

**CITY OF COLUMBIA HEIGHTS**

**STATE OF MINNESOTA**

**PREPARED BY:**

**FINANCE DEPARTMENT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2019**

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## I. INTRODUCTORY SECTION

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**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

**PRINCIPAL CITY OFFICIALS**

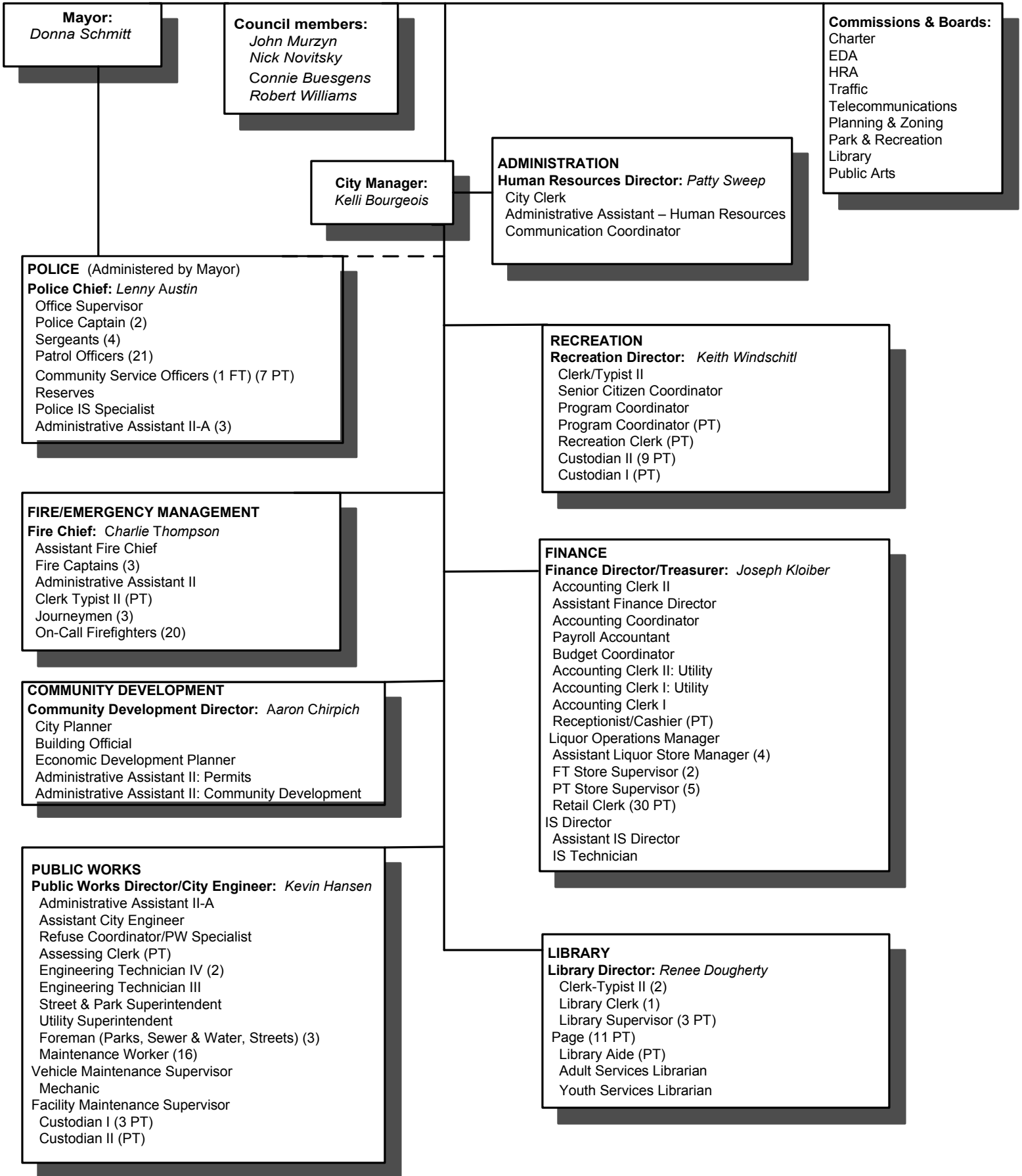
December 31, 2019



Name	Official Title
<b>Mayor and Council:</b>	
Donna Schmitt	Mayor
John Murzyn, Jr	Councilmember
Robert A. Williams	Councilmember
Connie Buesgens	Councilmember
Nick Novitsky	Councilmember
<b>Administration:</b>	
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

## 2019





City of Columbia Heights | *Finance Department*

590 40th Avenue NE, Columbia Heights, MN 55421 ▪ Ph: 763-706-3600 ▪ [www.columbiaheightsmn.gov](http://www.columbiaheightsmn.gov)

June 15, 2020

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

The Comprehensive Annual Financial Report of the City of Columbia Heights for the fiscal year ended December 31, 2019, 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, 2019. 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 30<sup>th</sup> of each year a complete set of audited financial statements for the preceding fiscal year ended December 31<sup>st</sup>. In addition, state law requires that Minnesota cities undergo an annual Minnesota Legal Compliance Audit.

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 20,503. 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 Comprehensive Annual 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. As such, there has been a relatively stable level of employment for City residents up through and including 2019. The largest employers located within the boundaries of the City in 2019 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.

Approximately \$1.8 million in LGA is currently 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, 2019, 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 2019, the EDA acquired an obsolete, long-vacant six-story office building located on the corner of its main downtown intersection on Central Avenue NE, under a plan to demolish and redevelop both this property and the adjacent city-owned parking ramp. The EDA has selected Alatus LLC as the preferred redevelopment partner for this project. The redevelopment plans for the property have been reviewed by the City and approved. The proposed project is a vertical mixed-use development including the following base elements:

- 265 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

The completion of this project will serve 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 is also expected to serve 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 Comprehensive Annual Financial Report for the year ended December 31, 2018. 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 Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR 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 Comprehensive Annual 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, 2018**

*Christopher P. Morill*

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, 2019, 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, 2019, 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 2018 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 4, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 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 15, 2020, 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 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 15, 2020

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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, 2019. 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, 2019, by \$73,518,166 (net position). Of this amount, \$29,054,040 or 40% is unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.

During 2019, the City's total net position of the government-wide financial statements was positively impacted in the current year by \$3,458,495. This resulted from a \$2,036,234 increase within the City's governmental activities and a \$1,422,261 increase within the City's business-type activities.

As of December 31, 2019, the combined fund balances of the City's governmental funds were \$30,103,508. This is an increase of \$426,973 or 1% from the prior year. Also, approximately 25% 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, 2019, unassigned fund balance in the General fund was \$7,685,738 or 98% 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, 2019.

Total bonded debt decreased in 2019 by \$3,759,746 to an end-of-year total of \$22,988,300. This resulted from an early redemption of 2,030,000 using the proceeds of refunding bonds issued in December 2018, plus a separate early redemption of \$150,000 using available fund balance, and \$1,579,746 of scheduled installment repayments of bond principal.

### **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.

## Management's Discussion and Analysis

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 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.

## Management's Discussion and Analysis

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 2019 are the following:

- 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 2019, the City had no fiduciary fund activity to report.

## Management's Discussion and Analysis

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

**Other information.** 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 64 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, 2019, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$73,518,166.

\$40,901,556 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, \$29,054,039 or 40%, may be used to meet the City's ongoing obligations to citizens and creditors.

At December 31, 2019, 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.

## Management's Discussion and Analysis

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and other assets	\$44,544,557	\$44,067,936	\$11,212,807	\$9,664,459	\$55,757,364	\$53,732,395
Capital assets	46,074,518	47,567,080	15,374,337	16,036,465	61,448,855	63,603,545
Total assets	<u>90,619,075</u>	<u>91,635,016</u>	<u>26,587,144</u>	<u>25,700,924</u>	<u>117,206,219</u>	<u>117,335,940</u>
Deferred outflows of resources	3,696,813	5,920,360	22,318	-	3,719,131	5,920,360
<b>Liabilities:</b>						
Current liabilities	3,131,085	4,872,246	1,414,732	1,476,586	4,545,817	6,348,832
Noncurrent liabilities	33,724,157	34,962,328	3,430,682	3,886,429	37,154,839	38,848,757
Total liabilities	<u>36,855,242</u>	<u>39,834,574</u>	<u>4,845,414</u>	<u>5,363,015</u>	<u>41,700,656</u>	<u>45,197,589</u>
Deferred inflows of resources	5,992,580	8,288,970	13,998	10,120	6,006,578	8,299,090
<b>Net position:</b>						
Net invested in capital assets	29,402,901	28,080,462	11,498,655	11,675,036	40,901,556	39,755,498
Restricted	2,745,259	5,032,456	517,261	559,390	3,262,520	5,591,846
Unrestricted	19,319,906	16,318,914	9,734,134	8,093,363	29,054,040	24,412,277
Total net position	<u>\$51,468,066</u>	<u>\$49,431,832</u>	<u>\$21,750,050</u>	<u>\$20,327,789</u>	<u>\$73,218,116</u>	<u>\$69,759,621</u>

**Changes in net position - governmental activities.** During the current year, governmental activities increased the City's net position by \$2,036,234. This increase of 4% differed from the prior year decrease of less than 1% as explained below.

Governmental activities revenue increased \$471,329 or 2.5% over the prior year. Key elements of this change include:

- Planned increases in property taxes of \$603,000. This consisted of a 3.6% inflationary increase, a 1.2% increase committed for commercial district revitalization, and a 0.5% increase to reduce dependency on state aid (LGA.)
- Tax increment collections increased by \$245,406; primarily from the value of new construction within an existing tax increment district.
- Investment income increased by \$474,995; primarily from more favorable interest rates.
- Charges for services increased \$383,105. This reflects approximately \$130,000 in rate increases for residential rental licenses; \$107,000 from increased property code enforcement; and \$162,000 of one-time fees for the issuance of conduit debt.
- Offsetting the above increases, delayed and slower street reconstruction progress in 2019, compared to 2018, reduced state grants and special assessments for these purposes by approximately \$760,000 and \$550,000 respectively.

## Management's Discussion and Analysis

Governmental activities expenses decreased \$1,831,142 or 9% from the prior year. Key elements of this change include:

- Public works expenses decreased \$1,436,306; primarily from the decrease in construction activity explained above.
- Community Development expenses decreased \$395,805. This is approximately the amount by which the carrying value of land held for resale was reduced in 2018 to reflect a market decline of its estimated net realizable below its original acquisition cost. Whereas in 2019, there was no reduction in the estimated net realizable value of this land inventory.

**Changes in net position - Business-type activities.** In 2019, business-type activities increased the City's total net position by \$1,422,261. This 7% increase differed from the prior year increase of 5% as explained below:

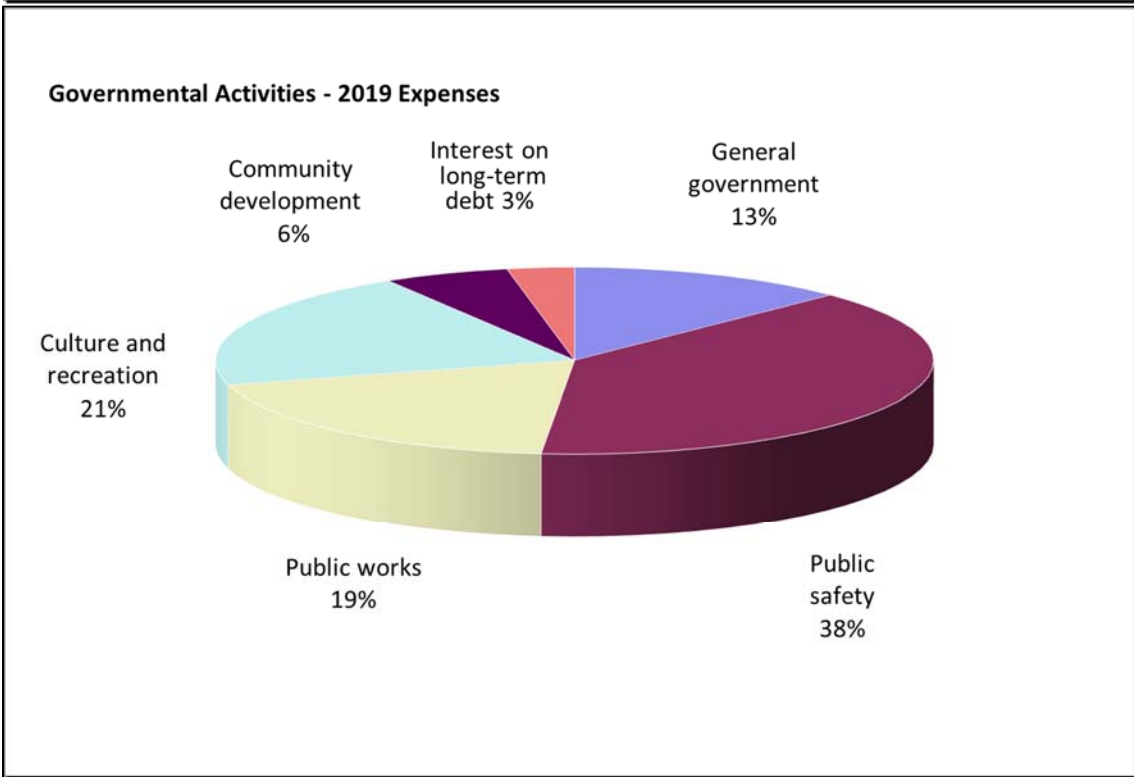
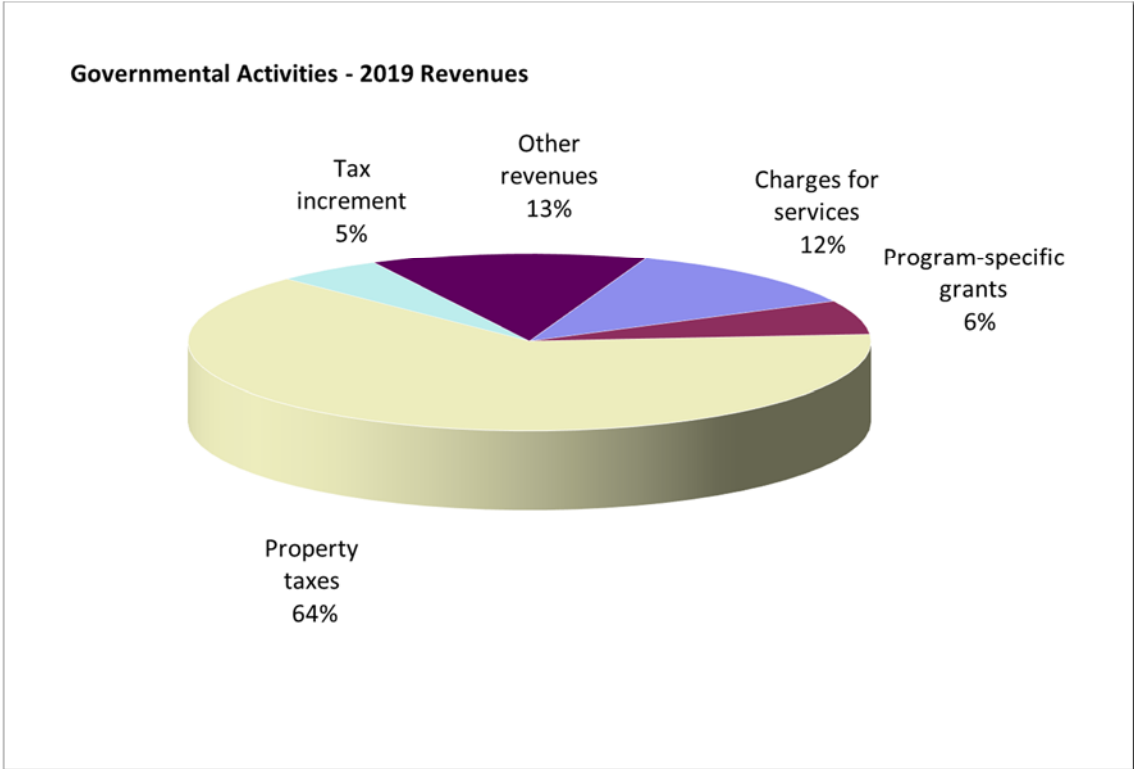
- Business-type activities revenue increased by \$1,144,609 or 7% over the prior year. This included a \$585,019 increase in charges for services from both increases in utility rates and increased municipal liquor sales. Additionally, a one-time capital grants of \$510,000 for sewer and storm water improvements were earned in 2019.
- Business-type activities expense increased by \$608,340 or 4% over the prior year. This reflects increases in liquor operating expense and utility system repairs, somewhat offset by decreases 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	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$2,321,232	\$1,848,127	\$16,970,625	\$16,385,606	\$19,291,857	\$18,233,733
Operating grants and contributions	885,209	1,458,725	106,220	118,373	991,429	1,577,098
Capital grants and contributions	321,087	1,059,322	510,541	-	831,628	1,059,322
General revenues:						
Property taxes	12,325,204	11,673,168	-	-	12,325,204	11,673,168
Tax increment collections	977,598	732,192	-	-	977,598	732,192
Grants and contributions not restricted to specific programs	1,684,119	1,676,553	-	-	1,684,119	1,676,553
Unrestricted investment earnings	829,368	354,373	118,302	57,100	947,670	411,473
Gain on sale of capital assets used in governmental activities	25,500	5,528	-	-	25,500	5,528
<b>Total revenues</b>	<b>19,369,317</b>	<b>18,807,988</b>	<b>17,705,688</b>	<b>16,561,079</b>	<b>37,075,005</b>	<b>35,369,067</b>
<b>Expenses:</b>						
General government	2,237,467	2,252,456	-	-	2,237,467	2,252,456
Public safety	6,875,101	6,584,189	-	-	6,875,101	6,584,189
Public works	3,404,984	4,841,290	-	-	3,404,984	4,841,290
Culture and recreation	3,699,635	3,821,503	-	-	3,699,635	3,821,503
Community development	1,002,298	1,398,103	-	-	1,002,298	1,398,103
Interest on long-term debt	535,798	688,884	-	-	535,798	688,884
Water	-	-	2,678,905	2,748,803	2,678,905	2,748,803
Sewer	-	-	1,994,854	1,820,151	1,994,854	1,820,151
Refuse	-	-	1,883,849	1,944,325	1,883,849	1,944,325
Storm sewer	-	-	812,304	511,836	812,304	511,836
Liquor	-	-	8,491,315	8,227,772	8,491,315	8,227,772
<b>Total expenses</b>	<b>17,755,283</b>	<b>19,586,425</b>	<b>15,861,227</b>	<b>15,252,887</b>	<b>33,616,510</b>	<b>34,839,312</b>
Increase (decrease) in net position before transfers and spec	1,614,034	(778,437)	1,844,461	1,308,192	3,458,495	529,755
Transfers	422,200	422,474	(422,200)	(422,474)	-	-
<b>Increase in net position</b>	<b>2,036,234</b>	<b>(355,963)</b>	<b>1,422,261</b>	<b>885,718</b>	<b>3,458,495</b>	<b>529,755</b>
Net position - January 1	49,431,832	49,787,795	20,327,789	19,442,071	69,759,621	69,229,866
<b>Net position - December 31</b>	<b>\$51,468,066</b>	<b>\$49,431,832</b>	<b>\$21,750,050</b>	<b>\$20,327,789</b>	<b>\$73,218,116</b>	<b>\$69,759,621</b>

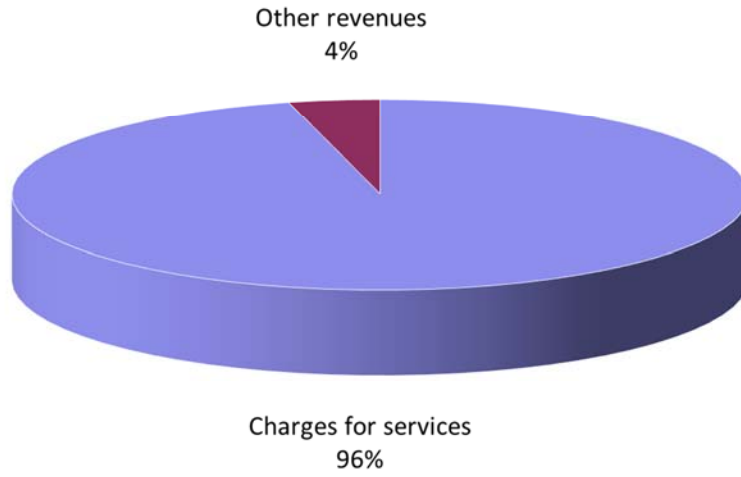
Management's Discussion and Analysis



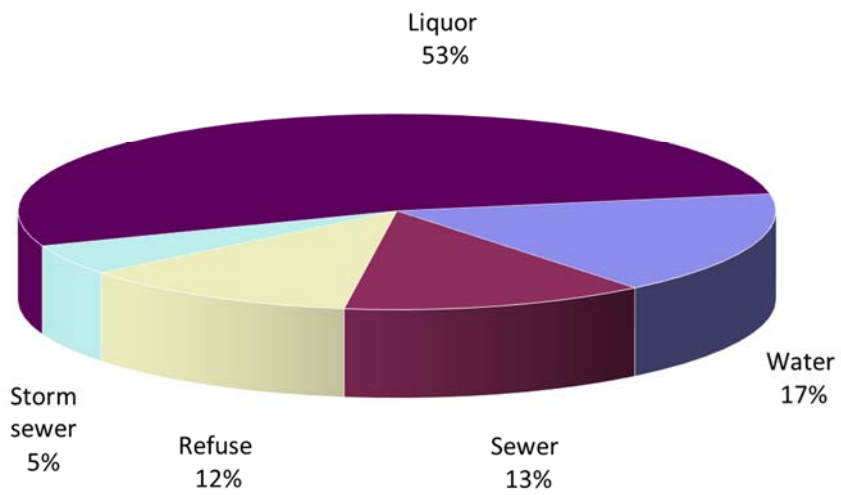


Management's Discussion and Analysis

**Business-Type Activities - 2019 Revenues**



**Business-Type Activities - 2019 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, 2019, the City's governmental funds reported combined fund balances of \$30,103,508. 85% of this amount or \$25,613,361 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 15% 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 (\$140,132), debt service (\$1,434,818), tax increment purposes (\$2,121,769), and various other purpose restrictions (\$793,428) 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 \$1,036,082. This increase differs from the prior years \$860,000 decrease as follow:

- A 2018 activity included a one-time transfer of \$1,400,000 from the General Fund to the Capital Improvements General Government Buildings Fund under a plan to accumulate funds for future building improvement and replacement.
- Revenues increased by \$919,751 or 8% over the prior year. This includes increases of approximately; \$555,000 in property taxes consistent with the City's five-year financial plan, approximately \$240,000 more investment income from more favorable interest rates, and \$100,000 from a rate increase in rental license fees.
- Expenditures increased by \$163,000 or 1% over the prior year, primarily due to planned inflationary increases in both personnel and non-personnel costs of existing departmental operations, offset by several retirements and vacancies.

The changes in fund balance of the other major governmental funds in 2019, and significant elements of those changes, were as follows:

- The Economic Development Authority (Component Unit) Redevelopment Project Fund increased by \$1,470,399. This includes a one-time transfer of \$1,000,000 from the non-major governmental funds and a special district tax levy of \$241,014, both for revitalization of the City's commercial zones.

## Management's Discussion and Analysis

- The Capital Improvements PIR Fund increased by \$233,312. This increase is the amount by which special assessments collected, exceeded in the current year street project expenditures. PIR is the acronym for Public Improvement Revolving Fund.
- The Capital Improvements General Government Buildings Fund increased by \$608,819 primarily by the allocation of state aid (LGA) to this fund, under a plan to accumulate funds for future building improvement and replacement.

The combined fund balances of the non-major governmental funds decreased by \$2,921,639 or 17% over the prior year. The most significant elements of this decrease were:

- \$2,030,000 of the G.O. Public Facilities Bonds Series 2009A Fund were redeemed early in 2019 using the proceeds from refunding bonds issued in December 2018.
- \$815,082 of fund balance was used to purchase vehicles, an encrypted radio system for public safety use, and a new self-contained breathing apparatus (SCBA) for each firefighter.

**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, 2019, net position of the major proprietary funds included the following amounts of unrestricted net position:

- Water Fund \$1,865,267
- Sewer Fund \$1,794,069
- Refuse Fund \$2,098,150
- Storm Sewer Fund \$547,497
- Liquor Fund \$3,281,494

The 2019 changes in net position of the major proprietary funds were as follows:

- Water Fund \$679,525
- Sewer Fund \$175,058
- Refuse Fund \$239,510
- Storm Sewer Fund \$31,988
- Liquor Fund \$333,970

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

### **Budgetary Highlights**

**General Fund.** The changes between the original and final 2019 General Fund budget consisted of several small budget amendments to increase intergovernmental revenue, charges for services, and miscellaneous other revenues, by a total of \$52,332. All of these changes were paired with related

## Management's Discussion and Analysis

increases to budgeted police and fire expenditures. This reflects additional services and training funded by external entities in mid-year.

Actual general fund revenues in 2019 were more than budgeted by \$401,612 or 3%. The largest element of this variance was the \$240,194 by which actual investment income exceeded the budget estimate, due to more favorable interest rates.

Approximately \$105,000 of the general fund revenue budget variance is the amount by which excess tax increment refunded to the City from tax increment financing districts exceeded reductions in property tax from disputed property valuations. These items are reported within the line item for tax revenues when they occur, but are not used in the revenue forecast to develop the budget.

Actual general fund expenditures in 2019 were less than budgeted by \$731,465 or 6%. Major elements of this variance include:

- Retirements of sixteen long term, several highly compensated employees caused a variance of personnel expense over \$730,000. Several positions had temporary vacancies and were hired at rates lower than the incumbents.
- The remaining variances were distributed throughout the departments of the general fund and were primarily the result of using conservative budget estimates.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's capital assets for its governmental and business-type activities as of December 31, 2019, amount to \$61,448,855 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
<b>Governmental activities:</b>				
Capital assets - not depreciated:				
Land	\$6,440,531	\$ -	\$ -	\$6,440,531
Construction in progress	1,270,724	317,989	(1,223,330)	365,383
Total capital assets not being depreciated	<u>7,711,255</u>	<u>317,989</u>	<u>(1,223,330)</u>	<u>6,805,914</u>
Capital assets - being depreciated:				
Buildings	32,528,731	-	(222,644)	32,306,087
Equipment	10,103,175	910,732	(623,823)	10,390,084
Infrastructure	34,799,459	1,152,415	-	35,951,874
Total capital assets being depreciated	<u>77,431,365</u>	<u>2,063,147</u>	<u>(846,467)</u>	<u>78,648,045</u>
Less accumulated depreciation for:				
Buildings	10,824,688	926,643	(164,579)	11,586,752
Equipment	7,366,257	554,288	(622,381)	7,298,164
Infrastructure	19,384,595	1,109,930	-	20,494,525
Total accumulated depreciation	<u>37,575,540</u>	<u>2,590,861</u>	<u>(786,960)</u>	<u>39,379,441</u>
Capital assets being depreciated - net	<u>39,855,825</u>	<u>(527,714)</u>	<u>(59,507)</u>	<u>39,268,604</u>
Governmental activities capital assets - net	<u>47,567,080</u>	<u>(209,725)</u>	<u>(1,282,837)</u>	<u>46,074,518</u>
<b>Business-type activities:</b>				
Capital assets - not depreciated:				
Land	2,349,213	-	-	2,349,213
Construction in progress	84,689	60,888	(76,948)	68,629
Total capital assets not being depreciated	<u>2,433,902</u>	<u>60,888</u>	<u>(76,948)</u>	<u>2,417,842</u>
Capital assets - being depreciated:				
Buildings	5,679,894	-	(6,000)	5,673,894
Equipment	2,515,432	227,213	(25,244)	2,717,401
Infrastructure	19,308,003	-	-	19,308,003
Total capital assets being depreciated	<u>27,503,329</u>	<u>227,213</u>	<u>(31,244)</u>	<u>27,699,298</u>
Less accumulated depreciation for:				
Buildings	2,160,466	160,644	(6,000)	2,315,110
Equipment	1,829,604	253,101	(25,244)	2,057,461
Infrastructure	9,910,696	459,536	-	10,370,232
Total accumulated depreciation	<u>13,900,766</u>	<u>873,281</u>	<u>(31,244)</u>	<u>14,742,803</u>
Capital assets being depreciated - net	<u>13,602,563</u>	<u>(646,068)</u>	<u>-</u>	<u>12,956,495</u>
Business-type activities capital assets - net	<u>16,036,465</u>	<u>(585,180)</u>	<u>(76,948)</u>	<u>15,374,337</u>
Total capital assets - net	<u>63,603,545</u>	<u>(794,905)</u>	<u>(1,359,785)</u>	<u>61,448,855</u>

## Management's Discussion and Analysis

Significant capital asset activity during 2019 included the following:

Project	Year Started	As of December 31, 2019	
		Cost to Date	Status
Street Lighting Central 47-51st	2017	1,152,415	in-service
Street Rehab Zone 4	2017	54,202	in-progress
Street Overlay	2018	31,226	in-progress
Water Main Construction	2019	34,365	in-progress
Concrete Alley Construction	2019	34,546	in-progress
City Hall Feasibility	2019	56,271	in-progress
Boat Landing Reconstruction	2019	6,314	in-progress
Silver Lake Lift Station Reconstruction	2019	24,553	in-progress
Pylon Sign - Liquor Store 3	2019	9,711	in-progress

At December 31, 2019, the City had \$422,430 of non-cancellable contractual commitments for construction in 2019, primarily for the 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 2019 by \$3,759,746 to an end-of-year total of \$22,988,300. This resulted from an early redemption of \$2,030,000 using the proceeds of refunding bonds issued in December 2018, plus a separate early redemption of \$150,000 using available fund balance, and \$1,579,746 of scheduled installment repayments of bond principal.

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, 2019, the City's debt limit under this statute was \$44,000,460 and \$16,497,618 of the City's outstanding debt was of the type to which this limit applies.

At December 31, 2019, 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, 2019, 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,

## Management's Discussion and Analysis

and net pension benefit. Additional information on the City's long-term debt is included in Note 7 to the financial statements.

### City of Columbia Heights' Long-Term Debt

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation bonds:						
Repaid only with general taxes	\$16,115,000	\$18,855,000	\$ -	\$ -	\$16,115,000	\$18,855,000
With other pledged revenues	550,000	915,000	3,825,000	4,300,000	4,375,000	5,215,000
Revenue bonds	2,065,000	2,190,000	-	-	2,065,000	2,190,000
Unamortized premium	382,618	426,617	50,682	61,429	433,300	488,046
Due to other government	5,200,000	5,200,000	-	-	5,200,000	5,200,000
Compensated absences	1,123,708	1,353,178	-	-	1,123,708	1,353,178
Net pension liability	7,958,096	8,059,561	-	-	7,958,096	8,059,561
Postemployment benefits other than pensions	1,420,635	1,252,872	-	-	1,420,635	1,252,872
	<u>\$34,815,057</u>	<u>\$38,252,228</u>	<u>\$3,875,682</u>	<u>\$4,361,429</u>	<u>\$38,690,739</u>	<u>\$42,613,657</u>

### Economic Factors and Next Year's Budget

In 2019, the average annual unemployment rate for Anoka County, which includes the City, was 3.1%. This is an increase from a rate of 2.8% from the prior year. This compares to the average annual 2019 state and national rates of 3.2% and 3.7% respectively. The 2019 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' 2020 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 40<sup>th</sup> 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, 2019

With Comparative Totals For December 31, 2018

Statement 1

Page 1 of 2

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2019	2018
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and investments	\$30,046,168	\$6,473,375	\$36,519,543	\$38,061,106
Receivables - current:				
Accounts (net of allowance for uncollectibles)	57,676	2,054,837	2,112,513	1,971,950
Special assessments	554,329	-	554,329	580,012
Taxes	425,667	-	425,667	375,816
Interest	63,117	9,000	72,117	105,563
Due from other governmental units	942,137	60,783	1,002,920	1,141,360
Internal balances	(163,890)	163,890	-	-
Prepayments	218,742	100,538	319,280	314,663
Inventory - at cost	41,149	2,350,384	2,391,533	2,228,379
Real estate held for resale	4,261,106	-	4,261,106	535,976
<b>Total current assets</b>	<b>36,446,201</b>	<b>11,212,807</b>	<b>47,659,008</b>	<b>45,314,825</b>
<b>Noncurrent assets:</b>				
Receivables - noncurrent:				
Special assessments	1,115,548	-	1,115,548	1,424,424
Loans	6,982,808	-	6,982,808	6,993,146
Capital assets (net of accumulated depreciation):				
Land	6,440,531	2,349,213	8,789,744	8,789,744
Buildings	20,719,335	3,358,784	24,078,119	25,223,471
Equipment	3,091,920	659,940	3,751,860	3,422,746
Infrastructure	15,457,349	8,937,771	24,395,120	24,812,171
Construction in process	365,383	68,629	434,012	1,355,413
<b>Total noncurrent assets</b>	<b>54,172,874</b>	<b>15,374,337</b>	<b>69,547,211</b>	<b>72,021,115</b>
<b>Total assets</b>	<b>90,619,075</b>	<b>26,587,144</b>	<b>117,206,219</b>	<b>117,335,940</b>
<b>Deferred outflows of resources:</b>				
Related to pensions	3,559,714	-	3,559,714	5,920,360
Related to other postemployment benefits	137,099	22,318	159,417	-
<b>Total deferred outflows of resources</b>	<b>3,696,813</b>	<b>22,318</b>	<b>3,719,131</b>	<b>5,920,360</b>

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

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

STATEMENT OF NET POSITION

December 31, 2019

With Comparative Totals For December 31, 2018

**Statement 1**

**Page 2 of 2**

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2019	2018
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	\$574,524	\$587,713	\$1,162,237	\$1,004,603
Accrued salaries and withholdings payable	438,614	86,926	525,540	520,231
Contracts payable	152,244	29,183	181,427	110,690
Due to other governmental units	203,781	230,060	433,841	358,263
Unearned revenue	51,519	-	51,519	215,818
Accrued interest payable	228,369	35,650	264,019	290,412
Deposits	391,134	200	391,334	83,915
Compensated absences payable	110,900	-	110,900	209,900
Bonds payable	980,000	445,000	1,425,000	3,555,000
Total current liabilities	<u>3,131,085</u>	<u>1,414,732</u>	<u>4,545,817</u>	<u>6,348,832</u>
<b>Noncurrent liabilities:</b>				
Compensated absences payable	1,012,808	-	1,012,808	1,143,278
Other postemployment benefits payable	1,420,635	-	1,420,635	1,252,872
Bonds payable	18,132,618	3,430,682	21,563,300	23,193,046
Due to other governmental units	5,200,000	-	5,200,000	5,200,000
Net pension liability	7,958,096	-	7,958,096	8,059,561
Total noncurrent liabilities	<u>33,724,157</u>	<u>3,430,682</u>	<u>37,154,839</u>	<u>38,848,757</u>
Total liabilities	<u>36,855,242</u>	<u>4,845,414</u>	<u>41,700,656</u>	<u>45,197,589</u>
<b>Deferred inflows of resources:</b>				
Related to pensions	5,904,848	-	5,904,848	8,225,061
Related to other postemployment benefits	87,732	13,998	101,730	74,029
Total deferred inflows of resources	<u>5,992,580</u>	<u>13,998</u>	<u>6,006,578</u>	<u>8,299,090</u>
<b>Net position:</b>				
Net investments in capital assets	29,402,901	11,498,655	40,901,556	39,755,498
<b>Restricted for:</b>				
Debt service	1,173,486	517,261	1,690,747	3,743,823
Tax increment purposes	1,382,832	-	1,382,832	1,079,764
Other purposes	188,941	-	188,941	768,259
Unrestricted	19,319,906	9,734,134	29,054,040	24,412,277
Total net position	<u>\$51,468,066</u>	<u>\$21,750,050</u>	<u>\$73,218,116</u>	<u>\$69,759,621</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, 2019

With Comparative Totals For The Year Ended December 31, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
		<u>Charges For Services</u>
Primary government:		
Governmental activities:		
General government	\$2,237,467	\$239,208
Public safety	6,875,101	957,982
Public works	3,404,984	164,769
Culture and recreation	3,699,635	254,286
Community development	1,002,298	704,987
Interest on long-term debt	535,798	-
Total governmental activities	<u>17,755,283</u>	<u>2,321,232</u>
Business-type activities:		
Water	2,678,905	3,431,811
Sewer	1,994,854	2,074,560
Refuse	1,883,849	2,068,509
Storm sewer	812,304	480,867
Liquor	8,491,315	8,914,878
	<u>15,861,227</u>	<u>16,970,625</u>
Total primary government	<u>\$33,616,510</u>	<u>\$19,291,857</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	
				2019	2018
\$11,133	\$ -	(\$1,987,126)	\$ -	(\$1,987,126)	(\$1,950,038)
515,846	-	(5,401,273)	-	(5,401,273)	(5,300,964)
323,994	321,087	(2,595,134)	-	(2,595,134)	(2,746,720)
34,236	-	(3,411,113)	-	(3,411,113)	(3,511,607)
-	-	(297,311)	-	(297,311)	(1,022,038)
-	-	(535,798)	-	(535,798)	(688,884)
<u>885,209</u>	<u>321,087</u>	<u>(14,227,755)</u>	<u>0</u>	<u>(14,227,755)</u>	<u>(15,220,251)</u>
-	-	-	752,906	\$752,906	576,250
-	160,288	-	239,994	239,994	206,544
102,190	-	-	286,850	286,850	155,063
-	350,253	-	18,816	18,816	(53,263)
4,030	-	-	427,593	427,593	366,498
<u>106,220</u>	<u>510,541</u>	<u>0</u>	<u>1,726,159</u>	<u>1,726,159</u>	<u>1,251,092</u>
<u>\$991,429</u>	<u>\$831,628</u>	<u>(14,227,755)</u>	<u>1,726,159</u>	<u>(12,501,596)</u>	<u>(13,969,159)</u>
General revenues:					
Property taxes		12,325,204	-	12,325,204	11,673,168
Tax increment collections		977,598	-	977,598	732,192
Grants and contributions not restricted to specific programs		1,684,119	-	1,684,119	1,676,553
Unrestricted investment earnings		829,368	118,302	947,670	411,473
Gain on sale of capital assets used in governmental activities		25,500	-	25,500	5,528
Transfers		422,200	(422,200)	-	-
Total general revenues and transfers		<u>16,263,989</u>	<u>(303,898)</u>	<u>15,960,091</u>	<u>14,498,914</u>
Change in net position		2,036,234	1,422,261	3,458,495	529,755
Net position - January 1		<u>49,431,832</u>	<u>20,327,789</u>	<u>69,759,621</u>	<u>69,229,866</u>
Net position - December 31		<u>\$51,468,066</u>	<u>\$21,750,050</u>	<u>\$73,218,116</u>	<u>\$69,759,621</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2019

	General Fund	EDA (Component Unit) Redevelopment Project Fund 408	Capital Improvements PIR Fund 415
<b>Assets</b>			
Cash and investments	\$8,168,359	\$8,700	\$745,255
Receivables:			
Accounts	4,365	-	-
Special assessments	-	-	1,307,506
Taxes	386,287	-	-
Loans	-	-	-
Interest	25,417	700	1,000
Due from other governmental units	113,279	-	155,529
Interfund receivable	-	-	-
Prepayments	137,545	-	-
Real estate held for resale	-	3,784,798	-
Total assets	<u>\$8,835,252</u>	<u>\$3,794,198</u>	<u>\$2,209,290</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$192,846	\$33,472	\$794
Accrued salaries and withholdings payable	348,470	-	2,417
Contracts payable - retained percentage	4,160	-	36,109
Due to other governmental units	130,490	-	-
Interfund payable	-	1,255,488	-
Unearned revenue	-	-	-
Deposits	-	11,000	-
Total liabilities	<u>675,966</u>	<u>1,299,960</u>	<u>39,320</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	283,532	-	1,300,078
Total deferred inflows of resources	<u>283,532</u>	<u>0</u>	<u>1,300,078</u>
<b>Fund balance:</b>			
Nonspendable	137,545	-	-
Restricted	-	-	-
Committed	-	2,494,238	869,892
Assigned	52,471	-	-
Unassigned	7,685,738	-	-
Total fund balances	<u>7,875,754</u>	<u>2,494,238</u>	<u>869,892</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$8,835,252</u>	<u>\$3,794,198</u>	<u>\$2,209,290</u>

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
\$4,893,530	\$ -	\$12,244,571	\$ -	\$26,060,415
-	-	53,311	-	57,676
-	-	362,371	-	1,669,877
-	-	39,380	-	425,667
-	6,585,000	397,808	-	6,982,808
8,700	-	21,800	-	57,617
-	-	672,943	-	941,751
-	-	1,407,905	(1,407,905)	-
-	-	2,587	-	140,132
-	-	476,308	-	4,261,106
<u>\$4,902,230</u>	<u>\$6,585,000</u>	<u>\$15,678,984</u>	<u>(\$1,407,905)</u>	<u>\$40,597,049</u>
\$13,426	\$ -	\$278,206	\$ -	\$518,744
844	-	54,831	-	406,562
-	-	3,500	-	43,769
-	-	73,291	-	203,781
-	-	152,417	(1,407,905)	-
-	-	42,357	-	42,357
-	-	380,134	-	391,134
<u>14,270</u>	<u>0</u>	<u>984,736</u>	<u>(1,407,905)</u>	<u>1,606,347</u>
-	6,585,000	718,584	-	8,887,194
<u>0</u>	<u>6,585,000</u>	<u>718,584</u>	<u>0</u>	<u>8,887,194</u>
-	-	2,587	-	140,132
-	-	4,350,015	-	4,350,015
4,887,960	-	9,766,984	-	18,019,074
-	-	-	-	52,471
-	-	(143,922)	-	7,541,816
<u>4,887,960</u>	<u>0</u>	<u>13,975,664</u>	<u>0</u>	<u>30,103,508</u>
<u>\$4,902,230</u>	<u>\$6,585,000</u>	<u>\$15,678,984</u>	<u>(\$1,407,905)</u>	<u>\$40,597,049</u>

Fund balance reported above	\$30,103,508
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.	45,033,801
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	3,687,194
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.	(7,906,975)
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.	(19,449,462)
Net position of governmental activities	<u>\$51,468,066</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, 2019

	General Fund	EDA (Component Unit) Redevelopment Project Fund 408	Capital Improvements PIR Fund 415
<b>Revenues:</b>			
Taxes	\$10,156,071	\$241,014	\$ -
Tax increment collections	-	-	-
Special assessments	-	-	334,130
Licenses and permits	371,369	-	-
Intergovernmental	970,495	-	-
Charges for services	614,312	-	178,396
Fines and forfeitures	116,759	-	-
Investment income:			
Interest and dividends	212,174	6,000	8,200
Change in fair value	118,020	3,400	4,500
Other revenues	19,344	194,784	1,698
Total revenues	<u>12,578,544</u>	<u>445,198</u>	<u>526,924</u>
<b>Expenditures:</b>			
Current:			
General government	2,044,059	-	-
Public safety	6,368,806	-	-
Public works	1,541,165	-	192,887
Culture and recreation	1,794,915	-	-
Community development	-	57,425	-
Capital outlay:			
General government	-	-	-
Public safety	11,582	-	-
Public works	60,817	-	-
Culture and recreation	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Developer incentives	-	-	-
Total expenditures	<u>11,821,344</u>	<u>57,425</u>	<u>192,887</u>
Revenues over (under) expenditures	<u>757,200</u>	<u>387,773</u>	<u>334,037</u>
Other financing sources (uses):			
Transfers in	472,400	1,082,626	35,518
Transfers out	(193,518)	-	(136,243)
Payment to refunded bond escrow	-	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>278,882</u>	<u>1,082,626</u>	<u>(100,725)</u>
Net change in fund balance	1,036,082	1,470,399	233,312
Fund balance - January 1	<u>6,839,672</u>	<u>1,023,839</u>	<u>636,580</u>
Fund balance - December 31	<u>\$7,875,754</u>	<u>\$2,494,238</u>	<u>\$869,892</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
\$ -	\$ -	\$1,874,343	\$ -	\$12,271,428
-	-	972,330	-	972,330
-	-	105,479	-	439,609
-	-	273,460	-	644,829
554,437	-	1,202,395	-	2,727,327
-	-	577,390	-	1,370,098
-	-	9,344	-	126,103
72,600	-	192,775	-	491,749
40,400	-	101,699	-	268,019
-	-	229,926	-	445,752
<u>667,437</u>	<u>0</u>	<u>5,539,141</u>	<u>0</u>	<u>19,757,244</u>
25,406	-	98,425	-	2,167,890
-	-	34,006	-	6,402,812
-	-	514,218	-	2,248,270
-	-	1,074,678	-	2,869,593
-	-	614,246	-	671,671
56,212	-	24,388	-	80,600
-	-	790,255	-	801,837
-	-	184,919	-	245,736
-	-	6,314	-	6,314
-	-	1,200,000	-	1,200,000
-	-	607,637	-	607,637
-	-	474,949	-	474,949
<u>81,618</u>	<u>0</u>	<u>5,624,035</u>	<u>0</u>	<u>17,777,309</u>
<u>585,819</u>	<u>0</u>	<u>(84,894)</u>	<u>0</u>	<u>1,979,935</u>
23,000	-	650,648	(1,817,604)	446,588
-	-	(1,487,843)	1,817,604	-
-	-	(2,030,000)	-	(2,030,000)
-	-	30,450	-	30,450
<u>23,000</u>	<u>0</u>	<u>(2,836,745)</u>	<u>0</u>	<u>(1,552,962)</u>
608,819	0	(2,921,639)	0	426,973
4,279,141	-	16,897,303	-	29,676,535
<u>\$4,887,960</u>	<u>\$0</u>	<u>\$13,975,664</u>	<u>\$0</u>	<u>\$30,103,508</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, 2019

**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)	\$426,973
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 difference is the amount by which depreciation exceeded outlays for capital assets.	(1,438,217)
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.	3,273,999
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.	27,840
Pollution remediation obligation expenses are reported in the governmental funds in the year the expenses are paid. Whereas, this amount is reported in the statement of activities in the year in which it accrues.	(108,475)
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.	(268,880)
The net revenues (expenses) of certain activities of internal service funds are reported within the governmental activities in the statement of activities.	<u>122,994</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$2,036,234</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, 2019

	Business-Type Activities - Enterprise Funds	
	Water Utility Fund	Sewer Utility Fund
Assets:		
Current assets:		
Cash and cash equivalents	\$1,319,126	\$1,231,226
Receivables:		
Accounts (net of allowance for uncollectibles)	794,489	558,746
Interest	1,300	1,800
Due from other governmental units	-	-
Prepayments	-	100,538
Inventory - at cost	9,220	-
Total current assets	<u>2,124,135</u>	<u>1,892,310</u>
Noncurrent assets:		
Capital assets:		
Land	45,223	36,586
Construction in progress	34,365	24,553
Buildings	1,305,172	403,659
Equipment	676,915	1,097,814
Infrastructure	9,963,688	6,677,171
Total capital assets	<u>12,025,363</u>	<u>8,239,783</u>
Less: accumulated depreciation	<u>(6,137,067)</u>	<u>(5,280,647)</u>
Net capital assets	<u>5,888,296</u>	<u>2,959,136</u>
Total noncurrent assets	<u>5,888,296</u>	<u>2,959,136</u>
Total assets	<u>8,012,431</u>	<u>4,851,446</u>
Deferred outflows of resources:		
Related to pensions and OPEB	-	-
Liabilities:		
Current liabilities:		
Accounts payable	23,616	37,657
Accrued salaries and withholdings payable	15,003	13,140
Contracts payable - retained percentage	-	10,132
Due to other governmental units	127,479	-
Accrued interest payable	3,676	2,531
Unearned revenue	-	-
Deposits	200	-
Compensated absences payable - current	-	-
Bonds payable - current	80,000	53,400
Total current liabilities	<u>249,974</u>	<u>116,860</u>
Noncurrent liabilities:		
Compensated absences payable - noncurrent	-	-
Other postemployment benefits payable	-	-
Bonds payable - noncurrent	330,000	232,200
Net pension liability	-	-
Total noncurrent liabilities	<u>330,000</u>	<u>232,200</u>
Total liabilities	<u>579,974</u>	<u>349,060</u>
Deferred inflows of resources:		
Related to pensions and OPEB	-	-
Net position:		
Net investments in capital assets	5,478,296	2,648,983
Restricted for debt service	88,894	59,334
Unrestricted	1,865,267	1,794,069
Total net position	<u>\$7,432,457</u>	<u>\$4,502,386</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				
Refuse Utility Fund	Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds	Internal Service Funds
\$1,639,518	\$507,301	\$1,776,204	\$6,473,375	\$3,985,753
575,074	126,419	109	2,054,837	-
2,700	900	2,300	9,000	5,500
23,905	33,745	3,133	60,783	386
-	-	-	100,538	78,610
-	-	2,341,164	2,350,384	41,149
<u>2,241,197</u>	<u>668,365</u>	<u>4,122,910</u>	<u>11,048,917</u>	<u>4,111,398</u>
-	260,690	2,006,714	2,349,213	15,779
-	-	9,711	68,629	-
56,000	-	3,909,062	5,673,893	1,978,957
112,893	398,758	431,020	2,717,400	576,350
-	2,667,144	-	19,308,003	-
168,893	3,326,592	6,356,507	30,117,138	2,571,086
(137,018)	(1,348,687)	(1,839,382)	(14,742,801)	(1,530,371)
31,875	1,977,905	4,517,125	15,374,337	1,040,715
31,875	1,977,905	4,517,125	15,374,337	1,040,715
<u>2,273,072</u>	<u>2,646,270</u>	<u>8,640,035</u>	<u>26,423,254</u>	<u>5,152,113</u>
-	-	-	-	3,719,131
138,773	31,925	355,742	587,713	55,780
4,274	4,083	50,426	86,926	32,052
-	19,051	-	29,183	-
-	-	102,581	230,060	-
-	2,678	26,765	35,650	-
-	-	-	-	9,162
-	-	-	200	-
-	-	-	-	110,900
-	56,600	255,000	445,000	-
<u>143,047</u>	<u>114,337</u>	<u>790,514</u>	<u>1,414,732</u>	<u>207,894</u>
-	-	-	-	1,012,808
-	-	-	-	1,420,635
-	237,800	2,630,682	3,430,682	-
-	-	-	-	7,958,096
0	237,800	2,630,682	3,430,682	10,391,539
<u>143,047</u>	<u>352,137</u>	<u>3,421,196</u>	<u>4,845,414</u>	<u>10,599,433</u>
-	-	-	-	6,006,578
31,875	1,683,505	1,631,443	11,474,102	1,040,715
-	63,131	305,902	517,261	-
2,098,150	547,497	3,281,494	9,586,477	(8,775,482)
<u>\$2,130,025</u>	<u>\$2,294,133</u>	<u>\$5,218,839</u>	<u>21,577,840</u>	<u>(\$7,734,767)</u>
			172,210	
			<u>\$21,750,050</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, 2019

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
Operating revenues:			
Charges for services	\$206,383	\$2,074,292	\$2,068,509
Charges for sales, net of discounts	3,224,817	-	-
Total operating revenues	<u>3,431,200</u>	<u>2,074,292</u>	<u>2,068,509</u>
Operating expenses:			
Cost of sales, services and goods sold	1,584,203	1,121,217	1,659,598
Operating expense	779,850	693,285	219,991
Depreciation	296,023	166,925	2,500
Total operating expenses	<u>2,660,076</u>	<u>1,981,427</u>	<u>1,882,089</u>
Net income (loss) from operations	<u>771,124</u>	<u>92,865</u>	<u>186,420</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest and dividends	10,800	15,801	22,300
Change in fair value	5,900	8,800	12,400
Intergovernmental	-	-	102,190
Miscellaneous revenues	611	268	-
Interest and fiscal charges	(12,410)	(6,464)	-
Total nonoperating revenues (expenses)	<u>4,901</u>	<u>18,405</u>	<u>136,890</u>
Net income (loss) before transfers and capital contributions	<u>776,025</u>	<u>111,270</u>	<u>323,310</u>
Transfers and capital contributions:			
Capital contribution - intergovernmental revenue	-	160,288	-
Transfers out	(96,500)	(96,500)	(83,800)
Total transfers and capital contributions	<u>(96,500)</u>	<u>63,788</u>	<u>(83,800)</u>
Change in net position	679,525	175,058	239,510
Net position - January 1	<u>6,752,932</u>	<u>4,327,328</u>	<u>1,890,515</u>
Net position - December 31	<u><u>\$7,432,457</u></u>	<u><u>\$4,502,386</u></u>	<u><u>\$2,130,025</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
\$480,515	\$ -	\$4,829,699	\$3,790,328
-	8,914,878	12,139,695	118,400
480,515	8,914,878	16,969,394	3,908,728
-	6,686,021	11,051,039	3,842,537
686,391	1,585,568	3,965,085	-
116,472	139,489	721,409	77,602
802,863	8,411,078	15,737,533	3,920,139
(322,348)	503,800	1,231,861	(11,411)
7,401	19,800	76,102	44,800
4,100	11,000	42,200	24,800
-	4,030	106,220	51,403
352	-	1,231	-
(7,770)	(59,260)	(85,904)	-
4,083	(24,430)	139,849	121,003
(318,265)	479,370	1,371,710	109,592
350,253	-	510,541	-
-	(145,400)	(422,200)	(24,388)
350,253	(145,400)	88,341	(24,388)
31,988	333,970	1,460,051	85,204
2,262,145	4,884,869	20,117,789	(7,819,971)
\$2,294,133	\$5,218,839	\$21,577,840	(\$7,734,767)
		Change in Net Position	Transfers
		\$1,460,051	(\$422,200)
		(37,790)	-
		\$1,422,261	(\$422,200)

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, 2019

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>
Cash flows from operating activities:		
Cash received from customers	\$3,361,546	\$2,026,949
Cash received from interfund goods and services provided	-	-
Cash paid to suppliers for goods and services	(2,002,128)	(1,529,035)
Cash payments to employees for services	(441,469)	(250,308)
Net cash flows provided by (used in) operating activities	<u>917,949</u>	<u>247,606</u>
Cash flows from noncapital financing activities:		
Transfers out	(96,500)	(96,500)
Intergovernmental	-	-
Interfund payable (repaid to) advanced by other funds	(66,000)	-
Increases in other postemployment benefits payable	-	-
Net cash flows provided by (used in) noncapital financing activities	<u>(162,500)</u>	<u>(96,500)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(46,313)	(44,245)
Intergovernmental revenue	-	160,288
Principal payments - bonds	(120,000)	(53,400)
Interest and fiscal charges	(12,848)	(6,938)
Net cash flows provided by (used in) capital and related financing activities	<u>(179,161)</u>	<u>55,705</u>
Cash flows from investing activities:		
Investment income		
Interest and dividends	13,200	16,801
Change in fair value	5,900	8,800
Net cash flows provided by (used in) investing activities	<u>19,100</u>	<u>25,601</u>
Net increase (decrease) in cash and cash equivalents	595,388	232,412
Total cash and cash equivalents - January 1	<u>723,738</u>	<u>998,814</u>
Total cash and cash equivalents - December 31	<u>\$1,319,126</u>	<u>\$1,231,226</u>

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



Business-Type Activities - Enterprise Funds

Refuse Utility Fund	Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds	Internal Service Funds
\$2,026,312	\$437,267	\$8,917,084	\$16,769,158	\$ -
-	-	-	-	4,099,478
(1,770,442)	(490,611)	(7,334,657)	(13,126,873)	(2,845,396)
(114,022)	(145,237)	(1,143,765)	(2,094,801)	(1,455,879)
<u>141,848</u>	<u>(198,581)</u>	<u>438,662</u>	<u>1,547,484</u>	<u>(201,797)</u>
(83,800)	-	(145,400)	(422,200)	(24,388)
102,190	-	4,030	106,220	51,403
-	-	-	(66,000)	-
-	-	-	-	36,047
<u>18,390</u>	<u>0</u>	<u>(141,370)</u>	<u>(381,980)</u>	<u>63,062</u>
-	40,987	(12,810)	(62,381)	(23,257)
-	350,253	-	510,541	-
-	(73,600)	(245,000)	(492,000)	-
-	(7,527)	(67,891)	(95,204)	-
<u>0</u>	<u>310,113</u>	<u>(325,701)</u>	<u>(139,044)</u>	<u>(23,257)</u>
23,500	8,001	20,600	82,102	48,400
12,400	4,100	11,000	42,200	24,800
<u>35,900</u>	<u>12,101</u>	<u>31,600</u>	<u>124,302</u>	<u>73,200</u>
196,138	123,633	3,191	1,150,762	(88,792)
<u>1,443,380</u>	<u>383,668</u>	<u>1,773,013</u>	<u>5,322,613</u>	<u>4,074,545</u>
<u>\$1,639,518</u>	<u>\$507,301</u>	<u>\$1,776,204</u>	<u>\$6,473,375</u>	<u>\$3,985,753</u>

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, 2019

	<u>Business-Type Activities - Enterprise Funds</u>	
	<u>Water Utility Fund</u>	<u>Sewer Utility Fund</u>
Reconciliation of operating income (loss) to net cash flows from operating activities		
Operating income (loss)	\$771,124	\$92,865
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	296,023	166,925
Miscellaneous revenues (expenses)	611	268
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(68,717)	(40,508)
(Increase) decrease in due from other governmental units	-	-
(Increase) decrease in prepayments	-	(7,103)
(Increase) decrease in inventory, at cost	(937)	-
(Increase) decrease in deferred pension outflows	-	-
Increase (decrease) in accounts payable	(66,193)	21,962
Increase (decrease) in accrued salaries and withholdings payable	(1,610)	3,065
Increase (decrease) in contracts payable - retained percentage	-	10,132
Increase (decrease) in due to other governmental units	(9,852)	-
Increase (decrease) in deposits payable	(2,500)	-
Increase (decrease) in deferred revenue	-	-
Increase (decrease) in compensated absences	-	-
Increase (decrease) in net pension liability	-	-
Increase (decrease) in deferred pension inflows	-	-
Total adjustments	<u>146,825</u>	<u>154,741</u>
Net cash flows from operating activities	<u>\$917,949</u>	<u>\$247,606</u>

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

Business-Type Activities - Enterprise Funds

Refuse Utility Fund	Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds	Internal Service Funds
\$186,420	(\$322,348)	\$503,800	\$1,231,861	(\$11,411)
2,500	116,472	139,489	721,409	77,602
-	352	-	1,231	-
(24,725)	(9,855)	2,991	(140,814)	-
(17,472)	(33,745)	(785)	(52,002)	1,963
-	-	-	(7,103)	(6,282)
-	-	(172,860)	(173,797)	11,393
-	-	-	-	2,359,896
(5,037)	30,681	(43,079)	(61,666)	12,764
162	811	3,868	6,296	3,160
-	19,051	-	29,183	-
-	-	5,238	(4,614)	-
-	-	-	(2,500)	-
-	-	-	-	266
-	-	-	-	(229,470)
-	-	-	-	(101,465)
-	-	-	-	(2,320,213)
(44,572)	123,767	(65,138)	315,623	(190,386)
\$141,848	(\$198,581)	\$438,662	\$1,547,484	(\$201,797)

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, 2019

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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 2019, liquor sales discounts were \$317,949. 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
- Special Projects 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 (\$19,449,462) difference are as follows:

Pollution Remediation Obligation	(\$108,475)
Accrued interest payable	(228,369)
Bonds payable	<u>(19,112,618)</u>
Adjustment to fund balance - total governmental funds - to arrive at net position of governmental activities	<u><u>(\$19,449,462)</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 difference is the amount by which depreciation exceeded capital outlay in the current year.” The details of this (\$1,438,217) difference are as follows:

Total capital outlay in government fund financial statements	\$1,134,549
Disposal of capital assets	(59,507)
Depreciation expense	<u>(2,513,259)</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>(\$1,438,217)</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 (\$3,273,999) difference are as follows:

Principal repayments including early redemptions:	
General obligation bonds	\$3,105,000
Revenue bonds	125,000
Amortization of deferred premiums	<u>43,999</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>\$3,273,999</u></u>

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Another element of that reconciliation states, "Revenue earned in the current year, that is unavailable in the current year is not reported in the governmental funds. Whereas, this amount is reported in the statement of activities in the year in which it was earned". The details of this (\$268,880) difference are as follows:

Unavailable revenue - General property taxes:	
At December 31, 2018	(\$240,487)
At December 31, 2019	294,263
Unavailable revenue - Tax increment taxes:	
At December 31, 2018	(9,213)
At December 31, 2019	14,481
Unavailable revenue - Special assessments:	
At December 31, 2018	(1,990,373)
At December 31, 2019	1,662,449
Unavailable revenue - Due from other government:	
At December 31, 2018	-
At December 31, 2019	-
Unavailable revenue - Loan receivable:	
At December 31, 2018	(6,916,000)
At December 31, 2019	<u>6,916,000</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u><u>(\$268,880)</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, 2019 are as follows:

	Carrying Amount At Fair Value
Investments	\$32,679,560
Deposits	3,832,173
Cash on hand	<u>7,810</u>
	<u><u>\$36,519,543</u></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, 2019, 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.

Deposits as of December 31, 2019 are as follows:

	<u>Bank Balances</u>	<u>Carrying Amount At Fair Value</u>
Demand deposits	\$3,105,165	\$2,563,534
Time deposits	<u>1,268,639</u>	<u>1,268,639</u>
Total	<u>\$4,373,804</u>	<u>\$3,832,173</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, 2019 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 Bank			
Federal National Mortgage Association	4.7	\$452,693	1%
Federal Home Loan Mortgage Corporation	3.0	6,894,807	21%
Federal Farm Credit Bank	3.8	748,522	2%
Federal Agricultural Mortgage Corporation	1.0	1,004,140	3%
Municipal Bonds			
Des Moines Iowa Area Comm College	2.4	606,242	2%
Negotiable Certificates of Deposit*	1.3	13,172,484	40%
Money market mutual funds:			
Evergreen U.S. Government Fund	Less than 1yr	1,345,222	4%
Federated Govt Oblig Instl	Less than 1yr	3,955,900	12%
Federated Investors I Prime Value	Less than 1yr	4,499,550	14%
<b>Total investments</b>		<b>\$32,679,560</b>	<b>100%</b>

\* from various issuers, each less than 1% of the fair value of total investments

The City has the following recurring fair value measurements as of December 31, 2019:

- Money market mutal 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, which reduce the City's exposure to credit, custodial credit and interest rate risks. Additional risk information for the City is as follows:

- 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 generally hold investments to maturity.
- 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. As of December 31, 2019, the City's investments in the Notes issued by U.S. government agencies were all rated AA+ by Standard & Poor's, and Aaa by Moody's Investors Service. The money market funds in which the City held shares at December 31, 2019, were not rated, but are invested in U.S. Government Obligations and/or securities guaranteed by the U.S. government, and those underlying securities are rated AA+ by

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Standard and Poors and Aaa by Moody’s Investor Service. The City’s investment policies do not further address credit risk, beyond the limitations imposed in MN Statutes section 118A.

- c) 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 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, 2019.
- 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. As December 31, 2019, investments in securities are held by the City’s three broker-dealers in the City’s name, with \$500,000 of those securities at each broker-dealer insured by SIPC. Each broker-dealer has provided additional protection by providing additional insurance. This additional insurance is subject to aggregate limits applied to all of the broker-dealer’s accounts. 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, 2019 are as follows:

	Major Funds		Nonmajor Funds				Total
	HRA (component unit) Parkview Villa North & South	Capital Improvement PIR Fund	2008A Taxable GO Housing Imp Area Bonds Fund	Anoka County Comm Dev Program Fund	EDA Administration (Component Unit)	Capital Improvement Development	
Special assessments receivable	\$ -	\$835,644	\$279,904	\$ -	\$ -	\$ -	\$1,115,548
Loan receivable	6,585,000	-	-	231,000	100,000	66,808	6,982,808
Total	\$6,585,000	\$835,644	\$279,904	\$231,000	\$100,000	\$66,808	\$8,098,356

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.

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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	Total
Major Funds:					
General Fund	\$283,532	\$ -	\$ -	\$ -	\$283,532
Capital Improvements - PIR Funds	-	-	1,300,078	-	1,300,078
HRA Parkview Villa North & South	-	-	-	6,585,000	6,585,000
Nonmajor Governmental Funds:	10,731	14,482	362,371	331,000	718,584
Total unavailable revenue	<u>\$294,263</u>	<u>\$14,482</u>	<u>\$1,662,449</u>	<u>\$6,916,000</u>	<u>\$8,887,194</u>

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**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
Capital assets - not depreciated:				
Land	\$6,440,531	\$ -	\$ -	\$6,440,531
Construction in progress	1,270,724	317,989	(1,223,330)	365,383
Total capital assets not being depreciated	7,711,255	317,989	(1,223,330)	6,805,914
Capital assets - being depreciated:				
Buildings	32,528,731	-	(222,644)	32,306,087
Equipment	10,103,175	910,732	(623,823)	10,390,084
Infrastructure	34,799,459	1,152,415	-	35,951,874
Total capital assets being depreciated	77,431,365	2,063,147	(846,467)	78,648,045
Less accumulated depreciation for:				
Buildings	10,824,688	926,643	(164,579)	11,586,752
Equipment	7,366,257	554,288	(622,381)	7,298,164
Infrastructure	19,384,595	1,109,930	-	20,494,525
Total accumulated depreciation	37,575,540	2,590,861	(786,960)	39,379,441
Capital assets being depreciated - net	39,855,825	(527,714)	(59,507)	39,268,604
Governmental activities capital assets - net	47,567,080	(209,725)	(1,282,837)	46,074,518
<b>Business-type activities:</b>				
Capital assets - not depreciated:				
Land	2,349,213	-	-	2,349,213
Construction in progress	84,689	60,888	(76,948)	68,629
Total capital assets not being depreciated	2,433,902	60,888	(76,948)	2,417,842
Capital assets - being depreciated:				
Buildings	5,679,894	-	(6,000)	5,673,894
Equipment	2,515,432	227,213	(25,244)	2,717,401
Infrastructure	19,308,003	-	-	19,308,003
Total capital assets being depreciated	27,503,329	227,213	(31,244)	27,699,298
Less accumulated depreciation for:				
Buildings	2,160,466	160,644	(6,000)	2,315,110
Equipment	1,829,604	253,101	(25,244)	2,057,461
Infrastructure	9,910,696	459,536	-	10,370,232
Total accumulated depreciation	13,900,766	873,281	(31,244)	14,742,803
Capital assets being depreciated - net	13,602,563	(646,068)	-	12,956,495
Business-type activities capital assets - net	16,036,465	(585,180)	(76,948)	15,374,337
Total capital assets - net	63,603,545	(794,905)	(1,359,785)	61,448,855

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

Governmental activities:	
General government	\$35,307
Public safety	597,961
Public works	1,131,124
Culture and recreation	746,024
Community development	2,844
Depreciation on capital assets held by governmental internal service activities is charged to each function based on use:	
Municipal Service Center	67,516
Information Systems	<u>10,085</u>
Total depreciation expense - capital assets held by governmental activities	<u><u>\$2,590,861</u></u>

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

Business-type activities:	
Water	\$296,023
Sewer	166,925
Refuse	2,500
Storm sewer	116,472
Liquor	<u>139,489</u>
Total depreciation expense - capital assets held by business-type activities	<u><u>\$721,409</u></u>

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**Note 6 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

INTERFUND RECEIVABLES, PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2019 are as follows:

Fund	Receivable	Payable
Major Funds:		
EDA Redevelopment Project	\$ -	\$1,255,488
Nonmajor funds	<u>1,407,905</u>	<u>152,417</u>
Total	<u>\$1,407,905</u>	<u>\$1,407,905</u>

All interfund balances at December 31, 2019, 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, 2019 are as follows:

	Transfers In						Total
	Major Funds			Nonmajor Funds			
	General	Governmental	Capital	Capital	Other	Internal	
	EDA Redevelopment Project	Imp PIR Fund	Imprvmts Gen Govt Bldg	Govtl Funds	Service Funds		
Transfers out:							
Major funds:							
Governmental:							
General	\$ -	\$ -	\$35,518	\$23,000	\$135,000	\$ -	\$193,518
Municipal State Aid Street	-	-	-	-	-	-	-
Capital Imprvmts PIR	-	47,900	-	-	88,343	-	136,243
Enterprise:							
Water	96,500	-	-	-	-	-	96,500
Sewer	96,500	-	-	-	-	-	96,500
Refuse	83,800	-	-	-	-	-	83,800
Liquor	95,400	-	-	-	50,000	-	145,400
Nonmajor funds:							
Other governmental funds	<u>100,200</u>	<u>1,034,726</u>	<u>-</u>	<u>-</u>	<u>352,917</u>	<u>24,388</u>	<u>1,512,231</u>
Total	<u>\$472,400</u>	<u>\$1,082,626</u>	<u>\$35,518</u>	<u>\$23,000</u>	<u>\$626,260</u>	<u>\$24,388</u>	<u>\$2,264,192</u>



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2019 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, 2019, are as follows:

	Pledged revenue, if any, in addition to general property taxes	Original Issue	Interest Rate	Issue Date	Final Maturity	Balance End of Year
Governmental activities:						
GO Public facilities series 2009A	None	3,005,000	2.00-4.75%	7/1/2009	2/1/2038	-
GO Library series 2015A	None	6,875,000	2.50-3.25%	3/4/2015	2/1/2036	6,075,000
GO Refunding series 2017B - Advanced Refunding	None	8,505,000	2.65-3.25%	7/6/2017	2/1/2038	7,970,000
GO Refunding series 2018A - Refunding	None	2,070,000	2.45-3.45%	12/27/2018	2/1/2038	2,070,000
Taxable GO tax increment bonds series 2009B	Tax increment	580,000	3.40-5.10%	7/1/2009	2/1/2021	-
Taxable GO housing imprvmt area series 2008A	Special assessments	975,000	5.00-6.05%	7/16/2008	2/1/2024	420,000
GO Public Facilities series 2009A	Special assessments	605,000	2.00-4.75%	7/1/2009	2/1/2019	-
GO Improvement series 2013A	Special assessments	235,000	0.40-2.50%	11/21/2013	2/1/2024	110,000
GO Improvement series 2013A - Refunding	Special assessments	328,021	0.40-2.50%	11/21/2013	2/1/2020	20,000
Business-type activities:						
GO Public Facilities series 2009A	Utility revenues	325,000	2.00-4.75%	7/1/2009	2/1/2019	-
GO Utility revenue series 2013A	Utility revenues	1,685,000	0.40-2.50%	11/21/2013	2/1/2024	990,000
GO Refunding series 2017A - Refunding	Liquor revenues	3,265,000	2.00-3.00%	7/6/2017	2/1/2029	<u>2,835,000</u>
Total general obligation bonds outstanding						<u>\$20,490,000</u>

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As of December 31, 2019, 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
2020	\$850,000	\$478,053	\$445,000	\$81,583
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	3,620
2030-2034	4,730,000	850,385	-	-
2035-2038	3,405,000	183,420	-	-
Total	<u>\$16,665,000</u>	<u>\$4,601,023</u>	<u>\$3,825,000</u>	<u>\$405,224</u>

**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, 2019 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	<u>\$2,065,000</u>
Total revenue bonds outstanding						<u>\$2,065,000</u>

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As of December 31, 2019, the annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year Ending December 31	Governmental Activities	
	Principal	Interest
2020	\$130,000	\$61,957
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>\$2,065,000</u>	<u>\$487,005</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, 2019, 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	\$136,128	95%	\$47,990	\$67,454
Project-specific special assessments	Private redevelopment	486,169	95%	97,345	109,679
Project-specific tax increment	Public/Private redevelopment	2,552,006	83%	188,873	667,996
Water, sewer and storm- sewer net revenues	Utility system improvements	1,048,239	15%	212,703	1,417,293

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds repaid only with general taxes	\$18,855,000	\$ -	(\$2,740,000)	\$16,115,000	\$730,000
General obligation bonds with other pledged revenues	915,000	-	(365,000)	550,000	120,000
Revenue bonds	2,190,000	-	(125,000)	2,065,000	130,000
Unamortized premium/discount	426,617	-	(43,999)	382,618	-
Total bonds payable	22,386,617	-	(3,273,999)	19,112,618	980,000
Due to Other Government	5,200,000	-	-	5,200,000	-
Compensated absences	1,353,178	487,104	(716,574)	1,123,708	110,900
Net pension liability	8,059,561	-	(101,465)	7,958,096	-
Postemployment benefits other than pensions	1,252,872	264,694	(96,931)	1,420,635	-
Total governmental activity long-term liabilities	<u>\$38,252,228</u>	<u>\$751,798</u>	<u>(\$4,188,969)</u>	<u>\$34,815,057</u>	<u>\$1,090,900</u>
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds with other pledged revenues	\$4,300,000	\$ -	(\$475,000)	\$3,825,000	\$445,000
Unamortized premium/discount	61,429	-	(10,747)	50,682	-
Revenue bonds	-	-	-	\$ -	-
Total bonds payable	4,361,429	-	(485,747)	3,875,682	445,000
Compensated absences	-	-	-	-	-
Net pension liability	-	-	-	-	-
Total business-type activity long-term liabilities	<u>\$4,361,429</u>	<u>\$0</u>	<u>(\$485,747)</u>	<u>\$3,875,682</u>	<u>\$445,000</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, 2019 there was an estimated aggregate principal amount payable of approximately \$63,996,595 in bonds of this type.

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**Note 9 FUND EQUITY**

**A. CLASSIFICATIONS**

At December 31, 2019, the City has various fund equities through legal restrictions and City Council authorizations. A summary of such classifications are as follows:

	General Fund	G.O. Public Facilities Bonds 2009A	EDA (component unit) Redev Project	PIR	Cap Imp Gen Govt Building	HRA (component unit) Parkview Villa No & So	Nonmajor Gov't	Total
2019 Fund Balance								
Nonspendable								
Prepaid items	\$137,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,587	\$140,132
Total nonspendable	137,545	-	-	-	-	-	2,587	140,132
Restricted for:								
Debt service	-	-	-	-	-	-	1,434,818	1,434,818
Streets	-	-	-	-	-	-	604,487	604,487
Tax Increment	-	-	-	-	-	-	2,121,769	2,121,769
Police Forfeiture	-	-	-	-	-	-	16,759	16,759
Grant sponsored Rec Programs	-	-	-	-	-	-	105,343	105,343
Capital Improvements/Replacement	-	-	-	-	-	-	-	-
Housing & Redevelopment	-	-	-	-	-	-	66,839	66,839
Total restricted	-	-	-	-	-	-	4,350,015	4,350,015
Committed for:								
Downtown Parking Maintenance	-	-	-	-	-	-	11,873	11,873
Capital Improvements/Replacement	-	-	-	869,892	4,887,960	-	5,500,793	11,258,645
Cable TV Operations	-	-	-	-	-	-	1,060,372	1,060,372
Library Operations	-	-	-	-	-	-	691,872	691,872
Economic Redevelopment	-	-	2,494,238	-	-	-	2,502,074	4,996,312
Total committed	-	-	2,494,238	869,892	4,887,960	-	9,766,984	18,019,074
Assigned for:								
2020 Appropriation	52,471	-	-	-	-	-	-	52,471
Unassigned:	7,685,738	-	-	-	-	-	(143,922)	7,541,816
Total	\$ 7,875,754	\$ -	\$ 2,494,238	\$ 869,892	\$ 4,887,960	\$ -	\$ 13,975,664	\$ 30,103,508

**B. DEFICIT FUND BALANCE**

The following funds had fund deficits as of December 31, 2019. The City will finance these deficits through collections of tax increment and other revenues in future years.

Nonmajor Funds:	
Debt Service Funds:	
TIF 47th and Grand	(\$1,042)
TIF Central Valu Center	(2,638)
TIF Scattered Site	<u>(\$140,242)</u>
	<u>(\$143,922)</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, 2019, 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.

**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 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 Plan 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 a Coordinated Plan members is 1.2% of average salary for each of the first ten years and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated 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.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. 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 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 of 3% of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1 percent. 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.

**B. 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 6.50% of their annual covered salary in calendar year 2019. The City of Columbia Heights was required to contribute 7.50% for Coordinated Plan members in calendar year 2019. The City of Columbia Heights' contributions to the GERF for the year ended December 31, 2019, were \$460,213. The City of Columbia Heights' contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Police and Fire members contribution rates increased from 10.8 percent of pay to 11.3 percent and employer rates increased from 16.2 percent to 16.95 percent on January 1, 2019. The City of Columbia Heights' regular contributions to the PEPFF for the year ended December 31, 2019, were \$541,507. The City of Columbia Heights' contributions were equal to the required contributions as set by state statute.

**C. PENSION COSTS**

GERF Pension Costs

At December 31, 2019, the City of Columbia Heights reported a liability of \$4,782,391 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to a State of Minnesota contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contribution 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 \$148,660. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Columbia Heights' proportionate share of the net pension liability was based on the City of Columbia Heights' contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City of Columbia Heights' proportionate share was 0.0865% which was a decrease of 0.0021% from its proportionate share measured as of June 30, 2018.

City's proportionate share of the net pension liability	\$4,782,391
State of Minnesota's proportionate share of the net pension liability associated with the city	<u>148,660</u>
Total	<u><u>\$4,931,051</u></u>



**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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For the year ended December 31, 2019, the City of Columbia Heights recognized pension expense of \$576,914 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$11,133 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, 2019, the City of Columbia Heights 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	\$ 131,802	\$ -
Changes in actuarial assumptions	-	373,657
Differences between projected and actual investment earnings	-	484,575
Changes in proportions	101,719	97,664
Contributions paid to PERA subsequent to the measurement date	232,154	-
<b>Total</b>	<b>\$ 465,675</b>	<b>\$ 955,896</b>

\$232,154 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, 2020. 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:	Adjustments to Pension Expense
2020	\$(226,916)
2021	(374,870)
2022	(128,295)
2023	7,706
2024	-
Thereafter	-
	<b>\$(722,375)</b>

PEPFF Pension Costs

At December 31, 2019, the City of Columbia Heights reported a liability of \$3,175,705 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2018, through June 30, 2019, relative to the total employer contributions received from

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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all of PERA’s participating employers. At June 30, 2018, the City’s proportionate share was 0.2983% which was an increase of 0.0033% from its proportionate share measured as of June 30, 2018. The City also recognized \$40,270 for the year ended December 31,2019, 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. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

For the year ended December 31, 2019, the City of Columbia Heights recognized pension expense of \$404,044 for its proportionate share of the PEPFF’s pension expense.

At December 31, 2019, the City of Columbia Heights 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
	<u>                    </u>	<u>                    </u>
Differences between expected and actual economic experience	\$ 134,993	\$ 480,053
Changes in actuarial assumptions	2,682,263	3,574,830
Differences between projected and actual investment earnings	-	664,588
Changes in proportions	58,527	229,481
Contributions paid to PERA subsequent to the measurement date	272,256	-
Total	<u>\$ 3,148,039</u>	<u>\$ 4,948,952</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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\$272,256 reported as deferred outflows of resources related to pensions resulting from the City of Columbia Heights' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. 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
2019	\$ (262,118)
2020	(498,244)
2021	(1,317,345)
2022	(53,742)
2023	4,280
Thereafter	-
	<u>\$ (2,127,169)</u>

**D. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumption:

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 percent per year for the General Employees Plan, 1.0 percent per year for the Police and Fire.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016.

The following changes in actuarial assumptions occurred in 2019:

**General Employess Fund**

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

Police and Fire Fund

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

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	25.0%	5.90%
Fixed Income	20.0%	0.75%
Internantional Equity	17.5%	5.90%
Cash Equivalents	2.0%	0.00%
Total	100.0%	

**E. DISCOUNT RATE**

The discount rate used to measure the total pension liability in 2019 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund 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.

**F. PENSION LIABILITY SENSITIVITY**

The following presents the City of Columbia Heights' 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:

Sensitivity of Net Pension Liability at Current Single Discount Rate (In thousands)				
	General Employees Fund		Police and Fire Fund	
1% Higher	8.50%	\$ 2,239,567	8.50%	\$ 61
Current Discount Rate	7.50%	4,782,391	7.50%	3,175,705
1% Lower	6.50%	7,861,994	6.50%	6,941,501

**G. PENSION EXPENSE**

Pension expense recognized by the City for the fiscal year ended December 31, 2019 is as follows:

GERF	\$ 588,047
PEPFF	<u>404,044</u>
Total	<u>\$ 992,091</u>

**H. PENSION PLAN FIDUCIARY NET POSITION**

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 on the Internet at [www.mnpera.org](http://www.mnpera.org).

**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.

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 2019, state aid was contributed to the plan. This state aid revenue and the related contribution expense/expenditure of \$105,612 are recognized in the accompanying financial statements for the year ended December 31, 2019.

**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, 2019	\$ 390	\$ 390	5%	5%	5%
December 31, 2018	\$ 465	\$ 465	5%	5%	5%
December 31, 2017	\$ 680	\$ 680	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 2019, 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 \$1,420,635 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2019. Changes in the total OPEB liability during 2019 were:

Balance - beginning of year	\$ 1,252,872
Charges for the year:	
Service Cost	27,667
Interest	50,256
Change of benefit terms	-
Differences between expected and actual experience	186,771
Changes in assumptions	(46,691)
Benefit payments	(50,240)
Net changes	<u>167,763</u>
Balance - end of year	<u>\$ 1,420,635</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	2.74%
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, 2019.

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 (1.74%) or 1% higher (3.74%) than the current discount rate:

	1% Decrease (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB liability	\$ 1,568,179	\$ 1,420,635	\$ 1,291,335



**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	\$ 1,282,647	\$ 1,420,635	\$ 1,579,778

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

For the year ended December 31, 2019, the City recognized \$86,287 of OPEB expense. At December 31, 2019, 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	\$ 159,417	\$ 0
Change of assumptions and other inputs	\$ 0	(\$ 101,730)

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
2020	(\$ 8,364)
2021	(8,364)
2022	(8,364)
2023	(8,364)
2024	(8,364)
Thereafter	(15,867)
	<u>(\$ 57,687)</u>

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**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 will be completed February 1, 2020. 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, 2020. The current year abatement (TIF note payments) was \$3,718. At December 31, 2019, the principal amount outstanding on the note was \$31,714.

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 \$33,337. At December 31, 2019, 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 \$14,702. At December 31, 2019, 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 \$423,192. At December 31, 2019, the principal amount outstanding on the note was \$7,248,782.

**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**

The City attorney has indicated that any existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance or development agreements; of an immaterial amount; or, in the judgment of the City attorney, 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, 2019, the City's obligation for such projects was approximately \$422,000.

**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 nearly complete at December 31, 2019.

The Minnesota Pollution Control Agency will review the Response Action Plan. Once approved, the City will begin the planned remediation of the site (Phase III), and also demolish the buildings on the property. The costs of the remediation are estimated at \$108,000 using the expected value method, with those costs expected to be incurred in 2020. A liability for this estimate is recorded within the governmental activities of the December 31, 2019, 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 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. 84 *Fiduciary Activities*.** The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

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

**Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*.** The provisions of this Statement are effective for reporting periods beginning after December 15, 2020.

**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, except the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

**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.

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. The effective dates above reflect the effective dates as postponed by Statement No. 95.

**Note 16** SUBSEQUENT EVENTS AND UNCERTAINTIES

The COVID-19 pandemic continues to cause rapidly changing disruptions world-wide. Management has evaluated these conditions and believes that it is not possible to reasonably estimate the financial impact, if any, of COVID-19 on the City's financial statements at December 31, 2019.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**Statement 9**  
**Page 1 of 2**

For The Year Ended December 31, 2019  
 With Comparative Actual Amounts For The Year Ended December 31, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$10,051,000	\$10,051,000	\$10,156,071	\$105,071	\$9,601,516
Licenses and permits	353,300	353,300	371,369	18,069	233,994
Intergovernmental	930,300	945,432	970,495	25,063	1,006,512
Charges for services	599,500	625,150	614,312	(10,838)	603,081
Fines and forfeitures	86,000	86,000	116,759	30,759	93,251
Investment income:					
Interest and dividends	90,000	90,000	212,174	122,174	121,687
Change in fair value	-	-	118,020	118,020	(30,248)
Other revenues	14,500	26,050	19,344	(6,706)	29,000
Total revenues	<u>12,124,600</u>	<u>12,176,932</u>	<u>12,578,544</u>	<u>401,612</u>	<u>11,658,793</u>
<b>Expenditures:</b>					
General government:					
Council	174,100	174,100	157,472	16,628	136,693
Manager	568,620	568,620	466,948	101,672	523,810
Clerk	65,820	65,820	51,206	14,614	106,383
Legal	181,400	181,400	173,229	8,171	175,934
Finance	922,300	922,300	915,805	6,495	871,107
Assessing	126,265	126,265	125,286	979	123,459
General government buildings	157,700	157,700	150,763	6,937	141,186
Contingencies	35,000	35,000	3,350	31,650	4,053
Total general government	<u>2,231,205</u>	<u>2,231,205</u>	<u>2,044,059</u>	<u>187,146</u>	<u>2,082,625</u>
Public safety:					
Police	4,837,800	4,875,350	4,693,753	181,597	4,387,845
Fire	1,762,600	1,777,382	1,675,053	102,329	1,711,236
Capital outlay	-	-	11,582	(11,582)	-
Total public safety	<u>6,600,400</u>	<u>6,652,732</u>	<u>6,380,388</u>	<u>272,344</u>	<u>6,099,081</u>
Public works:					
Engineering	383,830	383,830	283,548	100,282	404,880
Maintenance	1,387,973	1,387,973	1,257,617	130,356	1,271,214
Capital outlay	-	-	60,817	(60,817)	15,657
Total public works	<u>1,771,803</u>	<u>1,771,803</u>	<u>1,601,982</u>	<u>169,821</u>	<u>1,691,751</u>
Other departments:					
Parks and recreation	1,897,069	1,897,069	1,794,915	102,154	1,785,380
Capital outlay	-	-	-	-	-
Total recreation	<u>1,897,069</u>	<u>1,897,069</u>	<u>1,794,915</u>	<u>102,154</u>	<u>1,785,380</u>
Total expenditures	<u>12,500,477</u>	<u>12,552,809</u>	<u>11,821,344</u>	<u>731,465</u>	<u>11,658,837</u>
Revenues over (under) expenditures	<u>(375,877)</u>	<u>(375,877)</u>	<u>757,200</u>	<u>1,133,077</u>	<u>(44)</u>

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, 2019  
 With Comparative Actual Amounts For The Year Ended December 31, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Other financing sources (uses):					
Transfers in	\$472,400	\$472,400	\$472,400	\$ -	\$562,392
Transfers out	(158,000)	(158,000)	(193,518)	(35,518)	(1,424,484)
Total other financing sources (uses)	314,400	314,400	278,882	(35,518)	(862,092)
Net change in fund balance	<u>(\$61,477)</u>	<u>(\$61,477)</u>	1,036,082	<u>\$1,097,559</u>	(862,136)
Fund balance - January 1			<u>6,839,672</u>		<u>7,701,808</u>
Fund balance - December 31			<u>\$7,875,754</u>		<u>\$6,839,672</u>

See accompanying notes to the required supplementary information.

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

REQUIRED SUPPLEMENTARY INFORMATION

**Statement 10**

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

For The Last Ten Years

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

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%

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 12**

## SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND

For The Last Ten Years

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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%

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 13**

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

PUBLIC EMPLOYEES POLICE AND FIRE FUND

For The Last Ten Years

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%

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

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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%

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.

**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
  - Special Projects 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:

- Special Projects Fund exceeded the budget by \$457. However, actual revenue exceeded the budget by \$236,127.
- Downtown Parking Fund exceeded the budget by \$25,704. However, actual revenue exceeded the budget by \$28,815.

**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.

*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.
- 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**

*2019 Changes*

Changes in Actuarial Assumptions:

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

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**

*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.

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**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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**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2019**

**Statement 15**

Assets	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Cash and investments	\$4,173,845	\$3,359,005	\$4,711,721	\$12,244,571
Receivables:				
Accounts	53,311	-	-	53,311
Special assessments	-	362,371	-	362,371
Taxes	15,196	24,184	-	39,380
Loans	331,000	-	66,808	397,808
Interest	6,700	3,900	11,200	21,800
Due from other governmental units	10,126	-	662,817	672,943
Interfund receivable	266,177	141,728	1,000,000	1,407,905
Prepayments	2,587	-	-	2,587
Real estate held for resale	54,793	201,366	220,149	476,308
<b>Total assets</b>	<b>\$4,913,735</b>	<b>\$4,092,554</b>	<b>\$6,672,695</b>	<b>\$15,678,984</b>
<b>Liabilities and Fund Balance</b>				
Liabilities:				
Accounts payable	\$38,541	\$158,914	\$80,751	\$278,206
Accrued salaries and withholdings payable	48,207	-	6,624	54,831
Contracts payable	3,500	-	-	3,500
Due to other governmental units	73,258	-	33	73,291
Interfund payable	8,295	144,122	-	152,417
Unearned revenue	42,357	-	-	42,357
Deposits	350,625	-	29,509	380,134
<b>Total liabilities</b>	<b>564,783</b>	<b>303,036</b>	<b>116,917</b>	<b>984,736</b>
Deferred inflows of resources:				
Unavailable revenue	341,731	376,853	-	718,584
<b>Total deferred inflows of resources</b>	<b>341,731</b>	<b>376,853</b>	<b>0</b>	<b>718,584</b>
Fund balance:				
Nonspendable	2,587	-	-	2,587
Restricted	188,941	3,556,587	604,487	4,350,015
Committed	3,815,693	-	5,951,291	9,766,984
Unassigned	-	(143,922)	-	(143,922)
<b>Total fund balance</b>	<b>4,007,221</b>	<b>3,412,665</b>	<b>6,555,778</b>	<b>13,975,664</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$4,913,735</b>	<b>\$4,092,554</b>	<b>\$6,672,695</b>	<b>\$15,678,984</b>

**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, 2019

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$1,199,371	\$674,972	\$ -	\$1,874,343
Tax increment collections	-	972,330	-	972,330
Special assessments	-	105,479	-	105,479
Licenses and permits	273,460	-	-	273,460
Intergovernmental	34,236	504,034	664,125	1,202,395
Charges for services	483,483	-	93,907	577,390
Fines and forfeitures	9,344	-	-	9,344
<b>Investment income:</b>				
Interest and dividends	56,000	40,199	96,576	192,775
Change in fair value	31,100	18,799	51,800	101,699
Other revenues	80,873	66,056	82,997	229,926
<b>Total revenues</b>	<b>2,167,867</b>	<b>2,381,869</b>	<b>989,405</b>	<b>5,539,141</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	98,425	-	-	98,425
Public safety	25,872	-	8,134	34,006
Public works	-	-	514,218	514,218
Culture and recreation	1,074,678	-	-	1,074,678
Community development	593,253	20,993	-	614,246
<b>Capital outlay:</b>				
General government	-	-	24,388	24,388
Public safety	-	-	790,255	790,255
Public works	-	-	184,919	184,919
Culture and recreation	-	-	6,314	6,314
<b>Debt service:</b>				
Principal retirement	-	1,200,000	-	1,200,000
Interest and fiscal charges	-	607,637	-	607,637
Developer incentives	-	474,949	-	474,949
<b>Total expenditures</b>	<b>1,792,228</b>	<b>2,303,579</b>	<b>1,528,228</b>	<b>5,624,035</b>
<b>Revenues over (under) expenditures</b>	<b>375,639</b>	<b>78,290</b>	<b>(538,823)</b>	<b>(84,894)</b>
<b>Other financing sources (uses):</b>				
Transfers in	146,000	130,260	374,388	650,648
Transfers out	(411,200)	(41,917)	(1,034,726)	(1,487,843)
Payment to refunded bond escrow	-	(2,030,000)	-	(2,030,000)
Sale of capital assets	-	-	30,450	30,450
<b>Total other financing sources (uses)</b>	<b>(265,200)</b>	<b>(1,941,657)</b>	<b>(629,888)</b>	<b>(2,836,745)</b>
<b>Net change in fund balance</b>	<b>110,439</b>	<b>(1,863,367)</b>	<b>(1,168,711)</b>	<b>(2,921,639)</b>
<b>Fund balance - January 1</b>	<b>3,896,782</b>	<b>5,276,032</b>	<b>7,724,489</b>	<b>16,897,303</b>
<b>Fund balance - December 31</b>	<b>\$4,007,221</b>	<b>\$3,412,665</b>	<b>\$6,555,778</b>	<b>\$13,975,664</b>

**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.

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.

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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, 2019

	Cable Television Fund 225	Police Forfeiture Fund 265	Library Fund 240	After-School Programs Fund 261	Twenty-first Century Arts Fund 262
<b>Assets</b>					
Cash and investments	\$1,008,582	\$27,416	\$734,688	\$97,498	\$ -
Receivables:					
Accounts	53,311	-	-	-	-
Taxes	-	-	-	-	-
Loans	-	-	-	-	-
Interest	1,900	-	900	200	-
Due from other governmental units	-	-	-	-	10,126
Interfund receivable	-	-	-	8,295	-
Prepayments	-	-	2,587	-	-
Real estate held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$1,063,793</b>	<b>\$27,416</b>	<b>\$738,175</b>	<b>\$105,993</b>	<b>\$10,126</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$1,648	\$ -	\$11,432	\$657	\$1,715
Accrued salaries and withholdings payable	1,773	-	27,774	-	109
Contracts payable	-	-	-	-	-
Due to other governmental units	-	-	4,510	-	-
Interfund payable	-	-	-	-	8,295
Unearned revenue	-	10,657	-	-	-
Deposits	-	-	-	-	-
<b>Total liabilities</b>	<b>3,421</b>	<b>10,657</b>	<b>43,716</b>	<b>657</b>	<b>10,119</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance:</b>					
Nonspendable	-	-	2,587	-	-
Restricted	-	16,759	-	105,336	7
Committed	1,060,372	-	691,872	-	-
<b>Total fund balance</b>	<b>1,060,372</b>	<b>16,759</b>	<b>694,459</b>	<b>105,336</b>	<b>7</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$1,063,793</b>	<b>\$27,416</b>	<b>\$738,175</b>	<b>\$105,993</b>	<b>\$10,126</b>

Contributed Projects - Recreation - Fund 881	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	EDA Administration Fund 204 (Component Unit)	Total Nonmajor Special Revenue Funds
\$194,545	\$226,406	\$795,041	\$30,283	\$439,113	\$12,046	\$608,227	\$4,173,845
-	-	-	-	-	-	-	53,311
-	-	-	-	-	-	15,196	15,196
-	-	-	-	-	231,000	100,000	331,000
300	500	1,200	100	700	-	900	6,700
-	-	-	-	-	-	-	10,126
-	-	-	-	-	-	257,882	266,177
-	-	-	-	-	-	-	2,587
-	-	-	-	-	54,793	-	54,793
<u>\$194,845</u>	<u>\$226,906</u>	<u>\$796,241</u>	<u>\$30,383</u>	<u>\$439,813</u>	<u>\$297,839</u>	<u>\$982,205</u>	<u>\$4,913,735</u>
\$870	\$5,070	\$ -	\$15,010	\$1,990	\$ -	\$149	\$38,541
-	-	-	-	15,832	-	2,719	48,207
-	-	-	3,500	-	-	-	3,500
-	-	-	-	68,748	-	-	73,258
-	-	-	-	-	-	-	8,295
-	-	31,700	-	-	-	-	42,357
-	-	-	-	-	-	350,625	350,625
<u>870</u>	<u>5,070</u>	<u>31,700</u>	<u>18,510</u>	<u>86,570</u>	<u>0</u>	<u>353,493</u>	<u>564,783</u>
-	-	-	-	-	231,000	110,731	341,731
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>231,000</u>	<u>110,731</u>	<u>341,731</u>
-	-	-	-	-	-	-	2,587
-	-	-	-	-	66,839	-	188,941
<u>193,975</u>	<u>221,836</u>	<u>764,541</u>	<u>11,873</u>	<u>353,243</u>	<u>-</u>	<u>517,981</u>	<u>3,815,693</u>
<u>193,975</u>	<u>221,836</u>	<u>764,541</u>	<u>11,873</u>	<u>353,243</u>	<u>66,839</u>	<u>517,981</u>	<u>4,007,221</u>
<u>\$194,845</u>	<u>\$226,906</u>	<u>\$796,241</u>	<u>\$30,383</u>	<u>\$439,813</u>	<u>\$297,839</u>	<u>\$982,205</u>	<u>\$4,913,735</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, 2019

	Cable Television Fund 225	Police Forfeiture Fund 265	Library Fund 240	After-School Programs Fund 261	Twenty-first Century Arts Fund 262
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$955,095	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	34,236
Fees/program revenues	182,085	-	15,278	6,816	5,161
Rents	-	-	-	-	-
Fines and forfeitures	-	-	9,344	-	-
Investment income:					
Interest and dividends	16,000	-	7,700	1,800	-
Change in fair value	8,900	-	4,300	1,000	-
Other revenues:					
Contributions	-	-	-	-	-
Miscellaneous	35,399	-	1,104	-	-
Total revenues	<u>242,384</u>	<u>0</u>	<u>992,821</u>	<u>9,616</u>	<u>39,397</u>
<b>Expenditures:</b>					
Personal services	43,479	-	637,245	5,617	18,685
Supplies	11,826	-	88,179	-	2,691
Other services and charges	43,120	-	232,164	10,085	18,014
Total expenditures	<u>98,425</u>	<u>0</u>	<u>957,588</u>	<u>15,702</u>	<u>39,390</u>
Revenues over (under) expenditures	<u>143,959</u>	<u>0</u>	<u>35,233</u>	<u>(6,086)</u>	<u>7</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	11,000	-	-
Transfers out	(64,500)	-	(14,700)	-	-
Total other financing sources (uses)	<u>(64,500)</u>	<u>0</u>	<u>(3,700)</u>	<u>0</u>	<u>0</u>
Net change in fund balance	79,459	0	31,533	(6,086)	7
Fund balance - January 1	<u>980,913</u>	<u>16,759</u>	<u>662,926</u>	<u>111,422</u>	<u>-</u>
Fund balance - December 31	<u>\$1,060,372</u>	<u>\$16,759</u>	<u>\$694,459</u>	<u>\$105,336</u>	<u>\$7</u>



Contributed Projects - Recreation - Fund 881	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	EDA Administration Fund 204 (Component Unit)	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$244,276	\$1,199,371
-	-	-	-	273,460	-	-	273,460
-	-	-	-	-	-	-	34,236
-	-	181,935	25,288	1,071	-	30	417,664
-	-	38,192	27,627	-	-	-	65,819
-	-	-	-	-	-	-	9,344
2,900	3,800	10,300	600	5,500	200	7,200	56,000
1,600	2,100	5,700	300	3,100	100	4,000	31,100
23,995	7,953	-	-	-	-	-	31,948
-	306	-	-	413	11,703	-	48,925
<u>28,495</u>	<u>14,159</u>	<u>236,127</u>	<u>53,815</u>	<u>283,544</u>	<u>12,003</u>	<u>255,506</u>	<u>2,167,867</u>
-	-	-	-	407,633	-	110,611	1,223,270
11,094	19,985	-	-	10,246	-	348	144,369
200	5,887	497	50,704	29,980	-	33,938	424,589
<u>11,294</u>	<u>25,872</u>	<u>497</u>	<u>50,704</u>	<u>447,859</u>	<u>0</u>	<u>144,897</u>	<u>1,792,228</u>
17,201	(11,713)	235,630	3,111	(164,315)	12,003	110,609	375,639
-	-	-	-	135,000	-	-	146,000
-	-	(300,000)	-	(16,000)	-	(16,000)	(411,200)
<u>0</u>	<u>0</u>	<u>(300,000)</u>	<u>0</u>	<u>119,000</u>	<u>0</u>	<u>(16,000)</u>	<u>(265,200)</u>
17,201	(11,713)	(64,370)	3,111	(45,315)	12,003	94,609	110,439
176,774	233,549	828,911	8,762	398,558	54,836	423,372	3,896,782
<u>\$193,975</u>	<u>\$221,836</u>	<u>\$764,541</u>	<u>\$11,873</u>	<u>\$353,243</u>	<u>\$66,839</u>	<u>\$517,981</u>	<u>\$4,007,221</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, 2019

With Comparative Actual Amounts For The Year Ended December 31, 2018

	2019		Actual Amounts	Variance with Final Budget- Positive (Negative)	2018 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Franchise fees	\$183,300	\$183,300	\$182,085	(\$1,215)	\$191,415
Investment income:					
Interest and dividends	-	-	16,000	16,000	13,300
Change in fair value	-	-	8,900	8,900	(3,300)
Other revenues:					
Miscellaneous	34,125	34,125	35,399	1,274	37,418
Total revenues	<u>217,425</u>	<u>217,425</u>	<u>242,384</u>	<u>24,959</u>	<u>238,833</u>
Expenditures:					
Personal services	45,900	45,900	43,479	2,421	28,990
Supplies	9,800	9,800	11,826	(2,026)	4,519
Other services and charges	84,125	84,125	43,120	41,005	41,647
Capital outlay	-	-	-	-	-
Total expenditures	<u>139,825</u>	<u>139,825</u>	<u>98,425</u>	<u>41,400</u>	<u>75,156</u>
Revenues over expenditures	<u>77,600</u>	<u>77,600</u>	<u>143,959</u>	<u>66,359</u>	<u>163,677</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	73,300
Transfers out	(64,500)	(64,500)	(64,500)	-	(64,389)
Total other financing sources (uses)	<u>(64,500)</u>	<u>(64,500)</u>	<u>(64,500)</u>	<u>-</u>	<u>8,911</u>
Net change in fund balance	<u>\$13,100</u>	<u>\$13,100</u>	79,459	<u>\$66,359</u>	172,588
Fund balance - January 1			<u>980,913</u>		<u>808,325</u>
Fund balance - December 31			<u>\$1,060,372</u>		<u>\$980,913</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, 2019**  
**With Comparative Amounts For The Year Ended December 31, 2018**

**Statement 20**

	<u>2019</u>	<u>2018</u>
Revenues:		
Forfeitures	\$ -	\$8,641
Expenditures:		
Supplies	-	8,240
Capital outlay	-	22,474
Total expenditures	<u>0</u>	<u>30,714</u>
Revenues over (under) expenditures	0	(22,073)
Other financing sources (uses):		
Transfers out	<u>-</u>	<u>-</u>
Net change in fund balance	0	(22,073)
Fund balance - January 1	<u>16,759</u>	<u>38,832</u>
Fund balance - December 31	<u><u>\$16,759</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, 2019**  
**With Comparative Actual Amounts For The Year Ended December 31, 2018**

**Statement 21**

	2019				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	2018 Actual Amounts
	Original	Final			
Revenues:					
Taxes	\$955,095	\$955,095	\$955,095	\$ -	\$919,244
Charges for services	14,105	14,105	15,278	1,173	15,102
Fines	12,500	12,500	9,344	(3,156)	10,661
Investment income:					
Interest and dividends	10,000	10,000	7,700	(2,300)	14,700
Change in fair value	-	-	4,300	4,300	(3,600)
Other revenues:					
Miscellaneous	-	-	1,104	1,104	75
Total revenues	<u>991,700</u>	<u>991,700</u>	<u>992,821</u>	<u>1,121</u>	<u>956,182</u>
Expenditures:					
Personal services	670,200	670,200	637,245	32,955	604,496
Supplies	98,700	98,700	88,179	10,521	93,419
Other services and charges	219,100	219,100	232,164	(13,064)	203,753
Total expenditures	<u>988,000</u>	<u>988,000</u>	<u>957,588</u>	<u>30,412</u>	<u>901,668</u>
Revenues over expenditures	<u>3,700</u>	<u>3,700</u>	<u>35,233</u>	<u>31,533</u>	<u>54,514</u>
Other financing sources (uses):					
Transfers in	11,000	11,000	11,000	-	11,000
Transfers out	(14,700)	(14,700)	(14,700)	-	(14,711)
Total other financing sources (uses)	<u>(3,700)</u>	<u>(3,700)</u>	<u>(3,700)</u>	<u>0</u>	<u>(3,711)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	31,533	<u>\$31,533</u>	50,803
Fund balance - January 1			<u>662,926</u>		<u>612,123</u>
Fund balance - December 31			<u>\$694,459</u>		<u>\$662,926</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, 2019

With Comparative Amounts For The Year Ended December 31, 2018

	2019		Actual Amounts	Variance with Final Budget- Positive (Negative)	2018 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Program revenue	\$20,000	\$20,000	\$6,816	(\$13,184)	\$7,580
Investment income:					
Interest and dividends	2,000	2,000	1,800	(200)	1,900
Change in fair value	-	-	1,000	1,000	(500)
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>9,616</u>	<u>(12,384)</u>	<u>8,980</u>
Expenditures:					
Personal services	23,300	23,300	5,617	17,683	10,020
Supplies	3,000	3,000	-	3,000	450
Other services and charges	<u>18,000</u>	<u>18,000</u>	<u>10,085</u>	<u>7,915</u>	<u>9,026</u>
Total expenditures	<u>44,300</u>	<u>44,300</u>	<u>15,702</u>	<u>28,598</u>	<u>19,496</u>
Revenues over (under) expenditures	<u>(\$22,300)</u>	<u>(\$22,300)</u>	<u>(6,086)</u>	<u>\$16,214</u>	<u>(10,516)</u>
Fund balance - January 1			<u>111,422</u>		<u>121,938</u>
Fund balance - December 31			<u>\$105,336</u>		<u>\$111,422</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, 2019

With Comparative Amounts For The Year Ended December 31, 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Investment income:		
Interest and dividends	\$2,900	\$2,600
Change in fair value	1,600	(700)
Other revenue:		
Contributions	23,995	32,130
Total revenues	<u>28,495</u>	<u>34,030</u>
Expenditures:		
Supplies	11,094	13,479
Other services and charges	200	2,550
Total expenditures	<u>11,294</u>	<u>16,029</u>
Revenues over expenditures	17,201	18,001
Fund balance - January 1	<u>176,774</u>	<u>158,773</u>
Fund balance - December 31	<u>\$193,975</u>	<u>\$176,774</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, 2019

With Comparative Amounts For The Year Ended December 31, 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Investment income:		
Interest and dividends	\$3,800	\$3,500
Change in fair value	2,100	(900)
Contributions	7,953	37,820
Miscellaneous	306	369
Total revenues	<u>14,159</u>	<u>40,789</u>
Expenditures:		
Supplies	19,985	46,325
Other services and charges	5,887	1,518
Total expenditures	<u>25,872</u>	<u>47,843</u>
Revenues over (under) expenditures	(11,713)	(7,054)
Fund balance - January 1	<u>233,549</u>	<u>240,603</u>
Fund balance - December 31	<u><u>\$221,836</u></u>	<u><u>\$233,549</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND 226

**Statement 25**

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2019

With Comparative Amounts For The Year Ended December 31, 2018

	2019		Actual Amounts	Variance with Final Budget- Positive (Negative)	2018 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Fees/program revenue	\$ -	\$ -	\$181,935	\$181,935	\$63,218
Rents	-	-	38,192	38,192	37,302
Investment income:					
Interest and dividends	-	-	10,300	10,300	14,000
Change in fair value	-	-	5,700	5,700	(3,500)
Total revenues	0	0	236,127	236,127	111,020
Expenditures:					
Other services and charges	-	-	497	(497)	81,995
Revenues over (under) expenditures	-	-	235,630	235,630	29,025
Other financing sources (uses):					
Transfers in	-	-	-	-	4,116
Transfers out	(300,000)	(300,000)	(300,000)	-	-
Total other financing sources (uses)	(300,000)	(300,000)	(300,000)	-	4,116
Net change in fund balance	<u>(\$300,000)</u>	<u>(\$300,000)</u>	(64,370)	<u>\$235,630</u>	33,141
Fund balance - January 1			828,911		795,770
Fund balance - December 31			<u>\$764,541</u>		<u>\$828,911</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, 2019

With Comparative Actual Amounts For The Year Ended December 31, 2018

	2019		Actual Amounts	Variance with Final Budget- Positive (Negative)	2018 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Licenses and permits	\$366,500	\$366,500	\$273,460	(\$93,040)	\$235,523
Fees/program revenues	-	-	1,071	1,071	1,455
Investment income:					
Interest and dividends	-	-	5,500	5,500	7,300
Change in fair value	-	-	3,100	3,100	(1,800)
Miscellaneous	2,100	2,100	413	(1,687)	473
Total revenues	<u>368,600</u>	<u>368,600</u>	<u>283,544</u>	<u>(85,056)</u>	<u>242,951</u>
Expenditures:					
Personal services	462,500	462,500	407,633	54,867	450,859
Supplies	2,400	2,400	10,246	(7,846)	7,273
Other services and charges	22,700	22,700	29,980	(7,280)	28,058
Total expenditures	<u>487,600</u>	<u>487,600</u>	<u>447,859</u>	<u>39,741</u>	<u>486,190</u>
Revenues over (under) expenditures	<u>(119,000)</u>	<u>(119,000)</u>	<u>(164,315)</u>	<u>(45,315)</u>	<u>(243,239)</u>
Other financing sources (uses):					
Transfers in	135,000	135,000	135,000	-	139,982
Transfers out	(16,000)	(16,000)	(16,000)	-	(16,005)
Total other financing sources (uses):	<u>119,000</u>	<u>119,000</u>	<u>119,000</u>	<u>-</u>	<u>123,977</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>(45,315)</u>	<u>(\$45,315)</u>	<u>(119,262)</u>
Fund balance - January 1			<u>398,558</u>		<u>517,820</u>
Fund balance - December 31			<u>\$353,243</u>		<u>\$398,558</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, 2019

With Comparative Amounts For The Year Ended December 31, 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Intergovernmental	\$ -	\$ -
Investment income:		
Interest and dividends	200	200
Change in fair value	100	(101)
Total revenues	<u>300</u>	<u>99</u>
Expenditures:		
Other services and charges	-	-
Total expenditures	<u>0</u>	<u>0</u>
Revenues over (under) expenditures	300	99
Fund balance - January 1	<u>54,836</u>	<u>54,737</u>
Fund balance - December 31	<u><u>\$55,136</u></u>	<u><u>\$54,836</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
 SPECIAL REVENUE FUND - TWENTY-FIRST CENTURY ARTS FUND 262  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - ACTUAL  
 For The Year Ended December 31, 2019  
 With Comparative Amounts For The Year Ended December 31, 2018

**Statement 28**

	2019			Variance with Final Budget- Positive (Negative)	2018 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ -	\$40,000	\$34,236	(\$5,764)	\$20,830
Fees/program revenue	-	5,300	5,161	(139)	4,768
<b>Total revenues</b>	<u>0</u>	<u>45,300</u>	<u>39,397</u>	<u>(5,903)</u>	<u>25,598</u>
<b>Expenditures:</b>					
Personal services	32,300	32,300	18,685	13,615	17,601
Supplies	6,000	6,000	2,691	3,309	904
Other services and charges	7,000	7,000	18,014	(11,014)	7,093
<b>Total expenditures</b>	<u>45,300</u>	<u>45,300</u>	<u>39,390</u>	<u>5,910</u>	<u>25,598</u>
<b>Revenues over (under) expenditures</b>	<u>(\$45,300)</u>	<u>\$0</u>	<u>7</u>	<u>\$7</u>	<u>0</u>
<b>Fund balance - January 1</b>			<u>-</u>		<u>-</u>
<b>Fund balance - December 31</b>			<u>\$7</u>		<u>\$0</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, 2019

With Comparative Amounts For The Year Ended December 31, 2018

	2019		Actual Amounts	Variance with Final Budget- Positive (Negative)	2018 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Fees	\$ -	\$ -	\$25,288	(25,288)	\$ -
Rents	25,000	25,000	27,627	(2,627)	34,252
Investment income:					
Interest and dividends	-	-	600	(600)	300
Change in fair value	-	-	300	(300)	(100)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>53,815</u>	<u>(28,815)</u>	<u>34,452</u>
Expenditures:					
Supplies	-	-	-	-	312
Other services and charges	25,000	25,000	50,704	(25,704)	25,378
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>50,704</u>	<u>(25,704)</u>	<u>25,690</u>
Revenues over expenditures	<u>\$0</u>	<u>\$0</u>	3,111	<u>\$3,111</u>	8,762
Fund balance - January 1			<u>8,762</u>		<u>-</u>
Fund balance - December 31			<u>\$11,873</u>		<u>\$8,762</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SPECIAL REVENUE FUND-EDA ADMINISTRATION FUND 204

**Statement 30**

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

(COMPONENT UNIT)

For The Year Ended December 31, 2019

With Comparative Actual Amounts For The Year Ended December 31, 2018

	2019				2018 Actual Amounts
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	
	Original	Final			
Revenues:					
Taxes	\$242,100	\$242,100	\$244,276	\$2,176	\$441,773
Intergovernmental	-	-	-	-	1,000
Fees/program revenues	500	500	30	(470)	1,030
Investment income:					
Interest and dividends	2,000	2,000	7,200	5,200	6,200
Change in fair value	-	-	4,000	4,000	(1,500)
Miscellaneous	-	-	-	-	2,707
Total revenues	<u>244,600</u>	<u>244,600</u>	<u>255,506</u>	<u>10,906</u>	<u>451,210</u>
Expenditures:					
Personal services	201,900	201,900	110,611	91,289	180,724
Supplies	1,500	1,500	348	1,152	23
Other services and charges	25,200	25,200	33,938	(8,738)	21,203
Total expenditures	<u>228,600</u>	<u>228,600</u>	<u>144,897</u>	<u>83,703</u>	<u>201,950</u>
Revenues over (under) expenditures	16,000	16,000	110,609	94,609	249,260
Other financing sources (uses):					
Transfers out	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>-</u>	<u>(269,983)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	94,609	<u>\$94,609</u>	(20,723)
Fund balance - January 1			<u>423,372</u>		<u>444,095</u>
Fund balance - December 31			<u>\$517,981</u>		<u>\$423,372</u>

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**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, 2019

	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
<b>Assets</b>						
Cash and investments	\$241,207	\$ -	\$115,014	\$393,123	\$443,753	\$234,648
Receivables:						
Taxes	-	-	-	1,960	2,554	1,959
Assessments	362,371	-	-	-	-	-
Interest	300	-	100	200	300	200
Interfund receivable	-	-	-	-	-	-
Real estate for resale	-	-	-	-	-	-
<b>Total assets</b>	<b>\$603,878</b>	<b>\$0</b>	<b>\$115,114</b>	<b>\$395,283</b>	<b>\$446,607</b>	<b>\$236,807</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$500
Interfund payable	-	-	-	-	-	-
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>500</u>
<b>Deferred inflows of resources:</b>						
Unavailable revenue	362,371	-	-	-	-	-
Total deferred inflows of resources	<u>362,371</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balance:</b>						
Restricted	241,507	-	115,114	395,283	446,607	236,307
Unassigned	-	-	-	-	-	-
Total fund balance	<u>241,507</u>	<u>0</u>	<u>115,114</u>	<u>395,283</u>	<u>446,607</u>	<u>236,307</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$603,878</b>	<b>\$0</b>	<b>\$115,114</b>	<b>\$395,283</b>	<b>\$446,607</b>	<b>\$236,807</b>



## 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
\$261,756	\$182,419	\$95,147	\$527,354	\$864,384	\$ -	\$ -	\$200	\$3,359,005
-	318	-	84	17,309	-	-	-	24,184
-	-	-	-	-	-	-	-	362,371
400	300	100	800	1,200	-	-	-	3,900
141,728	-	-	-	-	-	-	-	141,728
201,366	-	-	-	-	-	-	-	201,366
<u>\$605,250</u>	<u>\$183,037</u>	<u>\$95,247</u>	<u>\$528,238</u>	<u>\$882,893</u>	<u>\$0</u>	<u>\$0</u>	<u>\$200</u>	<u>\$4,092,554</u>
\$ -	\$1,921	\$24,019	\$ -	\$132,474	\$ -	\$ -	\$ -	\$158,914
-	-	-	-	-	2,638	1,042	140,442	144,122
<u>0</u>	<u>1,921</u>	<u>24,019</u>	<u>0</u>	<u>132,474</u>	<u>2,638</u>	<u>1,042</u>	<u>140,442</u>	<u>303,036</u>
-	318	-	(13)	14,177	-	-	-	376,853
<u>0</u>	<u>318</u>	<u>0</u>	<u>(13)</u>	<u>14,177</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>376,853</u>
605,250	180,798	71,228	528,251	736,242	-	-	-	3,556,587
-	-	-	-	-	(2,638)	(1,042)	(140,242)	(143,922)
<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>\$605,250</u>	<u>\$183,037</u>	<u>\$95,247</u>	<u>\$528,238</u>	<u>\$882,893</u>	<u>\$0</u>	<u>\$0</u>	<u>\$200</u>	<u>\$4,092,554</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, 2019

	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
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$204,348	\$266,461	\$204,163
Tax increment collections	-	-	-	-	-	-
Special assessments	105,479	-	-	-	-	-
Intergovernmental	-	-	-	252,017	252,017	-
<b>Investment income:</b>						
Interest and dividends	2,700	-	1,000	2,000	2,300	1,500
Change in fair value	1,500	-	600	1,100	1,300	899
Other revenues	-	-	-	-	-	-
Total revenues	<u>109,679</u>	<u>0</u>	<u>1,600</u>	<u>459,465</u>	<u>522,078</u>	<u>206,562</u>
<b>Expenditures:</b>						
<b>Community development:</b>						
Other services and charges	-	-	-	-	-	-
<b>Debt service:</b>						
Principal retirement	70,000	160,000	45,000	275,000	305,000	-
Interest and fiscal charges	28,462	47,881	3,209	183,530	227,256	38,967
Developer incentives	-	-	-	-	-	-
Total expenditures	<u>98,462</u>	<u>207,881</u>	<u>48,209</u>	<u>458,530</u>	<u>532,256</u>	<u>38,967</u>
Revenues over (under) expenditures	<u>11,217</u>	<u>(207,881)</u>	<u>(46,609)</u>	<u>935</u>	<u>(10,178)</u>	<u>167,595</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	65,854	-	-	64,406
Transfers out	-	(41,917)	-	-	-	-
Payment to refunded bond escrow	-	(2,030,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(2,071,917)</u>	<u>65,854</u>	<u>-</u>	<u>-</u>	<u>64,406</u>
Net change in fund balance	11,217	(2,279,798)	19,245	935	(10,178)	232,001
Fund balance - January 1	230,290	2,279,798	95,869	394,348	456,785	4,306
Fund balance - December 31	<u>\$241,507</u>	<u>\$0</u>	<u>\$115,114</u>	<u>\$395,283</u>	<u>\$446,607</u>	<u>\$236,307</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$674,972
-	32,780	53,472	191,599	652,796	-	-	41,683	972,330
-	-	-	-	-	-	-	-	105,479
-	-	-	-	-	-	-	-	504,034
10,199	2,600	1,200	6,800	9,800	-	-	100	40,199
2,000	1,400	700	3,800	5,400	-	-	100	18,799
66,056	-	-	-	-	-	-	-	66,056
<u>78,255</u>	<u>36,780</u>	<u>55,372</u>	<u>202,199</u>	<u>667,996</u>	<u>0</u>	<u>0</u>	<u>41,883</u>	<u>2,381,869</u>
3,445	1,929	2,018	4,661	6,835	-	1,042	1,063	20,993
-	-	-	220,000	125,000	-	-	-	1,200,000
-	-	-	6,885	64,848	-	-	6,599	607,637
-	3,718	48,039	-	423,192	-	-	-	474,949
<u>3,445</u>	<u>5,647</u>	<u>50,057</u>	<u>231,546</u>	<u>619,875</u>	<u>0</u>	<u>1,042</u>	<u>7,662</u>	<u>2,303,579</u>
<u>74,810</u>	<u>31,133</u>	<u>5,315</u>	<u>(29,347)</u>	<u>48,121</u>	<u>0</u>	<u>(1,042)</u>	<u>34,221</u>	<u>78,290</u>
-	-	-	-	-	-	-	-	130,260
-	-	-	-	-	-	-	-	(41,917)
-	-	-	-	-	-	-	-	(2,030,000)
-	-	-	-	-	-	-	-	(1,941,657)
74,810	31,133	5,315	(29,347)	48,121	0	(1,042)	34,221	(1,863,367)
530,440	149,665	65,913	557,598	688,121	(2,638)	-	(174,463)	5,276,032
<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>

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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, 2019

	<u>Municipal State Aid Street Fund 212 &amp; 402</u>	<u>Capital Improvement Parks Fund 412</u>
<b>Assets</b>		
Cash and investments	\$16,405	\$385,586
Receivables:		
Loans	-	-
Interest	-	700
Due from other governmental units	595,814	-
Interfund receivable	-	-
Real estate held for resale	-	-
Total assets	<u>\$612,219</u>	<u>\$386,286</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts payable	1,108	5,990
Accrued salaries and withholdings payable	6,624	
Due to other governmental units	-	33
Deposits	-	-
Total liabilities	<u>7,732</u>	<u>6,023</u>
<b>Fund balance:</b>		
Nonspendable	-	-
Restricted	604,487	-
Committed	-	380,263
Total fund balance	<u>604,487</u>	<u>380,263</u>
<b>Total liabilities and fund balance</b>	<u>\$612,219</u>	<u>\$386,286</u>

Statement 33

Capital Improvement Development Fund 420	Infrastructure Replacement Fund 430	Capital Equipment Replacement General Gov't Fund 431	Total Nonmajor Capital Project Funds
\$539,858	\$1,548,379	\$2,221,493	\$4,711,721
66,808	-	-	66,808
2,000	2,900	5,600	11,200
67,003	-	-	662,817
-	-	1,000,000	1,000,000
220,149	-	-	220,149
<u>\$895,818</u>	<u>\$1,551,279</u>	<u>\$3,227,093</u>	<u>\$6,672,695</u>
-	-	73,653	80,751
-	-	-	6,624
-	-	-	33
29,509	-	-	29,509
<u>29,509</u>	<u>0</u>	<u>73,653</u>	<u>116,917</u>
-	-	-	604,487
866,309	1,551,279	3,153,440	5,951,291
<u>866,309</u>	<u>1,551,279</u>	<u>3,153,440</u>	<u>6,555,778</u>
<u>\$895,818</u>	<u>\$1,551,279</u>	<u>\$3,227,093</u>	<u>\$6,672,695</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, 2019

	Municipal State Aid Street Fund 212 & 402	Capital Improvement Parks Fund 412
<b>Revenues:</b>		
Intergovernmental	\$512,916	\$50,403
Charges for services	26,904	-
Investment income:		
Interest and dividends	-	5,500
Change in fair value	-	3,100
Other revenues	-	-
Total revenues	539,820	59,003
<b>Expenditures:</b>		
Current:		
Public Safety	-	-
Public works	508,812	-
Capital outlay		
General government	-	-
Public safety	-	-
Public works	11,763	-
Culture and recreation	-	6,314
Total expenditures	520,575	6,314
Revenue over (under) expenditures	19,245	52,689
<b>Other financing sources (uses):</b>		
Transfers in	-	-
Transfers out	-	-
Sale of capital assets	-	-
Total other financing sources (uses)	0	0
Net change in fund balance	19,245	52,689
Fund balance - January 1	585,242	327,574
Fund balance - December 31	\$604,487	\$380,263



Statement 34

Capital Improvement Development Fund 420	Infrastructure Replacement Fund 430	Capital Equipment Replacement General Gov't Fund 431	Total Nonmajor Capital Project Funds
\$ -	\$50,403	\$50,403	\$664,125
67,003	-	-	93,907
17,666	23,800	49,610	96,576
9,400	13,300	26,000	51,800
82,997	-	-	82,997
<u>177,066</u>	<u>87,503</u>	<u>126,013</u>	<u>989,405</u>
-	-	8,134	8,134
-	5,406	-	514,218
-	-	24,388	24,388
-	-	790,255	790,255
-	-	173,156	184,919
-	-	-	6,314
<u>0</u>	<u>5,406</u>	<u>995,933</u>	<u>1,528,228</u>
<u>177,066</u>	<u>82,097</u>	<u>(869,920)</u>	<u>(538,823)</u>
300,000	50,000	24,388	374,388
(1,034,726)	-	-	(1,034,726)
-	-	30,450	30,450
<u>(734,726)</u>	<u>50,000</u>	<u>54,838</u>	<u>(629,888)</u>
(557,660)	132,097	(815,082)	(1,168,711)
<u>1,423,969</u>	<u>1,419,182</u>	<u>3,968,522</u>	<u>7,724,489</u>
<u>\$866,309</u>	<u>\$1,551,279</u>	<u>\$3,153,440</u>	<u>\$6,555,778</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, 2019  
With Comparative Totals for December 31, 2018

Statement 35

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2019	2018
<b>Assets:</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$613,682	\$614,106	\$ -	\$91,338	\$ -	\$1,319,126	\$723,738
<b>Receivables:</b>							
Accounts (net of allowance for uncollectables)	794,489	-	-	-	-	794,489	725,772
Interest	-	1,100	-	200	-	1,300	3,700
Interfund receivable	80,632	-	-	-	(80,632)	-	-
Inventory - at cost	9,220	-	-	-	-	9,220	8,283
<b>Total current assets</b>	<b>1,498,023</b>	<b>615,206</b>	<b>0</b>	<b>91,538</b>	<b>(80,632)</b>	<b>2,124,135</b>	<b>1,461,493</b>
<b>Noncurrent assets:</b>							
<b>Capital assets:</b>							
Land	45,223	-	-	-	-	45,223	45,223
Construction in process	-	-	34,365	-	-	34,365	25,722
Buildings	1,305,172	-	-	-	-	1,305,172	1,305,172
Equipment	676,915	-	-	-	-	676,915	572,291
Infrastructure	9,963,688	-	-	-	-	9,963,688	9,963,688
<b>Total capital assets</b>	<b>11,990,998</b>	<b>0</b>	<b>34,365</b>	<b>0</b>	<b>0</b>	<b>12,025,363</b>	<b>11,912,096</b>
Less: accumulated depreciation	(6,137,067)	-	-	-	-	(6,137,067)	(5,774,090)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>5,853,931</b>	<b>-</b>	<b>34,365</b>	<b>-</b>	<b>-</b>	<b>5,888,296</b>	<b>6,138,006</b>
<b>Total noncurrent assets</b>	<b>5,853,931</b>	<b>0</b>	<b>34,365</b>	<b>0</b>	<b>0</b>	<b>5,888,296</b>	<b>6,138,006</b>
<b>Total assets</b>	<b>7,351,954</b>	<b>615,206</b>	<b>34,365</b>	<b>91,538</b>	<b>(80,632)</b>	<b>8,012,431</b>	<b>7,599,499</b>
<b>Liabilities :</b>							
<b>Current liabilities:</b>							
Accounts payable	21,476	-	2,140	-	-	23,616	89,809
Accrued salaries and withholdings payable	15,003	-	-	-	-	15,003	16,613
Due to other governmental units	127,479	-	-	-	-	127,479	137,331
Interfund payable	-	-	80,632	-	(80,632)	-	66,000
Accrued interest payable	-	-	-	3,676	-	3,676	4,114
Deposits	200	-	-	-	-	200	2,700
Bonds payable - current	-	-	-	80,000	-	80,000	120,000
<b>Total current liabilities</b>	<b>164,158</b>	<b>0</b>	<b>82,772</b>	<b>83,676</b>	<b>(80,632)</b>	<b>249,974</b>	<b>436,567</b>
<b>Noncurrent liabilities:</b>							
Bonds payable - noncurrent	-	-	-	330,000	-	330,000	410,000
<b>Total noncurrent liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>330,000</b>	<b>0</b>	<b>330,000</b>	<b>410,000</b>
<b>Total liabilities</b>	<b>164,158</b>	<b>0</b>	<b>82,772</b>	<b>413,676</b>	<b>(80,632)</b>	<b>579,974</b>	<b>846,567</b>
<b>Net position:</b>							
Net investments in capital assets	5,853,931	-	34,365	(410,000)	-	5,478,296	5,608,006
Restricted	-	-	-	88,894	-	88,894	132,598
Unrestricted	1,333,865	615,206	(82,772)	(1,032)	-	1,865,267	1,012,328
<b>Total net position</b>	<b>\$7,187,796</b>	<b>\$615,206</b>	<b>(\$48,407)</b>	<b>(\$322,138)</b>	<b>\$0</b>	<b>\$7,432,457</b>	<b>\$6,752,932</b>

## CITY OF COLUMBIA HEIGHTS, MINNESOTA

WATER UTILITY FUND

Statement 36

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	Operating Account	Capital	Capital	Debt Service Account	Intrafund Eliminations	Total	
		Equipment Replacement Account	Construction Account			2019	2018
Operating revenues:							
Charges for services:							
Customer services	\$52,308	\$ -	\$ -	\$ -	\$ -	\$52,308	\$86,627
Penalties	154,075	-	-	-	-	154,075	134,265
Charges for sales:							
Water	3,145,915	-	-	-	-	3,145,915	3,011,967
Meter	4,221	74,681	-	-	-	78,902	92,194
Total operating revenues	<u>3,356,519</u>	<u>74,681</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,431,200</u>	<u>3,325,053</u>
Operating expenses:							
Cost of sales	1,584,203	-	-	-	-	1,584,203	1,628,229
Distribution	715,668	-	20,254	-	-	735,922	770,223
Administration	43,928	-	-	-	-	43,928	41,312
Depreciation	296,023	-	-	-	-	296,023	290,992
Total operating expenses	<u>2,639,822</u>	<u>0</u>	<u>20,254</u>	<u>0</u>	<u>0</u>	<u>2,660,076</u>	<u>2,730,756</u>
Net income (loss) from operations	<u>716,697</u>	<u>74,681</u>	<u>(20,254)</u>	<u>0</u>	<u>0</u>	<u>771,124</u>	<u>594,297</u>
Nonoperating revenues (expenses):							
Investment income:							
Interest and dividends	-	9,100	-	1,700	-	10,800	18,700
Change in fair value	-	5,000	-	900	-	5,900	(4,600)
Miscellaneous revenues (expenses)	296	-	315	-	-	611	(613)
Interest and fiscal charges	-	-	-	(12,410)	-	(12,410)	(14,872)
Total nonoperating revenues (expenses)	<u>296</u>	<u>14,100</u>	<u>315</u>	<u>(9,810)</u>	<u>0</u>	<u>4,901</u>	<u>(1,385)</u>
Net income (loss) before transfers	<u>716,993</u>	<u>88,781</u>	<u>(19,939)</u>	<u>(9,810)</u>	<u>0</u>	<u>776,025</u>	<u>592,912</u>
Transfers in	14,129	30,000	-	78,000	(122,129)	-	891
Transfers out	(204,500)	(14,129)	-	-	122,129	(96,500)	(96,400)
Total transfers	<u>(190,371)</u>	<u>15,871</u>	<u>0</u>	<u>78,000</u>	<u>0</u>	<u>(96,500)</u>	<u>(95,509)</u>
Change in net position	526,622	104,652	(19,939)	68,190	0	679,525	497,403
Net position - January 1	<u>6,661,174</u>	<u>510,554</u>	<u>(28,468)</u>	<u>(390,328)</u>	<u>-</u>	<u>6,752,932</u>	<u>6,255,529</u>
Net position - December 31	<u>\$7,187,796</u>	<u>\$615,206</u>	<u>(\$48,407)</u>	<u>(\$322,138)</u>	<u>\$0</u>	<u>\$7,432,457</u>	<u>\$6,752,932</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

WATER UTILITY FUND

**Statement 37**

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	2019	2018
Cash flows from operating activities:		
Cash received from customers	\$3,361,546	\$3,277,562
Cash paid to suppliers for goods and services	(2,002,128)	(1,977,481)
Cash payments to employees for services	(441,469)	(404,915)
Net cash flows from operating activities	<u>917,949</u>	<u>895,166</u>
Cash flows from noncapital financing activities:		
Transfers in	-	891
Transfers out	(96,500)	(96,400)
Interfund payable (repaid to) advanced by other funds	(66,000)	(65,000)
Net cash flows from noncapital financing activities	<u>(162,500)</u>	<u>(160,509)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(46,313)	(50,843)
Principal payments - bonds	(120,000)	(115,000)
Interest and fiscal charges	(12,848)	(15,735)
Net cash flows from capital and related financing activities	<u>(179,161)</u>	<u>(181,578)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	13,200	17,600
Change in fair value	5,900	(4,600)
Net cash flows from investing activities	<u>19,100</u>	<u>13,000</u>
Net increase (decrease) in cash and cash equivalents	595,388	566,079
Cash and cash equivalents - January 1	723,738	157,659
Cash and cash equivalents - December 31	<u>\$1,319,126</u>	<u>\$723,738</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$771,124</u>	<u>\$594,297</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	296,023	290,992
Miscellaneous revenues	611	(613)
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	(68,717)	(54,363)
(Increase) decrease in inventory, at cost	(937)	6,872
Increase (decrease) in accounts payable	(66,193)	76,531
Increase (decrease) in accrued salaries and withholdings payable	(1,610)	(412)
Increase (decrease) in contracts payable -retained percentage	-	(38,436)
Increase (decrease) in due to other governmental units	(9,852)	17,598
Increase (decrease) in deposits payable	(2,500)	2,700
Total adjustments	<u>146,825</u>	<u>300,869</u>
Net cash flows from operating activities	<u>\$917,949</u>	<u>\$895,166</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA  
SEWER UTILITY FUND  
SUBCOMBINING SCHEDULE OF NET POSITION  
December 31, 2019  
With Comparative Totals for December 31, 2018

Statement 38

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Total	
					2019	2018
<b>Assets:</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$151,809	\$392,705	\$627,663	\$59,049	\$1,231,226	\$998,814
<b>Receivables:</b>						
Accounts (net of allowance for uncollectibles)	547,623	-	11,123	-	558,746	518,238
Interest	-	700	1,100	-	1,800	2,800
Prepayments	100,538	-	-	-	100,538	93,435
Total current assets	<u>799,970</u>	<u>393,405</u>	<u>639,886</u>	<u>59,049</u>	<u>1,892,310</u>	<u>1,613,287</u>
<b>Noncurrent assets:</b>						
<b>Capital assets:</b>						
Land	36,586	-	-	-	36,586	36,586
Construction in progress	-	-	24,553	-	24,553	17,981
Buildings	403,659	-	-	-	403,659	403,659
Equipment	1,097,814	-	-	-	1,097,814	1,000,469
Infrastructure	6,677,171	-	-	-	6,677,171	6,677,171
Total capital assets	<u>8,215,230</u>	<u>0</u>	<u>24,553</u>	<u>0</u>	<u>8,239,783</u>	<u>8,135,866</u>
Less: accumulated depreciation	<u>(5,280,647)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,280,647)</u>	<u>(5,054,050)</u>
Net capital assets	<u>2,934,583</u>	<u>0</u>	<u>24,553</u>	<u>0</u>	<u>2,959,136</u>	<u>3,081,816</u>
Total noncurrent assets	<u>2,934,583</u>	<u>0</u>	<u>24,553</u>	<u>0</u>	<u>2,959,136</u>	<u>3,081,816</u>
Total assets	<u>3,734,553</u>	<u>393,405</u>	<u>664,439</u>	<u>59,049</u>	<u>4,851,446</u>	<u>4,695,103</u>
<b>Liabilities:</b>						
<b>Current liabilities:</b>						
Accounts payable	7,665	-	29,992	-	37,657	15,695
Accrued salaries and withholdings payable	12,624	-	516	-	13,140	10,075
Contracts payable - retained percentage	-	-	10,132	-	10,132	-
Accrued interest payable	-	-	-	2,531	2,531	3,005
Bonds payable - current	-	-	-	53,400	53,400	53,400
Total current liabilities	<u>20,289</u>	<u>0</u>	<u>40,640</u>	<u>55,931</u>	<u>116,860</u>	<u>82,175</u>
<b>Noncurrent liabilities:</b>						
Bonds payable - noncurrent	-	-	-	232,200	232,200	285,600
Total liabilities	<u>20,289</u>	<u>0</u>	<u>40,640</u>	<u>288,131</u>	<u>349,060</u>	<u>367,775</u>
<b>Net position:</b>						
Net investment in capital assets	2,934,583	-	-	(285,600)	2,648,983	2,742,816
Restricted	-	-	-	59,334	59,334	60,056
Unrestricted	779,681	393,405	623,799	(2,816)	1,794,069	1,524,456
Total net position	<u>\$3,714,264</u>	<u>\$393,405</u>	<u>\$623,799</u>	<u>(\$229,082)</u>	<u>\$4,502,386</u>	<u>\$4,327,328</u>

## CITY OF COLUMBIA HEIGHTS, MINNESOTA

## SEWER UTILITY FUND

Statement 39

## SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

## IN FUND NET POSITION

For The Year Ended December 31, 2019

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	
						2019	2018
Operating revenues:							
Charges for services:							
Sewer service charges	\$2,074,292	\$ -	\$ -	\$ -	\$ -	\$2,074,292	\$2,023,524
Other	-	-	-	-	-	-	2,485
Total operating revenues	<u>2,074,292</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,074,292</u>	<u>\$2,026,009</u>
Operating expenses:							
Disposal	1,121,217	-	-	-	-	1,121,217	1,101,389
Collection	489,058	-	160,287	-	-	649,345	496,617
Administration	43,940	-	-	-	-	43,940	41,315
Depreciation	166,925	-	-	-	-	166,925	171,180
Total operating expenses	<u>1,821,140</u>	<u>0</u>	<u>160,287</u>	<u>0</u>	<u>0</u>	<u>1,981,427</u>	<u>1,810,501</u>
Net income (loss) from operations	<u>253,152</u>	<u>0</u>	<u>(160,287)</u>	<u>0</u>	<u>0</u>	<u>92,865</u>	<u>215,508</u>
Nonoperating revenues (expenses):							
Investment income							
Interest and dividends	-	6,101	9,600	100	-	15,801	14,500
Change in fair value	-	3,400	5,300	100	-	8,800	(3,700)
Interest and fiscal charges	-	-	-	(6,464)	-	(6,464)	(7,613)
Miscellaneous	268	-	-	-	-	268	686
Total nonoperating revenues (expenses)	<u>268</u>	<u>9,501</u>	<u>14,900</u>	<u>(6,264)</u>	<u>0</u>	<u>18,405</u>	<u>3,873</u>
Net income (loss) before transfers and capital contributions	<u>253,420</u>	<u>9,501</u>	<u>(145,387)</u>	<u>(6,264)</u>	<u>0</u>	<u>111,270</u>	<u>219,381</u>
Transfers and capital contributions:							
Capital contribution - intergovernmental revenue	-	-	160,288	-	-	160,288	-
Transfers in	14,129	30,000	-	79,000	(123,129)	-	-
Transfers out	(205,500)	(14,129)	-	-	123,129	(96,500)	(96,399)
Total transfers and capital contributions	<u>(191,371)</u>	<u>15,871</u>	<u>160,288</u>	<u>79,000</u>	<u>0</u>	<u>63,788</u>	<u>(96,399)</u>
Change in net position	62,049	25,372	14,901	72,736	-	175,058	122,982
Net position - January 1	<u>3,652,215</u>	<u>368,033</u>	<u>608,898</u>	<u>(301,818)</u>	<u>-</u>	<u>4,327,328</u>	<u>4,204,346</u>
Net position - December 31	<u>\$3,714,264</u>	<u>\$393,405</u>	<u>\$623,799</u>	<u>(\$229,082)</u>	<u>\$0</u>	<u>\$4,502,386</u>	<u>\$4,327,328</u>



**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SEWER UTILITY FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

**Statement 40**

	2019	2018
Cash flows from operating activities:		
Cash received from customers	\$2,026,949	\$2,019,713
Cash paid to suppliers for goods and services	(1,529,035)	(1,406,609)
Cash payments to employees for services	(250,308)	(245,574)
Net cash flows from operating activities	<u>247,606</u>	<u>367,530</u>
Cash flows from noncapital financing activities:		
Transfers out	<u>(96,500)</u>	<u>(96,399)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(44,245)	(38,207)
Intergovernmental revenue	160,288	-
Principal payments - bonds	(53,400)	(53,288)
Interest and fiscal charges	(6,938)	(8,085)
Net cash flows from capital and related financing activities	<u>55,705</u>	<u>(99,580)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	16,801	13,800
Change in fair value	8,800	(3,700)
Net cash flows from investing activities	<u>25,601</u>	<u>10,100</u>
Net increase (decrease) in cash and cash equivalents	232,412	181,651
Cash and cash equivalents - January 1	998,814	817,163
Cash and cash equivalents - December 31	<u>\$1,231,226</u>	<u>\$998,814</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>\$92,865</u>	<u>\$215,508</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	166,925	171,180
Miscellaneous revenues	268	686
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	(40,508)	(5,329)
(Increase) decrease in prepayments	(7,103)	(1,653)
Increase (decrease) in accounts payable	21,962	(11,138)
Increase (decrease) in accrued salaries and withholdings payable	3,065	2,010
Increase (decrease) in contracts payable -retained percentage	10,132	(3,734)
Total adjustments	<u>154,741</u>	<u>152,022</u>
Net cash flows from operating activities	<u>\$247,606</u>	<u>\$367,530</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
 REFUSE UTILITY FUND  
 SUBCOMBINING SCHEDULE OF NET POSITION  
 December 31, 2019  
 With Comparative Totals for December 31, 2018

**Statement 41**

	2019	2018
Assets:		
Current assets:		
Cash and cash equivalents	\$1,639,518	\$1,443,380
Receivables:		
Accounts (net of allowance for uncollectibles)	575,074	550,349
Interest	2,700	3,900
Due from other governmental units	23,905	6,433
Total current assets	<u>2,241,197</u>	<u>2,004,062</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	(137,018)	(134,518)
Total capital assets (net of accumulated depreciation)	<u>31,875</u>	<u>34,375</u>
Total noncurrent assets	<u>31,875</u>	<u>34,375</u>
Total assets	<u>2,273,072</u>	<u>2,038,437</u>
Liabilities:		
Current liabilities:		
Accounts payable	138,773	143,810
Accrued salaries and withholdings payable	4,274	4,112
Total current liabilities	<u>143,047</u>	<u>147,922</u>
Net position:		
Net investments in capital assets	31,875	34,375
Unrestricted	2,098,150	1,856,140
Total net position	<u><u>\$2,130,025</u></u>	<u><u>\$1,890,515</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

REFUSE UTILITY FUND

**Statement 42**

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	2019	2018
Operating revenues:		
Refuse service charges	\$2,068,509	\$1,986,709
Operating expenses:		
Collection and disposal	1,659,598	1,708,596
Administration	77,474	83,687
Recycling	110,324	117,384
Hazardous waste	10,321	10,621
Depreciation	2,500	2,500
Miscellaneous	21,872	19,610
Total operating expenses	1,882,089	1,942,398
Net income (loss) from operations	186,420	44,311
Nonoperating revenues:		
Investment income		
Interest and dividends	22,300	19,600
Change in fair value	12,400	(4,900)
Intergovernmental	102,190	112,679
Total nonoperating revenues	136,890	127,379
Net income before transfers	323,310	171,690
Transfers out	(83,800)	(83,622)
Total transfers	(83,800)	(83,622)
Change in net position	239,510	88,068
Net position - January 1	1,890,515	1,802,447
Net position - December 31	\$2,130,025	\$1,890,515

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

REFUSE UTILITY FUND

**Statement 43**

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2019

With Comparative Totals for Year Ended December 31, 2018

	2019	2018
Cash flows from operating activities:		
Cash received from customers	\$2,026,312	\$1,996,009
Cash paid to suppliers for goods and services	(1,770,442)	(1,816,327)
Cash payments to employees for services	(114,022)	(116,419)
Net cash flows from operating activities	<u>141,848</u>	<u>63,263</u>
Cash flows from noncapital financing activities:		
Transfers out	(83,800)	(83,622)
Intergovernmental	102,190	112,679
Net cash flows from noncapital financing activities	<u>18,390</u>	<u>29,057</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	23,500	19,700
Change in fair value	12,400	(4,900)
Net cash flows from investing activities	<u>35,900</u>	<u>14,800</u>
Net increase (decrease) in cash and cash equivalents	196,138	107,120
Cash and cash equivalents - January 1	<u>1,443,380</u>	<u>1,336,260</u>
Cash and cash equivalents - December 31	<u><u>\$1,639,518</u></u>	<u><u>\$1,443,380</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income	<u>\$186,420</u>	<u>\$44,311</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	(24,725)	(22,079)
(Increase) decrease in due from other governmental units	(17,472)	31,379
Increase (decrease) in accounts payable	(5,037)	6,422
Increase (decrease) in accrued salaries and withholdings payable	162	730
Total adjustments	<u>(44,572)</u>	<u>18,952</u>
Net cash flows from operating activities	<u><u>\$141,848</u></u>	<u><u>\$63,263</u></u>

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2019	2018
<b>Assets:</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$433,106	\$10,101	\$ -	\$64,094	\$ -	\$507,301	\$383,668
<b>Receivables:</b>							
Accounts (net of allowance for uncollectibles)	126,419	-	-	-	-	126,419	116,564
Interest	800	-	-	100	-	900	1,500
Due from other governmental units	-	-	33,745	-	-	33,745	-
Interfund receivable	43,003	-	-	-	(43,003)	-	-
Total current assets	<u>603,328</u>	<u>10,101</u>	<u>33,745</u>	<u>64,194</u>	<u>(43,003)</u>	<u>668,365</u>	<u>501,732</u>
<b>Noncurrent assets:</b>							
<b>Capital assets:</b>							
Land	260,690	-	-	-	-	260,690	260,690
Equipment	398,758	-	-	-	-	398,758	398,758
Infrastructure	2,667,144	-	-	-	-	2,667,144	2,667,144
Construction in process	-	-	-	-	-	-	40,986
Total capital assets	<u>3,326,592</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,326,592</u>	<u>3,367,578</u>
Less: accumulated depreciation	<u>(1,348,687)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,348,687)</u>	<u>(1,232,214)</u>
Net capital assets	<u>1,977,905</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,977,905</u>	<u>2,135,364</u>
Total noncurrent assets	<u>1,977,905</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,977,905</u>	<u>2,135,364</u>
<b>Total assets</b>	<u>2,581,233</u>	<u>10,101</u>	<u>33,745</u>	<u>64,194</u>	<u>(43,003)</u>	<u>2,646,270</u>	<u>2,637,096</u>
<b>Liabilities:</b>							
<b>Current liabilities:</b>							
Accounts payable	434	-	31,491	-	-	31,925	1,244
Accrued salaries and withholdings payable	4,083	-	-	-	-	4,083	3,272
Contracts payable - retained percentage	-	-	19,051	-	-	19,051	-
Interfund payable	-	-	43,003	-	(43,003)	-	17,000
Accrued interest payable	-	-	-	2,678	-	2,678	2,435
Bonds payable - current	-	-	-	56,600	-	56,600	56,600
Total current liabilities	<u>4,517</u>	<u>0</u>	<u>93,545</u>	<u>59,278</u>	<u>(43,003)</u>	<u>114,337</u>	<u>80,551</u>
<b>Noncurrent liabilities:</b>							
Bonds payable - noncurrent	-	-	-	237,800	-	237,800	294,400
Total noncurrent liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>237,800</u>	<u>0</u>	<u>237,800</u>	<u>294,400</u>
Total liabilities	<u>4,517</u>	<u>0</u>	<u>93,545</u>	<u>297,078</u>	<u>(43,003)</u>	<u>352,137</u>	<u>374,951</u>
<b>Net position:</b>							
Net investment in capital assets	1,977,905	-	-	(294,400)	-	1,683,505	1,784,364
Restricted	-	-	-	63,131	-	63,131	63,969
Unrestricted	598,811	10,101	(59,800)	(1,615)	-	547,497	413,812
Total net position	<u>\$2,576,716</u>	<u>\$10,101</u>	<u>(\$59,800)</u>	<u>(\$232,884)</u>	<u>\$0</u>	<u>\$2,294,133</u>	<u>\$2,262,145</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STORM SEWER UTILITY FUND

Statement 45

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2019

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	
						2019	2018
Operating revenues:							
Storm sewer service charges	\$480,515	\$ -	\$ -	\$ -	\$ -	\$480,515	\$458,107
Operating expenses:							
Collection	232,222	-	453,041	-	-	685,263	387,769
Administration	1,128	-	-	-	-	1,128	2,419
Depreciation	116,472	-	-	-	-	116,472	113,818
Total operating expenses	349,822	0	453,041	0	0	802,863	504,006
Net income (loss) from operations	130,693	0	(453,041)	0	0	(322,348)	(45,899)
Nonoperating revenues (expenses):							
Investment income							
Interest and dividends	6,700	101	-	600	-	7,401	7,800
Change in fair value	3,700	-	-	400	-	4,100	(2,000)
Interest and fiscal charges	-	-	-	(7,770)	-	(7,770)	(7,664)
Miscellaneous revenue	352	-	-	-	-	352	466
Total nonoperating revenues (expenses)	10,752	101	0	(6,770)	0	4,083	(1,398)
Net income (loss) before transfers and capital contributions	141,445	101	(453,041)	(6,770)	0	(318,265)	(47,297)
Transfers and capital contributions:							
Capital contribution - intergovernmental revenue	-	-	350,253	-	-	350,253	-
Transfers in	-	10,000	-	63,000	(73,000)	-	-
Transfers out	(73,000)	-	-	-	73,000	-	-
Total transfers and capital contributions	(73,000)	10,000	350,253	63,000	0	350,253	0
Change in net position	68,445	10,101	(102,788)	56,230	0	31,988	(47,297)
Net position - January 1	2,508,271	0	42,988	(289,114)	-	2,262,145	2,309,442
Net position - December 31	\$2,576,716	\$10,101	(\$59,800)	(\$232,884)	\$0	\$2,294,133	\$2,262,145

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
**STORM SEWER UTILITY FUND**  
**SUBCOMBINING SCHEDULE OF CASH FLOWS**  
For Year Ended December 31, 2019  
With Comparative Totals For The Year Ended December 31, 2018

**Statement 46**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from customers	\$437,267	\$459,888
Cash paid to suppliers for goods and services	(490,611)	(271,561)
Cash payments to employees for services	(145,237)	(122,554)
Net cash flows from operating activities	<u>(198,581)</u>	<u>65,773</u>
Cash flows from noncapital financing activities:		
Intergovernmental	-	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	40,987	(52,185)
Intergovernmental revenue	350,253	-
Principal payments - bonds	(73,600)	(73,712)
Interest and fiscal charges	(7,527)	(7,690)
Net cash flows from capital and related financing activities	<u>310,113</u>	<u>(133,587)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	8,001	7,500
Change in fair value	4,100	(2,000)
Net cash flows from investing activities	<u>12,101</u>	<u>5,500</u>
Net increase (decrease) in cash and cash equivalents	123,633	(62,314)
Cash and cash equivalents - January 1	<u>383,668</u>	<u>445,982</u>
Cash and cash equivalents - December 31	<u><u>\$507,301</u></u>	<u><u>\$383,668</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>(\$322,348)</u>	<u>(\$45,899)</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	116,472	113,818
Miscellaneous revenue	352	466
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	(9,855)	1,315
(Increase) decrease in due from other governmental units	(33,745)	-
Increase (decrease) in accounts payable	30,681	(3,112)
Increase (decrease) in accrued salaries and withholdings payable	811	(815)
Increase (decrease) compensated absences payable	19,051	-
Total adjustments	<u>123,767</u>	<u>111,672</u>
Net cash flows from operating activities	<u><u>(\$198,581)</u></u>	<u><u>\$65,773</u></u>

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**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
LIQUOR FUND  
SUBCOMBINING SCHEDULE OF NET POSITION  
December 31, 2019  
With Comparative Totals for December 31, 2018

**Statement 47**

	Operating Account	Debt Service Account	Total	
			2019	2018
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$1,472,267	\$303,937	\$1,776,204	\$1,773,013
<b>Receivables:</b>				
Accounts	109	-	109	3,100
Interest	2,100	200	2,300	3,100
Due from other governmental units	3,133	-	3,133	2,348
Inventory - at cost	2,341,164	-	2,341,164	2,168,304
<b>Total current assets</b>	<b>3,818,773</b>	<b>304,137</b>	<b>4,122,910</b>	<b>3,946,765</b>
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Land	2,006,714	-	2,006,714	2,006,714
Construction in progress	9,711	-	9,711	-
Buildings	3,909,062	-	3,909,062	3,915,062
Equipment	431,020	-	431,020	431,020
<b>Total capital assets</b>	<b>6,356,507</b>	<b>0</b>	<b>6,356,507</b>	<b>6,352,796</b>
Less: Accumulated depreciation	(1,839,382)	-	(1,839,382)	(1,705,892)
<b>Net capital assets</b>	<b>4,517,125</b>	<b>0</b>	<b>4,517,125</b>	<b>4,646,904</b>
<b>Total noncurrent assets</b>	<b>4,517,125</b>	<b>0</b>	<b>4,517,125</b>	<b>4,646,904</b>
<b>Total assets</b>	<b>8,335,898</b>	<b>304,137</b>	<b>8,640,035</b>	<b>8,593,669</b>
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	355,742	-	355,742	398,821
Accrued salaries and withholdings payable	50,426	-	50,426	46,558
Due to other governmental units	102,581	-	102,581	97,343
Accrued interest payable	-	26,765	26,765	24,649
Bonds payable - current	-	255,000	255,000	245,000
<b>Total current liabilities</b>	<b>508,749</b>	<b>281,765</b>	<b>790,514</b>	<b>812,371</b>
<b>Noncurrent liabilities:</b>				
Bonds payable - noncurrent	-	2,630,682	2,630,682	2,896,429
<b>Total liabilities</b>	<b>508,749</b>	<b>2,912,447</b>	<b>3,421,196</b>	<b>3,708,800</b>
<b>Net position:</b>				
Net investment in capital assets	4,517,125	(2,885,682)	1,631,443	1,505,475
Restricted for debt service	-	305,902	305,902	302,767
Unrestricted	3,310,024	(28,530)	3,281,494	3,076,627
<b>Total net position</b>	<b>\$7,827,149</b>	<b>(\$2,608,310)</b>	<b>\$5,218,839</b>	<b>\$4,884,869</b>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

LIQUOR FUND

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND

CHANGES IN FUND NET POSITION

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	Operating Accounts		
	Top Valu	Top Valu II	Heights Liquor
Operating revenues:			
Charges for sales:			
Liquor	\$1,678,534	\$1,117,188	\$678,883
Beer	1,723,643	1,388,838	551,637
Wine	596,467	470,677	85,783
Other	254,233	196,897	172,098
Total operating revenues	<u>4,252,877</u>	<u>3,173,600</u>	<u>1,488,401</u>
Operating expenses:			
Cost of goods sold	3,193,558	2,374,660	1,117,803
Operating expense	757,972	610,371	217,225
Depreciation	77,080	60,160	2,249
Total operating expenses	<u>4,028,610</u>	<u>3,045,191</u>	<u>1,337,277</u>
Net income from operations	<u>\$224,267</u>	<u>\$128,409</u>	<u>\$151,124</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 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	
			2019	2018
\$3,474,605	\$ -	\$ -	\$3,474,605	\$3,242,921
3,664,118	-	-	3,664,118	3,601,845
1,152,927	-	-	1,152,927	1,141,536
623,228	-	-	623,228	602,274
<u>8,914,878</u>	<u>0</u>	<u>0</u>	<u>8,914,878</u>	<u>8,588,576</u>
6,686,021	-	-	6,686,021	6,448,223
1,585,568	-	-	1,585,568	1,567,180
139,489	-	-	139,489	140,854
<u>8,411,078</u>	<u>0</u>	<u>0</u>	<u>8,411,078</u>	<u>8,156,257</u>
503,800	0	0	503,800	432,319
17,900	1,900	-	19,800	15,600
10,000	1,000	-	11,000	(3,900)
4,030	-	-	4,030	5,694
-	(59,260)	-	(59,260)	(60,644)
-	-	-	-	(360)
<u>31,930</u>	<u>(56,360)</u>	<u>0</u>	<u>(24,430)</u>	<u>(43,610)</u>
<u>535,730</u>	<u>(56,360)</u>	<u>0</u>	<u>479,370</u>	<u>388,709</u>
-	304,000	(304,000)	-	-
(449,400)	-	304,000	(145,400)	(146,944)
<u>(449,400)</u>	<u>304,000</u>	<u>0</u>	<u>(145,400)</u>	<u>(146,944)</u>
86,330	247,640	0	333,970	241,765
<u>7,740,819</u>	<u>(2,855,950)</u>	<u>0</u>	<u>4,884,869</u>	<u>4,643,104</u>
<u>\$7,827,149</u>	<u>(\$2,608,310)</u>	<u>\$0</u>	<u>\$5,218,839</u>	<u>\$4,884,869</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

LIQUOR FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

**Statement 49**

**Page 1 of 2**

	2019	2018
Cash flows from operating activities:		
Cash received from customers	\$8,917,084	\$8,588,168
Cash paid to suppliers for goods and services	(7,334,657)	(6,637,569)
Cash payments to employees for services	(1,143,765)	(1,130,234)
Net cash flows from operating activities	438,662	820,365
Cash flows from noncapital financing activities		
Transfers out	(145,400)	(146,944)
Intergovernmental	4,030	5,694
Net cash flows from noncapital financing activities	(141,370)	(141,250)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(12,810)	-
Principal payments - bonds	(245,000)	(185,000)
Interest and fiscal charges - including capitalized interest	(67,891)	(77,244)
Net cash flows from capital and related financing activities	(325,701)	(262,244)
Cash flows from investing activities:		
Investment income:		
Interest and dividends	20,600	13,800
Change in fair value	11,000	(3,900)
Net cash flows from investing activities	31,600	9,900
Net increase (decrease) in cash and cash equivalents	3,191	426,771
Cash and cash equivalents - January 1	1,773,013	1,346,242
Cash and cash equivalents - December 31	\$1,776,204	\$1,773,013

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

LIQUOR FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

**Statement 49**

**Page 2 of 2**

	<u>2019</u>	<u>2018</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$503,800</u>	<u>\$432,319</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	139,489	140,854
Miscellaneous expense	-	(360)
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	2,991	-
(Increase) decrease in due from other governmental units	(785)	(408)
(Increase) decrease in inventory, at cost	(172,860)	185,941
Increase (decrease) in accounts payable	(43,079)	58,203
Increase (decrease) in accrued salaries and withholdings payable	3,868	5,868
Increase (decrease) in due to other governmental units	5,238	(2,052)
Total adjustments	<u>(65,138)</u>	<u>388,046</u>
Net cash flows from operating activities	<u><u>\$438,662</u></u>	<u><u>\$820,365</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, 2019

Statement 50

	Service Center	Information Systems	Risk Management	Employee Benefits Fund	Total Internal Service Funds
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$997,840	\$615,271	\$1,248,934	\$1,123,708	\$3,985,753
Due from other governmental units	386	-	-	-	386
Interest receivable	2,000	1,200	2,300	-	5,500
Prepayments	-	15,193	63,417	-	78,610
Inventory - at cost	40,399	750	-	-	41,149
Total current assets	<u>1,040,625</u>	<u>632,414</u>	<u>1,314,651</u>	<u>1,123,708</u>	<u>4,111,398</u>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Land	15,779	-	-	-	15,779
Buildings	1,978,957	-	-	-	1,978,957
Equipment	273,767	302,583	-	-	576,350
Total capital assets	2,268,503	302,583	0	0	2,571,086
Less: accumulated depreciation	(1,262,243)	(268,128)	-	-	(1,530,371)
Net capital assets	<u>1,006,260</u>	<u>34,455</u>	<u>0</u>	<u>0</u>	<u>1,040,715</u>
Total noncurrent assets	<u>1,006,260</u>	<u>34,455</u>	<u>0</u>	<u>0</u>	<u>1,040,715</u>
Total assets	<u>2,046,885</u>	<u>666,869</u>	<u>1,314,651</u>	<u>1,123,708</u>	<u>5,152,113</u>
<b>Deferred outflows of resources:</b>					
Related to pensions and OPEB	-	-	-	3,719,131	3,719,131
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	32,334	21,446	2,000	-	55,780
Accrued salaries and withholdings payable	18,561	13,491	-	-	32,052
Unearned revenue	9,162	-	-	-	9,162
Compensated absences payable - current	-	-	-	110,900	110,900
Total current liabilities	<u>60,057</u>	<u>34,937</u>	<u>2,000</u>	<u>110,900</u>	<u>207,894</u>
<b>Noncurrent liabilities:</b>					
Compensated absences payable - noncurrent	-	-	-	1,012,808	1,012,808
Other postemployment benefits payable	-	-	-	1,420,635	1,420,635
Net pension liability	-	-	-	7,958,096	7,958,096
Total noncurrent liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,391,539</u>	<u>10,391,539</u>
Total liabilities	<u>60,057</u>	<u>34,937</u>	<u>2,000</u>	<u>10,502,439</u>	<u>10,599,433</u>
<b>Deferred inflows of resources:</b>					
Related to pensions and OPEB	-	-	-	6,006,578	6,006,578
<b>Net position:</b>					
Net investments in capital assets	1,006,260	34,455	-	-	1,040,715
Unrestricted	980,568	597,477	1,312,651	(11,666,178)	(8,775,482)
Total net position	<u>\$1,986,828</u>	<u>\$631,932</u>	<u>\$1,312,651</u>	<u>(\$11,666,178)</u>	<u>(\$7,734,767)</u>



**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
For The Year Ended December 31, 2019

**Statement 51**

	<u>Municipal Service Center</u>	<u>Information Systems</u>	<u>Risk Management</u>	<u>Employee Benefits Fund</u>	<u>Total Internal Service Funds</u>
Operating revenues:					
Charges for services:					
Services to departments	\$407,331	\$385,000	\$570,894	\$2,057,546	\$3,420,771
Use of space	351,227	-	-	-	351,227
Recovery of damages	-	-	18,330	-	18,330
Charges for sales:					
Sales of motor fuel	118,400	-	-	-	118,400
Total operating revenues	<u>876,958</u>	<u>385,000</u>	<u>589,224</u>	<u>2,057,546</u>	<u>3,908,728</u>
Operating expenses:					
Cost of services and space	790,067	387,210	581,296	2,083,964	3,842,537
Depreciation	67,517	10,085	-	-	77,602
Total operating expenses	<u>857,584</u>	<u>397,295</u>	<u>581,296</u>	<u>2,083,964</u>	<u>3,920,139</u>
Net income (loss) from operations	<u>19,374</u>	<u>(12,295)</u>	<u>7,928</u>	<u>(26,418)</u>	<u>(11,411)</u>
Nonoperating revenues (expenses):					
Investment income					
Interest and dividends	15,600	9,600	19,600	-	44,800
Change in fair value	8,600	5,300	10,900	-	24,800
Intergovernmental	-	-	-	51,403	51,403
Total nonoperating revenues (expenses)	<u>24,200</u>	<u>14,900</u>	<u>30,500</u>	<u>51,403</u>	<u>121,003</u>
Net income (loss) before transfers	<u>43,574</u>	<u>2,605</u>	<u>38,428</u>	<u>24,985</u>	<u>109,592</u>
Transfers out	-	(24,388)	-	-	(24,388)
Total transfers	<u>0</u>	<u>(24,388)</u>	<u>0</u>	<u>0</u>	<u>(24,388)</u>
Change in net position	43,574	(21,783)	38,428	24,985	85,204
Net position - January 1	<u>1,943,254</u>	<u>653,715</u>	<u>1,274,223</u>	<u>(11,691,163)</u>	<u>(7,819,971)</u>
Net position - December 31	<u>\$1,986,828</u>	<u>\$631,932</u>	<u>\$1,312,651</u>	<u>(\$11,666,178)</u>	<u>(\$7,734,767)</u>

	Municipal Service Center	Information Systems	Risk Management	Employee Benefits Fund	Total Internal Service Funds
<b>Cash flows from operating activities:</b>					
Cash received from interfund goods and services provided	\$876,958	\$385,000	\$570,894	\$2,248,296	\$4,081,148
Cash received for damages	-	-	18,330	-	18,330
Cash paid to suppliers for goods and services	(356,170)	(60,234)	(580,350)	(1,848,642)	(2,845,396)
Cash payments to employees for services	(425,101)	(314,204)	-	(716,574)	(1,455,879)
Net cash flows provided by (used in) operating activities	95,687	10,562	8,874	(316,920)	(201,797)
<b>Cash flows from noncapital financing activities:</b>					
Transfers out	-	(24,388)	-	-	(24,388)
Intergovernmental	-	-	-	51,403	51,403
Increases in other postemployment benefits payable	-	-	-	36,047	36,047
Net cash flows provided by (used in) noncapital financing activities	0	(24,388)	0	87,450	63,062
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	(23,257)	-	-	-	(23,257)
<b>Cash flows from investing activities:</b>					
Investment income:					
Interest and dividends	16,800	10,500	21,100	-	48,400
Change in fair value	8,600	5,300	10,900	-	24,800
Net cash flows provided by (used in) investing activities	25,400	15,800	32,000	0	73,200
Net increase (decrease) in cash and cash equivalents	97,830	1,974	40,874	(229,470)	(88,792)
Cash and cash equivalents - January 1	900,010	613,297	1,208,060	1,353,178	4,074,545
Cash and cash equivalents - December 31	\$997,840	\$615,271	\$1,248,934	\$1,123,708	\$3,985,753
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>					
Operating income (loss)	\$19,374	(\$12,295)	\$7,928	(\$26,418)	(\$11,411)
<b>Adjustments to reconcile operating income (loss) to net cash flows from operating activities:</b>					
Depreciation expense	67,517	10,085	-	-	77,602
Changes in assets and liabilities:					
(Increase) decrease in prepayments	-	(5,228)	(1,054)	-	(6,282)
(Increase) decrease in inventory, at cost	11,393	-	-	-	11,393
(Increase) decrease in due from other governmental units	1,963	-	-	-	1,963
(Increase) decrease in deferred pension outflows	-	(750)	-	2,360,646	2,359,896
Increase (decrease) in accounts payable	(7,024)	17,788	2,000	-	12,764
Increase (decrease) in accrued salaries and withholdings payable	2,198	962	-	-	3,160
Increase (decrease) in deferred revenue	266	-	-	-	266
Increase (decrease) in compensated absences	-	-	-	(229,470)	(229,470)
Increase (decrease) in net pension liability	-	-	-	(101,465)	(101,465)
Increase (decrease) in deferred inflows of resources	-	-	-	(2,320,213)	(2,320,213)
Total adjustments	76,313	22,857	946	(290,502)	(190,386)
Net cash flows provided by (used in) operating activities	\$95,687	\$10,562	\$8,874	(\$316,920)	(\$201,797)

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
MUNICIPAL SERVICE CENTER  
SUBCOMBINING SCHEDULE OF NET POSITION  
December 31, 2019  
With Comparative Totals For December 31, 2018

**Statement 53**

	Central	Capital	Building	Total	
	Garage Operating Account	Equipment Replacement Account	Maintenance Operating Account	2019	2018
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$880,383	\$21,374	\$96,083	\$997,840	\$900,010
Due from other governmental units	386	-	-	386	2,349
Interest receivable	1,700	100	200	2,000	3,200
Inventory - at cost	40,399	-	-	40,399	51,792
Total current assets	<u>922,868</u>	<u>21,474</u>	<u>96,283</u>	<u>1,040,625</u>	<u>957,351</u>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Land	15,779	-	-	15,779	15,779
Construction in progress	-	-	-	-	31,677
Buildings	1,978,957	-	-	1,978,957	1,978,957
Equipment	273,767	-	-	273,767	218,834
Total capital assets	<u>2,268,503</u>	<u>0</u>	<u>0</u>	<u>2,268,503</u>	<u>2,245,247</u>
Less: Accumulated depreciation	<u>(1,262,243)</u>	<u>-</u>	<u>-</u>	<u>(1,262,243)</u>	<u>(1,194,727)</u>
Net capital assets	<u>1,006,260</u>	<u>0</u>	<u>0</u>	<u>1,006,260</u>	<u>1,050,520</u>
Total noncurrent assets	<u>1,006,260</u>	<u>0</u>	<u>0</u>	<u>1,006,260</u>	<u>1,050,520</u>
Total assets	<u>1,929,128</u>	<u>21,474</u>	<u>96,283</u>	<u>2,046,885</u>	<u>2,007,871</u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	25,031	-	7,303	32,334	39,358
Accrued salaries and withholdings payable	10,031	-	8,530	18,561	16,363
Unearned revenue	9,162	-	-	9,162	8,896
Total current liabilities	<u>44,224</u>	<u>0</u>	<u>15,833</u>	<u>60,057</u>	<u>64,617</u>
<b>Net position:</b>					
Net investments in capital assets	1,006,260	-	-	1,006,260	1,050,520
Unrestricted	878,644	21,474	80,450	980,568	892,734
Total net position	<u>\$1,884,904</u>	<u>\$21,474</u>	<u>\$80,450</u>	<u>\$1,986,828</u>	<u>\$1,943,254</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

MUNICIPAL SERVICE CENTER

**Statement 54**

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

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	Central Garage Operating Account	Capital Equipment Replacement Account	Building Maintenance Operating Account	Intrafund Eliminations	Total	
					2019	2018
Operating revenues:						
Charges for services:						
Services to departments	\$180,331	\$ -	\$227,000	\$ -	\$407,331	\$374,334
Use of space	351,227	-	-	-	351,227	332,351
Charges for sales:						
Sales of motor fuel	118,400	-	-	-	118,400	127,679
Total operating revenues	<u>649,958</u>	<u>0</u>	<u>227,000</u>	<u>0</u>	<u>876,958</u>	<u>834,364</u>
Operating expenses:						
Cost of services and space	587,923	-	202,144	-	790,067	749,810
Depreciation	67,517	-	-	-	67,517	65,888
Total operating expenses	<u>655,440</u>	<u>0</u>	<u>202,144</u>	<u>0</u>	<u>857,584</u>	<u>815,698</u>
Net income (loss) from operations	<u>(5,482)</u>	<u>-</u>	<u>24,856</u>	<u>-</u>	<u>19,374</u>	<u>18,666</u>
Nonoperating revenues:						
Investment income:						
Interest and dividends	13,900	400	1,300	-	15,600	15,600
Change in fair value	7,700	200	700	-	8,600	(3,900)
Sale of capital assets	-	-	-	-	-	2,000
Total nonoperating revenues	<u>21,600</u>	<u>600</u>	<u>2,000</u>	<u>0</u>	<u>24,200</u>	<u>13,700</u>
Net income (loss) before transfers	<u>16,118</u>	<u>600</u>	<u>26,856</u>	<u>0</u>	<u>43,574</u>	<u>32,366</u>
Transfers in	17,384	4,000	-	(21,384)	-	4,300
Transfers out	(4,000)	(17,384)	-	21,384	-	(88,917)
Total transfers	<u>13,384</u>	<u>(13,384)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(84,617)</u>
Change in net position	29,502	(12,784)	26,856	-	43,574	(52,251)
Net position - January 1	<u>1,855,402</u>	<u>34,258</u>	<u>53,594</u>	<u>0</u>	<u>1,943,254</u>	<u>1,995,505</u>
Net position - December 31	<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>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

MUNICIPAL SERVICE CENTER

**Statement 55**

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	2019	2018
Cash flows from operating activities:		
Cash received from interfund goods & services provided	\$876,958	\$834,364
Cash paid to suppliers for goods and services	(356,170)	(330,369)
Cash payments to employees for services	(425,101)	(407,120)
Net cash flows from operating activities	<u>95,687</u>	<u>96,875</u>
Cash flows from noncapital financing activities:		
Transfers in	-	4,300
Transfers out	-	(88,917)
Net cash flows from noncapital financing activities:	<u>-</u>	<u>(84,617)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(23,257)	(37,877)
Proceeds from the sale of assets	-	2,000
Net cash flows from capital and related financing activities	<u>(23,257)</u>	<u>(35,877)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	16,800	14,600
Change in fair value	8,600	(3,900)
Net cash flows from investing activities	<u>25,400</u>	<u>10,700</u>
Net increase (decrease) in cash and cash equivalents	97,830	(12,919)
Cash and cash equivalents - January 1	900,010	912,929
Cash and cash equivalents - December 31	<u>\$997,840</u>	<u>\$900,010</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income (loss)	<u>\$19,374</u>	<u>\$18,666</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	67,517	65,888
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in inventory, at cost	11,393	(5,785)
(Increase) decrease in due from other governmental units	1,963	(2,349)
Increase (decrease) in accounts payable	(7,024)	18,419
Increase (decrease) in accrued salaries and withholdings payable	2,198	1,777
Increase (decrease) in unearned revenue	266	259
Total adjustments	<u>76,313</u>	<u>78,209</u>
Net cash flows from operating activities	<u>\$95,687</u>	<u>\$96,875</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
**INFORMATION SYSTEMS FUND**  
**SUBCOMBINING SCHEDULE OF NET POSITION**  
**December 31, 2019**  
**With Comparative Totals For December 31, 2018**

**Statement 56**

	Operating Account	Capital Equipment Replacement Account	Total	
			2019	2018
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$280,503	\$334,768	\$615,271	\$613,297
Interest receivable	500	700	1,200	2,100
Prepayments	15,193	-	15,193	9,965
Inventory - at cost	750	-	750	-
Total current assets	<u>296,946</u>	<u>335,468</u>	<u>632,414</u>	<u>625,362</u>
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Equipment	302,583	-	302,583	302,583
Less: accumulated depreciation	(268,128)	-	(268,128)	(258,043)
Net capital assets	<u>34,455</u>	<u>0</u>	<u>34,455</u>	<u>44,540</u>
Total noncurrent assets	<u>34,455</u>	<u>0</u>	<u>34,455</u>	<u>44,540</u>
Total assets	<u>331,401</u>	<u>335,468</u>	<u>666,869</u>	<u>669,902</u>
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	21,446	-	21,446	3,658
Accrued salaries and withholdings payable	13,491	-	13,491	12,529
Total current liabilities	<u>34,937</u>	<u>0</u>	<u>34,937</u>	<u>16,187</u>
<b>Net position:</b>				
Net investments in capital assets	34,455	-	34,455	44,540
Unrestricted	<u>262,009</u>	<u>335,468</u>	<u>597,477</u>	<u>609,175</u>
Total net position	<u>\$296,464</u>	<u>\$335,468</u>	<u>\$631,932</u>	<u>\$653,715</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

INFORMATION SYSTEMS FUND

**Statement 57**

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND

CHANGES IN FUND NET POSITION

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	Operating Account	Capital Equipment Replacement Account	Total	
			2019	2018
Operating revenues:				
Charges for services	\$385,000	\$ -	\$385,000	\$336,613
Total operating revenues	<u>385,000</u>	<u>0</u>	<u>385,000</u>	<u>336,613</u>
Operating expenses:				
Cost of services	364,443	22,767	387,210	376,998
Depreciation	10,085	-	10,085	14,261
Total operating expenses	<u>374,528</u>	<u>22,767</u>	<u>397,295</u>	<u>391,259</u>
Net income (loss) from operations	<u>10,472</u>	<u>(22,767)</u>	<u>(12,295)</u>	<u>(54,646)</u>
Nonoperating revenues:				
Investment income				
Interest and dividends	4,100	5,500	9,600	10,500
Change in fair value	2,300	3,000	5,300	(2,600)
Sale of capital assets	-	-	-	-
Total nonoperating revenues	<u>6,400</u>	<u>8,500</u>	<u>14,900</u>	<u>7,900</u>
Net income (loss) before transfers	<u>16,872</u>	<u>(14,267)</u>	<u>2,605</u>	<u>(46,746)</u>
Transfers out	-	(24,388)	(24,388)	-
Total transfers	<u>0</u>	<u>(24,388)</u>	<u>(24,388)</u>	<u>0</u>
Change in net position	16,872	(38,655)	(21,783)	(46,746)
Net position - January 1	<u>279,592</u>	<u>374,123</u>	<u>653,715</u>	<u>700,461</u>
Net position - December 31	<u>\$296,464</u>	<u>\$335,468</u>	<u>\$631,932</u>	<u>\$653,715</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

INFORMATION SYSTEMS FUND

**Statement 58**

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	2019	2018
Cash flows from operating activities:		
Cash received from interfund goods & services provided	\$385,000	\$336,613
Cash paid to suppliers for goods and services	(60,234)	(63,318)
Cash payments to employees for services	(314,204)	(310,355)
Net cash flows from operating activities	<u>10,562</u>	<u>(37,060)</u>
Cash flows from noncapital financing activities:		
Transfers out	<u>(24,388)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>-</u>	<u>(50,423)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	10,500	10,200
Change in fair value	5,300	(2,600)
Net cash flows from investing activities	<u>15,800</u>	<u>7,600</u>
Net increase (decrease) in cash and cash equivalents	1,974	(79,883)
Cash and cash equivalents - January 1	<u>613,297</u>	<u>693,180</u>
Cash and cash equivalents - December 31	<u><u>\$615,271</u></u>	<u><u>\$613,297</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>(\$12,295)</u>	<u>(\$54,646)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	10,085	14,261
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in prepayments	(5,228)	972
(Increase) decrease in deferred pension outflows	(750)	-
Increase (decrease) in accounts payable	17,788	415
Increase (decrease) in accrued salaries and withholdings payable	962	1,938
Total adjustments	<u>22,857</u>	<u>17,586</u>
Net cash flows from operating activities	<u><u>\$10,562</u></u>	<u><u>(\$37,060)</u></u>



**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
**RISK MANAGEMENT FUND**  
**SUBCOMBINING SCHEDULE OF NET POSITION**  
**December 31, 2019**  
**With Comparative Totals For December 31, 2018**

**Statement 59**

	<u>2019</u>	<u>2018</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$1,248,934	\$1,208,060
Interest receivable	2,300	3,800
Prepayments	63,417	62,363
Total assets	<u>1,314,651</u>	<u>1,274,223</u>
Liabilities:		
Current liabilities:		
Accounts payable	2,000	-
Total current liabilities	<u>2,000</u>	<u>-</u>
Net position:		
Unrestricted	<u>1,312,651</u>	<u>1,274,223</u>
Total net position	<u><u>\$1,312,651</u></u>	<u><u>\$1,274,223</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

## RISK MANAGEMENT FUND

Statement 60

## SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND

## CHANGES IN FUND NET POSITION

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Insurance allocation	\$570,894	\$674,547
Recovery of damages	18,330	37,091
Total operating revenues	<u>589,224</u>	<u>711,638</u>
Operating expenses:		
Cost of services:		
Premiums	554,423	656,810
Claims	26,873	29,432
Total operating expenses	<u>581,296</u>	<u>686,242</u>
Net income (loss) from operations	<u>7,928</u>	<u>25,396</u>
Nonoperating revenues:		
Investment income		
Interest and dividends	19,600	18,900
Change in fair value	10,900	(4,700)
Total nonoperating revenues	<u>30,500</u>	<u>14,200</u>
Net income before transfers	38,428	39,596
Transfers out	<u>-</u>	<u>(4,300)</u>
Change in net position	38,428	35,296
Net position - January 1	<u>1,274,223</u>	<u>1,238,927</u>
Net position - December 31	<u><u>\$1,312,651</u></u>	<u><u>\$1,274,223</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

RISK MANAGEMENT FUND

**Statement 61**

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from interfund services provided	\$570,894	\$674,547
Cash received for damages	18,330	37,091
Cash paid to suppliers for goods and services	<u>(580,350)</u>	<u>(680,269)</u>
Net cash flows from operating activities	<u>8,874</u>	<u>31,369</u>
Cash flows from noncapital financing activities:		
Transfers out	<u>-</u>	<u>(4,300)</u>
Cash flows from investing activities:		
Investment income:		
Interest and dividends	21,100	18,200
Change in fair value	<u>10,900</u>	<u>(4,700)</u>
Net cash flows from investing activities	<u>32,000</u>	<u>13,500</u>
Net increase in cash and cash equivalents	40,874	40,569
Cash and cash equivalents - January 1	<u>1,208,060</u>	<u>1,167,491</u>
Cash and cash equivalents - December 31	<u><u>\$1,248,934</u></u>	<u><u>\$1,208,060</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>\$7,928</u>	<u>\$25,396</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in prepayments	(1,054)	5,973
Increase (decrease) in accounts payable	<u>2,000</u>	<u>-</u>
Total adjustments	<u>946</u>	<u>5,973</u>
Net cash flows from operating activities	<u><u>\$8,874</u></u>	<u><u>\$31,369</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
**EMPLOYEE BENEFITS FUND**  
**SUBCOMBINING SCHEDULE OF NET POSITION**  
**December 31, 2019**  
**With Comparative Totals For December 31, 2018**

**Statement 62**

	Compensated Absences Account	Pension Account	Other Post Emp Benefits Account	Total	
				2019	2018
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$1,123,708	\$ -	\$ -	\$1,123,708	\$1,353,178
<b>Total assets</b>	<b>1,123,708</b>	<b>0</b>	<b>0</b>	<b>1,123,708</b>	<b>1,353,178</b>
<b>Deferred outflows of resources:</b>					
Related to pensions and OPEB	-	3,559,714	159,417	3,719,131	5,920,360
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Compensated absences payable - current	110,900	-	-	110,900	209,900
<b>Total current liabilities</b>	<b>110,900</b>	<b>0</b>	<b>0</b>	<b>110,900</b>	<b>209,900</b>
<b>Noncurrent liabilities:</b>					
Compensated absences payable - noncurrent	1,012,808	-	-	1,012,808	1,143,278
Other postemployment benefits payable	-	-	1,420,635	1,420,635	1,252,872
Related to pensions	-	7,958,096	-	7,958,096	8,059,561
<b>Total noncurrent liabilities</b>	<b>1,012,808</b>	<b>7,958,096</b>	<b>1,420,635</b>	<b>10,391,539</b>	<b>10,455,711</b>
<b>Total liabilities</b>	<b>1,123,708</b>	<b>7,958,096</b>	<b>1,420,635</b>	<b>10,502,439</b>	<b>10,665,611</b>
<b>Deferred inflows of resources:</b>					
Related to pensions and OPEB	-	5,904,848	101,730	6,006,578	8,299,090
<b>Net position:</b>					
Unrestricted	-	(10,303,230)	(1,362,948)	(11,666,178)	(11,691,163)
<b>Total net position</b>	<b>\$0</b>	<b>(\$10,303,230)</b>	<b>(\$1,362,948)</b>	<b>(\$11,666,178)</b>	<b>(\$11,691,163)</b>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

EMPLOYEE BENEFITS FUND

**Statement 63**

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

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

	Compensated Absences Account	Pension Account	Other Post Emp Benefits Account	Total	
				2019	2018
Operating revenues:					
Charges for services	\$487,104	\$1,001,720	\$50,240	\$1,539,064	\$1,006,344
Operating expenses:					
Cost of services	487,104	992,091	86,287	1,565,482	860,176
Net income (loss) from operations	0	9,629	(36,047)	(26,418)	146,168
Nonoperating revenues:					
Intergovernmental	-	51,403	-	51,403	64,186
Change in net position	0	61,032	(36,047)	24,985	210,354
Net position - January 1	-	(10,364,262)	(1,326,901)	(11,691,163)	(11,901,517)
Net position - December 31	\$0	(\$10,303,230)	(\$1,362,948)	(\$11,666,178)	(\$11,691,163)

CITY OF COLUMBIA HEIGHTS, MINNESOTA

EMPLOYEE BENEFITS FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2019

With Comparative Totals For The Year Ended December 31, 2018

Statement 64

	Compensated	Pension	Other Post	Total	
	Absences Account	Account	Emp Benefits Account	2019	2018
Cash flows from operating activities:					
Cash received from interfund services provided	\$487,104	\$1,710,952	\$50,240	\$2,248,296	\$1,814,326
Cash paid to suppliers for goods and services	-	(1,762,355)	(86,287)	(1,848,642)	(1,908,522)
Cash payments to employees for services	(716,574)	-	-	(716,574)	55,798
Net cash flows from operating activities	<u>(229,470)</u>	<u>(51,403)</u>	<u>(36,047)</u>	<u>(316,920)</u>	<u>(38,398)</u>
Cash flows from noncapital financing activities:					
Intergovernmental	-	51,403	-	51,403	64,186
Increases in other postemployment benefits payable	-	-	36,047	36,047	30,010
Net cash flows from noncapital financing activities:	<u>0</u>	<u>51,403</u>	<u>36,047</u>	<u>87,450</u>	<u>149,994</u>
Net increase (decrease) in cash and cash equivalents	(229,470)	-	-	(229,470)	55,798
Cash and cash equivalents - January 1	<u>1,353,178</u>	<u>-</u>	<u>-</u>	<u>1,353,178</u>	<u>1,297,380</u>
Cash and cash equivalents - December 31	<u>\$1,123,708</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,123,708</u>	<u>\$1,353,178</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ -	\$9,629	(\$36,047)	(\$26,418)	\$146,168
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
(Increase) decrease in deferred pension outflows	-	2,360,646	-	2,360,646	1,346,523
Increase (decrease) in compensated absences	(229,470)	-	-	(229,470)	55,798
Increase (decrease) in net pension liability	-	(101,465)	-	(101,465)	(1,575,487)
Increase (decrease) in deferred pension inflows	-	(2,320,213)	-	(2,320,213)	(11,400)
Total adjustments	<u>(229,470)</u>	<u>(61,032)</u>	<u>0</u>	<u>(290,502)</u>	<u>(184,566)</u>
Net cash flows from operating activities	<u>(\$229,470)</u>	<u>(\$51,403)</u>	<u>(\$36,047)</u>	<u>(\$316,920)</u>	<u>(\$38,398)</u>

### 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)

	2010	2011	2012	2013
<b>Governmental activities:</b>				
Invested in capital assets, net of related debt	\$26,279,178	\$28,095,261	\$27,666,461	\$27,358,490
Restricted	2,034,030	3,213,455	2,624,466	2,025,652
Unrestricted	23,142,534	21,119,179	21,241,595	22,222,578
Total governmental activities net position	<u>\$51,455,742</u>	<u>\$52,427,895</u>	<u>\$51,532,522</u>	<u>\$51,606,720</u>
<b>Business-type activities:</b>				
Invested in capital assets, net of related debt	\$8,044,184	\$9,331,167	\$9,819,666	\$10,365,407
Restricted	438,275	381,465	161,503	643,320
Unrestricted	6,725,383	5,918,147	6,680,609	6,690,111
Total business-type activities net position	<u>\$15,207,842</u>	<u>\$15,630,779</u>	<u>\$16,661,778</u>	<u>\$17,698,838</u>
<b>Primary government:</b>				
Invested in capital assets, net of related debt	\$34,323,362	\$37,426,428	\$37,486,127	\$37,723,897
Restricted	2,472,305	3,594,920	2,785,969	2,668,972
Unrestricted	29,867,917	27,037,326	27,922,204	28,912,689
Total primary government net position	<u>\$66,663,584</u>	<u>\$68,058,674</u>	<u>\$68,194,300</u>	<u>\$69,305,558</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

2014	2015	2016	2017	2018	2019
\$26,049,057	\$27,168,555	\$29,429,299	\$30,852,838	\$28,080,462	\$29,402,901
3,752,839	4,710,968	5,175,865	3,145,032	5,032,456	2,745,259
23,157,208	15,717,275	13,983,621	15,789,925	16,318,914	19,319,906
<u>\$52,959,104</u>	<u>\$47,596,798</u>	<u>\$48,588,785</u>	<u>\$49,787,795</u>	<u>\$49,431,832</u>	<u>\$51,468,066</u>
\$10,729,457	\$11,928,401	\$11,965,156	\$11,831,468	\$11,675,036	\$11,498,655
543,822	533,756	571,852	498,838	559,390	517,262
7,269,897	6,098,230	6,533,748	7,111,765	8,093,363	9,734,133
<u>\$18,543,176</u>	<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>
\$36,778,514	\$39,096,956	\$41,394,455	\$42,684,306	\$39,755,498	\$40,901,556
\$4,296,661	\$5,244,724	\$5,747,717	3,643,870	5,591,846	3,262,521
\$30,427,105	\$21,815,505	\$20,517,369	22,901,690	24,412,277	29,054,039
<u>\$71,502,280</u>	<u>\$66,157,185</u>	<u>\$67,659,541</u>	<u>\$69,229,866</u>	<u>\$69,759,621</u>	<u>\$73,218,116</u>

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

	2010	2011	2012	2013
<b>Expenses</b>				
Governmental activities:				
General government	\$2,013,750	\$2,039,680	\$1,977,594	\$1,976,207
Public safety	5,473,224	5,549,678	5,708,009	5,683,769
Public works	2,777,966	2,654,047	3,200,572	2,843,102
Culture and recreation	2,479,519	2,576,409	2,500,719	2,553,760
Community development	2,295,574	1,630,350	2,157,966	2,010,040
Interest on long-term debt	959,320	909,858	845,879	808,933
Total governmental activities expenses	<u>15,999,353</u>	<u>15,360,022</u>	<u>16,390,739</u>	<u>15,875,811</u>
Business-type activities:				
Water	2,000,101	2,370,076	2,311,858	2,371,414
Sewer	1,478,518	1,710,381	1,464,269	1,538,970
Refuse	1,426,486	1,561,659	1,601,648	1,628,966
Storm sewer	272,355	298,577	329,998	307,876
Liquor	7,910,951	8,155,888	8,371,610	8,341,309
Total business-type activities expenses	<u>13,088,411</u>	<u>14,096,581</u>	<u>14,079,383</u>	<u>14,188,535</u>
Total primary government expenses	<u>\$29,087,764</u>	<u>\$29,456,603</u>	<u>\$30,470,122</u>	<u>\$30,064,346</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$192,005	\$189,641	\$204,391	\$385,728
Public safety	715,205	697,656	736,927	706,168
Public works	44,211	48,303	139,305	39,141
Culture and recreation	269,825	159,829	137,978	163,931
Community development	1,114,848	962,276	961,420	976,030
Operating grants and contributions:				
General government	-	-	-	-
Public safety	559,482	563,914	556,387	511,527
Public works	166,468	176,578	189,039	233,748
Culture and recreation	93,474	76,864	57,337	56,069
Community development	241,919	112,895	23,010	-
Capital grants and contributions:				
General government	194,842	38,399	-	-
Public safety	16,026	11,303	-	-
Public works	2,848,179	1,314,547	797,921	855,227
Culture and recreation	15,724	-	-	-
Community development	541,826	175,467	204,349	1,026,706
Total governmental activities program revenues	<u>7,014,034</u>	<u>4,527,672</u>	<u>4,008,064</u>	<u>4,954,275</u>

Table 2  
Page 1 of 2

2014	2015	2016	2017	2018	2019
\$2,104,025	\$2,128,964	\$2,239,601	\$2,087,930	\$2,252,456	\$2,237,467
5,801,747	6,265,485	7,891,721	6,927,308	6,584,189	6,875,101
3,052,844	3,529,547	3,653,777	3,452,239	4,841,290	3,404,984
2,565,755	2,926,004	2,982,919	3,057,306	3,821,503	3,699,635
1,943,576	1,555,640	877,622	1,147,550	1,398,103	1,002,298
761,967	948,493	958,465	973,688	688,884	535,798
<u>16,229,914</u>	<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>
2,336,475	2,367,954	2,535,133	3,090,927	2,748,803	2,678,905
1,789,260	1,621,506	1,770,538	1,977,662	1,820,151	1,994,854
1,695,997	1,753,406	1,860,602	2,037,098	1,944,325	1,883,849
315,809	541,926	490,608	380,844	511,836	812,304
8,148,788	8,125,188	8,274,354	8,098,980	8,227,772	8,491,315
<u>14,286,329</u>	<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>\$30,516,243</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>
\$194,201	\$206,531	\$289,304	\$262,466	\$264,782	\$239,208
752,694	703,489	670,144	712,314	766,450	957,982
89,392	51,991	273,698	504,412	154,219	164,769
234,494	227,224	240,331	255,498	289,066	254,286
987,722	1,001,740	1,059,585	1,045,924	373,610	704,987
-	-	-	1,993	37,636	11,133
404,486	485,439	499,319	619,900	516,775	515,846
557,112	1,314,378	1,119,332	518,923	881,029	323,994
31,521	18,422	18,134	56,844	20,830	34,236
-	96,274	-	-	2,455	-
-	-	-	-	-	-
-	15,350	145,849	4,237	-	-
183,706	811,654	929,746	1,693,222	1,059,322	321,087
-	252,260	694,619	369,771	-	-
422,773	364,791	100,000	1,500	-	-
<u>3,858,101</u>	<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>

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

	2010	2011	2012	2013
<b>Business-type activities:</b>				
Charges for services:				
Water	\$2,503,506	\$2,530,803	\$2,777,383	\$3,020,174
Sewer	1,594,322	1,523,852	1,581,516	1,618,786
Refuse	1,542,312	1,682,178	1,761,860	1,826,226
Storm sewer	345,086	350,618	353,343	368,925
Liquor	8,158,259	8,494,962	8,804,233	8,747,084
Operating grants and contributions:				
Water	-	-	-	1,971
Sewer	-	-	-	-
Refuse	36,653	66,163	62,471	68,565
Storm sewer	-	-	-	14,335
Liquor	-	-	-	-
Capital grants and contributions:				
Sewer	-	-	-	-
Refuse	-	-	50,000	-
Storm sewer	-	-	-	-
Total business-type activities program revenues	<u>14,180,138</u>	<u>14,648,576</u>	<u>15,390,806</u>	<u>15,666,066</u>
Total primary government program revenues	<u>\$21,194,172</u>	<u>\$19,176,248</u>	<u>\$19,398,870</u>	<u>\$20,620,341</u>
<b>Net (expense) revenue:</b>				
Governmental activities	(\$8,985,319)	(\$10,832,350)	(\$12,382,675)	(\$10,921,536)
Business-type activities	1,091,727	551,995	1,311,423	1,477,531
Total primary government net (expense) revenue	<u>(7,893,592)</u>	<u>(10,280,355)</u>	<u>(11,071,252)</u>	<u>(9,444,005)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes:				
Property taxes	8,825,502	9,069,092	9,363,598	9,827,378
Tax increment collections	812,965	558,861	553,050	532,524
Unrestricted grants and contributions	1,176,934	1,278,195	1,003,552	1,000,513
Investment earnings	487,612	598,880	295,950	(664,694)
Miscellaneous	-	34,485	7,338	11,842
Transfers	92,044	264,990	263,814	288,171
Total governmental activities	<u>11,395,057</u>	<u>11,804,503</u>	<u>11,487,302</u>	<u>10,995,734</u>
Business-type activities:				
Investment earnings	86,110	135,932	63,321	(152,300)
Transfers	(92,044)	(264,990)	(263,814)	(288,171)
Total business-type activities	<u>(5,934)</u>	<u>(129,058)</u>	<u>(200,493)</u>	<u>(440,471)</u>
Total primary government	<u>\$11,389,123</u>	<u>\$11,675,445</u>	<u>\$11,286,809</u>	<u>\$10,555,263</u>
<b>Change in net position:</b>				
Governmental activities	\$2,409,738	\$972,153	(\$895,373)	\$74,198
Business-type activities	1,085,793	422,937	1,110,930	1,037,060
Total primary government	<u>\$3,495,531</u>	<u>\$1,395,090</u>	<u>\$215,557</u>	<u>\$1,111,258</u>

2014	2015	2016	2017	2018	2019
\$2,805,072	\$2,730,516	\$2,961,086	\$3,140,940	\$3,325,053	\$3,431,811
1,627,078	1,699,397	1,836,908	1,925,057	2,026,695	2,074,560
1,887,038	1,896,230	1,867,504	1,914,728	1,986,709	2,068,509
366,384	375,663	399,604	455,544	458,573	480,867
8,415,371	8,399,943	8,468,098	8,422,452	8,588,576	8,914,878
-	-	-	-	-	-
-	-	-	-	-	-
91,421	96,518	99,454	103,517	112,679	102,190
-	-	-	-	-	-
-	-	-	3,987	5,694	4,030
-	-	70,645	-	-	160,288
-	-	-	-	-	-
47,369	747,334	-	-	-	350,253
15,239,733	15,945,601	15,703,299	15,966,225	16,503,979	17,587,386
\$19,097,834	\$21,495,144	\$21,743,360	\$22,013,229	\$20,870,153	\$21,114,914
(\$12,371,813)	(\$11,804,590)	(\$12,564,044)	(\$11,599,017)	(\$15,220,251)	(\$14,227,755)
953,404	1,535,621	772,064	380,714	1,251,092	1,726,159
(11,418,409)	(10,268,969)	(11,791,980)	(11,218,303)	(13,969,159)	(12,501,596)
10,310,867	10,512,483	10,752,430	11,029,020	11,673,168	12,325,204
463,837	491,639	556,880	604,510	732,192	977,598
1,496,804	1,682,480	1,588,094	1,547,164	1,676,553	1,684,119
1,091,263	342,384	232,036	318,554	354,373	829,368
-	(679,895)	9,226	574,800	5,528	25,500
361,426	369,099	422,365	(231,537)	422,474	422,200
13,724,197	12,718,190	13,561,031	13,842,511	14,864,288	16,263,989
252,360	62,521	40,670	44,453	57,100	118,302
(361,426)	(369,099)	(422,365)	231,537	(422,474)	(422,200)
(109,066)	(306,578)	(381,695)	275,990	(365,374)	(303,898)
\$13,615,131	\$12,411,612	\$13,179,336	\$14,118,501	\$14,498,914	\$15,960,091
\$1,352,384	\$913,600	\$996,987	\$2,243,494	(\$355,963)	\$2,036,234
844,338	1,229,043	390,369	656,704	885,718	1,422,261
\$2,196,722	\$2,142,643	\$1,387,356	\$2,900,198	\$529,755	\$3,458,495

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund:				
Reserved	\$77,204	\$ -	\$ -	\$ -
Unreserved	5,265,035	-	-	-
Nonspendable	-	80,767	87,341	92,638
Restricted	-	-	-	-
Committed	-	132,595	74,594	50,237
Assigned	-	-	-	-
Unassigned	-	5,655,693	5,914,974	6,254,402
Total general fund	<u>\$5,342,239</u>	<u>\$5,869,055</u>	<u>\$6,076,909</u>	<u>\$6,397,277</u>
All other governmental funds:				
Reserved	\$1,550,071	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	3,190,618	-	-	-
Debt service funds	3,713,774	-	-	-
Capital projects funds	11,642,407	-	-	-
Nonspendable	-	2,353,164	2,763,852	1,750,114
Restricted	-	3,440,649	4,186,081	3,879,706
Committed	-	12,774,440	10,988,368	12,229,481
Assigned	-	-	-	-
Unassigned	-	(1,041)	(2,782)	(39,344)
Total all other governmental funds	<u>\$20,096,870</u>	<u>\$18,567,212</u>	<u>\$17,935,519</u>	<u>\$17,819,957</u>



Table 3

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
94,892	94,848	109,841	105,975	136,962	137,545
-	-	-	-	-	-
30,548	-	-	-	-	-
-	44,000	105,000	1,604,438	61,477	52,471
7,248,380	6,873,054	7,318,303	5,991,395	6,641,233	7,685,738
<u>\$7,373,820</u>	<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,522,537	2,724	2,852	2,689	11,938	2,587
4,368,851	9,821,307	6,582,938	4,347,012	6,221,392	4,350,015
13,593,609	12,902,165	12,417,310	15,778,762	16,780,634	18,019,074
-	-	-	70,000	-	-
(75,389)	(92,040)	(209,781)	(203,498)	(177,101)	(143,922)
<u>\$19,409,608</u>	<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>

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

	2010	2011	2012	2013
<b>Revenues:</b>				
Taxes	\$9,631,635	\$9,683,433	\$9,948,228	\$10,416,523
Special assessments	1,020,334	729,327	775,714	667,719
Licenses and permits	479,148	378,357	396,226	412,208
Intergovernmental	4,936,443	2,820,419	2,314,195	2,719,400
Charges for services	1,650,772	1,652,655	1,663,782	1,710,767
Fines and forfeitures	188,693	170,089	161,882	148,023
Investment earnings	469,312	562,180	275,750	(611,794)
Other revenues	273,446	70,173	63,674	104,577
<b>Total revenues</b>	<b>18,649,783</b>	<b>16,066,633</b>	<b>15,599,451</b>	<b>15,567,423</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,926,982	1,880,257	1,813,433	1,791,379
Public safety	4,968,433	5,037,548	5,250,881	5,171,322
Public works	1,731,700	1,509,527	2,011,507	1,644,075
Culture and recreation	2,194,853	2,306,693	2,184,214	2,233,446
Community development	1,351,368	1,321,431	1,434,329	1,205,273
<b>Capital outlay:</b>				
General government	-	144,029	209,176	13,868
Public safety	237,272	95,281	158,448	70,960
Public works	2,925,174	1,882,787	557,820	896,223
Culture and recreation	194,380	140,867	18,107	39,768
Community development	1,202,998	40,549	636,294	566,901
<b>Debt service:</b>				
Principal retirement	765,736	1,659,022	972,000	1,559,730
Interest and fiscal charges	981,281	935,405	861,139	833,890
Issuance costs	-	-	-	-
Developer incentives	141,005	181,638	116,072	163,972
<b>Total expenditures</b>	<b>18,621,182</b>	<b>17,135,034</b>	<b>16,223,420</b>	<b>16,190,807</b>
<b>Revenues over (under) expenditures</b>	<b>28,601</b>	<b>(1,068,401)</b>	<b>(623,969)</b>	<b>(623,384)</b>

**Table 4**  
**Page 1 of 2**

2014	2015	2016	2017	2018	2019
\$10,774,987	\$11,022,424	\$11,313,376	\$11,653,834	\$12,397,958	\$13,243,758
458,670	1,116,734	1,048,926	545,629	640,997	439,609
415,032	626,547	672,000	638,176	469,517	644,829
2,766,383	4,079,184	3,989,308	4,192,273	3,466,510	2,727,327
1,702,900	1,440,361	1,429,050	1,875,088	1,100,448	1,370,098
140,571	124,067	104,645	108,768	112,553	126,103
1,011,063	318,284	215,336	290,454	320,573	759,768
73,815	189,073	463,354	116,643	165,609	445,752
<u>17,343,421</u>	<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>
1,939,689	1,950,062	2,107,655	2,012,379	2,200,506	2,167,890
5,270,798	5,595,115	5,570,221	5,914,460	6,213,179	6,402,812
1,916,874	2,220,057	2,227,108	2,216,178	3,395,095	2,248,270
2,247,452	2,581,993	2,605,616	2,700,291	2,867,725	2,869,593
1,544,419	1,136,220	685,180	803,035	838,417	671,671
21,642	-	-	28,000	-	80,600
103,707	608,932	182,696	230,144	222,395	801,837
79,225	1,727,488	1,275,862	2,365,538	404,086	245,736
100,248	4,173,606	6,284,441	575,894	659,776	6,314
413,179	507,472	531,707	71,164	396,783	-
662,000	1,036,716	884,370	1,047,635	1,240,000	1,200,000
770,535	826,921	910,586	667,863	672,741	607,637
-	85,016	107,325	108,255	55,615	-
55,123	164,188	91,646	307,654	254,166	474,949
<u>15,124,891</u>	<u>22,613,786</u>	<u>23,464,413</u>	<u>19,048,490</u>	<u>19,420,484</u>	<u>17,777,309</u>
<u>2,218,530</u>	<u>(3,697,112)</u>	<u>(4,228,418)</u>	<u>372,375</u>	<u>(746,319)</u>	<u>1,979,935</u>

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

	2010	2011	2012	2013
Other financing sources (uses):				
Bonds issued	\$ -	\$ -	\$ -	\$563,021
Payment to refunded bond escrow	-	-	-	-
Bond premium (discount)	-	-	-	-
Transfers in	407,272	411,736	298,814	326,740
Transfers out	(120,100)	(302,881)	(110,000)	(113,569)
Sale of capital assets	-	40,999	11,315	51,997
Special item	-	-	-	-
Total other financing sources (uses)	<u>287,172</u>	<u>149,854</u>	<u>200,129</u>	<u>828,189</u>
Net change in fund balance	<u>\$315,773</u>	<u>(\$918,547)</u>	<u>(\$423,840)</u>	<u>\$204,805</u>
Expenditures capitalized for governmental activities reporting purposes	3,637,559	2,270,210	943,602	952,108
Debt service as a percentage of noncapital expenditures (A) (B)	11.7%	17.5%	12.0%	15.7%
Debt service as a percentage of total expenditures (A) (B)	9.4%	15.1%	11.3%	14.8%

(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.

2014	2015	2016	2017	2018	2019
\$ -	\$6,875,000	\$2,435,000	\$8,505,000	\$2,070,000	\$ -
-	-	(2,426,300)	(8,559,429)	-	(2,030,000)
-	293,651	79,890	163,700	19,921	-
405,728	429,099	435,697	1,594,501	512,282	446,588
(124,302)	(120,000)	(88,917)	(1,168,201)	(891)	-
66,236	9,135	284,536	651,281	124,769	30,450
-	(927,142)	-	-	-	-
<u>347,662</u>	<u>6,559,743</u>	<u>719,906</u>	<u>1,186,852</u>	<u>2,726,081</u>	<u>(1,552,962)</u>
<u>\$2,566,192</u>	<u>\$2,862,631</u>	<u>(\$3,508,512)</u>	<u>\$1,559,227</u>	<u>\$1,979,762</u>	<u>\$426,973</u>
417,503	6,602,755	7,797,656	3,099,578	679,811	1,134,487
9.7%	11.6%	11.5%	10.8%	10.2%	10.9%
9.5%	8.2%	7.6%	9.0%	9.8%	10.2%

**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				
2010	11,997,297	2,401,197	(803,298)	13,595,196	(624,231)	3,579,416	16,550,381	56.881%	1,303,072,900	1.270%
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%

(A) 2012-2019 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)	
2010	56.881%	24.547%	32.696%	9.185%	123.309%
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%

(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	2019			2010		
	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	\$208,003	1	1.43%	N/A	N/A	N/A
Medtronic Inc	171,432	2	1.18%	\$228,372	1	1.59%
Crestview Corporation	134,823	3	0.93%	106,702	6	0.74%
Jones Family Investments LLC	129,415	4	0.89%	N/A	N/A	N/A
Burlington Northern	115,940	5	0.80%	N/A	N/A	N/A
Columbia Park Properties	98,108	6	0.67%	112,868	3	0.78%
Parkview Limited Partnership	95,750	7	0.66%	N/A	N/A	N/A
Xcel Energy/ Northern States Power Co	86,450	8	0.59%	N/A	N/A	N/A
Lynde Investment Co MN Partnership	81,227	9	0.56%	78,241	8	0.54%
Health Care Reit Inc	75,340	10	0.52%	N/A	N/A	N/A
Columbia Heights Center LLC	68,640	11	0.47%	87,354	7	0.61%
Centro Bradley SPE 5 LLC	N/A	N/A	N/A	149,696	2	1.04%
New Heights Development LLC	N/A	N/A	N/A	73,119	9	0.51%
Consolidated Realty of Mpls	N/A	N/A	N/A	109,689	5	0.76%
Jeff's Bobby & Steve's Auto World	54,605	15	0.37%	72,346	10	0.50%
Stadium Village Properties LLC	N/A	N/A	N/A	112,494	4	0.78%
Total	<u>\$1,319,733</u>		<u>9.06%</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) 2019 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

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Fiscal Year	Gross Tax Levy (A)	County Adjustments to Levy (B)	State Market Value Homestead Credit (A)	Adjusted Tax Levy
2010	\$9,075,425	(\$302)	(\$535,625)	\$8,539,498
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

(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.

Source: Anoka County Auditor's Tax Certificate.

**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
\$8,279,065	96.95%	\$258,240	\$8,537,305	99.97%
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%
10,560,010	97.81%	216,880	10,776,890	99.82%
11,090,247	97.93%	197,384	11,287,631	99.67%
Not Available	Not Available	N/A	Not Available	Not Available

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CITY OF COLUMBIA HEIGHTS, MINNESOTA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years

Table 9

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 Pledged Revenues	Liquor Facility Lease Revenue Bonds (B)	Total Business-Type Activities	Total All Debt	Percentage of Personal Income (A)	Per Capita (A)
2010	\$13,855,000	\$3,976,750	\$2,838,000	\$21,249,750	\$2,128,248	\$4,900,000	\$7,028,248	\$28,277,998	6.0%	\$1,450
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

(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 Bonds.

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)
2010	\$18,411,750	\$3,713,774	\$14,697,976	1.13%
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	( C ) 20,196,618	3,184,433	17,012,185	1.27%
2019	( C ) 17,047,618	1,173,486	15,874,132	1.08%

(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 dependent 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.

**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)
\$2,128,248	\$287,453	\$1,840,795	30.8%	\$16,538,771	848
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

Governmental Unit (A)	Debt Outstanding	Estimated Percentage Applicable (B)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Anoka County	\$92,260,000	4.5492%	\$3,754,682
Independent School District 13	10,625,000	72.7383%	7,728,444
Metropolitan Council	1,549,087,966	0.0423%	78,399
Subtotal - overlapping debt			11,561,525
City direct debt - governmental activities			19,112,618
Total direct and overlapping debt			<u>\$30,674,143</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 2019**

Assessor's Estimated Market Value (A)	\$1,466,682,000
Debt limitation percentage (A)	3%
Debt limit	44,000,460
Net debt applicable to limit (B)	16,497,618
Legal debt margin	\$27,502,842
Legal debt margin as a percentage of limit	62.51%

**Legal Debt Margin Calculation for Fiscal Years 2010 Through 2018**

Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin as a Percentage of Debt Limit
2010	\$38,979,705	\$13,855,000	\$25,124,705	64.46%
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%

(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 applicable to the Charter limit, including revenue bonds subject to the Charter limit is \$18,562,618.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Economic Development Authority</b>				
<b>Tax Increment Revenue Bonds Series 2007/2016:</b>	(A)			
Tax increment revenue from applicable parcels	\$241,854	\$211,533	\$175,832	\$170,496
Bond Proceeds	-	-	-	-
Intergovernmental:				
Market Value TIF credit	28,118	34,351	-	-
<b>Net available revenue</b>	<u>\$269,972</u>	<u>\$245,884</u>	<u>\$175,832</u>	<u>\$170,496</u>
<b>Debt service:</b>				
Principal (including early redemption)	43,000	48,000	53,000	58,000
Interest	151,063	148,788	146,263	143,488
<b>Total debt service</b>	<u>\$194,063</u>	<u>\$196,788</u>	<u>\$199,263</u>	<u>\$201,488</u>
<b>Coverage</b>	139%	125%	88%	85%
<b>Economic Development Authority</b>				
<b>Lease Revenue Bonds Series 2007B:</b>	(C)			
Annual appropriation of liquor net revenues	\$364,000	\$390,000	\$386,000	\$390,000
Investment income	1,105	1,500	1,000	(2,500)
Issuance costs and administration (expense)	(2,556)	(2,000)	(2,000)	(2,332)
<b>Net available revenue</b>	<u>\$362,549</u>	<u>\$389,500</u>	<u>\$385,000</u>	<u>\$385,168</u>
<b>Debt service:</b>				
Principal (including early redemption)	\$140,000	\$150,000	\$155,000	\$165,000
Interest	237,155	230,630	223,768	213,178
<b>Total debt service</b>	<u>\$377,155</u>	<u>\$380,630</u>	<u>\$378,768</u>	<u>\$378,178</u>
<b>Coverage</b>	96%	102%	102%	102%

(A) 2016 Tax Increment Revenue bonds were issued to refund 2007 bonds  
 (B) Restated issuance costs for years after 2010, to implement change in accounting principal.  
 (C) 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

2014	2015	2016	2017	2018	2019
\$162,056	\$196,024	\$329,617	\$388,276	\$432,825	\$652,796
-	-	2,435,000	-	-	-
-	-	-	-	-	-
<u>\$162,056</u>	<u>\$196,024</u>	<u>\$2,764,617</u>	<u>\$388,276</u>	<u>\$432,825</u>	<u>\$652,796</u>
62,000	68,000	2,549,000	120,000	125,000	125,000
140,488	137,238	133,688	73,898	65,916	63,873
<u>\$202,488</u>	<u>\$205,238</u>	<u>\$2,682,688</u>	<u>\$193,898</u>	<u>\$190,916</u>	<u>\$188,873</u>
80%	96%	103%	200%	227%	346%
\$384,000	\$380,000	\$392,000	\$ -	\$ -	\$ -
3,230	91	400	455	-	-
(2,200)	(2,667)	(2,667)	(475)	-	-
<u>\$385,030</u>	<u>\$377,424</u>	<u>\$389,733</u>	<u>(\$20)</u>	<u>\$0</u>	<u>\$0</u>
\$170,000	\$180,000	\$185,000	\$3,895,000	\$ -	\$ -
209,030	201,155	192,943	184,392	-	-
<u>\$379,030</u>	<u>\$381,155</u>	<u>\$377,943</u>	<u>\$4,079,392</u>	<u>\$ -</u>	<u>\$ -</u>
102%	99%	103%	N/A	N/A	N/A

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<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	19,496	472,037,152	24,212	8.0%
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%

Sources are as follows:

**Population:**

Data for 2010 is from the 2010 US Census. Data for 2011-2017 is estimated by the US Census Bureau.

**Per Capita Income:**

Data for 2010-2019 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			2010		
	Employees	Rank	Percentage of Total Anoka County (A) Employment	Employees	Rank	Percentage of Total Anoka County (A) Employment
Medtronic Inc	600	1	2.98%	600	2	0.34%
Independent School District 13	546	2	2.71%	693	1	0.39%
Crestview Corporation	280	3	1.39%	180	5	0.10%
City of Columbia Heights	215	4	1.07%	202	4	0.11%
Columbia Park Clinic	120	5	0.60%	250	3	0.14%
Invest Cast	70	6	0.35%	70	7	0.04%
SAVERS/Unique Thrift Shop	65	7	0.32%	75	6	0.04%
Sarna's Classic Grill	60	8	0.30%	N/A	N/A	N/A
Bobby & Steve's Auto World	50	9	0.25%	53	9	0.03%
La Casita Mexican Restaurant	50	10	0.25%	60	8	0.03%
US Post Office	N/A	N/A	N/A	50	10	0.03%
Rainbow Foods	N/A	N/A	N/A	N/A		N/A
<b>Total</b>	<b>2,056</b>		<b>10.20%</b>	<b>2,233</b>		<b>1.25%</b>

(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. 2019 data for other employers was compiled from ReferenceUSA, written and telephone survey, and the Minnesota Department of Employment and Economic Development. 2010 data from 2010 CAFR statistical tables

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

**Table 16**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Mayor/council	5	5	5	5	5	5	5	5	5	5
Administration	10	11	11	10	4	4	4	4	5	5
Finance	13	14	13	13	13	13	13	13	13	13
Public safety:										
Police	36	35	37	36	35	35	37	39	36	41
Fire	30	32	33	31	31	30	29	30	30	30
Public works	17	16	16	15	21	23	23	22	22	22
Culture and recreation:										
Library	19	21	20	21	21	18	18	20	20	21
Parks	5	5	5	5	5	5	5	5	5	5
Recreation	13	16	15	15	15	15	15	16	16	16
Community development	5	5	4	4	4	4	6	6	6	6
Water	4	4	4	4	4	4	4	4	4	4
Sewer	3	3	3	4	4	4	4	4	4	4
Refuse	-	-	-	-	-	-	-	-	-	-
Storm sewer	1	1	1	1	1	1	1	1	1	1
Liquor	41	39	40	40	40	41	41	42	42	42
<b>Total</b>	<b>202</b>	<b>207</b>	<b>207</b>	<b>204</b>	<b>203</b>	<b>202</b>	<b>205</b>	<b>211</b>	<b>209</b>	<b>215</b>

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

Note: The above table shows the distribution of all 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	2010	2011	2012	2013
<b>General government:</b>				
Resolutions approved by City Council	115	159	159	94
Ordinances adopted by City Council	12	15	5	3
<b>Public safety:</b>				
<b>Police:</b>				
Part I crimes (A)	768	755	742	674
Part II crimes (A)	1,683	1,576	1,408	1,326
<b>Fire:</b>				
Emergency medical calls (A)	1,664	1,722	1,839	1,942
Fire calls (A)	846	764	752	852
Inspections & Related Actions (A)	5,720	6,073	5,413	5,249
<b>Public works:</b>				
Street paving and patching (tons of asphalt)	1,054	869	1,029	224
Street sweeping (tons of debris)	638	712	350	574
Trees removed	180	180	157	284
<b>Culture and recreation:</b>				
<b>Library: (E)</b>				
Items in collection	72,055	71,303	72,985	76,658
Circulation	131,885	125,051	129,624	121,827
Reference inquiries	14,352	16,601	14,547	16,068
<b>Parks and recreation:</b>				
Athletics participants (B)	1,500	4,299	4,232	5,534
Other programs, estimated attendance (C)	8,000	8,000	9,000	10,485
Number of paid room rentals	160	177	135	139
<b>Community development:</b>				
Number of business licenses issued	393	334	323	346
Number of building permits issued (D)	1,351	1,290	1,058	1,303
Construction value of permits issued	\$14,481,712	\$7,986,467	\$7,203,199	\$7,388,271
<b>Water:</b>				
Consumption (thousands of gallons)	516,068	454,223	495,870	461,520
<b>Sewer (sanitary):</b>				
Wastewater (thousands of gallons, 12 months ended June 30)	444,820	485,000	455,210	455,310
Miles of line cleaned/rodded/root-sawed	26	25	26	33
<b>Refuse:</b>				
Refuse (tons)	6,770	6,789	6,563	6,684
Recycling (tons)	1,699	1,605	1,610	1,690
Yardwaste (tons)	1,100	1,270	1,270	1,169
<b>Storm sewer:</b>				
No operating indicators available	not avail	not avail	not avail	not avail
<b>Liquor:</b>				
Number of units sold	1,028,160	1,060,150	1,103,790	1,045,188

- (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.

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					
2014	2015	2016	2017	2018	2019
98	96	114	123	91	94
2	9	11	5	7	5
684	673	496	564	585	1,600
1,052	1,018	934	873	1,022	1,109
1,811	1,980	1,963	2,485	2,463	2,352
729	787	791	419	598	432
5,077	4,855	5,205	4,719	4,621	2,382
782	696	703	612	869	1,227
540	470	448	368	269	570
217	282	216	243	162	103
78,137	73,907	57,531	53,638	53,501	53,578
117,888	109,018	116,201	123,812	144,112	137,978
13,208	13,923	12,805	12,909	14,703	15,730
5,125	10,836	11,871	13,698	14,415	7,891
10,637	22,679	26,986	26,016	26,480	20,242
140	153	143	235	203	201
339	359	348	336	329	336
1,212	2,164	1,458	1,434	1,108	1,176
\$7,609,375	\$25,476,137	\$35,252,845	\$36,189,715	\$9,095,404	\$14,753,109
449,415	455,527	453,736	447,155	454,725	437,890
467,680	414,930	423,920	454,830	443,630	450,020
33	26	28	42	26	24
6,648	6,895	7,234	7,127	6,535	6,301
1,670	1,824	1,633	1,718	1,747	1,955
1,250	1,450	1,385	1,231	1,090	1,602
not avail	not avail	not avail	not avail	not avail	not avail
1,038,985	1,090,131	1,106,305	1,099,497	1,150,458	1,188,991

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

Function/Program	2010	2011	2012	2013
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

**Table 18**

2014	2015	2016	2017	2018	2019
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	7,896	22,600	22,600	22,600	22,600
13	13	15	15	15	15
11	11	12	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
145	-	-	-	-	-
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 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, 2019, 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 15, 2020.

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.

  
REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

June 15, 2020

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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, 2019, 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 15, 2020.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City 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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

June 15, 2020