAL

For The Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Intergovernmental	\$35,623	\$ -
Investment income:		
Interest and dividends	200	200
Change in fair value	100	100
Other revenues	532	11,703
Total revenues	<u>36,455</u>	<u>12,003</u>
Expenditures:		
Other services and charges	<u>35,621</u>	<u>-</u>
Total expenditures	<u>35,621</u>	<u>0</u>
Revenues over (under) expenditures	834	12,003
Special item	<u>(684,219)</u>	<u>-</u>
Net change in fund balance	(683,385)	12,003
Fund balance - January 1	<u>66,839</u>	<u>54,836</u>
Fund balance - December 31	<u><u>(\$616,546)</u></u>	<u><u>\$66,839</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - TWENTY-FIRST CENTURY ARTS FUND 262

Statement 28

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

For The Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020			Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Intergovernmental	\$41,400	\$41,400	\$45,022	\$3,622	\$34,236
Fees/program revenue	4,000	4,000	2,158	(1,842)	5,161
Total revenues	<u>45,400</u>	<u>45,400</u>	<u>47,180</u>	<u>1,780</u>	<u>39,397</u>
Expenditures:					
Personal services	32,400	32,400	22,526	9,874	18,685
Supplies	6,000	6,000	11,239	(5,239)	2,691
Other services and charges	7,000	7,000	13,415	(6,415)	18,014
Total expenditures	<u>45,400</u>	<u>45,400</u>	<u>47,180</u>	<u>(1,780)</u>	<u>39,390</u>
Revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	0	<u>\$0</u>	7
Fund balance - January 1			7		-
Fund balance - December 31			<u>\$7</u>		<u>\$7</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - DOWNTOWN PARKING FUND 228

Statement 29

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020			Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Fees	\$ -	\$ -	\$ -	-	\$25,288
Rents	15,000	15,000	18,200	(3,200)	27,627
Investment income:					
Interest and dividends	-	-	100	(100)	600
Change in fair value	-	-	-	-	300
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>18,300</u>	<u>(3,300)</u>	<u>53,815</u>
Expenditures:					
Personal services	-	-	202	(202)	-
Other services and charges	25,000	25,000	23,204	1,796	50,704
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>23,406</u>	<u>1,594</u>	<u>50,704</u>
Revenues over (under) expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(5,106)</u>	<u>(4,894)</u>	<u>3,111</u>
Other financing sources (uses):					
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>4,894</u>	<u>(\$4,894)</u>	<u>3,111</u>
Fund balance - January 1			<u>11,873</u>		<u>8,762</u>
Fund balance - December 31			<u>\$16,767</u>		<u>\$11,873</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND - PUBLIC SAFETY GRANT FUND 272

Statement 30

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ACTUAL

For The Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Intergovernmental	<u>\$1,590,875</u>	<u>\$ -</u>
Expenditures:		
Personal services	383,502	-
Supplies	453,523	-
Other services and charges	335,876	-
Capital outlay	417,974	-
Total expenditures	<u>1,590,875</u>	<u>0</u>
Revenues over (under) expenditures	0	0
Fund balance - January 1	<u>-</u>	<u>0</u>
Fund balance - December 31	<u><u>\$0</u></u>	<u><u>\$0</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SPECIAL REVENUE FUND-EDA ADMINISTRATION FUND 204

Statement 31

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

(COMPONENT UNIT)

For The Year Ended December 31, 2020

With Comparative Actual Amounts For the Year Ended December 31, 2019

	2020		Actual Amounts	Variance with Final Budget- Positive (Negative)	2019 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Taxes	\$245,100	\$245,100	\$248,277	\$3,177	\$244,276
Intergovernmental	-	-	-	-	-
Fees/program revenues	-	-	30	30	30
Investment income:					
Interest and dividends	-	-	3,900	3,900	7,200
Change in fair value	-	-	1,200	1,200	4,000
Total revenues	<u>245,100</u>	<u>245,100</u>	<u>253,407</u>	<u>8,307</u>	<u>255,506</u>
Expenditures:					
Personal services	193,700	193,700	147,639	46,061	110,611
Supplies	1,830	1,830	1,922	(92)	348
Other services and charges	24,170	24,170	18,773	5,397	33,938
Total expenditures	<u>219,700</u>	<u>219,700</u>	<u>168,334</u>	<u>51,366</u>	<u>144,897</u>
Revenues over (under) expenditures	25,400	25,400	85,073	59,673	110,609
Other financing sources (uses):					
Transfers out	<u>(19,500)</u>	<u>(19,500)</u>	<u>(19,500)</u>	<u>-</u>	<u>(16,000)</u>
Net change in fund balance	<u>\$5,900</u>	<u>\$5,900</u>	65,573	<u>\$59,673</u>	94,609
Fund balance - January 1			<u>517,981</u>		<u>423,372</u>
Fund balance - December 31			<u>\$583,554</u>		<u>\$517,981</u>

**NONMAJOR
DEBT SERVICE FUNDS**

The City of Columbia Heights had the following kinds of Nonmajor Debt Service Funds during the year:

Bond Debt Service Funds – are separate funds used to account for the revenues and expenditures of each separate bond issue. Both the City and the Economic Development Authority issue bonds.

Tax Increment Financing Funds – are separate funds used to account for the revenues and expenditures of each separate Tax Increment Financing District. The Economic Development Authority authorizes and administers tax increment activities within the City.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 SUBCOMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2020

	2008A Taxable GO Housing Improvement Area Bonds Fund 315	G.O. Public Facilities Bonds 2009A Fund 344	G.O. Improvement / Revenue Bonds 2013A Fund 345	GO Library Bonds 2015A Fund 346	GO Public Safety Ctr. Bonds 2017B Fund 347	GO Public Facilities Bonds 2018A Fund 348
Assets						
Cash and investments	\$249,705	\$ -	\$106,973	\$399,799	\$450,142	\$241,126
Receivables:						
Taxes	-	-	-	7,590	9,150	6,204
Assessments	279,904	-	-	-	-	-
Interest	400	-	200	300	300	300
Interfund receivable	-	-	-	-	-	-
Real estate for resale	-	-	-	-	-	-
Total assets	\$530,009	\$0	\$107,173	\$407,689	\$459,592	\$247,630
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred inflows of resources:						
Unavailable revenue	279,904	-	-	-	-	-
Total deferred inflows of resources	<u>279,904</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance:						
Restricted	250,105	-	107,173	407,689	459,592	247,630
Unassigned	-	-	-	-	-	-
Total fund balance	<u>250,105</u>	<u>0</u>	<u>107,173</u>	<u>407,689</u>	<u>459,592</u>	<u>247,630</u>
Total liabilities, deferred inflows of resources, and fund balance	\$530,009	\$0	\$107,173	\$407,689	\$459,592	\$247,630

EDA Component Unit

Tax Increment Bonds Fund 376	TIF Multi-Use Redevelopment Plan Fund 385	TIF Transition Block Fund 389	TIF 47th and Central Avenue Fund 371	TIF Huset Park Area Fund 372	TIF Central Valu Center Fund 374	TIF 47th and Grand Fund 375	TIF Scattered Site Fund 391	Total Nonmajor Debt Service Funds
\$300,951	\$ -	\$102,954	\$ -	\$1,009,668	\$ -	\$119,060	\$100	\$2,980,478
-	2,578	-	2,129	27,524	-	-	-	55,175
-	-	-	-	-	-	-	-	279,904
600	-	200	-	1,500	-	-	-	3,800
105,334	-	-	-	-	-	-	-	105,334
205,314	-	-	-	-	-	-	-	205,314
<u>\$612,199</u>	<u>\$2,578</u>	<u>\$103,154</u>	<u>\$2,129</u>	<u>\$1,038,692</u>	<u>\$0</u>	<u>\$119,060</u>	<u>\$100</u>	<u>\$3,630,005</u>
\$ -	\$ -	\$26,847	\$ -	\$222,054	\$ -	\$112,614	\$ -	\$361,515
-	-	-	2,129	-	-	-	-	2,129
-	2,578	-	-	-	2,638	1,042	102,756	109,014
<u>0</u>	<u>2,578</u>	<u>26,847</u>	<u>2,129</u>	<u>222,054</u>	<u>2,638</u>	<u>113,656</u>	<u>102,756</u>	<u>472,658</u>
-	-	-	-	14,177	-	-	-	294,081
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,177</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>294,081</u>
612,199	-	76,307	-	802,461	-	5,404	-	2,968,560
-	-	-	-	-	(2,638)	-	(102,656)	(105,294)
<u>612,199</u>	<u>0</u>	<u>76,307</u>	<u>0</u>	<u>802,461</u>	<u>(2,638)</u>	<u>5,404</u>	<u>(102,656)</u>	<u>2,863,266</u>
<u>\$612,199</u>	<u>\$2,578</u>	<u>\$103,154</u>	<u>\$2,129</u>	<u>\$1,038,692</u>	<u>\$0</u>	<u>\$119,060</u>	<u>\$100</u>	<u>\$3,630,005</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2020

	2008A Taxable GO Housing Improvement Area Bonds Fund 315	G.O. Public Facilities Bonds 2009A Fund 344	G.O. Improvement / Revenue Bonds 2013A Fund 345	GO Library Bonds 2015A Fund 346	GO Public Safety Ctr. Bonds 2017B Fund 347	GO Public Facilities Bonds 2018A Fund 348
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$243,908	\$294,243	\$198,093
Tax increment collections	-	-	-	-	-	-
Special assessments	105,296	-	-	-	-	-
Intergovernmental	-	-	-	225,000	250,000	-
Investment income:						
Interest and dividends	1,900	-	800	1,300	1,300	1,200
Change in fair value	600	-	200	400	400	400
Other revenues	-	-	-	-	-	-
Total revenues	<u>107,796</u>	<u>0</u>	<u>1,000</u>	<u>470,608</u>	<u>545,943</u>	<u>199,693</u>
Expenditures:						
Community development:						
Other services and charges	-	-	-	-	-	-
Debt service:						
Principal retirement	75,000	-	45,000	280,000	315,000	135,000
Interest and fiscal charges	24,198	-	5,513	178,202	217,958	62,266
Developer incentives	-	-	-	-	-	-
Total expenditures	<u>99,198</u>	<u>0</u>	<u>50,513</u>	<u>458,202</u>	<u>532,958</u>	<u>197,266</u>
Revenues over (under) expenditures	<u>8,598</u>	<u>0</u>	<u>(49,513)</u>	<u>12,406</u>	<u>12,985</u>	<u>2,427</u>
Other financing sources (uses):						
Transfers in	-	-	41,572	-	-	8,896
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>41,572</u>	<u>-</u>	<u>-</u>	<u>8,896</u>
Special item	-	-	-	-	-	-
Net change in fund balance	<u>8,598</u>	<u>0</u>	<u>(7,941)</u>	<u>12,406</u>	<u>12,985</u>	<u>11,323</u>
Fund balance - January 1	<u>241,507</u>	<u>-</u>	<u>115,114</u>	<u>395,283</u>	<u>446,607</u>	<u>236,307</u>
Fund balance - December 31	<u>\$250,105</u>	<u>\$0</u>	<u>\$107,173</u>	<u>\$407,689</u>	<u>\$459,592</u>	<u>\$247,630</u>

EDA Component Unit

Tax Increment Bonds Fund 376	TIF Multi-Use Redevelopment Plan Fund 385	TIF Transition Block Fund 389	TIF 47th and Central Avenue Fund 371	TIF Huset Park Area Fund 372	TIF Central Valu Center Fund 374	TIF 47th and Grand Fund 375	TIF Scattered Site Fund 391	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$736,244
-	32,906	59,783	-	782,617	-	197,306	43,806	1,116,418
-	-	-	-	-	-	-	-	105,296
-	-	-	-	-	-	-	-	475,000
8,031	1,300	800	4,500	6,700	-	100	100	28,031
900	500	200	1,700	2,000	-	-	-	7,300
3,948	-	-	-	-	-	-	-	3,948
<u>12,879</u>	<u>34,706</u>	<u>60,783</u>	<u>6,200</u>	<u>791,317</u>	<u>0</u>	<u>197,406</u>	<u>43,906</u>	<u>2,472,237</u>
5,930	-	2,010	268,912	7,953	-	1,758	1,089	287,652
-	-	-	-	130,000	-	-	-	980,000
-	-	-	-	62,433	-	-	5,231	555,801
-	1,794	53,694	-	524,712	-	189,202	-	769,402
<u>5,930</u>	<u>1,794</u>	<u>55,704</u>	<u>268,912</u>	<u>725,098</u>	<u>0</u>	<u>190,960</u>	<u>6,320</u>	<u>2,592,855</u>
<u>6,949</u>	<u>32,912</u>	<u>5,079</u>	<u>(262,712)</u>	<u>66,219</u>	<u>0</u>	<u>6,446</u>	<u>37,586</u>	<u>(120,618)</u>
-	37,655	-	-	-	-	-	-	88,123
-	-	-	(37,655)	-	-	-	-	(37,655)
-	37,655	-	(37,655)	-	-	-	-	50,468
-	(251,365)	-	(227,884)	-	-	-	-	(479,249)
6,949	(180,798)	5,079	(528,251)	66,219	0	6,446	37,586	(549,399)
<u>605,250</u>	<u>180,798</u>	<u>71,228</u>	<u>528,251</u>	<u>736,242</u>	<u>(2,638)</u>	<u>(1,042)</u>	<u>(140,242)</u>	<u>3,412,665</u>
<u>\$612,199</u>	<u>\$0</u>	<u>\$76,307</u>	<u>\$0</u>	<u>\$802,461</u>	<u>(\$2,638)</u>	<u>\$5,404</u>	<u>(\$102,656)</u>	<u>\$2,863,266</u>

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**NONMAJOR
CAPITAL PROJECT FUNDS**

The City of Columbia Heights had the following Nonmajor Capital Project Funds during the year:

Municipal State Aid Street Fund 212/402 – maintained according to state statute to account for maintenance and construction of municipal state aid street systems.

Capital Improvement Parks Fund 412 – used to account for improvements in City parks. This includes park dedication fees when available, the use of which is limited by state statute to park improvements.

Capital Improvement Development Fund 420 – used to account for improvements to various development areas within the City.

Infrastructure Replacement Fund 430 – used to fund replacement of City infrastructure.

Capital Equipment Replacement – General Governmental Fund 431 – used to account for the replacement of capital assets as needed.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 SUBCOMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 December 31, 2020

	Municipal State Aid Street Fund 212 & 402	Capital Improvement Parks Fund 412
Assets		
Cash and investments	\$482,666	\$137,339
Receivables:		
Loans	-	-
Interest	-	700
Due from other governmental units	35,419	-
Interfund receivable	-	-
Real estate held for resale	-	-
Total assets	\$518,085	\$138,039
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	9,693	-
Accrued salaries and withholdings payable	1,599	29
Contracts payable - retained percentage	-	27,067
Deposits	-	-
Total liabilities	11,292	27,096
Fund balance:		
Restricted	506,793	-
Committed	-	110,943
Total fund balance	506,793	110,943
Total liabilities and fund balance	\$518,085	\$138,039

Statement 34

Capital Improvement Development Fund 420	Infrastructure Replacement Fund 430	Capital Equipment Replacement General Gov't Fund 431	Total Nonmajor Capital Project Funds
\$690,084	\$872,499	\$2,624,344	\$4,806,932
59,308	-	-	59,308
1,500	3,500	5,000	10,700
-	-	-	35,419
20,312	-	-	20,312
220,149	-	-	220,149
<u>\$991,353</u>	<u>\$875,999</u>	<u>\$2,629,344</u>	<u>\$5,152,820</u>
-	-	-	9,693
-	-	-	1,628
-	-	-	27,067
24,509	-	-	24,509
<u>24,509</u>	<u>0</u>	<u>0</u>	<u>62,897</u>
-	-	-	506,793
966,844	875,999	2,629,344	4,583,130
966,844	875,999	2,629,344	5,089,923
<u>\$991,353</u>	<u>\$875,999</u>	<u>\$2,629,344</u>	<u>\$5,152,820</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR CAPITAL PROJECT FUNDS
 For The Year Ended December 31, 2020

	Municipal State Aid Street Fund 212 & 402	Capital Improvement Parks Fund 412
Revenues:		
Intergovernmental	\$259,984	\$50,000
Charges for services	-	80,330
Investment income:		
Interest and dividends	-	3,200
Change in fair value	-	1,000
Other revenues	-	-
Total revenues	<u>259,984</u>	<u>134,530</u>
Expenditures:		
Current:		
Public Safety	-	-
Public works	194,238	-
Capital outlay		
Public safety	-	-
Public works	163,750	403,850
Total expenditures	<u>357,988</u>	<u>403,850</u>
Revenue over (under) expenditures	<u>(98,004)</u>	<u>(269,320)</u>
Other financing sources (uses):		
Transfers in	310	-
Sale of capital assets	-	-
Total other financing sources (uses)	<u>310</u>	<u>0</u>
Net change in fund balance	(97,694)	(269,320)
Fund balance - January 1	<u>604,487</u>	<u>380,263</u>
Fund balance - December 31	<u><u>\$506,793</u></u>	<u><u>\$110,943</u></u>

Statement 35

Capital Improvement Development Fund 420	Infrastructure Replacement Fund 430	Capital Equipment Replacement General Gov't Fund 431	Total Nonmajor Capital Project Funds
\$ -	\$50,000	\$71,904	\$431,888
91,500	-	-	171,830
8,766	16,100	25,500	53,566
2,100	4,900	7,000	15,000
75	-	-	75
<u>102,441</u>	<u>71,000</u>	<u>104,404</u>	<u>672,359</u>
1,906	-	27,942	29,848
-	-	-	194,238
-	-	286,831	286,831
-	746,280	334,252	1,648,132
<u>1,906</u>	<u>746,280</u>	<u>649,025</u>	<u>2,159,049</u>
<u>100,535</u>	<u>(675,280)</u>	<u>(544,621)</u>	<u>(1,486,690)</u>
-	-	-	310
-	-	20,525	20,525
<u>0</u>	<u>0</u>	<u>20,525</u>	<u>20,835</u>
100,535	(675,280)	(524,096)	(1,465,855)
866,309	1,551,279	3,153,440	6,555,778
<u>\$966,844</u>	<u>\$875,999</u>	<u>\$2,629,344</u>	<u>\$5,089,923</u>

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ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and/or operated in a manner similar to private business enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Water Utility Fund – used to account for revenues and expenses associated with services to area residents.

Sewer Utility Fund – used to account for revenues and expenses associated with sanitary sewer disposal within the City.

Refuse Utility Fund – used to account for revenues and expenses associated with organized collection of refuse and recycling in the City.

Storm Sewer Utility Fund – used to account for revenues and expenses associated with storm water management.

Liquor Fund – used to account for revenues and expenses associated with the operation of three off-sale municipal liquor stores.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
WATER UTILITY FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2020
With Comparative Totals For December 31, 2019

Statement 36

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2020	2019
Assets:							
Current assets:							
Cash and cash equivalents	\$237,935	\$631,856	\$ -	\$88,441	\$ -	\$958,232	\$1,319,126
Receivables:							
Accounts (net of allowance for uncollectables)	870,757	-	-	-	-	870,757	794,489
Interest	-	1,500	-	100	-	1,600	1,300
Interfund receivable	1,049,109	-	-	-	(1,049,109)	-	-
Inventory - at cost	8,792	-	-	-	-	8,792	9,220
Total current assets	<u>2,166,593</u>	<u>633,356</u>	<u>0</u>	<u>88,541</u>	<u>(1,049,109)</u>	<u>1,839,381</u>	<u>2,124,135</u>
Noncurrent assets:							
Capital assets:							
Land	45,223	-	-	-	-	45,223	45,223
Construction in process	-	-	1,343,167	-	-	1,343,167	34,365
Buildings	1,305,172	-	-	-	-	1,305,172	1,305,172
Equipment	728,156	-	-	-	-	728,156	676,915
Infrastructure	8,613,661	-	-	-	-	8,613,661	9,963,688
Total capital assets	<u>10,692,212</u>	<u>0</u>	<u>1,343,167</u>	<u>0</u>	<u>0</u>	<u>12,035,379</u>	<u>12,025,363</u>
Less: accumulated depreciation	(5,087,210)	-	-	-	-	(5,087,210)	(6,137,067)
Total capital assets (net of accumulated depreciation)	<u>5,605,002</u>	<u>-</u>	<u>1,343,167</u>	<u>-</u>	<u>-</u>	<u>6,948,169</u>	<u>5,888,296</u>
Total noncurrent assets	<u>5,605,002</u>	<u>0</u>	<u>1,343,167</u>	<u>0</u>	<u>0</u>	<u>6,948,169</u>	<u>5,888,296</u>
Total assets	<u>7,771,595</u>	<u>633,356</u>	<u>1,343,167</u>	<u>88,541</u>	<u>(1,049,109)</u>	<u>8,787,550</u>	<u>8,012,431</u>
Liabilities :							
Current liabilities:							
Accounts payable	2,476	-	41,265	-	-	43,741	23,616
Accrued salaries and withholdings payable	7,040	-	390	-	-	7,430	15,003
Contracts payable - retained percentage	-	-	69,947	-	-	69,947	-
Due to other governmental units	137,198	-	-	-	-	137,198	127,479
Interfund payable	-	-	1,049,109	-	(1,049,109)	-	-
Accrued interest payable	-	-	-	3,111	-	3,111	3,676
Deposits	-	-	-	-	-	-	200
Bonds payable - current	-	-	-	80,000	-	80,000	80,000
Total current liabilities	<u>146,714</u>	<u>0</u>	<u>1,160,711</u>	<u>83,111</u>	<u>(1,049,109)</u>	<u>341,427</u>	<u>249,974</u>
Noncurrent liabilities:							
Bonds payable - noncurrent	-	-	-	250,000	-	250,000	330,000
Total noncurrent liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>250,000</u>	<u>330,000</u>
Total liabilities	<u>146,714</u>	<u>0</u>	<u>1,160,711</u>	<u>333,111</u>	<u>(1,049,109)</u>	<u>591,427</u>	<u>579,974</u>
Net position:							
Net investment in capital assets	5,605,002	-	1,343,167	(330,000)	-	6,618,169	5,478,296
Restricted for debt service	-	-	-	87,906	-	87,906	88,894
Unrestricted	2,019,879	633,356	(1,160,711)	(2,476)	-	1,490,048	1,865,267
Total net position	<u>\$7,624,881</u>	<u>\$633,356</u>	<u>\$182,456</u>	<u>(\$244,570)</u>	<u>\$0</u>	<u>\$8,196,123</u>	<u>\$7,432,457</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

WATER UTILITY FUND

Statement 37

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2020	2019
Operating revenues:							
Charges for services:							
Customer services	\$79,866	\$ -	\$ -	\$ -	\$ -	\$79,866	\$52,308
Penalties	157,542	-	-	-	-	157,542	154,075
Charges for sales:							
Water	3,446,792	-	-	-	-	3,446,792	3,145,915
Meter	7,003	74,719	-	-	-	81,722	78,902
Total operating revenues	<u>3,691,203</u>	<u>74,719</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,765,922</u>	<u>3,431,200</u>
Operating expenses:							
Cost of sales	1,616,685	-	-	-	-	1,616,685	1,584,203
Distribution	886,750	-	3,690	-	-	890,440	735,922
Administration	50,909	44,328	-	-	-	95,237	43,928
Depreciation	300,170	-	-	-	-	300,170	296,023
Total operating expenses	<u>2,854,514</u>	<u>44,328</u>	<u>3,690</u>	<u>0</u>	<u>0</u>	<u>2,902,532</u>	<u>2,660,076</u>
Net income (loss) from operations	<u>836,689</u>	<u>30,391</u>	<u>(3,690)</u>	<u>0</u>	<u>0</u>	<u>863,390</u>	<u>771,124</u>
Nonoperating revenues (expenses):							
Investment income:							
Interest and dividends	-	6,900	-	400	-	7,300	10,800
Change in fair value	-	2,100	-	100	-	2,200	5,900
Miscellaneous revenues (expenses)	501	-	207	-	-	708	611
Interest and fiscal charges	-	-	-	(7,932)	-	(7,932)	(12,410)
Total nonoperating revenues (expenses)	<u>501</u>	<u>9,000</u>	<u>207</u>	<u>(7,432)</u>	<u>0</u>	<u>2,276</u>	<u>4,901</u>
Net income (loss) before transfers	<u>837,190</u>	<u>39,391</u>	<u>(3,483)</u>	<u>(7,432)</u>	<u>0</u>	<u>865,666</u>	<u>776,025</u>
Transfers							
Transfers in	51,241	30,000	234,346	85,000	(400,587)	-	-
Transfers out	(451,346)	(51,241)	-	-	400,587	(102,000)	(96,500)
Total transfers	<u>(400,105)</u>	<u>(21,241)</u>	<u>234,346</u>	<u>85,000</u>	<u>0</u>	<u>(102,000)</u>	<u>(96,500)</u>
Change in net position	437,085	18,150	230,863	77,568	0	763,666	679,525
Net position - January 1	<u>7,187,796</u>	<u>615,206</u>	<u>(48,407)</u>	<u>(322,138)</u>	<u>-</u>	<u>7,432,457</u>	<u>6,752,932</u>
Net position - December 31	<u>\$7,624,881</u>	<u>\$633,356</u>	<u>\$182,456</u>	<u>(\$244,570)</u>	<u>\$0</u>	<u>\$8,196,123</u>	<u>\$7,432,457</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

WATER UTILITY FUND

Statement 38

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	2020	2019
Cash flows provided by (used in) operating activities:		
Cash received from customers	\$3,690,082	\$3,361,546
Cash paid to suppliers for goods and services	(2,083,818)	(2,002,128)
Cash payments to employees for services	(425,818)	(441,469)
Net cash flows provided by (used in) operating activities	<u>1,180,446</u>	<u>917,949</u>
Cash flows provided by (used in) noncapital financing activities:		
Transfers out	(102,000)	(96,500)
Interfund payable (repaid to) advanced by other funds	-	(66,000)
Net cash flows provided by (used in) noncapital financing activities	<u>(102,000)</u>	<u>(162,500)</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition of capital assets	(1,360,043)	(46,313)
Principal payments - bonds	(80,000)	(120,000)
Interest and fiscal charges	(8,497)	(12,848)
Net cash flows provided by (used in) capital and related financing activities	<u>(1,448,540)</u>	<u>(179,161)</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	7,000	13,200
Change in fair value	2,200	5,900
Net cash flows provided by (used in) investing activities	<u>9,200</u>	<u>19,100</u>
Net increase (decrease) in cash and cash equivalents	(360,894)	595,388
Cash and cash equivalents - January 1	<u>1,319,126</u>	<u>723,738</u>
Cash and cash equivalents - December 31	<u><u>\$958,232</u></u>	<u><u>\$1,319,126</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$863,390</u>	<u>\$771,124</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	300,170	296,023
Miscellaneous revenues	708	611
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	(76,268)	(68,717)
(Increase) decrease in inventory, at cost	428	(937)
Increase (decrease) in accounts payable	20,125	(66,193)
Increase (decrease) in accrued salaries and withholdings payable	(7,573)	(1,610)
Increase (decrease) in contracts payable -retained percentage	69,947	-
Increase (decrease) in due to other governmental units	9,719	(9,852)
Increase (decrease) in deposits payable	(200)	(2,500)
Total adjustments	<u>317,056</u>	<u>146,825</u>
Net cash flows from operating activities	<u><u>\$1,180,446</u></u>	<u><u>\$917,949</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2020
With Comparative Totals For December 31, 2019

Statement 39

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Total	
					2020	2019
Assets:						
Current assets:						
Cash and cash equivalents	\$145,261	\$322,939	\$42,561	\$59,150	\$569,911	\$1,231,226
Receivables:						
Accounts (net of allowance for uncollectibles)	600,797	-	-	-	600,797	558,746
Interest	-	900	1,000	-	1,900	1,800
Prepayments	103,380	-	-	-	103,380	100,538
Total current assets	<u>849,438</u>	<u>323,839</u>	<u>43,561</u>	<u>59,150</u>	<u>1,275,988</u>	<u>1,892,310</u>
Noncurrent assets:						
Capital assets:						
Land	36,586	-	-	-	36,586	36,586
Construction in progress	-	-	619,147	-	619,147	24,553
Buildings	403,659	-	-	-	403,659	403,659
Equipment	1,194,140	-	-	-	1,194,140	1,097,814
Infrastructure	6,677,171	-	-	-	6,677,171	6,677,171
Total capital assets	<u>8,311,556</u>	<u>0</u>	<u>619,147</u>	<u>0</u>	<u>8,930,703</u>	<u>8,239,783</u>
Less: accumulated depreciation	<u>(5,437,806)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,437,806)</u>	<u>(5,280,647)</u>
Net capital assets	<u>2,873,750</u>	<u>0</u>	<u>619,147</u>	<u>0</u>	<u>3,492,897</u>	<u>2,959,136</u>
Total noncurrent assets	<u>2,873,750</u>	<u>0</u>	<u>619,147</u>	<u>0</u>	<u>3,492,897</u>	<u>2,959,136</u>
Total assets	<u>3,723,188</u>	<u>323,839</u>	<u>662,708</u>	<u>59,150</u>	<u>4,768,885</u>	<u>4,851,446</u>
Liabilities:						
Current liabilities:						
Accounts payable	1,072	-	-	-	1,072	37,657
Accrued salaries and withholdings payable	3,187	-	63	-	3,250	13,140
Contracts payable - retained percentage	-	-	30,396	-	30,396	10,132
Accrued interest payable	-	-	-	2,058	2,058	2,531
Bonds payable - current	-	-	-	53,400	53,400	53,400
Total current liabilities	<u>4,259</u>	<u>0</u>	<u>30,459</u>	<u>55,458</u>	<u>90,176</u>	<u>116,860</u>
Noncurrent liabilities:						
Bonds payable - noncurrent	-	-	-	178,800	178,800	232,200
Total liabilities	<u>4,259</u>	<u>0</u>	<u>30,459</u>	<u>234,258</u>	<u>268,976</u>	<u>349,060</u>
Net position:						
Net investment in capital assets	2,873,750	-	619,147	(232,200)	3,260,697	2,648,983
Restricted for debt service	-	-	-	58,612	58,612	59,334
Unrestricted	845,179	323,839	13,102	(1,520)	1,180,600	1,794,069
Total net position	<u>\$3,718,929</u>	<u>\$323,839</u>	<u>\$632,249</u>	<u>(\$175,108)</u>	<u>\$4,499,909</u>	<u>\$4,502,386</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SEWER UTILITY FUND

Statement 40

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2018

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2020	2019
Operating revenues:							
Charges for services:							
Sewer service charges	\$2,239,150	\$ -	\$2,331	\$ -	\$ -	\$2,241,481	\$2,074,292
Total operating revenues	<u>2,239,150</u>	<u>0</u>	<u>2,331</u>	<u>0</u>	<u>0</u>	<u>2,241,481</u>	<u>\$2,074,292</u>
Operating expenses:							
Disposal	1,206,459	-	-	-	-	1,206,459	1,121,217
Collection	725,813	-	138	-	-	725,951	649,345
Administration	50,720	-	-	-	-	50,720	43,940
Depreciation	165,698	-	-	-	-	165,698	166,925
Total operating expenses	<u>2,148,690</u>	<u>0</u>	<u>138</u>	<u>0</u>	<u>0</u>	<u>2,148,828</u>	<u>1,981,427</u>
Net income (loss) from operations	<u>90,460</u>	<u>0</u>	<u>2,193</u>	<u>0</u>	<u>0</u>	<u>92,653</u>	<u>92,865</u>
Nonoperating revenues (expenses):							
Investment income							
Interest and dividends	-	4,099	4,600	200	-	8,899	15,801
Change in fair value	-	1,200	1,400	100	-	2,700	8,800
Interest and fiscal charges	-	-	-	(5,326)	-	(5,326)	(6,464)
Miscellaneous	340	-	257	-	-	597	268
Total nonoperating revenues (expenses)	<u>340</u>	<u>5,299</u>	<u>6,257</u>	<u>(5,026)</u>	<u>0</u>	<u>6,870</u>	<u>18,405</u>
Net income (loss) before transfers and capital contributions	<u>90,800</u>	<u>5,299</u>	<u>8,450</u>	<u>(5,026)</u>	<u>0</u>	<u>99,523</u>	<u>111,270</u>
Transfers and capital contributions:							
Capital contribution - intergovernmental revenue	-	-	-	-	-	-	160,288
Transfers in	104,865	30,000	-	59,000	(193,865)	-	-
Transfers out	(191,000)	(104,865)	-	-	193,865	(102,000)	(96,500)
Total transfers and capital contributions	<u>(86,135)</u>	<u>(74,865)</u>	<u>0</u>	<u>59,000</u>	<u>0</u>	<u>(102,000)</u>	<u>63,788</u>
Change in net position	4,665	(69,566)	8,450	53,974	-	(2,477)	175,058
Net position - January 1	<u>3,714,264</u>	<u>393,405</u>	<u>623,799</u>	<u>(229,082)</u>	<u>-</u>	<u>4,502,386</u>	<u>4,327,328</u>
Net position - December 31	<u>\$3,718,929</u>	<u>\$323,839</u>	<u>\$632,249</u>	<u>(\$175,108)</u>	<u>\$0</u>	<u>\$4,499,909</u>	<u>\$4,502,386</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

SEWER UTILITY FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

Statement 41

	2020	2019
Cash flows provided by (used in) operating activities:		
Cash received from customers	\$2,197,185	\$2,026,949
Cash paid to suppliers for goods and services	(1,669,259)	(1,529,035)
Cash payments to employees for services	(340,082)	(250,308)
Net cash flows provided by (used in) operating activities	<u>187,844</u>	<u>247,606</u>
Cash flows provided by (used in) noncapital financing activities:		
Transfers out	<u>(102,000)</u>	<u>(96,500)</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition of capital assets	(699,459)	(44,245)
Intergovernmental revenue	-	160,288
Principal payments - bonds	(53,400)	(53,400)
Interest and fiscal charges	(5,799)	(6,938)
Net cash flows provided by (used in) capital and related financing activities	<u>(758,658)</u>	<u>55,705</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	8,799	16,801
Change in fair value	2,700	8,800
Net cash flows provided by (used in) investing activities	<u>11,499</u>	<u>25,601</u>
Net increase (decrease) in cash and cash equivalents	(661,315)	232,412
Cash and cash equivalents - January 1	<u>1,231,226</u>	<u>998,814</u>
Cash and cash equivalents - December 31	<u><u>\$569,911</u></u>	<u><u>\$1,231,226</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>\$92,653</u>	<u>\$92,865</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	165,698	166,925
Miscellaneous revenues	597	268
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	(42,051)	(40,508)
(Increase) decrease in prepayments	(2,842)	(7,103)
Increase (decrease) in accounts payable	(36,585)	21,962
Increase (decrease) in accrued salaries and withholdings payable	(9,890)	3,065
Increase (decrease) in contracts payable -retained percentage	20,264	10,132
Total adjustments	<u>95,191</u>	<u>154,741</u>
Net cash flows from operating activities	<u><u>\$187,844</u></u>	<u><u>\$247,606</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 REFUSE UTILITY FUND
 SUBCOMBINING SCHEDULE OF NET POSITION
 December 31, 2020
 With Comparative Totals For December 31, 2019

Statement 42

	2020	2019
Assets:		
Current assets:		
Cash and cash equivalents	\$1,746,270	\$1,639,518
Receivables:		
Accounts (net of allowance for uncollectibles)	584,168	575,074
Interest	3,100	2,700
Due from other governmental units	23,982	23,905
Total current assets	<u>2,357,520</u>	<u>2,241,197</u>
Noncurrent assets:		
Capital assets:		
Buildings	56,000	56,000
Equipment	112,893	112,893
Total capital assets	<u>168,893</u>	<u>168,893</u>
Less: accumulated depreciation	(139,518)	(137,018)
Total capital assets (net of accumulated depreciation)	<u>29,375</u>	<u>31,875</u>
Total noncurrent assets	<u>29,375</u>	<u>31,875</u>
Total assets	<u>2,386,895</u>	<u>2,273,072</u>
Liabilities:		
Current liabilities:		
Accounts payable	153,444	138,773
Accrued salaries and withholdings payable	1,800	4,274
Total current liabilities	<u>155,244</u>	<u>143,047</u>
Net position:		
Net investments in capital assets	29,375	31,875
Unrestricted	2,202,276	2,098,150
Total net position	<u><u>\$2,231,651</u></u>	<u><u>\$2,130,025</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

REFUSE UTILITY FUND

Statement 43

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	2020	2019
Operating revenues:		
Refuse service charges	\$2,103,590	\$2,068,509
Operating expenses:		
Collection and disposal	1,766,657	1,659,598
Administration	103,076	77,474
Recycling	118,170	110,324
Hazardous waste	11,973	10,321
Depreciation	2,500	2,500
Miscellaneous	27,483	21,872
Total operating expenses	2,029,859	1,882,089
Net income (loss) from operations	73,731	186,420
Nonoperating revenues:		
Investment income		
Interest and dividends	14,100	22,300
Change in fair value	4,300	12,400
Intergovernmental	103,695	102,190
Total nonoperating revenues	122,095	136,890
Net income (loss) before transfers	195,826	323,310
Transfers out	(94,200)	(83,800)
Total transfers	(94,200)	(83,800)
Change in net position	101,626	239,510
Net position - January 1	2,130,025	1,890,515
Net position - December 31	\$2,231,651	\$2,130,025

CITY OF COLUMBIA HEIGHTS, MINNESOTA

REFUSE UTILITY FUND

Statement 44

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	2020	2019
Cash flows provided by (used in) operating activities:		
Cash received from customers	\$2,094,419	\$2,026,312
Cash paid to suppliers for goods and services	(1,875,505)	(1,770,442)
Cash payments to employees for services	(139,657)	(114,022)
Net cash flows provided by (used in) operating activities	<u>79,257</u>	<u>141,848</u>
Cash flows provided by (used in) noncapital financing activities:		
Transfers out	(94,200)	(83,800)
Intergovernmental	103,695	102,190
Net cash flows provided by (used in) noncapital financing activities	<u>9,495</u>	<u>18,390</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	13,700	23,500
Change in fair value	4,300	12,400
Net cash flows provided by (used in) investing activities	<u>18,000</u>	<u>35,900</u>
Net increase (decrease) in cash and cash equivalents	106,752	196,138
Cash and cash equivalents - January 1	<u>1,639,518</u>	<u>1,443,380</u>
Cash and cash equivalents - December 31	<u><u>\$1,746,270</u></u>	<u><u>\$1,639,518</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income	<u>\$73,731</u>	<u>\$186,420</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	2,500	2,500
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	(9,094)	(24,725)
(Increase) decrease in due from other governmental units	(77)	(17,472)
Increase (decrease) in accounts payable	14,671	(5,037)
Increase (decrease) in accrued salaries and withholdings payable	(2,474)	162
Total adjustments	<u>5,526</u>	<u>(44,572)</u>
Net cash flows from operating activities	<u><u>\$79,257</u></u>	<u><u>\$141,848</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
 STORM SEWER UTILITY FUND
 SUBCOMBINING SCHEDULE OF NET POSITION
 December 31, 2020
 With Comparative Totals For December 31, 2019

Statement 45

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2020	2019
Assets:							
Current assets:							
Cash and cash equivalents	\$423,970	\$16,352	\$ -	\$62,433	\$ -	\$502,755	\$507,301
Receivables:							
Accounts (net of allowance for uncollectibles)	142,485	-	-	-	-	142,485	126,419
Interest	1,300	-	-	100	-	1,400	900
Due from other governmental units	-	-	-	-	-	-	33,745
Interfund receivable	36,946	-	-	-	(36,946)	-	-
Total current assets	<u>604,701</u>	<u>16,352</u>	<u>0</u>	<u>62,533</u>	<u>(36,946)</u>	<u>646,640</u>	<u>668,365</u>
Noncurrent assets:							
Capital assets:							
Land	260,690	-	-	-	-	260,690	260,690
Equipment	402,607	-	-	-	-	402,607	398,758
Infrastructure	2,667,144	-	-	-	-	2,667,144	2,667,144
Total capital assets	<u>3,330,441</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,330,441</u>	<u>3,326,592</u>
Less: accumulated depreciation	(1,461,124)	-	-	-	-	(1,461,124)	(1,348,687)
Net capital assets	<u>1,869,317</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,869,317</u>	<u>1,977,905</u>
Total noncurrent assets	<u>1,869,317</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,869,317</u>	<u>1,977,905</u>
Total assets	<u>2,474,018</u>	<u>16,352</u>	<u>0</u>	<u>62,533</u>	<u>(36,946)</u>	<u>2,515,957</u>	<u>2,646,270</u>
Liabilities:							
Current liabilities:							
Accounts payable	208	-	6,566	-	-	6,774	31,925
Accrued salaries and withholdings payable	1,430	-	-	-	-	1,430	4,083
Contracts payable - retained percentage	-	-	17,388	-	-	17,388	19,051
Interfund payable	-	-	36,946	-	(36,946)	-	-
Accrued interest payable	-	-	-	2,374	-	2,374	2,678
Bonds payable - current	-	-	-	56,600	-	56,600	56,600
Total current liabilities	<u>1,638</u>	<u>0</u>	<u>60,900</u>	<u>58,974</u>	<u>(36,946)</u>	<u>84,566</u>	<u>114,337</u>
Noncurrent liabilities:							
Bonds payable - noncurrent	-	-	-	181,200	-	181,200	237,800
Total noncurrent liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>181,200</u>	<u>0</u>	<u>181,200</u>	<u>237,800</u>
Total liabilities	<u>1,638</u>	<u>0</u>	<u>60,900</u>	<u>240,174</u>	<u>(36,946)</u>	<u>265,766</u>	<u>352,137</u>
Net position:							
Net investment in capital assets	1,869,317	-	-	(237,800)	-	1,631,517	1,683,505
Restricted for debt service	-	-	-	62,494	-	62,494	63,131
Unrestricted	603,063	16,352	(60,900)	(2,335)	-	556,180	547,497
Total net position	<u>\$2,472,380</u>	<u>\$16,352</u>	<u>(\$60,900)</u>	<u>(\$177,641)</u>	<u>\$0</u>	<u>\$2,250,191</u>	<u>\$2,294,133</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STORM SEWER UTILITY FUND

Statement 46

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2020	2019
Operating revenues:							
Storm sewer service charges	\$522,652	\$ -	\$ -	\$ -	\$ -	\$522,652	\$480,515
Operating expenses:							
Collection	352,232	-	103,186	-	-	455,418	685,263
Administration	1,041	-	-	-	-	1,041	1,128
Depreciation	112,437	-	-	-	-	112,437	116,472
Total operating expenses	465,710	0	103,186	0	0	568,896	802,863
Net income (loss) from operations	56,942	0	(103,186)	0	0	(46,244)	(322,348)
Nonoperating revenues (expenses):							
Investment income							
Interest and dividends	5,800	100	-	200	-	6,100	7,401
Change in fair value	1,800	-	-	100	-	1,900	4,100
Interest and fiscal charges	-	-	-	(6,057)	-	(6,057)	(7,770)
Miscellaneous revenue	359	-	-	-	-	359	352
Total nonoperating revenues (expenses)	7,959	100	0	(5,757)	0	2,302	4,083
Net income (loss) before transfers and capital contributions	64,901	100	(103,186)	(5,757)	0	(43,942)	(318,265)
Transfers and capital contributions:							
Capital contribution - intergovernmental revenue	-	-	-	-	-	-	350,253
Transfers in	3,849	10,000	102,086	61,000	(176,935)	-	-
Transfers out	(173,086)	(3,849)	-	-	176,935	-	-
Total transfers and capital contributions	(169,237)	6,151	102,086	61,000	0	0	350,253
Change in net position	(104,336)	6,251	(1,100)	55,243	0	(43,942)	31,988
Net position - January 1	2,576,716	10,101	(59,800)	(232,884)	-	2,294,133	2,262,145
Net position - December 31	\$2,472,380	\$16,352	(\$60,900)	(\$177,641)	\$0	\$2,250,191	\$2,294,133

CITY OF COLUMBIA HEIGHTS, MINNESOTA
STORM SEWER UTILITY FUND
SUBCOMBINING SCHEDULE OF CASH FLOWS
For Year Ended December 31, 2020
With Comparative Totals For The Year Ended December 31, 2019

Statement 47

	2020	2019
Cash flows provided by (used in) operating activities:		
Cash received from customers	\$540,690	\$437,267
Cash paid to suppliers for goods and services	(335,947)	(490,611)
Cash payments to employees for services	(149,979)	(145,237)
Net cash flows provided by (used in) operating activities	<u>54,764</u>	<u>(198,581)</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition of capital assets	(3,849)	40,987
Intergovernmental revenue	-	350,253
Principal payments - bonds	(56,600)	(73,600)
Interest and fiscal charges	(6,361)	(7,527)
Net cash flows provided by (used in) capital and related financing activities	<u>(66,810)</u>	<u>310,113</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	5,600	8,001
Change in fair value	1,900	4,100
Net cash flows provided by (used in) investing activities	<u>7,500</u>	<u>12,101</u>
Net increase (decrease) in cash and cash equivalents	(4,546)	123,633
Cash and cash equivalents - January 1	<u>507,301</u>	<u>383,668</u>
Cash and cash equivalents - December 31	<u><u>\$502,755</u></u>	<u><u>\$507,301</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>(\$46,244)</u>	<u>(\$322,348)</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	112,437	116,472
Miscellaneous revenue	359	352
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	(16,066)	(9,855)
(Increase) decrease in due from other governmental units	33,745	(33,745)
Increase (decrease) in accounts payable	(25,151)	30,681
Increase (decrease) in accrued salaries and withholdings payable	(2,653)	811
Increase (decrease) compensated absences payable	(1,663)	19,051
Total adjustments	<u>101,008</u>	<u>123,767</u>
Net cash flows from operating activities	<u><u>\$54,764</u></u>	<u><u>(\$198,581)</u></u>

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CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

Statement 48

SUBCOMBINING SCHEDULE OF NET POSITION

December 31, 2020

With Comparative Totals For December 31, 2019

	Operating Account	Debt Service Account	Total	
			2020	2019
Assets:				
Current assets:				
Cash and cash equivalents	\$1,341,163	\$306,446	\$1,647,609	\$1,776,204
Receivables:				
Accounts	-	-	-	109
Interest	2,500	200	2,700	2,300
Due from other governmental units	388	-	388	3,133
Prepayments	7,387	-	7,387	-
Inventory - at cost	2,278,746	-	2,278,746	2,341,164
Total current assets	<u>3,630,184</u>	<u>306,646</u>	<u>3,936,830</u>	<u>4,122,910</u>
Noncurrent assets:				
Capital assets:				
Land	2,006,714	-	2,006,714	2,006,714
Construction in progress	8,287	-	8,287	9,711
Buildings	3,909,062	-	3,909,062	3,909,062
Equipment	450,353	-	450,353	431,020
Total capital assets	<u>6,374,416</u>	<u>0</u>	<u>6,374,416</u>	<u>6,356,507</u>
Less: Accumulated depreciation	<u>(1,973,642)</u>	<u>-</u>	<u>(1,973,642)</u>	<u>(1,839,382)</u>
Net capital assets	<u>4,400,774</u>	<u>0</u>	<u>4,400,774</u>	<u>4,517,125</u>
Total noncurrent assets	<u>4,400,774</u>	<u>0</u>	<u>4,400,774</u>	<u>4,517,125</u>
Total assets	<u>8,030,958</u>	<u>306,646</u>	<u>8,337,604</u>	<u>8,640,035</u>
Liabilities:				
Current liabilities:				
Accounts payable	214,205	-	214,205	355,742
Accrued salaries and withholdings payable	15,506	-	15,506	50,426
Due to other governmental units	86,439	-	86,439	102,581
Accrued interest payable	-	24,644	24,644	26,765
Bonds payable - current	-	260,000	260,000	255,000
Total current liabilities	<u>316,150</u>	<u>284,644</u>	<u>600,794</u>	<u>790,514</u>
Noncurrent liabilities:				
Bonds payable - noncurrent	-	2,360,901	2,360,901	2,630,682
Total liabilities	<u>316,150</u>	<u>2,645,545</u>	<u>2,961,695</u>	<u>3,421,196</u>
Net position:				
Net investment in capital assets	4,400,774	(2,620,901)	1,779,873	1,631,443
Restricted for debt service	-	307,865	307,865	305,902
Unrestricted	3,314,034	(25,863)	3,288,171	3,281,494
Total net position	<u>\$7,714,808</u>	<u>(\$2,338,899)</u>	<u>\$5,375,909</u>	<u>\$5,218,839</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND

CHANGES IN FUND NET POSITION

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	Operating Accounts		
	Top Valu	Top Valu II	Heights Liquor
Operating revenues:			
Charges for sales:			
Liquor	\$1,784,434	\$926,121	\$340,104
Beer	1,711,709	1,092,238	268,396
Wine	669,756	397,092	41,877
Other	173,300	112,763	67,593
Total operating revenues	<u>4,339,199</u>	<u>2,528,214</u>	<u>717,970</u>
Operating expenses:			
Cost of goods sold	3,232,383	1,882,071	534,871
Operating expense	758,734	591,591	170,204
Depreciation	73,292	59,006	1,963
Total operating expenses	<u>4,064,409</u>	<u>2,532,668</u>	<u>707,038</u>
Net income from operations	<u>\$274,790</u>	<u>(\$4,454)</u>	<u>\$10,932</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest and dividends			
Change in fair value			
Intergovernmental			
Interest and fiscal charges			
Miscellaneous expense			
Total nonoperating revenues (expenses)			
Net income (loss) before transfers			
Transfers:			
Transfers in			
Transfers out			
Total transfers			
Change in net position			
Net position - January 1			
Net position - December 31			

Total Operating Accounts	Debt Service Account	Intrafund Eliminations	Total	
			2020	2019
\$3,050,659	\$ -	\$ -	\$3,050,659	\$3,474,605
3,072,343	-	-	3,072,343	3,664,118
1,108,725	-	-	1,108,725	1,152,927
353,656	-	-	353,656	623,228
<u>7,585,383</u>	<u>0</u>	<u>0</u>	<u>7,585,383</u>	<u>8,914,878</u>
5,649,325	-	-	5,649,325	6,686,021
1,520,529	-	-	1,520,529	1,585,568
134,261	-	-	134,261	139,489
<u>7,304,115</u>	<u>0</u>	<u>0</u>	<u>7,304,115</u>	<u>8,411,078</u>
281,268	0	0	281,268	503,800
11,300	1,100	-	12,400	19,800
3,400	300	-	3,700	11,000
4,091	-	-	4,091	4,030
-	(50,989)	-	(50,989)	(59,260)
(2,500)	-	-	(2,500)	-
<u>16,291</u>	<u>(49,589)</u>	<u>0</u>	<u>(33,298)</u>	<u>(24,430)</u>
297,559	(49,589)	0	247,970	479,370
-	319,000	(319,000)	-	-
(409,900)	-	319,000	(90,900)	(145,400)
<u>(409,900)</u>	<u>319,000</u>	<u>0</u>	<u>(90,900)</u>	<u>(145,400)</u>
(112,341)	269,411	0	157,070	333,970
7,827,149	(2,608,310)	0	5,218,839	4,884,869
<u>\$7,714,808</u>	<u>(\$2,338,899)</u>	<u>\$0</u>	<u>\$5,375,909</u>	<u>\$5,218,839</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

Statement 50

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	2020	2019
Cash flows provided by (used in) operating activities:		
Cash received from customers	\$7,580,850	\$8,917,084
Cash paid to suppliers for goods and services	(6,202,662)	(7,334,657)
Cash payments to employees for services	(1,099,873)	(1,143,765)
Net cash flows provided by (used in) operating activities	278,315	438,662
Cash flows provided by (used in) noncapital financing activities:		
Transfers out	(90,900)	(145,400)
Intergovernmental	4,091	4,030
Net cash flows provided by (used in) noncapital financing activities	(86,809)	(141,370)
Cash flows provided by (used in) capital and related financing activities:		
Acquisition of capital assets	(17,909)	(12,810)
Principal payments - bonds	(255,000)	(245,000)
Interest and fiscal charges - including capitalized interest	(62,892)	(67,891)
Net cash flows provided by (used in) capital and related financing activities	(335,801)	(325,701)
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	12,000	20,600
Change in fair value	3,700	11,000
Net cash flows provided by (used in) investing activities	15,700	31,600
Net increase (decrease) in cash and cash equivalents	(128,595)	3,191
Cash and cash equivalents - January 1	1,776,204	1,773,013
Cash and cash equivalents - December 31	\$1,647,609	\$1,776,204

CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

Statement 50

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	<u>2020</u>	<u>2019</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$281,268</u>	<u>\$503,800</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	134,261	139,489
Miscellaneous expense	(2,500)	-
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	109	2,991
(Increase) decrease in due from other governmental units	2,745	(785)
(Increase) decrease in prepayments	(7,387)	-
(Increase) decrease in inventory, at cost	62,418	(172,860)
Increase (decrease) in accounts payable	(141,537)	(43,079)
Increase (decrease) in accrued salaries and withholdings payable	(34,920)	3,868
Increase (decrease) in due to other governmental units	<u>(16,142)</u>	<u>5,238</u>
Total adjustments	<u>(2,953)</u>	<u>(65,138)</u>
Net cash flows from operating activities	<u><u>\$278,315</u></u>	<u><u>\$438,662</u></u>

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing on a cost reimbursement basis of goods or services provided by one department or agency to other departments or agencies within the City.

Municipal Service Center Fund

Central Garage - used to account for the costs of operating a maintenance facility for automotive equipment used by other City departments. Such costs are billed to other departments at actual cost plus a fixed overhead factor. The automotive equipment itself is acquired by the various user departments, which are responsible for financing replacement vehicles as necessary.

Building Maintenance – used to account for the costs of staff charged with maintaining City facilities. All costs are recorded in this fund and finance by transfers from user departments.

Information Systems Fund – used to account for the costs associated with information systems within the City. All costs are recorded in the fund and are financed by transfers from user departments.

Risk Management Fund – used to account for certain costs of the City’s risk management services and to build a reserve for catastrophic losses. All costs for premiums, claims and claims administration are recorded in the fund and allocated to user funds based on a percentage risk factor.

Employee Benefits Fund – used to account for long-term obligations for compensated absences, pensions, and other post-employment benefits earned by employees’ services.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2020

Statement 51

	Municipal Service Center	Information Systems	Risk Management	Employee Benefits Fund	Total Internal Service Funds
Assets:					
Current assets:					
Cash and cash equivalents	\$1,025,495	\$541,945	\$1,338,534	\$1,184,462	\$4,090,436
Due from other governmental units	157	-	-	-	157
Interest receivable	2,400	1,300	2,900	-	6,600
Prepayments	-	25,290	61,661	-	86,951
Inventory - at cost	48,265	17,789	-	-	66,054
Total current assets	1,076,317	586,324	1,403,095	1,184,462	4,250,198
Noncurrent assets:					
Capital assets:					
Land	15,779	-	-	-	15,779
Buildings	1,978,957	-	-	-	1,978,957
Equipment	285,183	320,052	-	-	605,235
Total capital assets	2,279,919	320,052	0	0	2,599,971
Less: accumulated depreciation	(1,330,565)	(278,503)	-	-	(1,609,068)
Net capital assets	949,354	41,549	0	0	990,903
Total noncurrent assets	949,354	41,549	0	0	990,903
Total assets	2,025,671	627,873	1,403,095	1,184,462	5,241,101
Deferred outflows of resources:					
Related to pensions and OPEB	-	-	-	2,660,937	2,660,937
Liabilities:					
Current liabilities:					
Accounts payable	26,802	10,565	6,813	-	44,180
Accrued salaries and withholdings payable	6,086	4,640	-	-	10,726
Unearned revenue	9,437	-	-	-	9,437
Compensated absences payable - current	-	-	-	106,600	106,600
Total current liabilities	42,325	15,205	6,813	106,600	170,943
Noncurrent liabilities:					
Compensated absences payable - noncurrent	-	-	-	1,077,862	1,077,862
Other postemployment benefits payable	-	-	-	1,527,677	1,527,677
Net pension liability	-	-	-	9,031,244	9,031,244
Total noncurrent liabilities	0	0	0	11,636,783	11,636,783
Total liabilities	42,325	15,205	6,813	11,743,383	11,807,726
Deferred inflows of resources:					
Related to pensions and OPEB	-	-	-	3,271,948	3,271,948
Net position:					
Net investments in capital assets	949,354	41,549	-	-	990,903
Unrestricted	1,033,992	571,119	1,396,282	(11,169,932)	(8,168,539)
Total net position	\$1,983,346	\$612,668	\$1,396,282	(\$11,169,932)	(\$7,177,636)

CITY OF COLUMBIA HEIGHTS, MINNESOTA

INTERNAL SERVICE FUNDS

Statement 52

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

For The Year Ended December 31, 2020

	Municipal Service Center	Information Systems	Risk Management	Employee Benefits Fund	Total Internal Service Funds
Operating revenues:					
Charges for services:					
Services to departments	\$416,236	\$405,000	\$661,560	\$2,117,304	\$3,600,100
Use of space	360,610	-	-	-	360,610
Recovery of damages	-	-	87,167	-	87,167
Charges for sales:					
Sales of motor fuel	105,270	-	-	-	105,270
Total operating revenues	<u>882,116</u>	<u>405,000</u>	<u>748,727</u>	<u>2,117,304</u>	<u>4,153,147</u>
Operating expenses:					
Cost of services and space	831,376	434,088	682,596	1,688,812	3,636,872
Depreciation	68,322	10,376	-	-	78,698
Total operating expenses	<u>899,698</u>	<u>444,464</u>	<u>682,596</u>	<u>1,688,812</u>	<u>3,715,570</u>
Net income (loss) from operations	<u>(17,582)</u>	<u>(39,464)</u>	<u>66,131</u>	<u>428,492</u>	<u>437,577</u>
Nonoperating revenues (expenses):					
Investment income					
Interest and dividends	10,800	6,300	13,400	-	30,500
Change in fair value	3,300	1,900	4,100	-	9,300
Intergovernmental	-	-	-	67,754	67,754
Total nonoperating revenues (expenses)	<u>14,100</u>	<u>8,200</u>	<u>17,500</u>	<u>67,754</u>	<u>107,554</u>
Net income (loss) before transfers	<u>(3,482)</u>	<u>(31,264)</u>	<u>83,631</u>	<u>496,246</u>	<u>545,131</u>
Transfers:					
Transfers in	-	12,000	-	-	12,000
Total transfers	<u>0</u>	<u>12,000</u>	<u>0</u>	<u>0</u>	<u>12,000</u>
Change in net position	(3,482)	(19,264)	83,631	496,246	557,131
Net position - January 1	<u>1,986,828</u>	<u>631,932</u>	<u>1,312,651</u>	<u>(11,666,178)</u>	<u>(7,734,767)</u>
Net position - December 31	<u>\$1,983,346</u>	<u>\$612,668</u>	<u>\$1,396,282</u>	<u>(\$11,169,932)</u>	<u>(\$7,177,636)</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For The Year Ended December 31, 2020

Statement 53

	Municipal Service Center	Information Systems	Risk Management	Employee Benefits Fund	Total Internal Service Funds
Cash flows provided by (used in) operating activities:					
Cash received from interfund goods and services provided	\$882,116	\$405,000	\$661,560	\$2,893,279	\$4,841,955
Cash received for damages	-	-	87,167	-	87,167
Cash paid to suppliers for goods and services	(366,847)	(140,346)	(676,027)	(2,052,844)	(3,236,064)
Cash payments to employees for services	(489,898)	(340,610)	-	(889,500)	(1,720,008)
Net cash flows provided by (used in) operating activities	25,371	(75,956)	72,700	(49,065)	(26,950)
Cash flows provided by (used in) noncapital financing activities:					
Transfers in	-	12,000	-	-	12,000
Intergovernmental	-	-	-	67,754	67,754
Increases in other postemployment benefits payable	-	-	-	42,065	42,065
Net cash flows provided by (used in) noncapital financing activities	0	12,000	0	109,819	121,819
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	(11,416)	(17,470)	-	-	(28,886)
Cash flows provided by (used in) investing activities:					
Investment income:					
Interest and dividends	10,400	6,200	12,800	-	29,400
Change in fair value	3,300	1,900	4,100	-	9,300
Net cash flows provided by (used in) investing activities	13,700	8,100	16,900	0	38,700
Net increase (decrease) in cash and cash equivalents	27,655	(73,326)	89,600	60,754	104,683
Cash and cash equivalents - January 1	997,840	615,271	1,248,934	1,123,708	3,985,753
Cash and cash equivalents - December 31	\$1,025,495	\$541,945	\$1,338,534	\$1,184,462	\$4,090,436
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	(\$17,582)	(\$39,464)	\$66,131	\$428,492	\$437,577
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	68,322	10,376	-	-	78,698
Changes in assets and liabilities:					
(Increase) decrease in prepayments	-	(10,097)	1,756	-	(8,341)
(Increase) decrease in inventory, at cost	(7,866)	-	-	-	(7,866)
(Increase) decrease in due from other governmental units	229	-	-	-	229
(Increase) decrease in deferred pension outflows	-	(17,039)	-	1,104,181	1,087,142
Increase (decrease) in accounts payable	(5,532)	(10,881)	4,813	-	(11,600)
Increase (decrease) in accrued salaries and withholdings payable	(12,475)	(8,851)	-	-	(21,326)
Increase (decrease) in deferred revenue	275	-	-	-	275
Increase (decrease) in compensated absences	-	-	-	60,754	60,754
Increase (decrease) in net pension liability	-	-	-	1,073,148	1,073,148
Increase (decrease) in deferred inflows of resources	-	-	-	(2,715,640)	(2,715,640)
Total adjustments	42,953	(36,492)	6,569	(477,557)	(464,527)
Net cash flows provided by (used in) operating activities	\$25,371	(\$75,956)	\$72,700	(\$49,065)	(\$26,950)

CITY OF COLUMBIA HEIGHTS, MINNESOTA
MUNICIPAL SERVICE CENTER
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2020
With Comparative Totals For December 31, 2019

Statement 54

	Central Garage Operating Account	Capital Equipment Replacement Account	Building Maintenance Operating Account	Total	
				2020	2019
Assets:					
Current assets:					
Cash and cash equivalents	\$912,178	\$25,774	\$87,543	\$1,025,495	\$997,840
Due from other governmental units	157	-	-	157	386
Interest receivable	2,100	100	200	2,400	2,000
Inventory - at cost	48,265	-	-	48,265	40,399
Total current assets	<u>962,700</u>	<u>25,874</u>	<u>87,743</u>	<u>1,076,317</u>	<u>1,040,625</u>
Noncurrent assets:					
Capital assets:					
Land	15,779	-	-	15,779	15,779
Buildings	1,978,957	-	-	1,978,957	1,978,957
Equipment	285,183	-	-	285,183	273,767
Total capital assets	<u>2,279,919</u>	<u>0</u>	<u>0</u>	<u>2,279,919</u>	<u>2,268,503</u>
Less: Accumulated depreciation	<u>(1,330,565)</u>	<u>-</u>	<u>-</u>	<u>(1,330,565)</u>	<u>(1,262,243)</u>
Net capital assets	<u>949,354</u>	<u>0</u>	<u>0</u>	<u>949,354</u>	<u>1,006,260</u>
Total noncurrent assets	<u>949,354</u>	<u>0</u>	<u>0</u>	<u>949,354</u>	<u>1,006,260</u>
Total assets	<u>1,912,054</u>	<u>25,874</u>	<u>87,743</u>	<u>2,025,671</u>	<u>2,046,885</u>
Liabilities:					
Current liabilities:					
Accounts payable	26,750	-	52	26,802	32,334
Accrued salaries and withholdings payable	3,294	-	2,792	6,086	18,561
Unearned revenue	9,437	-	-	9,437	9,162
Total current liabilities	<u>39,481</u>	<u>0</u>	<u>2,844</u>	<u>42,325</u>	<u>60,057</u>
Net position:					
Net investments in capital assets	949,354	-	-	949,354	1,006,260
Unrestricted	923,219	25,874	84,899	1,033,992	980,568
Total net position	<u>\$1,872,573</u>	<u>\$25,874</u>	<u>\$84,899</u>	<u>\$1,983,346</u>	<u>\$1,986,828</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

MUNICIPAL SERVICE CENTER

Statement 55

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	Central Garage Operating Account	Capital Equipment Replacement Account	Building Maintenance Operating Account	Intrafund Eliminations	Total	
					2020	2019
Operating revenues:						
Charges for services:						
Services to departments	\$189,236	\$ -	\$227,000	\$ -	\$416,236	\$407,331
Use of space	360,610	-	-	-	360,610	351,227
Charges for sales:						
Sales of motor fuel	105,270	-	-	-	105,270	118,400
Total operating revenues	<u>655,116</u>	<u>0</u>	<u>227,000</u>	<u>0</u>	<u>882,116</u>	<u>876,958</u>
Operating expenses:						
Cost of services and space	607,525	-	223,851	-	831,376	790,067
Depreciation	68,322	-	-	-	68,322	67,517
Total operating expenses	<u>675,847</u>	<u>0</u>	<u>223,851</u>	<u>0</u>	<u>899,698</u>	<u>857,584</u>
Net income (loss) from operations	<u>(20,731)</u>	<u>-</u>	<u>3,149</u>	<u>-</u>	<u>(17,582)</u>	<u>19,374</u>
Nonoperating revenues:						
Investment income:						
Interest and dividends	9,500	300	1,000	-	10,800	15,600
Change in fair value	2,900	100	300	-	3,300	8,600
Total nonoperating revenues	<u>12,400</u>	<u>400</u>	<u>1,300</u>	<u>0</u>	<u>14,100</u>	<u>24,200</u>
Net income (loss) before transfers	<u>(8,331)</u>	<u>400</u>	<u>4,449</u>	<u>0</u>	<u>(3,482)</u>	<u>43,574</u>
Transfers in	-	4,000	-	(4,000)	-	-
Transfers out	(4,000)	-	-	4,000	-	-
Total transfers	<u>(4,000)</u>	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in net position	(12,331)	4,400	4,449	-	(3,482)	43,574
Net position - January 1	<u>1,884,904</u>	<u>21,474</u>	<u>80,450</u>	<u>0</u>	<u>1,986,828</u>	<u>1,943,254</u>
Net position - December 31	<u>\$1,872,573</u>	<u>\$25,874</u>	<u>\$84,899</u>	<u>\$0</u>	<u>\$1,983,346</u>	<u>\$1,986,828</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

MUNICIPAL SERVICE CENTER

Statement 56

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	2020	2019
Cash flows provided by (used in) operating activities:		
Cash received from interfund goods & services provided	\$882,116	\$876,958
Cash paid to suppliers for goods and services	(366,847)	(356,170)
Cash payments to employees for services	(489,898)	(425,101)
Net cash flows provided by (used in) operating activities	<u>25,371</u>	<u>95,687</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition and construction of capital assets	(11,416)	(23,257)
Proceeds from the sale of assets	-	-
Net cash flows provided by (used in) capital and related financing activities	<u>(11,416)</u>	<u>(23,257)</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	10,400	16,800
Change in fair value	3,300	8,600
Net cash flows provided by (used in) investing activities	<u>13,700</u>	<u>25,400</u>
Net increase (decrease) in cash and cash equivalents	27,655	97,830
Cash and cash equivalents - January 1	997,840	900,010
Cash and cash equivalents - December 31	<u>\$1,025,495</u>	<u>\$997,840</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income (loss)	<u>(\$17,582)</u>	<u>\$19,374</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	68,322	67,517
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in inventory, at cost	(7,866)	11,393
(Increase) decrease in due from other governmental units	229	1,963
Increase (decrease) in accounts payable	(5,532)	(7,024)
Increase (decrease) in accrued salaries and withholdings payable	(12,475)	2,198
Increase (decrease) in unearned revenue	275	266
Total adjustments	<u>42,953</u>	<u>76,313</u>
Net cash flows from operating activities	<u>\$25,371</u>	<u>\$95,687</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INFORMATION SYSTEMS FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2020
With Comparative Totals For December 31, 2019

Statement 57

	Operating Account	Capital Equipment Replacement Account	Total	
			2020	2019
Assets:				
Current assets:				
Cash and cash equivalents	\$263,918	\$278,027	\$541,945	\$615,271
Interest receivable	600	700	1,300	1,200
Prepayments	25,290	-	25,290	15,193
Inventory - at cost	17,789	-	17,789	750
Total current assets	307,597	278,727	586,324	632,414
Noncurrent assets:				
Capital assets:				
Equipment	320,052	-	320,052	302,583
Less: accumulated depreciation	(278,503)	-	(278,503)	(268,128)
Net capital assets	41,549	0	41,549	34,455
Total noncurrent assets	41,549	0	41,549	34,455
Total assets	349,146	278,727	627,873	666,869
Liabilities:				
Current liabilities:				
Accounts payable	9,851	714	10,565	21,446
Accrued salaries and withholdings payable	4,640	-	4,640	13,491
Total current liabilities	14,491	714	15,205	34,937
Net position:				
Net investment in capital assets	41,549	-	41,549	34,455
Unrestricted	293,106	278,013	571,119	597,477
Total net position	\$334,655	\$278,013	\$612,668	\$631,932

CITY OF COLUMBIA HEIGHTS, MINNESOTA
INFORMATION SYSTEMS FUND
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
For The Year Ended December 31, 2020
With Comparative Totals For The Year Ended December 31, 2019

Statement 58

	Operating Account	Capital Equipment Replacement Account	Intrafund Eliminations	Total	
				2020	2019
Operating revenues:					
Charges for services	\$405,000	\$ -	\$ -	\$405,000	\$385,000
Total operating revenues	<u>405,000</u>	<u>0</u>	<u>0</u>	<u>405,000</u>	<u>385,000</u>
Operating expenses:					
Cost of services	389,702	44,386	-	434,088	387,210
Depreciation	10,376	-	-	10,376	10,085
Total operating expenses	<u>400,078</u>	<u>44,386</u>	<u>0</u>	<u>444,464</u>	<u>397,295</u>
Net income (loss) from operations	<u>4,922</u>	<u>(44,386)</u>	<u>0</u>	<u>(39,464)</u>	<u>(12,295)</u>
Nonoperating revenues:					
Investment income					
Interest and dividends	2,900	3,400	-	6,300	9,600
Change in fair value	900	1,000	-	1,900	5,300
Total nonoperating revenues	<u>3,800</u>	<u>4,400</u>	<u>0</u>	<u>8,200</u>	<u>14,900</u>
Net income (loss) before transfers	<u>8,722</u>	<u>(39,986)</u>	<u>0</u>	<u>(31,264)</u>	<u>2,605</u>
Transfers:					
Transfers in	29,469	-	(17,469)	12,000	-
Transfers out	-	(17,469)	17,469	-	(24,388)
Total transfers	<u>29,469</u>	<u>(17,469)</u>	<u>0</u>	<u>12,000</u>	<u>(24,388)</u>
Change in net position	<u>38,191</u>	<u>(57,455)</u>	<u>0</u>	<u>(19,264)</u>	<u>(21,783)</u>
Net position - January 1	<u>296,464</u>	<u>335,468</u>	<u>-</u>	<u>631,932</u>	<u>653,715</u>
Net position - December 31	<u>\$334,655</u>	<u>\$278,013</u>	<u>\$0</u>	<u>\$612,668</u>	<u>\$631,932</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

INFORMATION SYSTEMS FUND

Statement 59

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	2020	2019
Cash flows provided by (used in) operating activities:		
Cash received from interfund goods & services provided	\$405,000	\$385,000
Cash paid to suppliers for goods and services	(140,346)	(60,234)
Cash payments to employees for services	(340,610)	(314,204)
Net cash flows provided by (used in) operating activities	<u>(75,956)</u>	<u>10,562</u>
Cash flows provided by (used in) noncapital financing activities:		
Transfers in	12,000	-
Transfers out	-	(24,388)
Net cash flows provided by (used in) noncapital financing activities	<u>12,000</u>	<u>(24,388)</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition of capital assets	<u>(17,470)</u>	<u>-</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	6,200	10,500
Change in fair value	1,900	5,300
Net cash flows provided by (used in) investing activities	<u>8,100</u>	<u>15,800</u>
Net increase (decrease) in cash and cash equivalents	(73,326)	1,974
Cash and cash equivalents - January 1	<u>615,271</u>	<u>613,297</u>
Cash and cash equivalents - December 31	<u><u>\$541,945</u></u>	<u><u>\$615,271</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>(\$39,464)</u>	<u>(\$12,295)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	10,376	10,085
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in prepayments	(10,097)	(5,228)
(Increase) decrease in deferred pension outflows	(17,039)	(750)
Increase (decrease) in accounts payable	(10,881)	17,788
Increase (decrease) in accrued salaries and withholdings payable	(8,851)	962
Total adjustments	<u>(36,492)</u>	<u>22,857</u>
Net cash flows from operating activities	<u><u>(\$75,956)</u></u>	<u><u>\$10,562</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
RISK MANAGEMENT FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2020
With Comparative Totals For December 31, 2019

Statement 60

	<u>2020</u>	<u>2019</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$1,338,534	\$1,248,934
Interest receivable	2,900	2,300
Prepayments	<u>61,661</u>	<u>63,417</u>
Total assets	<u>1,403,095</u>	<u>1,314,651</u>
Liabilities:		
Current liabilities:		
Accounts payable	<u>6,813</u>	<u>2,000</u>
Total current liabilities	<u>6,813</u>	<u>2,000</u>
Net position:		
Unrestricted	<u>1,396,282</u>	<u>1,312,651</u>
Total net position	<u><u>\$1,396,282</u></u>	<u><u>\$1,312,651</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

RISK MANAGEMENT FUND

Statement 61

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND

CHANGES IN FUND NET POSITION

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Insurance allocation	\$661,560	\$570,894
Recovery of damages	87,167	18,330
Total operating revenues	<u>748,727</u>	<u>589,224</u>
Operating expenses:		
Cost of services:		
Premiums	607,390	554,423
Claims	75,206	26,873
Total operating expenses	<u>682,596</u>	<u>581,296</u>
Net income (loss) from operations	<u>66,131</u>	<u>7,928</u>
Nonoperating revenues:		
Investment income		
Interest and dividends	13,400	19,600
Change in fair value	4,100	10,900
Total nonoperating revenues	<u>17,500</u>	<u>30,500</u>
Change in net position	83,631	38,428
Net position - January 1	<u>1,312,651</u>	<u>1,274,223</u>
Net position - December 31	<u><u>\$1,396,282</u></u>	<u><u>\$1,312,651</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

RISK MANAGEMENT FUND

Statement 62

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Cash flows provided by (used in) operating activities:		
Cash received from interfund services provided	\$661,560	\$570,894
Cash received for damages	87,167	18,330
Cash paid to suppliers for goods and services	<u>(676,027)</u>	<u>(580,350)</u>
Net cash flows provided by (used in) operating activities	<u>72,700</u>	<u>8,874</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	12,800	21,100
Change in fair value	<u>4,100</u>	<u>10,900</u>
Net cash flows provided by (used in) investing activities	<u>16,900</u>	<u>32,000</u>
Net increase (decrease) in cash and cash equivalents	89,600	40,874
Cash and cash equivalents - January 1	<u>1,248,934</u>	<u>1,208,060</u>
Cash and cash equivalents - December 31	<u><u>\$1,338,534</u></u>	<u><u>\$1,248,934</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>\$66,131</u>	<u>\$7,928</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in prepayments	1,756	(1,054)
Increase (decrease) in accounts payable	<u>4,813</u>	<u>2,000</u>
Total adjustments	<u>6,569</u>	<u>946</u>
Net cash flows from operating activities	<u><u>\$72,700</u></u>	<u><u>\$8,874</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
EMPLOYEE BENEFITS FUND
SUBCOMBINING SCHEDULE OF NET POSITION
December 31, 2020
With Comparative Totals For December 31, 2019

Statement 63

	Compensated Absences Account	Pension Account	Other Post Emp Benefits Account	Total	
				2020	2019
Assets:					
Current assets:					
Cash and cash equivalents	\$1,184,462	\$ -	\$ -	\$1,184,462	\$1,123,708
Total assets	1,184,462	0	0	1,184,462	1,123,708
Deferred outflows of resources:					
Related to pensions and OPEB	-	2,455,533	205,404	2,660,937	3,719,131
Liabilities:					
Current liabilities:					
Compensated absences payable - current	106,600	-	-	106,600	110,900
Total current liabilities	106,600	0	0	106,600	110,900
Noncurrent liabilities:					
Compensated absences payable - noncurrent	1,077,862	-	-	1,077,862	1,012,808
Other postemployment benefits payable	-	-	1,527,677	1,527,677	1,420,635
Related to pensions	-	9,031,244	-	9,031,244	7,958,096
Total noncurrent liabilities	1,077,862	9,031,244	1,527,677	11,636,783	10,391,539
Total liabilities	1,184,462	9,031,244	1,527,677	11,743,383	10,502,439
Deferred inflows of resources:					
Related to pensions and OPEB	-	3,189,208	82,740	3,271,948	6,006,578
Net position:					
Unrestricted	-	(9,764,919)	(1,405,013)	(11,169,932)	(11,666,178)
Total net position	\$0	(\$9,764,919)	(\$1,405,013)	(\$11,169,932)	(\$11,666,178)

CITY OF COLUMBIA HEIGHTS, MINNESOTA

EMPLOYEE BENEFITS FUND

Statement 64

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND

CHANGES IN FUND NET POSITION

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

	Compensated Absences Account	Pension Account	Other Post Emp Benefits Account	Total	
				2020	2019
Operating revenues:					
Charges for services	\$950,254	\$1,115,064	\$51,986	\$2,117,304	\$1,539,064
Operating expenses:					
Cost of services	950,254	644,507	94,051	1,688,812	1,565,482
Net income (loss) from operations	-	470,557	(42,065)	428,492	(26,418)
Nonoperating revenues:					
Intergovernmental	-	67,754	-	67,754	51,403
Change in net position	-	538,311	(42,065)	496,246	24,985
Net position - January 1	-	(10,303,230)	(1,362,948)	(11,666,178)	(11,691,163)
Net position - December 31	\$0	(\$9,764,919)	(\$1,405,013)	(\$11,169,932)	(\$11,666,178)

CITY OF COLUMBIA HEIGHTS, MINNESOTA

EMPLOYEE BENEFITS FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2020

With Comparative Totals For The Year Ended December 31, 2019

Statement 65

	Compensated	Pension	Other Post	Total	
	Absences Account	Account	Emp Benefits Account	2020	2019
Cash flows provided by (used in) operating activities:					
Cash received from interfund services provided	\$950,254	\$1,891,039	\$51,986	\$2,893,279	\$2,248,296
Cash paid to suppliers for goods and services	-	(1,958,793)	(94,051)	(2,052,844)	(1,848,642)
Cash payments to employees for services	(889,500)	-	-	(889,500)	(716,574)
Net cash flows provided by (used in) operating activities	60,754	(67,754)	(42,065)	(49,065)	(316,920)
Cash flows provided by (used in) noncapital financing activities:					
Intergovernmental	-	67,754	-	67,754	51,403
Increases in other postemployment benefits payable	-	-	42,065	42,065	36,047
Net cash flows provided by (used in) noncapital financing activities	0	67,754	42,065	109,819	87,450
Net increase (decrease) in cash and cash equivalents	60,754	-	-	60,754	(229,470)
Cash and cash equivalents - January 1	1,123,708	-	-	1,123,708	1,353,178
Cash and cash equivalents - December 31	\$1,184,462	\$0	\$0	\$1,184,462	\$1,123,708
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ -	\$470,557	(\$42,065)	\$428,492	(\$26,418)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
(Increase) decrease in deferred pension outflows	-	1,104,181	-	1,104,181	2,360,646
Increase (decrease) in compensated absences	60,754	-	-	60,754	(229,470)
Increase (decrease) in net pension liability	-	1,073,148	-	1,073,148	(101,465)
Increase (decrease) in deferred pension inflows	-	(2,715,640)	-	(2,715,640)	(2,320,213)
Total adjustments	60,754	(538,311)	0	(477,557)	(290,502)
Net cash flows from operating activities	\$60,754	(\$67,754)	(\$42,065)	(\$49,065)	(\$316,920)

III. STATISTICAL SECTION (UNAUDITED)

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STATISTICAL SECTION

The following detailed statistical tables are presented to provide a context for understanding and evaluating the information presented in the other parts of this report. Unless otherwise noted, the information in these statistical tables is derived from the City of Columbia Heights' Comprehensive Annual Financial Reports for the relevant years. Certain information in prior years' presentations have been reclassified and/or adjusted in these tables to conform to the current year presentation. These tables address the five categories of information listed below.

Financial Trends - Tables 1 through 4

These tables contain trend information to help the reader understand how the City's financial performance has changed over time.

Revenue Capacity - Tables 5 through 8

These tables contain information to help the reader assess the factors affecting the City's ability to generate property taxes.

Debt Capacity - Tables 9 through 13

These tables contain 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.

Demographic and Economic Information - Tables 14 and 15

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information - Tables 16 through 18

These tables contain information about the City's operations and resources to help the reader understand the relationship between the City's financial activities and the services the City provides.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
NET POSITIONS BY COMPONENT
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$28,095,261	\$27,666,461	\$27,358,490	\$26,049,057
Restricted	3,213,455	2,624,466	2,025,652	3,752,839
Unrestricted	21,119,179	21,241,595	22,222,578	23,157,208
Total governmental activities net position	<u>\$52,427,895</u>	<u>\$51,532,522</u>	<u>\$51,606,720</u>	<u>\$52,959,104</u>
Business-type activities:				
Net investment in capital assets	\$9,331,167	\$9,819,666	\$10,365,407	\$10,729,457
Restricted	381,465	161,503	643,320	543,822
Unrestricted	5,918,147	6,680,609	6,690,111	7,269,897
Total business-type activities net position	<u>\$15,630,779</u>	<u>\$16,661,778</u>	<u>\$17,698,838</u>	<u>\$18,543,176</u>
Primary government:				
Net investment in capital assets	\$37,426,428	\$37,486,127	\$37,723,897	\$36,778,514
Restricted	3,594,920	2,785,969	2,668,972	\$4,296,661
Unrestricted	27,037,326	27,922,204	28,912,689	\$30,427,105
Total primary government net position	<u>\$68,058,674</u>	<u>\$68,194,300</u>	<u>\$69,305,558</u>	<u>\$71,502,280</u>

Note: The City implemented GASB statement No. 65 in fiscal 2012. 2011 net position information has been restated for this accounting change. Years prior to 2011 have not been restated.

Table 1

2015	2016	2017	2018	2019	2020
\$27,168,555	\$29,429,299	\$30,852,838	\$28,080,462	\$29,402,901	\$31,424,776
4,710,968	5,120,811	3,145,032	5,032,456	2,745,259	2,541,590
15,717,275	14,107,592	15,789,925	16,318,914	19,319,906	22,947,463
<u>\$47,596,798</u>	<u>\$48,657,702</u>	<u>\$49,787,795</u>	<u>\$49,431,832</u>	<u>\$51,468,066</u>	<u>\$56,913,829</u>
\$11,928,401	\$11,965,156	\$11,831,468	\$11,675,036	\$11,498,655	\$13,319,631
533,756	571,852	498,838	559,390	517,261	516,877
6,098,230	6,533,748	7,111,765	8,093,363	9,734,134	8,937,349
<u>\$18,560,387</u>	<u>\$19,070,756</u>	<u>\$19,442,071</u>	<u>\$20,327,789</u>	<u>\$21,750,050</u>	<u>\$22,773,857</u>
\$39,096,956	\$41,394,455	\$42,684,306	\$39,755,498	\$40,901,556	\$44,744,407
\$5,244,724	\$5,692,663	3,643,870	5,591,846	3,262,520	3,058,467
\$21,815,505	\$20,641,340	22,901,690	24,412,277	29,054,040	31,884,812
<u>\$66,157,185</u>	<u>\$67,728,458</u>	<u>\$69,229,866</u>	<u>\$69,759,621</u>	<u>\$73,218,116</u>	<u>\$79,687,686</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$2,039,680	\$1,977,594	\$1,976,207	\$2,104,025
Public safety	5,549,678	5,708,009	5,683,769	5,801,747
Public works	2,654,047	3,200,572	2,843,102	3,052,844
Culture and recreation	2,576,409	2,500,719	2,553,760	2,565,755
Community development	1,630,350	2,157,966	2,010,040	1,943,576
Interest on long-term debt	909,858	845,879	808,933	761,967
Total governmental activities expenses	<u>15,360,022</u>	<u>16,390,739</u>	<u>15,875,811</u>	<u>16,229,914</u>
Business-type activities:				
Water	2,370,076	2,311,858	2,371,414	2,336,475
Sewer	1,710,381	1,464,269	1,538,970	1,789,260
Refuse	1,561,659	1,601,648	1,628,966	1,695,997
Storm sewer	298,577	329,998	307,876	315,809
Liquor	8,155,888	8,371,610	8,341,309	8,148,788
Total business-type activities expenses	<u>14,096,581</u>	<u>14,079,383</u>	<u>14,188,535</u>	<u>14,286,329</u>
Total primary government expenses	<u>\$29,456,603</u>	<u>\$30,470,122</u>	<u>\$30,064,346</u>	<u>\$30,516,243</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$189,641	\$204,391	\$385,728	\$194,201
Public safety	697,656	736,927	706,168	752,694
Public works	48,303	139,305	39,141	89,392
Culture and recreation	159,829	137,978	163,931	234,494
Community development	962,276	961,420	976,030	987,722
Operating grants and contributions:				
General government	-	-	-	-
Public safety	563,914	556,387	511,527	404,486
Public works	176,578	189,039	233,748	557,112
Culture and recreation	76,864	57,337	56,069	31,521
Community development	112,895	23,010	-	-
Capital grants and contributions:				
General government	38,399	-	-	-
Public safety	11,303	-	-	-
Public works	1,314,547	797,921	855,227	183,706
Culture and recreation	-	-	-	-
Community development	175,467	204,349	1,026,706	422,773
Total governmental activities program revenues	<u>4,527,672</u>	<u>4,008,064</u>	<u>4,954,275</u>	<u>3,858,101</u>

Table 2
Page 1 of 2

2015	2016	2017	2018	2019	2020
\$2,128,964	\$2,239,601	\$2,087,930	\$2,252,456	\$2,237,467	\$2,436,098
6,265,485	7,891,721	6,927,308	6,584,189	6,875,101	8,206,813
3,529,547	3,653,777	3,452,239	4,841,290	3,404,984	3,249,175
2,926,004	2,982,919	3,057,306	3,821,503	3,699,635	3,347,512
1,555,640	877,622	1,147,550	1,398,103	1,002,298	1,839,279
948,493	958,465	973,688	688,884	535,798	499,896
<u>17,354,133</u>	<u>18,604,105</u>	<u>17,646,021</u>	<u>19,586,425</u>	<u>17,755,283</u>	<u>19,578,773</u>
2,367,954	2,535,133	3,090,927	2,748,803	2,678,905	2,904,931
1,621,506	1,770,538	1,977,662	1,820,151	1,994,854	2,144,690
1,753,406	1,860,602	2,037,098	1,944,325	1,883,849	2,028,140
541,926	490,608	380,844	511,836	812,304	572,081
8,125,188	8,274,354	8,098,980	8,227,772	8,491,315	7,329,328
<u>14,409,980</u>	<u>14,931,235</u>	<u>15,585,511</u>	<u>15,252,887</u>	<u>15,861,227</u>	<u>14,979,170</u>
<u>\$31,764,113</u>	<u>\$33,535,340</u>	<u>\$33,231,532</u>	<u>\$34,839,312</u>	<u>\$33,616,510</u>	<u>\$34,557,943</u>
\$206,531	\$289,304	\$262,466	\$264,782	\$239,208	\$234,197
703,489	670,144	712,314	766,450	957,982	834,238
51,991	273,698	504,412	154,219	164,769	29,133
227,224	240,331	255,498	289,066	254,286	99,542
1,001,740	1,059,585	1,045,924	373,610	704,987	631,749
-	-	1,993	37,636	11,133	303,740
485,439	499,319	619,900	516,775	515,846	983,477
1,314,378	1,119,332	518,923	881,029	323,994	1,152,281
18,422	18,134	56,844	20,830	34,236	129,179
96,274	-	-	2,455	-	295,993
-	-	-	-	-	39,605
15,350	145,849	4,237	-	-	297,196
811,654	929,746	1,693,222	1,059,322	321,087	139,738
252,260	694,619	369,771	-	-	80,330
364,791	100,000	1,500	-	-	57,823
<u>5,549,543</u>	<u>6,040,061</u>	<u>6,047,004</u>	<u>4,366,174</u>	<u>3,527,528</u>	<u>5,308,221</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2011	2012	2013	2014
Business-type activities:				
Charges for services:				
Water	\$2,530,803	\$2,777,383	\$3,020,174	\$2,805,072
Sewer	1,523,852	1,581,516	1,618,786	1,627,078
Refuse	1,682,178	1,761,860	1,826,226	1,887,038
Storm sewer	350,618	353,343	368,925	366,384
Liquor	8,494,962	8,804,233	8,747,084	8,415,371
Operating grants and contributions:				
Water	-	-	1,971	-
Sewer	-	-	-	-
Refuse	66,163	62,471	68,565	91,421
Storm sewer	-	-	14,335	-
Liquor	-	-	-	-
Capital grants and contributions:				
Sewer	-	-	-	-
Refuse	-	50,000	-	-
Storm sewer	-	-	-	47,369
Total business-type activities program revenues	<u>14,648,576</u>	<u>15,390,806</u>	<u>15,666,066</u>	<u>15,239,733</u>
Total primary government program revenues	<u>\$19,176,248</u>	<u>\$19,398,870</u>	<u>\$20,620,341</u>	<u>\$19,097,834</u>
Net (expense) revenue:				
Governmental activities	(\$10,832,350)	(\$12,382,675)	(\$10,921,536)	(\$12,371,813)
Business-type activities	551,995	1,311,423	1,477,531	953,404
Total primary government net (expense) revenue	<u>(10,280,355)</u>	<u>(11,071,252)</u>	<u>(9,444,005)</u>	<u>(11,418,409)</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property taxes	9,069,092	9,363,598	9,827,378	10,310,867
Tax increment collections	558,861	553,050	532,524	463,837
Unrestricted grants and contributions	1,278,195	1,003,552	1,000,513	1,496,804
Investment earnings	598,880	295,950	(664,694)	1,091,263
Miscellaneous	34,485	7,338	11,842	-
Transfers	264,990	263,814	288,171	361,426
Total governmental activities	<u>11,804,503</u>	<u>11,487,302</u>	<u>10,995,734</u>	<u>13,724,197</u>
Business-type activities:				
Investment earnings	135,932	63,321	(152,300)	252,360
Transfers	(264,990)	(263,814)	(288,171)	(361,426)
Total business-type activities	<u>(129,058)</u>	<u>(200,493)</u>	<u>(440,471)</u>	<u>(109,066)</u>
Total primary government	<u>\$11,675,445</u>	<u>\$11,286,809</u>	<u>\$10,555,263</u>	<u>\$13,615,131</u>
Change in net position:				
Governmental activities	\$972,153	(\$895,373)	\$74,198	\$1,352,384
Business-type activities	422,937	1,110,930	1,037,060	844,338
Total primary government	<u>\$1,395,090</u>	<u>\$215,557</u>	<u>\$1,111,258</u>	<u>\$2,196,722</u>

Table 2
Page 2 of 2

2015	2016	2017	2018	2019	2020
\$2,730,516	\$2,961,086	\$3,140,940	\$3,325,053	\$3,431,811	\$3,766,630
1,699,397	1,836,908	1,925,057	2,026,695	2,074,560	2,242,078
1,896,230	1,867,504	1,914,728	1,986,709	2,068,509	2,103,590
375,663	399,604	455,544	458,573	480,867	523,011
8,399,943	8,468,098	8,422,452	8,588,576	8,914,878	7,585,383
-	-	-	-	-	-
-	-	-	-	-	-
96,518	99,454	103,517	112,679	102,190	103,695
-	-	-	-	-	-
-	-	3,987	5,694	4,030	4,091
-	70,645	-	-	160,288	-
-	-	-	-	-	-
747,334	-	-	-	350,253	-
<u>15,945,601</u>	<u>15,703,299</u>	<u>15,966,225</u>	<u>16,503,979</u>	<u>17,587,386</u>	<u>16,328,478</u>
<u>\$21,495,144</u>	<u>\$21,743,360</u>	<u>\$22,013,229</u>	<u>\$20,870,153</u>	<u>\$21,114,914</u>	<u>\$21,636,699</u>
(\$11,804,590)	(\$12,564,044)	(\$11,599,017)	(\$15,220,251)	(\$14,227,755)	(\$14,270,552)
1,535,621	772,064	380,714	1,251,092	1,726,159	1,349,308
<u>(10,268,969)</u>	<u>(11,791,980)</u>	<u>(11,218,303)</u>	<u>(13,969,159)</u>	<u>(12,501,596)</u>	<u>(12,921,244)</u>
10,512,483	10,752,430	11,029,020	11,673,168	12,325,204	13,412,668
491,639	556,880	604,510	732,192	977,598	1,116,114
1,682,480	1,588,094	1,547,164	1,676,553	1,684,119	1,796,904
342,384	232,036	318,554	354,373	829,368	469,067
(679,895)	9,226	574,800	5,528	25,500	2,532,462
369,099	422,365	(231,537)	422,474	422,200	389,100
<u>12,718,190</u>	<u>13,561,031</u>	<u>13,842,511</u>	<u>14,864,288</u>	<u>16,263,989</u>	<u>19,716,315</u>
62,521	40,670	44,453	57,100	118,302	63,599
<u>(369,099)</u>	<u>(422,365)</u>	<u>231,537</u>	<u>(422,474)</u>	<u>(422,200)</u>	<u>(389,100)</u>
<u>(306,578)</u>	<u>(381,695)</u>	<u>275,990</u>	<u>(365,374)</u>	<u>(303,898)</u>	<u>(325,501)</u>
<u>\$12,411,612</u>	<u>\$13,179,336</u>	<u>\$14,118,501</u>	<u>\$14,498,914</u>	<u>\$15,960,091</u>	<u>\$19,390,814</u>
\$913,600	\$996,987	\$2,243,494	(\$355,963)	\$2,036,234	\$5,445,763
1,229,043	390,369	656,704	885,718	1,422,261	1,023,807
<u>\$2,142,643</u>	<u>\$1,387,356</u>	<u>\$2,900,198</u>	<u>\$529,755</u>	<u>\$3,458,495</u>	<u>\$6,469,570</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	80,767	87,341	92,638	94,892
Restricted	-	-	-	-
Committed	132,595	74,594	50,237	30,548
Assigned	-	-	-	-
Unassigned	5,655,693	5,914,974	6,254,402	7,248,380
Total general fund	<u>\$5,869,055</u>	<u>\$6,076,909</u>	<u>\$6,397,277</u>	<u>\$7,373,820</u>
All other governmental funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Nonspendable	2,353,164	2,763,852	1,750,114	1,522,537
Restricted	3,440,649	4,186,081	3,879,706	4,368,851
Committed	12,774,440	10,988,368	12,229,481	13,593,609
Assigned	-	-	-	-
Unassigned	(1,041)	(2,782)	(39,344)	(75,389)
Total all other governmental funds	<u>\$18,567,212</u>	<u>\$17,935,519</u>	<u>\$17,819,957</u>	<u>\$19,409,608</u>

Table 3

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
94,848	109,841	105,975	136,962	137,545	131,857
-	-	-	-	-	-
-	-	-	-	-	-
44,000	105,000	1,604,438	61,477	52,471	177,389
6,873,054	7,318,303	5,991,395	6,641,233	7,685,738	8,067,967
<u>\$7,011,902</u>	<u>\$7,533,144</u>	<u>\$7,701,808</u>	<u>\$6,839,672</u>	<u>\$7,875,754</u>	<u>\$8,377,213</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,724	2,852	2,689	11,938	2,587	2,602
9,821,307	6,582,938	4,347,012	6,221,392	4,350,015	3,600,385
12,902,165	12,417,310	15,778,762	16,780,634	18,019,074	19,253,241
-	-	70,000	-	-	-
(92,040)	(209,781)	(203,498)	(177,101)	(143,922)	(721,840)
<u>\$22,634,156</u>	<u>\$18,793,319</u>	<u>\$19,994,965</u>	<u>\$22,836,863</u>	<u>\$22,227,754</u>	<u>\$22,134,388</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	2011	2012	2013	2014
Revenues:				
Taxes	\$9,683,433	\$9,948,228	\$10,416,523	\$10,774,987
Special assessments	729,327	775,714	667,719	458,670
Licenses and permits	378,357	396,226	412,208	415,032
Intergovernmental	2,820,419	2,314,195	2,719,400	2,766,383
Charges for services	1,652,655	1,663,782	1,710,767	1,702,900
Fines and forfeitures	170,089	161,882	148,023	140,571
Investment earnings	562,180	275,750	(611,794)	1,011,063
Other revenues	70,173	63,674	104,577	73,815
Total revenues	16,066,633	15,599,451	15,567,423	17,343,421
Expenditures:				
Current:				
General government	1,880,257	1,813,433	1,791,379	1,939,689
Public safety	5,037,548	5,250,881	5,171,322	5,270,798
Public works	1,509,527	2,011,507	1,644,075	1,916,874
Culture and recreation	2,306,693	2,184,214	2,233,446	2,247,452
Community development	1,321,431	1,434,329	1,205,273	1,544,419
Capital outlay:				
General government	144,029	209,176	13,868	21,642
Public safety	95,281	158,448	70,960	103,707
Public works	1,882,787	557,820	896,223	79,225
Culture and recreation	140,867	18,107	39,768	100,248
Community development	40,549	636,294	566,901	413,179
Debt service:				
Principal retirement	1,659,022	972,000	1,559,730	662,000
Interest and fiscal charges	935,405	861,139	833,890	770,535
Issuance costs	-	-	-	-
Developer incentives	181,638	116,072	163,972	55,123
Total expenditures	17,135,034	16,223,420	16,190,807	15,124,891
Revenues over (under) expenditures	(1,068,401)	(623,969)	(623,384)	2,218,530

Table 4
Page 1 of 2

2015	2016	2017	2018	2019	2020
\$11,022,424	\$11,313,376	\$11,653,834	\$12,397,958	\$13,243,758	\$14,624,642
1,116,734	1,048,926	545,629	640,997	439,609	599,358
626,547	672,000	638,176	469,517	644,829	680,826
4,079,184	3,989,308	4,192,273	3,466,510	2,727,327	4,266,804
1,440,361	1,429,050	1,875,088	1,100,448	1,370,098	938,184
124,067	104,645	108,768	112,553	126,103	109,901
318,284	215,336	290,454	320,573	759,768	429,267
189,073	463,354	116,643	165,609	445,752	180,278
<u>18,916,674</u>	<u>19,235,995</u>	<u>19,420,865</u>	<u>18,674,165</u>	<u>19,757,244</u>	<u>21,829,260</u>
1,950,062	2,107,655	2,012,379	2,200,506	2,167,890	2,455,630
5,595,115	5,570,221	5,914,460	6,213,179	6,402,812	7,919,535
2,220,057	2,227,108	2,216,178	3,395,095	2,248,270	2,141,106
2,581,993	2,605,616	2,700,291	2,867,725	2,869,593	2,646,549
1,136,220	685,180	803,035	838,417	671,671	1,076,152
-	-	28,000	-	80,600	276,828
608,932	182,696	230,144	222,395	801,837	598,065
1,727,488	1,275,862	2,365,538	404,086	245,736	2,773,861
4,173,606	6,284,441	575,894	659,776	6,314	22,200
507,472	531,707	71,164	396,783	-	-
1,036,716	3,310,670	1,047,635	1,240,000	1,200,000	980,000
826,921	910,586	667,863	672,741	607,637	555,801
85,016	107,325	108,255	55,615	-	-
164,188	91,646	307,654	254,166	474,949	769,402
<u>22,613,786</u>	<u>25,890,713</u>	<u>19,048,490</u>	<u>19,420,484</u>	<u>17,777,309</u>	<u>22,215,129</u>
<u>(3,697,112)</u>	<u>(6,654,718)</u>	<u>372,375</u>	<u>(746,319)</u>	<u>1,979,935</u>	<u>(385,869)</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

	2011	2012	2013	2014
Other financing sources (uses):				
Bonds issued	\$ -	\$ -	\$563,021	\$ -
Payment to refunded bond escrow	-	-	-	-
Bond premium (discount)	-	-	-	-
Transfers in	411,736	298,814	326,740	405,728
Transfers out	(302,881)	(110,000)	(113,569)	(124,302)
Sale of capital assets	40,999	11,315	51,997	66,236
Total other financing sources (uses)	<u>149,854</u>	<u>200,129</u>	<u>828,189</u>	<u>347,662</u>
Special item	-	-	-	-
Net change in fund balance	<u>(\$918,547)</u>	<u>(\$423,840)</u>	<u>\$204,805</u>	<u>\$2,566,192</u>
Expenditures capitalized for governmental activities reporting purposes	2,270,210	943,602	952,108	417,503
Debt service as a percentage of noncapital expenditures (A) (B)	17.5%	12.0%	15.7%	9.7%
Debt service as a percentage of total expenditures (A) (B)	15.1%	11.3%	14.8%	9.5%

(A) For the purpose of the debt service ratios presented in this table, only the principal and interest components of the debt service expenditures reported in this table are used, and noncapital expenditures are determined by subtracting expenditures capitalized for governmental activities reporting purposes from the total governmental funds expenditures reported in the table.

(B) Certain information from prior years' presentations have been restated in this table to conform to the current presentation.

2015	2016	2017	2018	2019	2020
\$6,875,000	\$2,435,000	\$8,505,000	\$2,070,000	\$ -	\$ -
-	-	(8,559,429)	-	(2,030,000)	-
293,651	79,890	163,700	19,921	-	-
429,099	435,697	1,594,501	512,282	446,588	389,100
(120,000)	(88,917)	(1,168,201)	(891)	-	(12,000)
9,135	284,536	651,281	124,769	30,450	22,555
<u>7,486,885</u>	<u>3,146,206</u>	<u>1,186,852</u>	<u>2,726,081</u>	<u>(1,552,962)</u>	<u>399,655</u>
(927,142)	-	-	-	-	394,307
<u>\$2,862,631</u>	<u>(\$3,508,512)</u>	<u>\$1,559,227</u>	<u>\$1,979,762</u>	<u>\$426,973</u>	<u>\$408,093</u>
6,602,755	7,797,656	3,099,578	679,811	1,134,487	3,670,954
11.6%	23.3%	10.8%	10.2%	10.9%	8.3%
8.2%	16.3%	9.0%	9.8%	10.2%	6.9%

CITY OF COLUMBIA HEIGHTS, MINNESOTA
TAX CAPACITY VALUE AND ESTIMATED MARKET VALUE OF ALL TAXABLE PROPERTY
 Last Ten Fiscal Years
 (Unaudited)

Table 5

Fiscal Year	Tax Capacity Value (A)		Captured Tax Increment Value	Subtotal	Area Wide Allocation (C)		Adjusted Taxable Net Tax Capacity Value	Total Direct Tax Rate	Estimated Market Value	Adjusted Tax Capacity Value as a Percent of EMV
	Residential	Other Property (B)			Contribution	Distribution				
2011	10,890,631	2,218,809	(568,719)	12,540,721	(796,058)	3,811,856	15,556,519	61.804%	1,185,782,600	1.312%
2012	9,087,666	2,141,140	(521,306)	10,707,500	(710,709)	4,059,432	14,056,223	66.300%	1,134,720,200	1.239%
2013	7,692,288	1,946,245	(489,233)	9,149,300	(678,105)	4,051,497	12,522,692	80.871%	993,984,300	1.260%
2014	8,194,709	1,012,690	(443,838)	8,763,561	(568,852)	4,334,662	12,529,371	78.177%	954,475,000	1.313%
2015	8,872,294	1,824,746	(465,433)	10,231,607	(569,588)	4,339,040	14,001,059	70.811%	1,093,861,500	1.280%
2016	9,262,683	1,861,323	(523,754)	10,600,252	(555,804)	4,149,906	14,194,354	74.841%	1,132,257,300	1.254%
2017	10,024,437	1,994,028	(567,640)	11,450,825	(580,154)	4,468,959	15,339,630	68.546%	1,214,009,300	1.26%
2018	11,317,981	2,036,605	(684,352)	12,670,234	(603,705)	4,613,838	16,680,367	67.645%	1,335,438,300	1.25%
2019	12,593,359	1,977,200	(917,394)	13,653,165	(653,623)	4,652,048	17,803,023	66.775%	1,466,682,000	1.21%
2020	14,334,714	2,397,882	(1,125,976)	15,606,620	(687,648)	5,017,317	19,936,289	64.306%	1,625,512,417	1.23%

(A) 2012-2020 taxable market values used to calculate tax capacity values in this table are reduced by the market value homestead exclusion, which is new for 2012.

(B) The category "Other Property" is substantially all commercial/industrial property, plus nominal amounts of railroad and personal property.

(C) The Metropolitan Fiscal Disparities Act was first implemented for taxes payable in 1975 for the seven Metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Forty percent of the increase in commercial-industrial (including public utility) valuation in each assessment district since 1971 is contributed to an area-wide tax base. Using the factors of population and real property market value, a per capita distribution index is calculated. This index is employed in determining what proportion of the valuation shall be distributed back to each assessment district.

Source: Anoka County Auditor's Tax Certificate

CITY OF COLUMBIA HEIGHTS, MINNESOTA
DIRECT AND OVERLAPPING PROPERTY TAX RATES (A)
 Last Ten Fiscal Years

Table 6

Fiscal Year	City Direct Rate (A)	Overlapping Rates (B)			Total
		School District 13	County	Special Districts (C)	
2011	61.804%	18.842%	37.235%	9.605%	127.486%
2012	66.300%	24.200%	38.415%	9.932%	138.847%
2013	80.871%	27.636%	41.443%	12.464%	162.414%
2014	78.177%	24.824%	40.365%	12.297%	155.663%
2015	70.811%	32.562%	35.964%	10.811%	150.148%
2016	74.841%	29.442%	36.637%	11.016%	151.936%
2017	68.546%	27.633%	34.633%	10.304%	141.116%
2018	67.645%	27.900%	33.269%	9.871%	138.685%
2019	66.775%	33.148%	32.505%	9.074%	141.502%
2020	64.306%	23.385%	31.133%	8.494%	127.318%

(A) These property tax rates are stated as a percentage of tax capacity value. Refer to Table 5 for tax capacity value. Tax capacity values after 2011 are reduced the market value homestead exclusion, which excludes a portion of homesteaded value from taxation. Consequently, post-2011 tax rates are stated higher for any given levy amount, relative to prior years.

Rates are determined by tax district. Within the Anoka County property tax system, the City is an individual tax district. Thus the City direct rate is an individual rate, and is not comprised of component direct rates.

(B) Overlapping rates are those of local and county governments that apply to property owners within the City. Most, but not all, overlapping rates apply to all City property owners. For example, although the school and county property tax rates apply to all City property owners, special district rates apply only to the City property owners whose property is located within each special district's geographic boundaries.

(C) Special districts include Metropolitan Council, Metropolitan Transit District, Metropolitan Mosquito Control District, N.E. Metro School District 916, Rice Creek Watershed District, Anoka County Housing and Redevelopment Authority, Anoka County Regional Rail Authority, County/City Radio, Columbia Heights Housing and Redevelopment Authority and the Mississippi Watershed Management.

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
PRINCIPAL PROPERTY TAX PAYERS
 Current Year and Ten Years Ago

Table 7

Taxpayer	2020			2011		
	Tax Capacity Value (A) & (B)	Rank	Percentage of Total City Tax Capacity Value	Taxable Capacity Value (A)	Rank	Percentage of Total City Tax Capacity Value
Columbia Heights Leased Housing I	\$298,005	1	2.05%	N/A	N/A	N/A
Columbia Heights Leased Housing III	223,843	2	1.54%	N/A	N/A	N/A
Medtronic Inc	185,500	3	1.27%	\$228,372	1	1.59%
Crestview Corporation	140,849	4	0.97%	106,702	6	0.74%
Jones Family Investments LLC	133,916	5	0.92%	N/A	N/A	N/A
Burlington Northern	107,298	6	0.74%	N/A	N/A	N/A
Columbia Park Properties	105,848	7	0.73%	112,868	3	0.78%
Parkview Limited Partnership	100,582	8	0.69%	N/A	N/A	N/A
Lynde Investment Co MN Partnership	91,957	9	0.63%	78,241	8	0.54%
Xcel Energy/ Northern States Power Co	85,148	10	0.58%	N/A	N/A	N/A
Centro Bradley SPE 5 LLC	N/A	N/A	N/A	149,696	2	1.04%
Stadium Village Properties LLC	N/A	N/A	N/A	112,494	4	0.78%
Consolidated Realty of Mpls	N/A	N/A	N/A	109,689	5	0.76%
Columbia Heights Center LLC	N/A	N/A	N/A	87,354	7	0.61%
New Heights Development LLC	N/A	N/A	N/A	73,119	9	0.51%
Jeff's Bobby & Steve's Auto World	N/A	N/A	N/A	72,346	10	0.50%
Total	<u>\$1,472,946</u>		<u>10.11%</u>	<u>\$1,130,881</u>		<u>7.85%</u>
Total All Property	<u>\$14,570,559</u>			<u>\$14,398,494</u>		

(A) Tax Capacity values in this table are before adjustments for captured tax increment value and area-wide allocations. See Table 5.

(B) 2020 taxable market values used to calculate tax capacity values in this table are reduced by the market value homestead exclusion (first effective 2012.)

Source: Anoka County Auditor's Tax Certificate.

CITY OF COLUMBIA HEIGHTS, MINNESOTA

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

Fiscal Year	Gross Tax Levy (A)	County Adjustments to Levy (B)	State Market Value Homestead Credit (A)	Adjusted Tax Levy
2011	\$9,426,760	(\$141)	(\$608,241)	\$8,818,378
2012	9,136,706	(54)	-	9,136,652
2013	9,536,888	(182)	-	9,536,706
2014	9,911,706	166	-	9,911,872
2015	10,233,706	207	-	10,233,913
2016	10,455,756	196	-	10,455,952
2017	10,795,834	188	-	10,796,022
2018	11,324,913	97	-	11,325,010
2019	11,928,224	224	-	11,928,448
2020	12,943,950	157	-	12,944,107

(A) Under state law for years prior to 2012, the stated amount of the annual property tax levy adopted by the City Council included both the actual property tax plus an amount termed the "state market value homestead credit." The state market value homestead credit was determined by a formula in state law. To the extent this market value homestead credit was paid by the State of Minnesota and received by the City in any given year, it was reported as intergovernmental revenue in the City's financial statements. Only the portion of the gross levy that was actually levied upon property is reported as property tax revenue in the City's financial statements.

(B) Anoka County adjusts the property tax levy adopted by the City Council for certain items. These are primarily excess tax increment reimbursements and rounding. Abatements or increases of tax to individual taxpayers are not included in these adjustments.

This table only includes tax levies for the City of Columbia Heights, the primary government. It does not include tax levies for the special taxing district of the Columbia Heights HRA, a component unit of the City.

Table 8

Collected Within The Fiscal Year For Which Levied		Collections in Subsequent Years	Total Collections to Date	
Collection Amount	% of Adjusted Tax Levy		Amount	% of Adjusted Tax Levy
\$8,578,784	97.28%	\$237,757	\$8,816,541	99.98%
8,932,564	97.77%	200,654	9,133,218	99.96%
9,379,873	98.36%	149,746	9,529,619	99.93%
9,778,631	98.66%	114,660	9,893,291	99.81%
10,103,675	98.73%	114,754	10,218,429	99.85%
10,335,418	98.85%	103,502	10,438,920	99.84%
10,694,493	99.06%	87,114	10,781,607	99.87%
11,214,710	99.03%	85,657	11,300,367	99.78%
11,752,267	98.52%	82,039	11,834,306	99.21%
12,747,884	98.48%	N/A	Not Available	Not Available

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Fiscal Year	Governmental Activities				Business-Type Activities			All Activities		
	General Obligation Bonds Repaid Only With General Taxes	General Obligation Bonds With Pledged Special Assessments	Tax Incremental Revenue Bonds	Total Governmental Activities	General Obligation Bonds With Pledged Revenues	Liquor Facility Lease Revenue Bonds (B)	Total Business-Type Activities	Total All Debt	Percentage of Personal Income (A)	Per Capita (A)
2011	\$13,480,000	\$2,740,730	\$2,790,000	\$19,590,730	\$1,304,270	\$4,750,000	\$6,054,270	\$25,645,000	5.3%	1,315
2012	13,090,000	2,211,730	2,737,000	18,618,730	1,123,270	4,595,000	5,718,270	24,337,000	4.8%	1,240
2013	12,685,000	1,733,021	2,679,000	17,622,021	2,436,979	4,430,000	6,866,979	24,489,000	5.1%	1,245
2014	12,260,000	1,613,021	2,617,000	16,960,021	2,401,979	4,260,000	6,661,979	23,622,000	4.9%	1,201
2015	18,733,863	1,379,305	2,549,000	23,072,168	2,085,695	4,080,000	6,165,695	29,237,863	6.1%	1,486
2016	18,330,232	1,132,635	2,435,000	22,247,867	1,777,365	3,895,000	5,672,365	27,920,232	5.8%	1,422
2017	18,100,531	880,000	2,315,000	21,580,531	4,783,105	-	4,783,105	26,363,636	5.3%	1,319
2018	19,281,618	695,000	2,190,000	22,386,618	4,361,429	-	4,361,429	26,748,047	5.0%	1,327
2019	16,497,618	550,000	2,065,000	19,112,618	3,875,682	-	3,875,682	22,988,300	4.0%	1,121
2020	15,725,670	430,000	1,935,000	18,090,670	3,420,901	-	3,420,901	21,511,571	3.8%	1,103

(A) Based on population and income data in Table 14.

(B) In 2017, Liquor Facility Lease Revenue Bonds were refunded with pledged revenue General Obligation Bond

Certain information from prior years' presentations have been restated in this table to conform to the current presentation.

CITY OF COLUMBIA HEIGHTS, MINNESOTA

RATIOS OF OUTSTANDING NET GENERAL BONDED DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental General Obligation Bonds	Less: Governmental Restricted for Repayment	Subtotal of Governmental Net General Obligation Bonded Debt	Percentage of Estimated Property Value (B)
2011	\$16,800,730	\$2,162,119	\$14,638,611	1.23%
2012	15,881,730	1,559,985	14,321,745	1.26%
2013	14,943,021	1,000,831	13,942,190	1.40%
2014	14,281,021	1,134,227	13,146,794	1.38%
2015	20,249,305	1,174,473	19,074,832	1.74%
2016	19,812,867	1,580,529	18,232,338	1.61%
2017	(C) 19,265,531	1,035,920	18,229,611	1.50%
2018	20,196,618	3,184,433	17,012,185	1.27%
2019	17,047,618	1,173,486	15,874,132	1.08%
2020	16,155,670	1,215,855	14,939,815	0.92%

(A) Based on population and income data in Table 14. Certain information from prior years' presentations have been restated in this table to conform to the current presentation.

(B) Based on the estimated market value of property in Table 5.

The estimated market value of property bears a strong relationship to the debt capacity of the City. It should be noted however, that in the State of Minnesota, property tax revenue is calculated on the tax capacity value of property. Tax capacity value is derived from estimated market value by a set of class rates and other adjustments as determined by the State legislature. The historical relationship between estimated market value and tax capacity value for property in the City is shown in Table 5.

(C) In 2017 Liquor Facility Lease Revenue Bonds were refunded with pledged revenue General Obligation Bonds

Table 10

Business-type General Obligation Bonds With Pledged Revenues	Less: Business-type Restricted for Repayment	Subtotal of Business-type Net General Obligation Bonded Debt	Percentage of Business-type Revenue	Total Net General Bonded Debt	Per Capita (A)
\$1,304,270	\$273,966	\$1,030,304	16.9%	\$15,668,915	801
1,123,270	226,292	896,978	13.9%	\$15,218,723	632
2,436,979	259,366	2,177,613	33.7%	\$16,119,803	820
2,401,979	543,822	1,858,157	28.8%	\$15,004,951	763
2,085,695	533,756	1,551,939	23.2%	\$20,626,771	1,044
1,777,365	571,852	1,205,513	17.1%	\$19,437,851	990
4,783,105	499,838	4,283,267	27.0%	\$22,512,878	1,126
4,361,429	559,390	3,802,039	23.2%	\$20,814,224	1,033
3,875,682	517,262	3,358,420	19.8%	\$19,232,552	938
3,420,901	513,414	2,907,487	17.1%	\$17,847,302	915

Governmental Unit (A)	Debt Outstanding	Estimated Percentage Applicable (B)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Anoka County	\$73,895,000	4.5492%	\$3,361,631
Independent School District 13	25,053,058	72.7383%	18,223,168
Metropolitan Council	1,555,384,035	0.0423%	657,927
Subtotal - overlapping debt			22,242,727
City direct debt - governmental activities			18,090,670
Total direct and overlapping debt			<u>\$40,333,397</u>

(A) 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 taxpayers of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the taxpayers should be taken into account.

(B) The percentage of overlapping debt applicable is estimated using adjusted taxable net tax capacity values of property, which is the tax capacity value after adjustments for captured tax increment value and area-wide allocations (see Table 5) Applicable percentages were estimated by determining the portion of each governmental unit's tax capacity value that is within the City's boundaries and dividing it by each unit's total tax capacity value.

Source: Anoka County Auditor's Tax Certificate

CITY OF COLUMBIA HEIGHTS, MINNESOTA

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Table 12

Legal Debt Margin Calculation for Fiscal Year 2020

Assessor's Estimated Market Value (A)	\$1,625,512,417
Debt limitation percentage (A)	3%
Debt limit	48,765,373
Net debt applicable to limit (B)	15,725,670
Legal debt margin	\$33,039,703
Legal debt margin as a percentage of limit	67.75%

Legal Debt Margin Calculation for Fiscal Years 2011 Through 2019

Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin as a Percentage of Debt Limit
2011	\$35,278,494	\$12,698,431	\$22,580,063	64.01%
2012	29,067,313	10,275,000	18,792,313	64.65%
2013	29,819,529	12,685,000	17,134,529	57.46%
2014	28,634,250	12,260,000	16,374,250	57.18%
2015	32,815,845	18,460,000	14,355,845	43.75%
2016	33,967,719	18,330,232	15,637,487	46.04%
2017	36,420,279	18,100,531	18,319,748	50.30%
2018	40,063,149	19,281,618	20,781,531	51.87%
2019	44,000,460	16,497,618	27,502,842	62.51%

(A) The debt limit within Minnesota Statutes, Section 475.53, subd.1) is as follows:

1. For years after 2013, 3% of the Assessor Estimated Market Value of taxable property within the City.
2. For years prior to 2014, 3% of the Taxable Market Value of property within the City, after exclusions.

(B) M.S.A. Section 475.51 (definitions) Subdivision 4. "Net debt" means the amount remaining after deducting from its gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a Permanent Improvement Revolving Fund.
5. Obligations issued for the acquisition and betterment of public water works systems and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
6. Not applicable.
7. Amount of all money and face value of all securities held as a Debt Service Fund for the extinguishment of obligations other than those deductible under this subdivision.
8. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

(C) The City's debt is also limited by their Charter, Section 72. Per this Section, the limit on debt is 10% of the 2018/2019 Assessor's Estimated Market Value, or \$146,668,200. The City's outstanding debt, including revenue subject to the City Charter is \$16,497,618.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
PLEDGED REVENUE COVERAGE NON-OBLIGATION DEBT
 Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Economic Development Authority				
Tax Increment Revenue Bonds Series 2007/2016:	(A)			
Tax increment revenue from applicable parcels	\$211,533	\$175,832	\$170,496	\$162,056
Bond Proceeds	-	-	-	-
Intergovernmental:				
Market Value TIF credit	34,351	-	-	-
Net available revenue	<u>\$245,884</u>	<u>\$175,832</u>	<u>\$170,496</u>	<u>\$162,056</u>
Debt service:				
Principal (including early redemption)	48,000	53,000	58,000	62,000
Interest	148,788	146,263	143,488	140,488
Total debt service	<u>\$196,788</u>	<u>\$199,263</u>	<u>\$201,488</u>	<u>\$202,488</u>
Coverage	125%	88%	85%	80%
Economic Development Authority				
Lease Revenue Bonds Series 2007B:	(B)			
Annual appropriation of liquor net revenues	\$390,000	\$386,000	\$390,000	\$384,000
Investment income	1,500	1,000	(2,500)	3,230
Issuance costs and administration (expense)	(2,000)	(2,000)	(2,332)	(2,200)
Net available revenue	<u>\$389,500</u>	<u>\$385,000</u>	<u>\$385,168</u>	<u>\$385,030</u>
Debt service:				
Principal (including early redemption)	\$150,000	\$155,000	\$165,000	\$170,000
Interest	230,630	223,768	213,178	209,030
Total debt service	<u>\$380,630</u>	<u>\$378,768</u>	<u>\$378,178</u>	<u>\$379,030</u>
Coverage	102%	102%	102%	102%

(A) 2016 Tax Increment Revenue bonds were issued to refund 2007 bonds

(B) Lease Revenue Bond Series 2007B was refunded to a General Obligation bond in 2017

Note: Details regarding the City's outstanding debt can be found in Note 7 of the financial statements.

Table 13

2015	2016	2017	2018	2019	2020
\$196,024	\$329,617	\$388,276	\$432,825	\$652,796	\$782,617
-	2,435,000	-	-	-	-
-	-	-	-	-	-
<u>\$196,024</u>	<u>\$2,764,617</u>	<u>\$388,276</u>	<u>\$432,825</u>	<u>\$652,796</u>	<u>\$782,617</u>
68,000	2,549,000	120,000	125,000	125,000	130,000
137,238	133,688	73,898	65,916	63,873	61,958
<u>\$205,238</u>	<u>\$2,682,688</u>	<u>\$193,898</u>	<u>\$190,916</u>	<u>\$188,873</u>	<u>\$191,958</u>
96%	103%	200%	227%	346%	408%
\$380,000	\$392,000	\$ -	\$ -	\$ -	\$ -
91	400	455	-	-	-
(2,667)	(2,667)	(475)	-	-	-
<u>\$377,424</u>	<u>\$389,733</u>	<u>(\$20)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$180,000	\$185,000	\$3,895,000	\$ -	\$ -	\$ -
201,155	192,943	184,392	-	-	-
<u>\$381,155</u>	<u>\$377,943</u>	<u>\$4,079,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
99%	103%	N/A	N/A	N/A	N/A

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2011	19,568	\$487,243,200	\$24,900	6.8%
2012	19,667	507,408,600	25,800	5.9%
2013	19,667	478,616,112	24,336	5.0%
2014	19,674	502,434,612	25,538	4.1%
2015	19,758	497,427,408	25,176	3.6%
2016	19,632	478,137,360	24,355	3.9%
2017	19,995	494,536,335	24,733	3.4%
2018	20,153	537,178,215	26,655	2.8%
2019	20,503	575,375,689	28,063	3.1%
2020	19,496	568,971,264	29,184	6.0%

Sources are as follows:

Population: Data for 2011-2019 is estimated by the US Census Bureau
 Data for 2020 is from the 2020 US Census.

Per Capita Income:

Data for 2011-2020 provided by the US Census Bureau, American Community Survey.
 Certain information from prior years' presentations have been restated in this table to conform to the current presentation.

Unemployment Rate: Provided by MN Department of Employment and Economic Development for Anoka County.
 Rates are not compiled for individual communities within counties.

CITY OF COLUMBIA HEIGHTS, MINNESOTA

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Table 15

Principal Employers Within City	2019/2020			2011		
	Employees	Rank	Percentage of Total Anoka County (A) Employment	Employees	Rank	Percentage of Total Anoka County (A) Employment
Medtronic Inc	600	1	3.08%	600	1	0.33%
Independent School District 13	546	2	2.80%	475	2	0.26%
Crestview Corporation	280	3	1.44%	180	4	0.10%
City of Columbia Heights	219	4	1.12%	207	3	0.12%
Columbia Park Clinic	120	5	0.62%	120	6	0.07%
Invest Cast	70	6	0.36%	70	8	0.04%
SAVERS/Unique Thrift Shop	65	7	0.33%	75	7	0.04%
Sarna's Classic Grill	60	8	0.31%	N/A	N/A	N/A
Bobby & Steve's Auto World	50	9	0.26%	53	10	0.03%
La Casita Mexican Restaurant	50	10	0.26%	60	9	0.03%
Rainbow Foods	<u>N/A</u>	N/A	<u>N/A</u>	<u>120</u>	5	<u>0.07%</u>
Total	<u><u>2,060</u></u>		<u><u>10.57%</u></u>	<u><u>1,960</u></u>		<u><u>1.09%</u></u>

(A) Employment data is not compiled for individual cities within Minnesota counties.

Sources:

The employee count for the City of Columbia Heights is from Table 16. 2020 data for other employers was not available. The 2019 data was compiled from ReferenceUSA, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
 CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Table 16

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Mayor/Council	5	5	5	5	5	5	5	5	5	5
Administration	11	11	10	4	4	4	4	5	5	6
Finance	14	13	13	13	13	13	13	13	13	13
Public safety:										
Police	35	37	36	35	35	37	39	36	41	42
Fire	32	33	31	31	30	29	30	30	30	31
Public works	16	16	15	21	23	23	22	22	22	24
Culture and recreation:										
Library	21	20	21	21	18	18	20	20	21	20
Parks	5	5	5	5	5	5	5	5	5	5
Recreation	16	15	15	15	15	15	16	16	16	16
Community development	5	4	4	4	4	6	6	6	6	6
Water	4	4	4	4	4	4	4	4	4	4
Sewer	3	3	4	4	4	4	4	4	4	4
Refuse	-	-	-	-	-	-	-	-	-	-
Storm sewer	1	1	1	1	1	1	1	1	1	1
Liquor	39	40	40	40	41	41	42	42	42	42
Total	207	207	204	203	202	205	211	209	215	219

Source: Organizational Chart in the City of Columbia Heights ACFR.

Note: The above table shows the distribution of all permanent employees by head count (including full-time, part-time and paid on-call), by function. This bears a strong relationship to the distribution of employee costs across functions. However, many employees provide services to more than one function, and employee costs are charged to each function based on the services received by each function.

Certain information from prior years' presentations has been restated in this table to conform to the current presentation.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2011	2012	2013	2014
General government:				
Resolutions approved by City Council	159	159	94	98
Ordinances adopted by City Council	15	5	3	2
Public safety:				
Police:				
Part I crimes (A)	755	742	674	684
Part II crimes (A)	1,576	1,408	1,326	1,052
Fire:				
Emergency medical calls (A)	1,722	1,839	1,942	1,811
Fire calls (A)	764	752	852	729
Inspections & Related Actions (A)	6,073	5,413	5,249	5,077
Public works:				
Street paving and patching (tons of asphalt)	869	1,029	224	782
Street sweeping (tons of debris)	712	350	574	540
Trees removed	180	157	284	217
Culture and recreation:				
Library: (E)				
Items in collection	71,303	72,985	76,658	78,137
Circulation	125,051	129,624	121,827	117,888
Reference inquiries	16,601	14,547	16,068	13,208
Parks and recreation:				
Athletics participants (B)	4,299	4,232	5,534	5,125
Other programs, estimated attendance (C)	8,000	9,000	10,485	10,637
Number of paid room rentals	177	135	139	140
Community development:				
Number of business licenses issued	334	323	346	339
Number of building permits issued (D)	1,290	1,058	1,303	1,212
Construction value of permits issued	\$7,986,467	\$7,203,199	\$7,388,271	\$7,609,375
Water:				
Consumption (thousands of gallons)	454,223	495,870	461,520	449,415
Sewer (sanitary):				
Wastewater (thousands of gallons, 12 months ended June)	485,000	455,210	455,310	467,680
Miles of line cleaned/rodded/root-sawed	25	26	33	33
Refuse:				
Refuse (tons)	6,789	6,563	6,684	6,648
Recycling (tons)	1,605	1,610	1,690	1,670
Yardwaste (tons)	1,270	1,270	1,169	1,250
Storm sewer:				
No operating indicators available	not avail	not avail	not avail	not avail
Liquor:				
Number of units sold	1,060,150	1,103,790	1,045,188	1,038,985

- (A) Public safety operating indicators include services provided to the City of Hilltop under contractual agreements. The City of Hilltop is completely encircled by the City of Columbia Heights and has a population of 752.
- (B) This operating indicator includes duplicate counts for participation in more than one team/league by some persons.
- (C) This operating indicator includes duplicate counts for attendance at more than one program by some persons. It is rounded to the nearest thousand attendees based on review of attendance data.
- (D) This operating indicator includes inspection permits issued for new construction, building alteration/addition, plumbing, heating, street excavation and sign installation.
- (E) In 2016, a new library was constructed. The library was closed for 4 weeks for relocation and had roughly 200 less public service hours.
- (F) Many indicators were effected due to the pandemic public safety measures

Certain information from prior years' presentations have been restated in this table to conform to the current presentation.

Sources: Various City departments.

Table 17

Fiscal Year						
2015	2016	2017	2018	2019	2020 (F)	
96	114	123	91	94	114	
9	11	5	7	5	5	
673	496	564	585	600	729	
1,018	934	873	1,022	1,109	1,065	
1,980	1,963	2,485	2,463	2,352	1,695	
787	791	419	598	432	476	
4,855	5,205	4,719	4,621	2,382	2,416	
696	703	612	869	1,227	435	
470	448	368	269	570	139	
282	216	243	162	103	163	
73,907	57,531	53,638	53,501	53,578	52,785	
109,018	116,201	123,812	144,112	137,978	103,774	
13,923	12,805	12,909	14,703	15,730	10,413	
10,836	11,871	13,698	14,415	7,891	1,270	
22,679	26,986	26,016	26,480	20,242	3,496	
153	143	235	203	201	36	
359	348	336	329	336	307	
2,164	1,458	1,434	1,108	1,176	1,125	
\$25,476,137	\$35,252,845	\$36,189,715	\$9,095,404	\$14,753,109	\$22,346,834	
455,527	453,736	447,155	454,725	437,890	461,077	
414,930	423,920	454,830	443,630	450,020	500,510	
26	28	42	26	24	36	
6,895	7,234	7,127	6,535	6,301	7,358	
1,824	1,633	1,718	1,747	1,955	1,850	
1,450	1,385	1,231	1,090	1,602	1,876	
not avail	not avail	not avail	not avail	not avail	not avail	
1,090,131	1,106,305	1,099,497	1,150,458	1,188,991	796,687	

CITY OF COLUMBIA HEIGHTS, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
General government:				
City hall square footage	28,530	28,530	28,530	28,530
Public safety:				
Police Stations	1	1	1	1
Fire Stations	1	1	1	1
Public Safety Bldg square footage	47,088	47,088	47,088	47,088
Public works:				
Office and shop square footage	31,075	31,075	31,075	31,075
Trunk highway miles	3	3	3	3
County road miles	6	6	6	6
City street miles	62	62	62	62
Alley miles	19	19	19	19
Culture and recreation:				
Libraries	1	1	1	1
Library square footage	7,896	7,896	7,896	7,896
Parks	13	13	13	13
Playgrounds	11	11	11	11
Gymnasiums square footage	12,726	12,726	12,726	12,726
Mtg & banquet rooms square footage	22,000	22,000	22,000	22,000
Community development:				
Senior high-rise apartments (A)	145	145	145	145
Water:				
Watermain miles	66	66	66	66
Sewer:				
Sanitary sewer miles	59	59	59	59
Refuse:				
Recycling centers	1	1	1	1
Storm sewer:				
Storm sewer miles	34	34	34	34
Liquor:				
Retail stores owned	3	3	3	3
Retail stores leased	-	-	-	-

(A) In 2015, Senior high-rise apartment building was sold

Sources: Various City departments.

Table 18

2015	2016	2017	2018	2019	2020
28,530	28,530	28,530	28,530	28,530	28,530
1	1	1	1	1	1
1	1	1	1	1	1
47,088	47,088	47,088	47,088	47,088	47,088
31,075	31,075	31,075	31,075	31,075	31,075
3	3	3	3	3	3
6	6	6	6	6	6
62	62	62	62	62	62
19	19	19	19	19	19
1	1	1	1	1	1
7,896	22,600	22,600	22,600	22,600	22,600
13	15	15	15	15	15
11	12	15	15	15	15
12,726	12,726	12,726	12,726	12,726	12,726
22,000	22,000	22,000	22,000	22,000	22,000
-	-	-	-	-	-
66	66	66	66	66	66
59	59	59	59	59	59
1	1	1	1	1	1
34	34	34	34	34	34
3	3	3	3	3	3
-	-	-	-	-	-

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IV. OTHER REQUIRED REPORTS SECTION

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MINNESOTA LEGAL COMPLIANCE

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Columbia Heights, Minnesota

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia Heights, Minnesota as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Columbia Heights, Minnesota's basic financial statements, and have issued our report thereon dated June 14, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Columbia Heights, Minnesota failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of Columbia Heights, Minnesota's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Redpath and Company, Ltd." in a cursive script.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 14, 2021

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

To the Honorable Mayor and
Members of the City Council and Management
City of Columbia Heights, Minnesota

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 the City of Columbia Heights, Minnesota, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Columbia Heights, Minnesota's basic financial statements, and have issued our report thereon dated June 14, 2021.

Internal Control over Financial Reporting

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

City of Columbia Heights, Minnesota
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters

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 of Columbia Heights, Minnesota'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such 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.



REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 14, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and
Members of the City Council
City of Columbia Heights, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the City of Columbia Heights, Minnesota's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Columbia Heights, Minnesota's major federal programs for the year ended December 31, 2020. The City of Columbia Heights, Minnesota's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Columbia Heights, Minnesota's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Columbia Heights, Minnesota's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Columbia Heights, Minnesota's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Columbia Heights, Minnesota complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the City of Columbia Heights, Minnesota is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Columbia Heights, Minnesota's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Columbia Heights, Minnesota's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did

not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia Heights, Minnesota as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Columbia Heights, Minnesota's basic financial statements. We issued our report thereon dated June 14, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

June 14, 2021

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CITY OF COLUMBIA HEIGHTS, MINNESOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Passed through Anoka County:			
Community Development Block Grant (CDBG - Entitlement Grants Cluster)	14.218	Not provided	<u>\$24,755</u>
Total U.S. Department of Housing and Urban Development			<u>24,755</u>
U.S. Department of Transportation:			
Passed through City of Fridley, Minnesota:			
Alcohol Impaired Driving Countermeasures Incentives Grants I (Highway Safety Cluster)	20.601	Not provided	<u>13,172</u>
Total U.S. Department of Transportation			<u>13,172</u>
U.S. Department of Treasury:			
Passed through State of Minnesota:			
COVID-19 - Coronavirus Relief Fund	21.019	Not provided	1,570,091
Passed through Anoka County:			
COVID-19 - Coronavirus Relief Fund	21.019	Not provided	<u>10,784</u>
Total COVID-19 - Coronavirus Relief Fund			<u>1,580,875</u>
Total U.S. Department of Treasury			<u>1,580,875</u>
U.S. Department of Education:			
Passed through Columbia Heights Public School (ISD #13)			
Twenty-first Century Community Learning Centers	84.287	Not provided	<u>45,022</u>
Total U.S. Department of Education			<u>45,022</u>
Total Expenditures of Federal Awards			<u><u>\$1,663,824</u></u>

Notes to the schedule of expenditures of federal awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Columbia Heights and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance in 2 CFR 200, Audits of States, Local Governments and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2. Indirect Costs

The City of Columbia Heights did not elect to use the 10% de minimis cost rate for indirect (F&A) costs.

Note 3. Subrecipients

The City of Columbia Heights did not pass any federal funds to subrecipients during 2020.

Note 4. Reporting Entity

For the purposes of this schedule, the reporting entity includes all funds of the City of Columbia Heights, Minnesota. Also included in the reporting entity, as blended component units, are the Columbia Heights Economic Development Authority and the Columbia Heights Housing and Redevelopment Authority, as the governing boards are substantively the same as the City Council, and the City is in a relationship of benefit/burden with the Authorities.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

- | | | | | |
|--|------------|-----|---|----|
| A. Type of auditors' report issued: | Unmodified | | | |
| B. Internal control over financial reporting: | | | | |
| • Material weakness(es) identified? | _____ | Yes | X | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | _____ | Yes | X | No |
| C. Noncompliance material to financial statements noted? | _____ | Yes | X | No |

Federal Awards

- | | | | | |
|---|------------|-----|---|----|
| D. Internal control over major programs: | | | | |
| • Material weakness(es) identified? | _____ | Yes | X | No |
| • Significant deficiencies identified that are not considered to be material weaknesses? | _____ | Yes | X | No |
| E. Type of auditors' report issued on compliance for major programs: | Unmodified | | | |
| F. Any other findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? | _____ | Yes | X | No |
| G. Identification of major programs: | | | | |

	<u>CFDA Number</u>
Name of Federal Program	
Coronavirus Relief Fund	21.019

- | | | | | |
|---|-------|-----------|---|------|
| H. Dollar threshold used to distinguish between Type A and Type B programs: | | \$750,000 | | |
| I. Auditee qualified as a low-risk auditee: | _____ | Yes | X | No * |

* The auditee was not required to have a single audit in the prior two years, and therefore does not qualify as a low-risk auditee.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

No current year findings.

SECTION III – FEDERAL AWARD FINDINGS

No current year findings.

SECTION IV – MINNESOTA LEGAL COMPLIANCE FINDINGS

No current year findings.

CITY OF COLUMBIA HEIGHTS, MINNESOTA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2020

FOLLOW-UP ON PRIOR YEAR FINDINGS

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS

None.

MINNESOTA LEGAL COMPLIANCE FINDINGS

None.