

**CITY OF COLUMBIA HEIGHTS**

**STATE OF MINNESOTA**

**PREPARED BY:**

**FINANCE DEPARTMENT**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2021**

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## I. INTRODUCTORY SECTION

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**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

**PRINCIPAL CITY OFFICIALS**

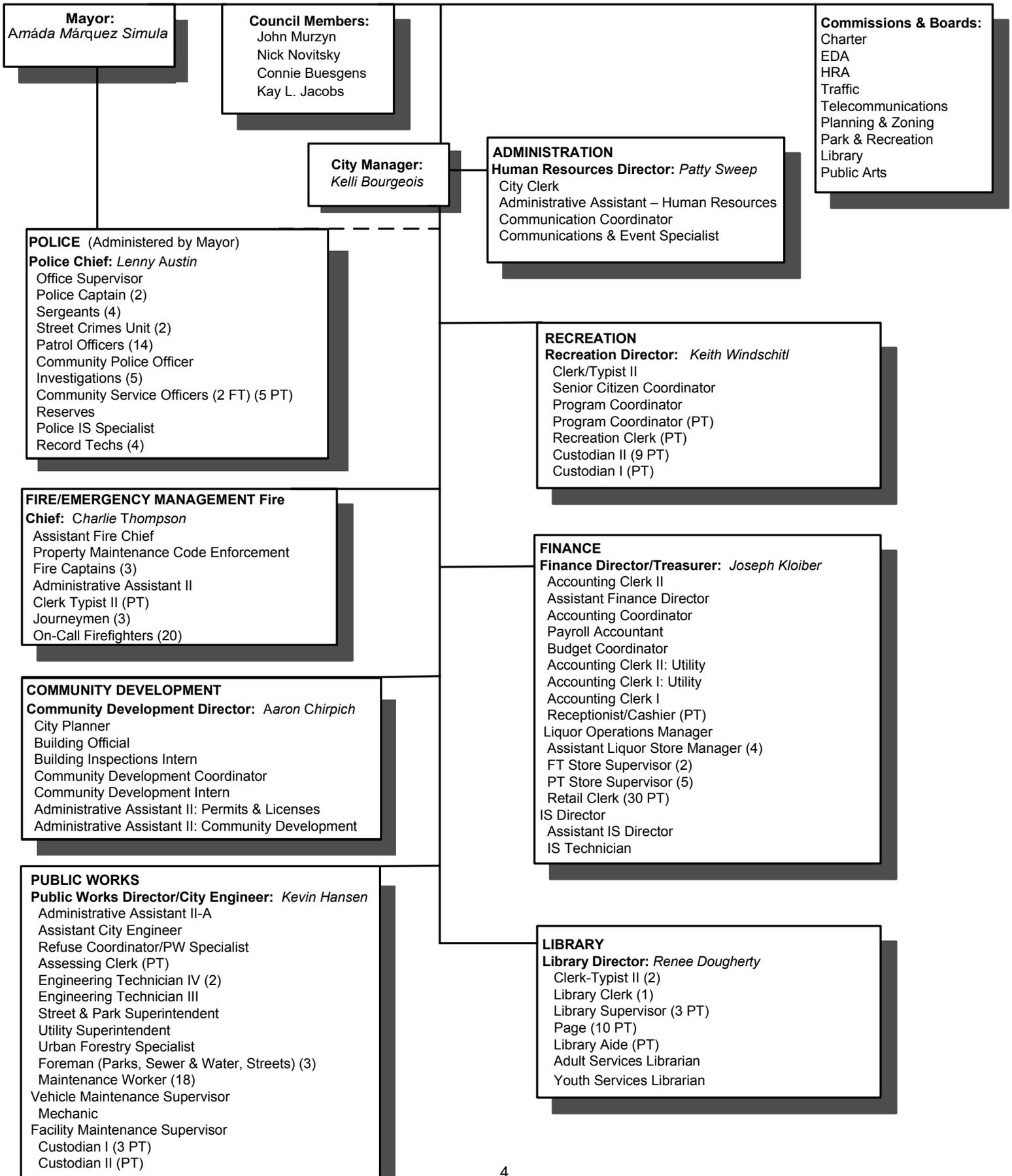
December 31, 2021

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Name	Official Title
<b>Mayor and Council:</b>	
Amáda Márquez Simula	Mayor
John Murzyn, Jr.	Councilmember
Connie Buesgens	Councilmember
Nick Novitsky	Councilmember
Kt Jacobs	Councilmember
<b>Administration:</b>	
Kelli Bourgeois	City Manager
Kelli Wick	Human Resources Director
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

## 2021



June 20, 2022

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

The Annual Comprehensive Financial Report of the City of Columbia Heights for the fiscal year ended December 31, 2021, 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, 2021. 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 21,973. The City is empowered to levy a tax on both real and personal property within its boundaries.

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

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

#### LOCAL ECONOMY

The City is located within the varied and stable economic base of the Minneapolis-Saint Paul greater metropolitan area, which is a major center for both the state and the upper-midwest. The local 2021 unemployment rate of 3.6% was of a decrease from the 2020 rate due to the economic recovery after the 2020 phase of the COVID-19 pandemic. The largest employers located within the boundaries of the City in 2021 included one division of Medtronic Inc., a medical device manufacturer, and Independent School District 13.

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

#### LONG-TERM FINANCIAL PLANNING

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

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

Currently, approximately \$1.9 million in LGA is received annually. The 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, 2021, 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

In 2021 the Columbia Heights Police Department applied to the Department of Justice COPS office for a grant to embed a full time social worker with the police department. The police department was awarded approximately \$208,000 for a 2 year grant period and initiated the beginning of the grant project in late 2021. The social worker co-respond with officers to some individual in crisis calls, and also conducts mental health and substance abuse follow-up with the Columbia Heights residents. This mental health professional helps bridge the services gap between police and community resources.

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 2021, the EDA acquired one single-family home for demolition and awarded two façade improvement grants totaling \$4,850.

## 2021 MAJOR PROJECTS

### 40th and Central:

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

- 266 high amenity market rate apartments
- Underground parking
- 20,000 square foot City Hall/Office on the ground floor
- 3,000+ square feet of retail/restaurant space on the ground floor
- Pocket park and outdoor dining space

This project serves to accomplish many of the long-range economic development and planning goals established in the City's Comprehensive Plan. The Comprehensive Plan guidelines for this location recommend Transit Oriented Development. Transit Oriented Development seeks to develop properties to have a mix of residential, retail, and office space. Transit Oriented Development also seeks to include pedestrian friendly access and design. The project has already served as a catalyst for additional spin-off development in the immediate area. The project is expected to be completed in the fall of 2022.

### 4300 Central Avenue:

In the summer of 2021, the EDA established the Alatus Tax Increment financing district to support the redevelopment of the blighted property at 4300 Central Avenue NE. The current redevelopment plans for the site include the following base elements:

- 400-600 market-rate multifamily housing units
- 40,000 to 80,000 square feet of retail/commercial space
- Grocery store as anchor tenant in the commercial space
- Underground parking
- Public open/park space
- 30-50 owner-occupied townhomes

The redevelopment of this site has long been a priority of the City and EDA. The total estimated value of the project when completed is \$150M. The City considers this redevelopment project to be a once in a generation opportunity that has the potential to transform the Central Avenue commercial corridor and serve as a catalyst for additional redevelopment and reinvestment along the corridor. The project is scheduled to break ground in the spring of 2023.

#### AWARD AND AKNOWLEDGEMENTS

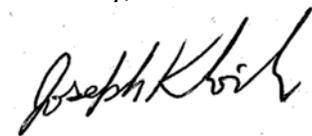
The Government Finance Officers' Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Columbia Heights, Minnesota for its Annual Comprehensive Financial Report for the year ended December 31, 2020. The Certificate of Achievement is a prestigious national award that recognizes conformity with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. The Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA program for review.

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

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

Sincerely,



Joseph P. Kloiber  
Finance Director



Jaclyn Zillmer  
Assistant Finance Director

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Columbia Heights  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*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 Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Columbia Heights, Minnesota, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Columbia Heights, Minnesota's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Columbia Heights, Minnesota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Report on Summarized Comparative Information***

We have previously audited the City of Columbia Heights, Minnesota's 2020 financial statements, and we expressed unmodified audit opinions 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 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Columbia Heights, Minnesota's, ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Columbia Heights, Minnesota's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Columbia Heights, Minnesota's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, 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 is the responsibility of management and, 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.

### ***Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2022 on our consideration of the City of Columbia Heights, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Columbia Heights, Minnesota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Columbia Heights, Minnesota's internal control over financial reporting and compliance.

*Redpath and Company, Ltd.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

June 20, 2022

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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, 2021. 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, 2021, by \$86,265,665 (net position). Of this amount, \$35,689,772 or 41% is unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.

During 2021, the City's total government-wide net position increased by \$6,577,979. The City's governmental activities provided \$4,681,008 of this increase, and the City's business-type activities generated the remaining \$1,896,971 of this increase.

As of December 31, 2021, the combined fund balances of the City's governmental funds were \$33,319,382. This is an increase of \$2,807,781 or 9% from the prior year. Also, 26% 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, 2021, unassigned fund balance in the General fund was \$8,802,310 or 99% 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, 2021.

Total bonded debt increased in 2021 by \$4,436,476 to an end-of-year total of \$25,948,046. This resulted from a \$5,935,000 Taxable GO Temporary Tax Increment Bond issue, offset by \$1,498,524 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 2021 are the following:

- General Fund
- EDA (Component Unit) Redevelopment Project Fund
- Capital Improvement PIR Fund
- EDA (Component Unit) TIF BB6 Alatus 4300 Central Ave 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.

## Management's Discussion and Analysis

**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 2021, the City had no fiduciary fund activity to report.

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

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

### **Government-wide Financial Analysis**

As noted above, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2021, the City's assets and deferred outflows exceeded its liabilities and deferred inflows by \$86,265,665

\$47,290,964 or 55% 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, \$35,689,772 or 55%, may be used to meet the City's ongoing obligations to citizens and creditors.

## Management's Discussion and Analysis

At December 31, 2021, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

CITY OF COLUMBIA HEIGHTS' NET POSITION						
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other assets	\$55,460,839	\$47,749,220	\$12,348,023	\$10,259,016	\$67,808,862	\$58,008,236
Capital assets	47,809,335	47,235,445	17,424,675	16,740,532	65,234,010	63,975,977
Total assets	<u>103,270,174</u>	<u>94,984,665</u>	<u>29,772,698</u>	<u>26,999,548</u>	<u>133,042,872</u>	<u>121,984,213</u>
Deferred outflows of resources	<u>7,228,522</u>	<u>2,632,181</u>	<u>34,319</u>	<u>28,756</u>	<u>7,262,841</u>	<u>2,660,937</u>
<b>Liabilities:</b>						
Current liabilities	3,467,255	3,514,956	2,608,709	1,272,207	6,075,964	4,787,163
Noncurrent liabilities	35,889,274	33,927,452	2,502,106	2,970,901	38,391,380	36,898,353
Total liabilities	<u>39,356,529</u>	<u>37,442,408</u>	<u>5,110,815</u>	<u>4,243,108</u>	<u>44,467,344</u>	<u>41,685,516</u>
Deferred inflows of resources	<u>9,547,330</u>	<u>3,260,609</u>	<u>25,374</u>	<u>11,339</u>	<u>9,572,704</u>	<u>3,271,948</u>
<b>Net position:</b>						
Net invested in capital assets	32,828,395	31,424,776	14,462,569	13,319,631	47,290,964	44,744,407
Restricted	2,763,575	2,541,590	521,354	516,877	3,284,929	3,058,467
Unrestricted	26,002,867	22,947,463	9,686,905	8,937,349	35,689,772	31,884,812
Total net position	<u>\$61,594,837</u>	<u>\$56,913,829</u>	<u>\$24,670,828</u>	<u>\$22,773,857</u>	<u>\$86,265,665</u>	<u>\$79,687,686</u>

**Changes in net position - governmental activities.** In 2021, the net position of the City's governmental activities increased by \$4,681,008. This increase of 8% differed from the prior year increase of 11% as explained below.

Governmental activities revenue increased \$703,947 or 3% over the prior year. Key elements of this change include:

- Planned increases in property taxes of \$645,000 required to support 3% inflation on existing services and two additional public safety full-time positions.
- Charges for services increased \$372,000 or 20%. This reflects the resumption of a variety of services involving public contact that were temporarily reduced during the 2020 phase of the COVID-19 pandemic; including licensing, permit, and recreational activities. These increases were offset by 2020 one-time developer fees of \$162,000 for parking ramp maintenance and demolition.
- Grants and contribution revenue increased by a net amount of \$139,000. This is primarily the amount by which 2021 increases in nonfederal construction grants and special assessments exceeded the \$1,570,000 of federal Coronavirus Relief Funds recognized in 2020.
- Investment income decreased by \$535,000; primarily from less favorable interest rates.

## Management's Discussion and Analysis

Governmental activities expenses decreased \$945,919 or 5% from the prior year. Key elements of this change include:

- Public safety pension expense decreased \$540,000 from a change in actuarial assumptions.
- Other public safety expenses decreased \$379,000 from a reduction in measures required to address the 2020 phase of the COVID-19 pandemic, as did general government expenses, which decreased by \$110,000.
- An increase in Culture and Recreation expenses of \$310,000 as operations began to return to pre-pandemic levels was largely offset by a reduction in tax increment paid out as developer incentives due to the timing of certain redevelopment.

**Changes in net position - Business-type activities.** In 2021, the net position of the City's business-type activities increased by \$1,896,971. This 8% increase differed from the prior year increase of 5% as explained below:

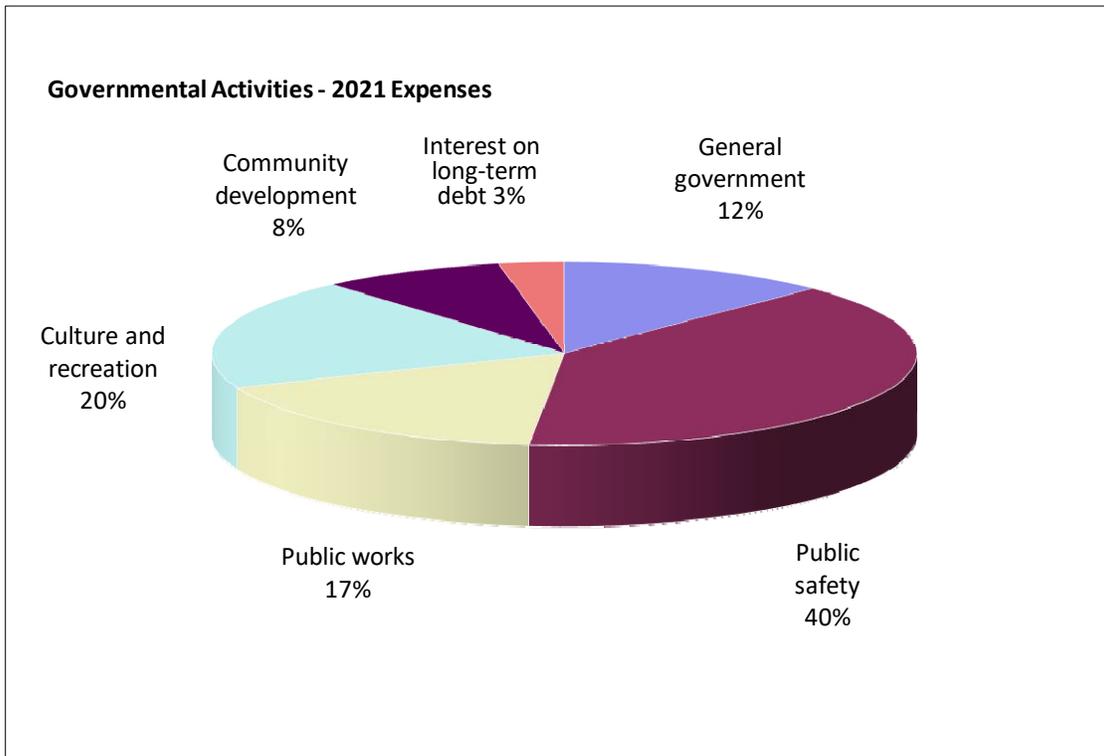
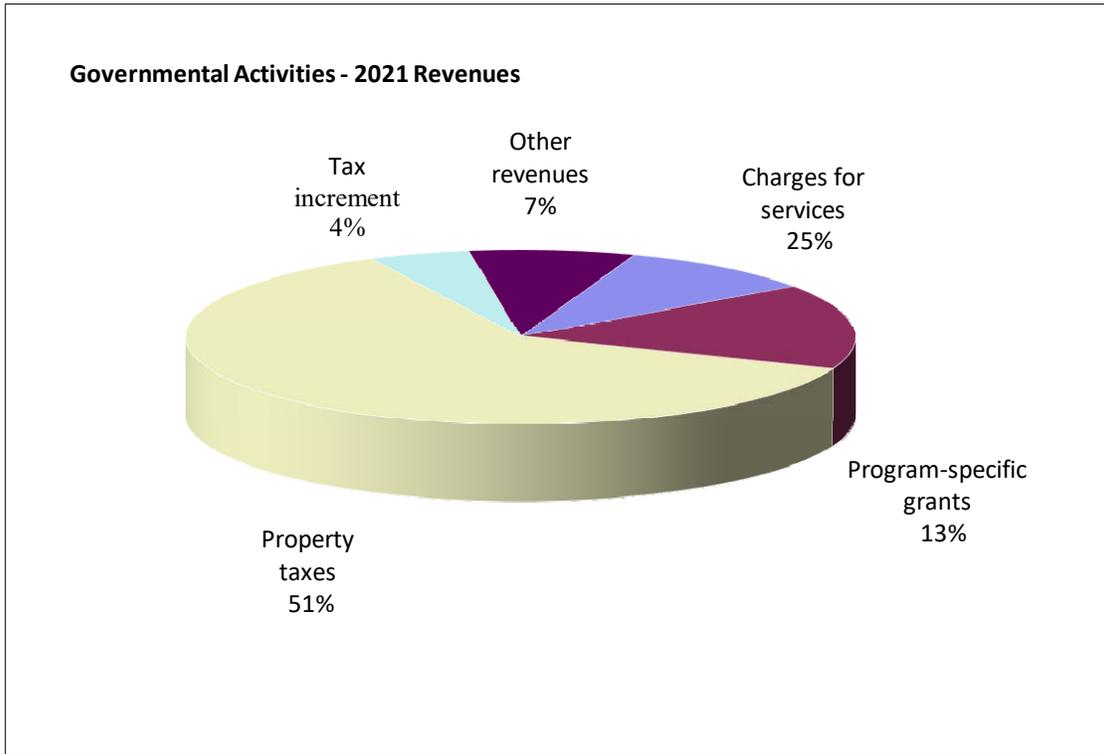
- Business-type activities revenue increased by \$2,119,100 or 13% over the prior year. This included an increase in municipal liquor sales of \$1,355,000 from operations returning to levels existing before both the pandemic and 2020 civil unrest. Additionally, utility revenues increased due to planned rate increases required to maintain existing service levels.
- Business-type activities expenses increased by \$1,151,000 or 8% over the prior year. This is nearly all from an increase in municipal liquor cost of goods sold and operating expenses from store hours returning closer to pre-pandemic hours.

## Management's Discussion and Analysis

### CITY OF COLUMBIA HEIGHTS' CHANGES IN NET POSITION

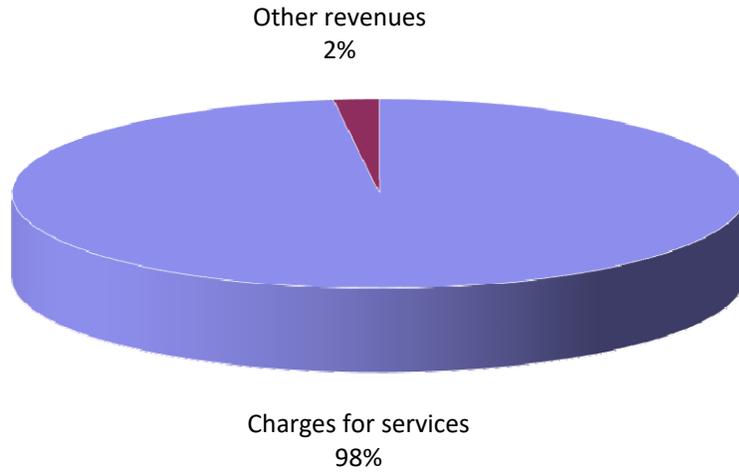
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$2,201,265	\$1,828,859	\$18,124,417	\$16,220,692	\$20,325,682	\$18,049,551
Operating grants and contributions	2,206,118	2,864,670	112,351	107,786	2,318,469	2,972,456
Capital grants and contributions	1,411,812	614,692	286,109	-	1,697,921	614,692
General revenues:						
Property taxes	14,057,170	13,412,668	-	-	14,057,170	13,412,668
Tax increment collections	1,119,574	1,116,114	-	-	1,119,574	1,116,114
Grants and contributions not restricted to specific programs	1,872,127	1,796,904	-	-	1,872,127	1,796,904
Unrestricted investment earnings	(65,570)	469,067	(11,700)	63,599	(77,270)	532,666
Gain on sale of capital assets used in governmental activities	26,980	22,555	-	-	26,980	22,555
<b>Total revenues</b>	<b>22,829,476</b>	<b>22,125,529</b>	<b>18,511,177</b>	<b>16,392,077</b>	<b>41,340,653</b>	<b>38,517,606</b>
<b>Expenses:</b>						
General government	2,326,356	2,436,098	-	-	2,326,356	2,436,098
Public safety	7,287,477	8,206,813	-	-	7,287,477	8,206,813
Public works	3,224,168	3,249,175	-	-	3,224,168	3,249,175
Culture and recreation	3,657,301	3,347,512	-	-	3,657,301	3,347,512
Community development	1,580,857	1,839,279	-	-	1,580,857	1,839,279
Interest on long-term debt	556,695	499,896	-	-	556,695	499,896
Water	-	-	2,871,174	2,904,931	2,871,174	2,904,931
Sewer	-	-	2,148,646	2,144,690	2,148,646	2,144,690
Refuse	-	-	2,022,654	2,028,140	2,022,654	2,028,140
Storm sewer	-	-	546,447	572,081	546,447	572,081
Liquor	-	-	8,540,899	7,329,328	8,540,899	7,329,328
<b>Total expenses</b>	<b>18,632,854</b>	<b>19,578,773</b>	<b>16,129,820</b>	<b>14,979,170</b>	<b>34,762,674</b>	<b>34,557,943</b>
Increase (decrease) in net position before transfers and special items	4,196,622	2,546,756	2,381,357	1,412,907	6,577,979	3,959,663
Special Item gain (loss) on land sale	-	2,509,907	-	-	-	2,509,907
Transfers	484,386	389,100	(484,386)	(389,100)	-	-
<b>Increase in net position</b>	<b>4,681,008</b>	<b>5,445,763</b>	<b>1,896,971</b>	<b>1,023,807</b>	<b>6,577,979</b>	<b>6,469,570</b>
Net position - January 1	56,913,829	51,468,066	22,773,857	21,750,050	79,687,686	73,218,116
<b>Net position - December 31</b>	<b>\$61,594,837</b>	<b>\$56,913,829</b>	<b>\$24,670,828</b>	<b>\$22,773,857</b>	<b>\$86,265,665</b>	<b>\$79,687,686</b>

Management's Discussion and Analysis

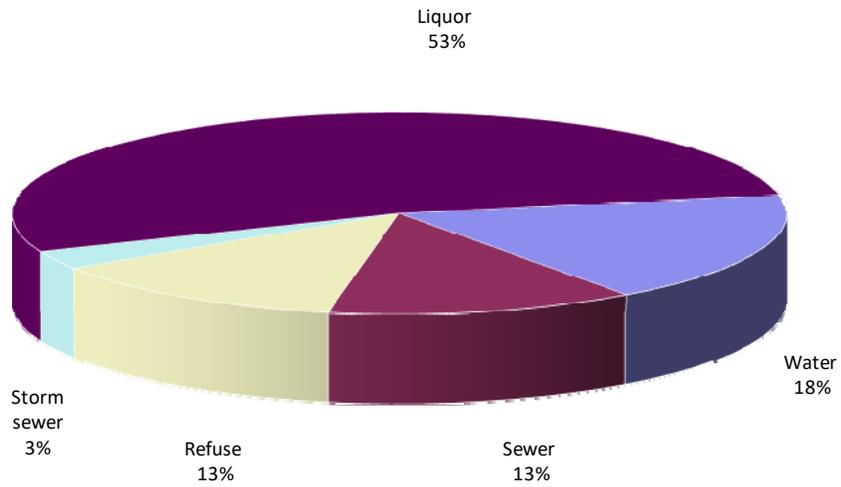


Management's Discussion and Analysis

**Business-Type Activities - 2021 Revenues**



**Business-Type Activities - 2021 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, 2021, the City's governmental funds reported combined fund balances of \$33,319,382. 85% of this amount or \$28,231,940 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 (\$134,724), debt service (\$1,492,161), tax increment purposes (\$2,670,589), and various other purpose restrictions (\$789,968) 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 \$557,027. This differs from the prior year increase of \$501,459 as follows:

- Revenues increased by \$545,000 or 4% over the prior year. This reflects an increase of \$515,000 in property taxes consistent with the City's five-year financial plan, and an increase in charges for services of \$117,000 as service levels returned to normal from their pandemic lows. These increases were offset by an investment revenue decline of \$212,000 due to less favorable interest rates.
- Expenditures increased by \$984,000 or 8% over the prior year. This includes:
  - Personnel increases of \$626,000, including both a 3% labor contract increase and approximately two additional FTE over 2020 actual expenses. Additionally, in 2021 all public safety personnel expenditures were recognized in the General Fund; whereas in 2020, certain public safety personnel expenditures related to pandemic response were recognized in the nonmajor governmental funds and reimbursed by a one-time federal grant for coronavirus pandemic relief.
  - Public Safety contracted for \$68,000 of one-time services to assist with policy creation and management. The service provides a framework for industry best practices policies that include current regulations and are vetted by a team of legal experts.
  - Approximately \$80,000 of updates to the Public Safety building, including lighting, HVAC and security were completed in 2021.

## Management's Discussion and Analysis

- Utilities and supplies expenditures increased by \$229,000. Much of this increase was in the Culture & Recreation function, as facilities and programs closed in 2020 phase of the pandemic reopened in 2021. \$64,000 of the supplies increase reflects video technology added for surveillance at various City locations.
- Transfers out from the General Fund decreased by \$495,000. This reflects a one-time transfer of \$600,000 in 2020 from the General Fund to the Capital Improvements General Government Buildings Fund, under a plan to accumulate funds for future building improvements and a new, annual recurring \$100,000 transfer beginning in 2021 to the Capital Improvements Parks Fund to fund park improvements.

The changes in fund balance of the other major governmental funds in 2021, and significant elements of those changes, were as follows:

- The Economic Development Authority (Component Unit) Redevelopment Project Fund increased by \$97,988. This results from the nature of the activity in this fund. Approximately \$250,000 of property tax revenue is recognized in this fund each year, reduced by outlays for redevelopment projects which vary from year to year as property becomes available for acquisition or as the value of land held for resale changes.
- The Economic Development Authority (Component Unit) TIF BB6 Alatus Fund increased by \$1,236,523. This reflects the issuance of Taxable Temporary Tax Increment GO Bonds totaling \$5,935,000, offset by the issuance of a loan of \$4,697,690 to the project developer for the acquisition of redevelopment property.
- The Capital Improvements PIR Fund decreased by \$485,657. This decrease is the amount by which the current year street project expenditures exceeded special assessments collected in the current year. A small portion of this timing difference reflects a \$64,000 completed project for which the city council chose to delay the special assessment levy by one year. PIR is the acronym for Public Improvement Revolving Fund.
- The Capital Improvements General Government Buildings Fund increased by \$367,279 from the allocation of \$425,000 of state aid revenue (LGA) to this fund, reduced by \$45,000 of capital outlay, as part of a plan for building improvement and replacement.

The combined fund balances of the non-major governmental funds increased by \$1,034,621 or 9% from the prior year. The most significant elements of this increase were:

- A \$442,000 increase in the Planning and Inspections fund, from an increase in construction permits issued within the city.
- \$694,087 of business relocation expenses recognized in 2020 for a redevelopment project in the City's downtown area were reimbursed in 2021 by a redevelopment grant from the Anoka County HRA.

## Management's Discussion and Analysis

**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, 2021, net position of the major proprietary funds included the following amounts of unrestricted net position:

- Water Fund \$1,748,010
- Sewer Fund \$1,362,375
- Refuse Fund \$2,354,078
- Storm Sewer Fund \$873,695
- Liquor Fund \$3,065,252

The 2021 changes in net position of the major proprietary funds were as follows:

- Water Fund \$1,068,685
- Sewer Fund \$140,320
- Refuse Fund \$149,302
- Storm Sewer Fund \$280,574
- Liquor Fund \$194,668

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 2021 General Fund budget included several small budget amendments to increase intergovernmental revenue, by a total of \$62,842. These revenue changes were paired with related increases to budgeted city council and fire department expenditures, for various services and training funded by external entities in mid-year.

In addition, 2021 budgeted transfers-out were increased by \$40,000 to transfer General Fund surplus to the information technology fund. This funded an evaluation of the City's current information technology capabilities and the preparation of five-year strategic plan for the information technology function.

Actual general fund revenues in 2021 were more than budgeted by \$124,050 or 1%. Approximately half of this variance is the amount by which 2021 collections of prior year delinquent taxes exceeded delinquencies of 2021 taxes. The remaining half of this 1% variance reflects various minor differences in estimates. In addition, we note that offsetting variances of approximately \$85,000 each occurred from a decline in the fair value of investments and in excess reimbursements of tax increment, but that the City's practice is to not forecast either of these two items in the annual budget.

## Management's Discussion and Analysis

Actual general fund expenditures in 2021 were less than budgeted by \$640,000 or 5%. Major elements of this variance include:

- Approximately \$1,150,000 personnel budget planned for use within normal General Fund operations was not spent. \$724,000 of this was within the public safety departments. Industry wide staffing shortages, as well as delayed promotions and extensive training required to hire, slowed the process for filling vacant positions. Other departments were also impacted with several temporarily vacant positions and replacement staff hired at starting rates lower than the position incumbents.
- Offsetting the budget variance described above for personnel, actual 2021 general fund expenditures for professional services and supplies exceeded budgeted amounts. Specifically, public safety spent available 2021 resources to purchase software and outsource other services that were time consuming to help with the staffing shortage. In addition, departments redirected approximately \$180,000 of available funding to technology.

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

**Capital assets.** The City's capital assets for its governmental and business-type activities as of December 31, 2021, amount to \$65,234,011 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	2,906,090	2,617,324	(1,274,461)	4,248,953
Total capital assets not being depreciated	<u>9,346,621</u>	<u>2,617,324</u>	<u>(1,274,461)</u>	<u>10,689,484</u>
Capital assets - being depreciated:				
Buildings	32,306,087	-	-	32,306,087
Equipment	11,533,395	873,542	(201,547)	12,205,390
Infrastructure	35,951,874	1,124,361	-	37,076,235
Total capital assets being depreciated	<u>79,791,356</u>	<u>1,997,903</u>	<u>(201,547)</u>	<u>81,587,712</u>
Less accumulated depreciation for:				
Buildings	12,507,718	920,850	-	13,428,568
Equipment	7,758,999	706,657	(201,547)	8,264,109
Infrastructure	21,635,815	1,139,369	-	22,775,184
Total accumulated depreciation	<u>41,902,532</u>	<u>2,766,876</u>	<u>(201,547)</u>	<u>44,467,861</u>
Capital assets being depreciated - net	<u>37,888,824</u>	<u>(768,973)</u>	<u>-</u>	<u>37,119,851</u>
Governmental activities capital assets - net	<u>47,235,445</u>	<u>1,848,351</u>	<u>(1,274,461)</u>	<u>47,809,335</u>
<b>Business-type activities:</b>				
Capital assets - not depreciated:				
Land	2,349,213	-	-	2,349,213
Construction in progress	1,970,601	1,272,377	(2,464,016)	778,962
Total capital assets not being depreciated	<u>4,319,814</u>	<u>1,272,377</u>	<u>(2,464,016)</u>	<u>3,128,175</u>
Capital assets - being depreciated:				
Buildings	5,673,894	1,082,723	-	6,756,617
Equipment	2,888,151	110,162	(17,229)	2,981,084
Infrastructure	17,957,976	1,336,987	-	19,294,963
Total capital assets being depreciated	<u>26,520,021</u>	<u>2,529,872</u>	<u>(17,229)</u>	<u>29,032,664</u>
Less accumulated depreciation for:				
Buildings	2,474,393	168,506	-	2,642,899
Equipment	2,156,688	125,766	(17,229)	2,265,225
Infrastructure	9,468,222	359,817	-	9,828,039
Total accumulated depreciation	<u>14,099,303</u>	<u>654,089</u>	<u>(17,229)</u>	<u>14,736,163</u>
Capital assets being depreciated - net	<u>12,420,718</u>	<u>1,875,783</u>	<u>-</u>	<u>14,296,501</u>
Business-type activities capital assets - net	<u>16,740,532</u>	<u>3,148,160</u>	<u>(2,464,016)</u>	<u>17,424,676</u>
Total capital assets - net	<u>63,975,977</u>	<u>4,996,511</u>	<u>(3,738,477)</u>	<u>65,234,011</u>

## Management's Discussion and Analysis

Significant capital asset activity during 2021 included the following:

Project	Year Started	As of December 31, 2021	
		Cost to Date	Status
Street Overlay	2018	784,139	in-progress
Concrete Alley Construction	2019	532,131	in-service
City Hall	2019	304,658	in-progress
Sanitary Sewer Lining	2020	269,747	in-service
Street Rehab Zone 4B&5	2020	1,332,417	in-progress
Pump Station 3 Upgrade	2020	470,873	in-service
Cellular Tower	2021	319,055	in-progress
Watermain Construction	2021	822,543	in-progress
Trail and Street Reconstruction	2021	154,362	in-progress
Liquor Store 3 Remodel	2020	283,000	in-service

At December 31, 2021, the City had \$1,103,000 of non-cancellable contractual commitments for construction in 2021, primarily for street reconstruction and sewer lining projects. Additional information on the City's capital assets can be found in Note 5 to the financial statements.

**Long-term debt.** Total bonded debt increased in 2021 by \$4,436,476 to an end-of-year total of \$25,948,046. This resulted from a \$5,935,000 Taxable GO Temporary Tax Increment Bond issue, offset by \$1,498,524 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, 2021, the City's debt limit under this statute was \$50,327,415 and \$14,920,940 of the City's outstanding debt was of the type to which this limit applies.

At December 31, 2021, 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, 2021, 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

the financial statements.

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

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds:						
Repaid only with general taxes	\$14,620,000	\$15,385,000	\$ -	\$ -	\$14,620,000	\$15,385,000
With other pledged revenues	6,260,000	430,000	2,930,000	3,380,000	9,190,000	3,810,000
Revenue bonds	1,805,000	1,935,000	-	-	1,805,000	1,935,000
Unamortized premium	300,940	340,669	32,106	40,901	333,046	381,570
Due to other government	5,200,000	5,200,000	-	-	5,200,000	5,200,000
Compensated absences	1,232,076	1,184,462	-	-	1,232,076	1,184,462
Net pension liability	6,138,244	9,031,244	-	-	6,138,244	9,031,244
Postemployment benefits other than pensions	1,501,114	1,527,677	-	-	1,501,114	1,527,677
	<u>\$37,057,374</u>	<u>\$35,034,052</u>	<u>\$2,962,106</u>	<u>\$3,420,901</u>	<u>\$40,019,480</u>	<u>\$38,454,953</u>

### Economic Factors and Next Year's Budget

In 2021, the average annual unemployment rate for Anoka County, which includes the City, was 3.6%. This is a decrease from a rate of 6.0% from the prior year. This compares to the average annual 2021 state and national rates of 3.4% and 5.3% respectively. The 2021 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' 2022 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.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

STATEMENT OF NET POSITION

December 31, 2021

With Comparative Totals For December 31, 2020

**Statement 1**

**Page 1 of 2**

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2021	2020
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and investments	\$35,909,954	\$7,320,350	\$43,230,304	\$39,480,679
Receivables - current:				
Accounts (net of allowance for uncollectibles)	2,190,394	2,293,952	4,484,346	4,399,021
Special assessments	752,273	-	752,273	619,101
Taxes	459,054	-	459,054	899,242
Interest	84,148	14,100	98,248	85,360
Due from other governmental units	1,114,739	100,075	1,214,814	176,050
Internal balances	(274,551)	274,551	-	-
Prepayments	211,004	107,401	318,405	332,177
Inventory - at cost	73,909	2,237,594	2,311,503	2,353,592
Real estate held for resale	1,657,174	-	1,657,174	1,352,923
<b>Total current assets</b>	<b>42,178,098</b>	<b>12,348,023</b>	<b>54,526,121</b>	<b>49,698,145</b>
<b>Noncurrent assets:</b>				
Receivables - noncurrent:				
Special assessments	1,612,111	-	1,612,111	1,334,783
Loans	11,670,630	-	11,670,630	6,975,308
Capital assets (net of accumulated depreciation):				
Land	6,440,531	2,349,213	8,789,744	8,789,744
Buildings	18,877,519	4,113,716	22,991,235	22,997,869
Equipment	3,941,281	715,861	4,657,142	4,505,859
Infrastructure	14,301,051	9,466,924	23,767,975	22,805,814
Construction in process	4,248,953	778,961	5,027,914	4,876,691
<b>Total noncurrent assets</b>	<b>61,092,076</b>	<b>17,424,675</b>	<b>78,516,751</b>	<b>72,286,068</b>
<b>Total assets</b>	<b>103,270,174</b>	<b>29,772,698</b>	<b>133,042,872</b>	<b>121,984,213</b>
<b>Deferred outflows of resources:</b>				
Related to pensions	7,018,096	-	7,018,096	2,455,533
Related to other postemployment benefits	210,426	34,319	244,745	205,404
<b>Total deferred outflows of resources</b>	<b>7,228,522</b>	<b>34,319</b>	<b>7,262,841</b>	<b>2,660,937</b>

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

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

STATEMENT OF NET POSITION

December 31, 2021

With Comparative Totals For December 31, 2020

Statement 1

Page 2 of 2

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2021	2020
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	\$1,080,559	\$704,170	\$1,784,729	\$1,086,129
Accrued salaries and withholdings payable	238,801	45,572	284,373	198,470
Contracts payable	187,389	49,412	236,801	1,009,812
Due to other governmental units	249,081	226,152	475,233	391,285
Unearned revenue	243,941	1,092,457	1,336,398	232,908
Accrued interest payable	214,875	28,446	243,321	246,600
Deposits	84,509	2,500	87,009	65,359
Compensated absences payable	143,100	-	143,100	106,600
Bonds payable	1,025,000	460,000	1,485,000	1,450,000
<b>Total current liabilities</b>	<b>3,467,255</b>	<b>2,608,709</b>	<b>6,075,964</b>	<b>4,787,163</b>
<b>Noncurrent liabilities:</b>				
Compensated absences payable	1,088,976	-	1,088,976	1,077,862
Other postemployment benefits payable	1,501,114	-	1,501,114	1,527,677
Bonds payable	21,960,940	2,502,106	24,463,046	20,061,570
Due to other governmental units	5,200,000	-	5,200,000	5,200,000
Net pension liability	6,138,244	-	6,138,244	9,031,244
<b>Total noncurrent liabilities</b>	<b>35,889,274</b>	<b>2,502,106</b>	<b>38,391,380</b>	<b>36,898,353</b>
<b>Total liabilities</b>	<b>39,356,529</b>	<b>5,110,815</b>	<b>44,467,344</b>	<b>41,685,516</b>
<b>Deferred inflows of resources:</b>				
Related to pensions	9,390,709	-	9,390,709	3,189,208
Related to other postemployment benefits	156,621	25,374	181,995	82,740
<b>Total deferred inflows of resources</b>	<b>9,547,330</b>	<b>25,374</b>	<b>9,572,704</b>	<b>3,271,948</b>
<b>Net position:</b>				
Net investment in capital assets	32,828,395	14,462,569	47,290,964	44,744,407
<b>Restricted for:</b>				
Debt service	1,229,096	521,354	1,750,450	1,732,732
Tax increment purposes	744,511	-	744,511	693,910
Municipal state aid street projects	611,033	-	611,033	506,793
Afterschool programs	96,240	-	96,240	104,077
Anoka County community development programs	67,143	-	67,143	-
Other purposes	15,552	-	15,552	20,955
Unrestricted	26,002,867	9,686,905	35,689,772	31,884,812
<b>Total net position</b>	<b>\$61,594,837</b>	<b>\$24,670,828</b>	<b>\$86,265,665</b>	<b>\$79,687,686</b>

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, 2021

With Comparative Totals For the Year Ended December 31, 2020

<u>Functions/Programs</u>	Expenses	Program Revenues Charges For Services
Primary government:		
Governmental activities:		
General government	\$2,326,356	\$251,742
Public safety	7,287,477	913,663
Public works	3,224,168	16,687
Culture and recreation	3,657,301	227,451
Community development	1,580,857	791,722
Interest on long-term debt	556,695	-
Total governmental activities	18,632,854	2,201,265
Business-type activities:		
Water	2,871,174	4,056,493
Sewer	2,148,646	2,378,548
Refuse	2,022,654	2,168,952
Storm sewer	546,447	579,975
Liquor	8,540,899	8,940,449
	16,129,820	18,124,417
Total primary government	\$34,762,674	\$20,325,682

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	
				2021	2020
\$19,225	\$ -	(\$2,055,389)	\$ -	(\$2,055,389)	(\$1,858,556)
576,815	-	(5,796,999)	-	(5,796,999)	(6,091,902)
1,573,783	675,394	(958,304)	-	(958,304)	(1,928,023)
36,295	42,331	(3,351,224)	-	(3,351,224)	(3,038,461)
-	694,087	(95,048)	-	(95,048)	(853,714)
-	-	(556,695)	-	(556,695)	(499,896)
<u>2,206,118</u>	<u>1,411,812</u>	<u>(12,813,659)</u>	<u>0</u>	<u>(12,813,659)</u>	<u>(14,270,552)</u>
-	-	-	1,185,319	\$1,185,319	861,699
-	23,697	-	253,599	253,599	97,388
107,937	-	-	254,235	254,235	179,145
-	262,412	-	295,940	295,940	(49,070)
4,414	-	-	403,964	403,964	260,146
<u>112,351</u>	<u>286,109</u>	<u>0</u>	<u>2,393,057</u>	<u>2,393,057</u>	<u>1,349,308</u>
<u>\$2,318,469</u>	<u>\$1,697,921</u>	<u>(12,813,659)</u>	<u>2,393,057</u>	<u>(10,420,602)</u>	<u>(12,921,244)</u>
General revenues:					
Property taxes		14,057,170	-	14,057,170	13,412,668
Tax increment collections		1,119,574	-	1,119,574	1,116,114
Grants and contributions not restricted to specific programs		1,872,127	-	1,872,127	1,796,904
Unrestricted investment earnings (loss)		(65,570)	(11,700)	(77,270)	532,666
Gain on sale of capital assets used in governmental activities		26,980	-	26,980	22,555
Transfers		484,386	(484,386)	-	-
Special item - gain on land sale		-	-	-	2,509,907
Total general revenues, transfers, and special items		<u>17,494,667</u>	<u>(496,086)</u>	<u>16,998,581</u>	<u>19,390,814</u>
Change in net position		4,681,008	1,896,971	6,577,979	6,469,570
Net position - January 1		<u>56,913,829</u>	<u>22,773,857</u>	<u>79,687,686</u>	<u>73,218,116</u>
Net position - December 31		<u>\$61,594,837</u>	<u>\$24,670,828</u>	<u>\$86,265,665</u>	<u>\$79,687,686</u>

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2021

	General Fund	EDA (Component Unit) Redevelopment Project Fund 408	EDA (Component Unit) TIF BB6 Alatus 4300 Central Fund 393
<b>Assets</b>			
Cash and investments	\$9,136,842	\$3,153,837	\$1,237,618
<b>Receivables:</b>			
Accounts	17,278	2,115,600	-
Special assessments	-	-	-
Taxes	396,945	4,288	-
Loans	-	-	4,697,690
Interest	29,248	6,500	-
Due from other governmental units	91,825	-	-
Interfund receivable	5,800	-	-
Prepayments	131,930	-	-
Real estate held for resale	-	1,167,666	-
Total assets	<u>\$9,809,868</u>	<u>\$6,447,891</u>	<u>\$5,935,308</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$190,292	\$22,717	\$1,095
Accrued salaries and withholdings payable	206,537	-	-
Contracts payable - retained percentage	1,387	11,765	-
Due to other governmental units	119,815	-	-
Interfund payable	-	-	-
Unearned revenue	187,250	-	-
Deposits	-	-	-
Total liabilities	<u>705,281</u>	<u>34,482</u>	<u>1,095</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenue	170,347	2,115,600	4,697,690
Total deferred inflows of resources	<u>170,347</u>	<u>2,115,600</u>	<u>4,697,690</u>
<b>Fund balance:</b>			
Nonspendable	131,930	-	-
Restricted	-	-	1,236,523
Committed	-	4,297,809	-
Unassigned	8,802,310	-	-
Total fund balances	<u>8,934,240</u>	<u>4,297,809</u>	<u>1,236,523</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$9,809,868</u>	<u>\$6,447,891</u>	<u>\$5,935,308</u>

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

Capital Improvements PIR Fund 415	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
\$55,428	\$6,397,302	\$ -	\$11,735,044	\$ -	\$31,716,071
131	-	-	57,385	-	2,190,394
2,169,857	-	-	194,527	-	2,364,384
-	-	-	57,821	-	459,054
-	-	6,585,000	387,940	-	11,670,630
-	15,600	-	25,900	-	77,248
46,356	-	-	976,258	-	1,114,439
-	-	-	733,897	(739,697)	-
-	-	-	2,794	-	134,724
-	-	-	489,508	-	1,657,174
<u>\$2,271,772</u>	<u>\$6,412,902</u>	<u>\$6,585,000</u>	<u>\$14,661,074</u>	<u>(\$739,697)</u>	<u>\$51,384,118</u>
\$96,781	\$ -	\$ -	\$630,653	\$ -	\$941,538
130	186	-	18,811	-	225,664
44,707	-	-	16,891	-	74,750
123,562	-	-	5,704	-	249,081
-	-	-	739,697	(739,697)	-
-	-	-	46,971	-	234,221
15,000	-	-	69,509	-	84,509
<u>280,180</u>	<u>186</u>	<u>0</u>	<u>1,528,236</u>	<u>(739,697)</u>	<u>1,809,763</u>
<u>2,143,794</u>	<u>-</u>	<u>6,585,000</u>	<u>542,542</u>	<u>-</u>	<u>16,254,973</u>
<u>2,143,794</u>	<u>0</u>	<u>6,585,000</u>	<u>542,542</u>	<u>0</u>	<u>16,254,973</u>
-	-	-	2,794	-	134,724
-	-	-	3,716,195	-	4,952,718
-	6,412,716	-	8,939,707	-	19,650,232
(152,202)	-	-	(68,400)	-	8,581,708
<u>(152,202)</u>	<u>6,412,716</u>	<u>0</u>	<u>12,590,296</u>	<u>0</u>	<u>33,319,382</u>
<u>\$2,271,772</u>	<u>\$6,412,902</u>	<u>\$6,585,000</u>	<u>\$14,661,074</u>	<u>(\$739,697)</u>	<u>\$51,384,118</u>
Fund balance reported above					\$33,319,382
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					46,838,003
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.					11,054,973
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.					(6,304,067)
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.					(23,313,454)
Net position of governmental activities					<u>\$61,594,837</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, 2021

	General Fund	EDA (Component Unit) Redevelopment Project Fund 408	EDA (Component Unit) TIF BB6 Alatus 4300 Central Fund 393
<b>Revenues:</b>			
Taxes	\$11,789,271	\$249,046	\$ -
Tax increment collections	-	-	-
Special assessments	-	-	-
Licenses and permits	393,936	-	-
Intergovernmental	1,010,574	-	-
Charges for services	565,472	-	-
Fines and forfeitures	94,775	-	-
Investment income:			
Interest and dividends	63,540	14,000	308
Change in fair value	(89,219)	(19,500)	-
Other revenues	36,043	325	-
Total revenues	<u>13,864,392</u>	<u>243,871</u>	<u>308</u>
<b>Expenditures:</b>			
Current:			
General government	2,217,229	-	1,095
Public safety	7,612,103	-	-
Public works	1,735,820	-	-
Culture and recreation	1,848,151	-	-
Community development	-	141,599	-
Capital outlay:			
General government	-	-	-
Public safety	14,853	-	-
Public works	101,159	-	-
Culture and recreation	-	-	-
Community development	-	1,646	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Issuance costs	-	-	76,485
Developer incentives	-	-	4,621,205
Total expenditures	<u>13,529,315</u>	<u>143,245</u>	<u>4,698,785</u>
Revenues over (under) expenditures	<u>335,077</u>	<u>100,626</u>	<u>(4,698,477)</u>
Other financing sources (uses):			
Transfers in	516,450	-	-
Transfers out	(294,500)	(2,638)	-
Bonds issued	-	-	5,935,000
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>221,950</u>	<u>(2,638)</u>	<u>5,935,000</u>
Net change in fund balance	557,027	97,988	1,236,523
Fund balance - January 1	<u>8,377,213</u>	<u>4,199,821</u>	<u>-</u>
Fund balance - December 31	<u><u>\$8,934,240</u></u>	<u><u>\$4,297,809</u></u>	<u><u>\$1,236,523</u></u>

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

Capital Improvements PIR Fund 415	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
\$ -	\$ -	\$ -	\$2,038,162	\$ -	\$14,076,479
-	-	-	1,125,789	-	1,125,789
805,578	-	-	103,149	-	908,727
-	-	-	662,416	-	1,056,352
-	425,000	-	2,666,881	-	4,102,455
37,573	-	-	309,474	-	912,519
-	-	-	5,112	-	99,887
1,783	33,700	-	59,518	-	172,849
-	(46,900)	-	(77,000)	-	(232,619)
14,400	-	-	91,739	-	142,507
<u>859,334</u>	<u>411,800</u>	<u>0</u>	<u>6,985,240</u>	<u>0</u>	<u>22,364,945</u>
-	33,373	-	129,023	-	2,380,720
-	-	-	37,063	-	7,649,166
99,392	-	-	206,796	-	2,042,008
-	-	-	1,131,559	-	2,979,710
-	-	-	570,719	-	712,318
-	11,148	-	267,590	-	278,738
-	-	-	783,575	-	798,428
1,361,483	-	-	427,897	-	1,890,539
-	-	-	65,069	-	65,069
-	-	-	-	-	1,646
-	-	-	1,000,000	-	1,000,000
-	-	-	519,477	-	519,477
-	-	-	-	-	76,485
-	-	-	948,021	-	5,569,226
<u>1,460,875</u>	<u>44,521</u>	<u>0</u>	<u>6,086,789</u>	<u>0</u>	<u>25,963,530</u>
<u>(601,541)</u>	<u>367,279</u>	<u>0</u>	<u>898,451</u>	<u>0</u>	<u>(3,598,585)</u>
376,466	-	-	623,856	(1,072,386)	444,386
(260,582)	-	-	(514,666)	1,072,386	-
-	-	-	-	-	5,935,000
-	-	-	26,980	-	26,980
<u>115,884</u>	<u>0</u>	<u>0</u>	<u>136,170</u>	<u>0</u>	<u>6,406,366</u>
(485,657)	367,279	0	1,034,621	0	2,807,781
333,455	6,045,437	-	11,555,675	-	30,511,601
<u>(\$152,202)</u>	<u>\$6,412,716</u>	<u>\$0</u>	<u>\$12,590,296</u>	<u>\$0</u>	<u>\$33,319,382</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, 2021

**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)	\$2,807,781
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.	593,457
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.	(4,895,261)
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.	(462)
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.	(4,164)
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.	5,086,018
The net revenues (expenses) of certain activities of internal service funds are reported within the governmental activities in the statement of activities.	<u>1,093,639</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$4,681,008</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, 2021

Assets:	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
Current assets:			
Cash and cash equivalents	\$1,013,644	\$1,878,652	\$2,069,127
Receivables:			
Accounts (net of allowance for uncollectibles)	1,026,139	566,162	535,287
Interest	2,600	2,800	4,200
Due from other governmental units	-	13,037	47,045
Prepayments	-	107,401	-
Inventory - at cost	64,221	-	-
Total current assets	<u>2,106,604</u>	<u>2,568,052</u>	<u>2,655,659</u>
Noncurrent assets:			
Capital assets:			
Land	45,223	36,586	-
Construction in progress	755,264	23,697	-
Buildings	1,776,045	768,836	56,000
Equipment	744,877	1,219,400	112,893
Infrastructure	9,680,901	6,946,918	-
Total capital assets	<u>13,002,310</u>	<u>8,995,437</u>	<u>168,893</u>
Less: accumulated depreciation	<u>(5,322,319)</u>	<u>(5,603,113)</u>	<u>(142,018)</u>
Net capital assets	<u>7,679,991</u>	<u>3,392,324</u>	<u>26,875</u>
Total noncurrent assets	<u>7,679,991</u>	<u>3,392,324</u>	<u>26,875</u>
Total assets	<u>9,786,595</u>	<u>5,960,376</u>	<u>2,682,534</u>
Deferred outflows of resources:			
Related to pensions and OPEB	-	-	-
Liabilities:			
Current liabilities:			
Accounts payable	89,124	23,408	299,637
Accrued salaries and withholdings payable	15,524	6,539	1,944
Contracts payable - retained percentage	32,054	17,358	-
Due to other governmental units	130,139	-	-
Accrued interest payable	2,446	1,585	-
Unearned revenue	-	1,092,457	-
Deposits	2,500	-	-
Compensated absences payable - current	-	-	-
Bonds payable - current	80,000	59,600	-
Total current liabilities	<u>351,787</u>	<u>1,200,947</u>	<u>301,581</u>
Noncurrent liabilities:			
Compensated absences payable - noncurrent	-	-	-
Other postemployment benefits payable	-	-	-
Bonds payable - noncurrent	170,000	119,200	-
Net pension liability	-	-	-
Total noncurrent liabilities	<u>170,000</u>	<u>119,200</u>	<u>0</u>
Total liabilities	<u>521,787</u>	<u>1,320,147</u>	<u>301,581</u>
Deferred inflows of resources:			
Related to pensions and OPEB	-	-	-
Net position:			
Net investments in capital assets	7,429,991	3,213,524	26,875
Restricted for debt service	86,807	64,330	-
Unrestricted	1,748,010	1,362,375	2,354,078
Total net position	<u>\$9,264,808</u>	<u>\$4,640,229</u>	<u>\$2,380,953</u>

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

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

Business-Type Activities - Enterprise Funds			
Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds	Internal Service Funds
\$739,796	\$1,619,131	\$7,320,350	\$4,193,883
166,364	-	2,293,952	-
1,600	2,900	14,100	6,900
39,993	-	100,075	300
-	-	107,401	76,280
-	2,173,373	2,237,594	73,909
<u>947,753</u>	<u>3,795,404</u>	<u>12,073,472</u>	<u>4,351,272</u>
260,690	2,006,714	2,349,213	15,779
-	-	778,961	-
-	4,155,734	6,756,615	1,978,957
394,068	509,846	2,981,084	676,098
2,667,144	-	19,294,963	-
<u>3,321,902</u>	<u>6,672,294</u>	<u>32,160,836</u>	<u>2,670,834</u>
<u>(1,549,281)</u>	<u>(2,119,430)</u>	<u>(14,736,161)</u>	<u>(1,699,502)</u>
<u>1,772,621</u>	<u>4,552,864</u>	<u>17,424,675</u>	<u>971,332</u>
<u>1,772,621</u>	<u>4,552,864</u>	<u>17,424,675</u>	<u>971,332</u>
<u>2,720,374</u>	<u>8,348,268</u>	<u>29,498,147</u>	<u>5,322,604</u>
-	-	-	7,262,841
4,641	287,360	704,170	139,021
1,835	19,730	45,572	13,137
-	-	49,412	-
-	96,013	226,152	-
1,933	22,482	28,446	-
-	-	1,092,457	9,720
-	-	2,500	-
-	-	-	143,100
60,400	260,000	460,000	-
<u>68,809</u>	<u>685,585</u>	<u>2,608,709</u>	<u>304,978</u>
-	-	-	1,088,976
-	-	-	1,501,114
120,800	2,092,106	2,502,106	-
-	-	-	6,138,244
<u>120,800</u>	<u>2,092,106</u>	<u>2,502,106</u>	<u>8,728,334</u>
<u>189,609</u>	<u>2,777,691</u>	<u>5,110,815</u>	<u>9,033,312</u>
-	-	-	9,572,704
1,591,421	2,200,758	14,462,569	971,332
65,649	304,567	521,353	-
873,695	3,065,252	9,403,410	(6,991,903)
<u>\$2,530,765</u>	<u>\$5,570,577</u>	<u>24,387,332</u>	<u>(\$6,020,571)</u>
		283,496	
		<u>\$24,670,828</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, 2021

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
Operating revenues:			
Charges for services	\$215,523	\$2,375,931	\$2,168,952
Charges for sales, net of discounts	3,836,767	-	-
Total operating revenues	<u>4,052,290</u>	<u>2,375,931</u>	<u>2,168,952</u>
Operating expenses:			
Cost of sales, services and goods sold	1,716,846	1,240,561	1,765,750
Operating expense	913,342	743,949	258,037
Depreciation	243,722	165,382	2,500
Total operating expenses	<u>2,873,910</u>	<u>2,149,892</u>	<u>2,026,287</u>
Net income (loss) from operations	<u>1,178,380</u>	<u>226,039</u>	<u>142,665</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest and dividends	5,700	6,000	9,000
Change in fair value	(7,800)	(8,400)	(12,500)
Intergovernmental	-	23,697	107,937
Gain on sale of capital assets	2,123	2,123	-
Miscellaneous revenues	2,080	494	-
Interest and fiscal charges	(6,198)	(4,033)	-
Total nonoperating revenues (expenses)	<u>(4,095)</u>	<u>19,881</u>	<u>104,437</u>
Net income (loss) before transfers and capital contributions	<u>1,174,285</u>	<u>245,920</u>	<u>247,102</u>
Transfers and capital contributions:			
Capital contribution - intergovernmental revenue	-	-	-
Transfers in	-	-	-
Transfers out	(105,600)	(105,600)	(97,800)
Total transfers and capital contributions	<u>(105,600)</u>	<u>(105,600)</u>	<u>(97,800)</u>
Change in net position	1,068,685	140,320	149,302
Net position - January 1	<u>8,196,123</u>	<u>4,499,909</u>	<u>2,231,651</u>
Net position - December 31	<u><u>\$9,264,808</u></u>	<u><u>\$4,640,229</u></u>	<u><u>\$2,380,953</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	
\$579,975	\$ -	\$5,340,381	\$3,939,774	
-	8,940,449	12,777,216	102,167	
579,975	8,940,449	18,117,597	4,041,941	
-	6,733,026	11,456,183	2,883,666	
448,813	1,657,012	4,021,153	-	
96,696	145,789	654,089	90,433	
545,509	8,535,827	16,131,425	2,974,099	
34,466	404,622	1,986,172	1,067,842	
3,200	6,300	30,200	15,200	
(4,500)	(8,700)	(41,900)	(21,000)	
-	4,414	136,048	55,023	
-	-	4,246	-	
-	-	2,574	-	
(4,868)	(46,718)	(61,817)	-	
(6,168)	(44,704)	69,351	49,223	
28,298	359,918	2,055,523	1,117,065	
262,412	-	262,412	-	
-	-	-	40,000	
(10,136)	(165,250)	(484,386)	-	
252,276	(165,250)	(221,974)	40,000	
280,574	194,668	1,833,549	1,157,065	
2,250,191	5,375,909	22,553,783	(7,177,636)	
\$2,530,765	\$5,570,577	\$24,387,332	(\$6,020,571)	
		Change in Net Position	Transfers	
		\$1,833,549	(\$484,386)	
		63,422	-	
		\$1,896,971	(\$484,386)	

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, 2021

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
<b>Cash flows provided by (used in) operating activities:</b>			
Cash received from customers	\$3,841,479	\$2,394,002	\$2,194,770
Cash received from interfund goods and services provided	-	-	-
Cash paid to suppliers for goods and services	(2,147,034)	(1,651,180)	(1,740,411)
Cash payments to employees for services	(470,049)	(320,743)	(137,039)
Net cash flows provided by (used in) operating activities	<u>1,224,396</u>	<u>422,079</u>	<u>317,320</u>
<b>Cash flows provided by (used in) noncapital financing activities:</b>			
Transfers in			
Transfers out	(105,600)	(105,600)	(97,800)
Intergovernmental	-	-	107,937
Interfund payable (repaid to) advanced by other funds	-	-	-
Increases in other postemployment benefits payable	-	-	-
Net cash flows provided by (used in) noncapital financing activities	<u>(105,600)</u>	<u>(105,600)</u>	<u>10,137</u>
<b>Cash flows provided by (used in) capital and related financing activities:</b>			
Acquisition of capital assets	(973,422)	(62,686)	-
Intergovernmental	-	-	-
Principal payments - bonds	(80,000)	(53,400)	-
Interest and fiscal charges	(6,862)	(4,506)	-
Capital grant funds received	-	1,116,154	-
Net cash flows provided by (used in) capital and related financing activities	<u>(1,060,284)</u>	<u>995,562</u>	<u>0</u>
<b>Cash flows provided by (used in) investing activities:</b>			
Investment income:			
Interest and dividends	4,700	5,100	7,900
Change in fair value	(7,800)	(8,400)	(12,500)
Net cash flows provided by (used in) investing activities	<u>(3,100)</u>	<u>(3,300)</u>	<u>(4,600)</u>
Net increase (decrease) in cash and cash equivalents	55,412	1,308,741	322,857
Total cash and cash equivalents - January 1	<u>958,232</u>	<u>569,911</u>	<u>1,746,270</u>
Total cash and cash equivalents - December 31	<u>\$1,013,644</u>	<u>\$1,878,652</u>	<u>\$2,069,127</u>
Noncash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Business-Type Activities - Enterprise Funds

Storm Sewer Utility Fund	Liquor Fund	Total Enterprise Funds	Internal Service Funds
\$516,103	\$8,948,224	\$17,894,578	\$ -
-	-	-	4,836,315
(305,063)	(7,136,983)	(12,980,671)	(3,119,611)
(162,866)	(1,060,729)	(2,151,426)	(1,664,669)
48,174	750,512	2,762,481	52,035
-	(165,250)	(474,250)	40,000
(10,136)	4,414	102,215	-
-	-	-	55,023
-	-	-	-
(10,136)	(160,836)	(372,035)	33,351
-	(297,878)	(1,333,986)	(70,862)
262,412	-	262,412	-
(56,600)	(260,000)	(450,000)	-
(5,309)	(57,676)	(74,353)	-
-	-	1,116,154	-
200,503	(615,554)	(479,773)	(70,862)
3,000	6,100	26,800	14,900
(4,500)	(8,700)	(41,900)	(21,000)
(1,500)	(2,600)	(15,100)	(6,100)
237,041	(28,478)	1,895,573	103,447
502,755	1,647,609	5,424,777	4,090,436
\$739,796	\$1,619,131	\$7,320,350	\$4,193,883
\$ -	\$ -	\$ -	\$ -

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, 2021

	Business-Type Activities - Enterprise Funds		
	Water Utility Fund	Sewer Utility Fund	Refuse Utility Fund
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	\$1,178,380	\$226,039	\$142,665
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	243,722	165,382	2,500
Miscellaneous revenues (expenses)	2,080	494	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(155,382)	34,635	48,881
(Increase) decrease in due from other governmental units	-	(13,037)	(23,063)
(Increase) decrease in prepayments	-	(4,021)	-
(Increase) decrease in inventory, at cost	(55,429)	-	-
(Increase) decrease in deferred pension outflows	-	-	-
Increase (decrease) in accounts payable	45,383	22,336	146,193
Increase (decrease) in accrued salaries and withholdings payable	8,094	3,289	144
Increase (decrease) in contracts payable - retained percentage	(37,893)	(13,038)	-
Increase (decrease) in due to other governmental units	(7,059)	-	-
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	46,016	196,040	174,655
Net cash flows from operating activities	\$1,224,396	\$422,079	\$317,320

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
\$34,466	\$404,622	\$1,986,172	\$1,067,842
96,696	145,789	654,089	90,433
-	-	2,574	-
(23,879)	-	(95,745)	-
(39,993)	388	(75,705)	(143)
-	7,387	3,366	10,671
-	105,373	49,944	(8,796)
-	-	-	(4,561,622)
(2,133)	73,155	284,934	94,841
405	4,224	16,156	2,411
(17,388)	-	(68,319)	-
-	9,574	2,515	-
-	-	2,500	-
-	-	-	283
-	-	-	47,614
-	-	-	(2,893,000)
-	-	-	6,201,501
13,708	345,890	776,309	(1,015,807)
\$48,174	\$750,512	\$2,762,481	\$52,035

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, 2021

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

The *EDA (component unit) Tax Increment Financing Fund BB6 4300 Central* was established to account for the revenues and expenditures of TIF district BB6.

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 2021, liquor sales discounts were \$217,434. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. BUDGETARY DATA**

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

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

Nonmajor special revenue funds:

- Cable Television Fund
- Library Fund
- After-School Programs Fund
- Twenty-First Century Arts Fund
- Planning and Inspections Fund
- Downtown Parking Fund
- Economic Development Authority (component unit):
  - Economic Development Authority administration fund

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

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

The City does not use encumbrance accounting.

**E. CASH AND INVESTMENTS**

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

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

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

**F. RECEIVABLES AND PAYABLES**

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

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

**G. PROPERTY TAX REVENUE RECOGNITION**

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

**H. SPECIAL ASSESSMENT REVENUE RECOGNITION**

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

**I. INVENTORIES**

GOVERNMENTAL FUNDS

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

PROPRIETARY FUNDS

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

**J. PREPAID ITEMS**

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

**K. CAPITAL ASSETS**

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

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

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

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

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

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

**L. COMPENSATED ABSENCES**

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

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

**M. LONG-TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums are deferred and amortized over the life of the bonds.

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

**N. FUND BALANCE CLASSIFICATIONS**

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

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

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

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

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

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

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

**O. INTERFUND TRANSACTIONS**

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

**P. USE OF ESTIMATES**

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

**Q. COMPARATIVE DATA/RECLASSIFICATIONS**

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

**R. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

*Deferred outflows of resources:* In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets 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 assets 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.

**5. 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 (\$23,313,454) difference are as follows:

Pollution Remediation Obligation	(\$112,639)
Accrued interest payable	(214,875)
Bonds payable	<u>(22,985,940)</u>
Adjustment to fund balance - total governmental funds - to arrive at net position of governmental activities	<u>(\$23,313,454)</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 details of this \$593,457 difference are as follows:

Total capital outlay in government fund financial statements	\$3,269,900
Depreciation expense	<u>(2,676,443)</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u>\$593,457</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 (\$4,895,261) difference are as follows:

Debt issued:	(\$5,935,000)
Principal repayments:	
General obligation bonds	870,000
Revenue bonds	130,000
Amortization of deferred premiums	<u>39,739</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u>(\$4,895,261)</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 (\$5,086,018) difference are as follows:

Unavailable revenue - General property taxes:	
At December 31, 2020	(\$198,708)
At December 31, 2021	179,400
Unavailable revenue - Tax increment taxes:	
At December 31, 2020	(14,177)
At December 31, 2021	7,962
Unavailable revenue - Special assessments:	
At December 31, 2020	(1,924,469)
At December 31, 2021	2,338,321
Unavailable revenue - Due from other government:	
At December 31, 2020	-
At December 31, 2021	-
Unavailable revenue - Loan receivable:	
At December 31, 2020	(9,031,600)
At December 31, 2021	<u>13,729,289</u>
Adjustment to net changes in fund balances - total governmental funds - to arrive at changes in net position of governmental activities.	<u>\$5,086,018</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, 2021 are as follows:

	Carrying Amount At Fair Value
Investments	\$39,239,728
Deposits	3,982,803
Cash on hand	<u>7,773</u>
	<u>\$43,230,304</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, 2021, 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, 2021 are as follows:

	Bank Balances	Carrying Amount At Fair Value
	<u>                    </u>	<u>                    </u>
Demand deposits	\$3,955,736	\$3,474,017
Time deposits	<u>508,785</u>	<u>508,786</u>
Total	<u>\$4,464,521</u>	<u>\$3,982,803</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, 2021 are as follows:

	Weighted Average Maturities In Years	Carrying Amount At Fair Value	Percentage of Total
U.S. Treasury notes	Less than 1 yr	9,252,547	23.6%
Notes issued by U.S. government agencies:			
Federal Home Loan Banks	3.5	2,592,131	6.6%
Federal Home Loan Mortgage Corporation	1.8	2,099,392	5.4%
Federal Farm Credit Bank	1.9	992,232	2.6%
Federal National Mortgage Assn	1.4	483,910	1.2%
Collateralized Mortgage Obligations (CMO) issued by U.S. government agencies:			
Federal Home Loan Banks	4.7	791,697	2.0%
State and local government bonds:			
New Jersey Economic Dev Authority	1.1	2,594,377	6.6%
Other state and local government bonds*	1.9	12,290,123	31.3%
Negotiable certificates of deposit*	1.1	2,480,187	6.3%
Money market mutual funds:			
Federated Investors I Prime Value Fund	Less than 1 yr	5,263,132	13.4%
Federated Hermes Govt Oblig Instl Fund	Less than 1 yr	400,000	1.0%
Total investments		<u>\$ 39,239,728</u>	<u>100%</u>

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

The City has the following recurring fair value measurements as of December 31, 2021:

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

**C. INVESTMENT RISKS**

The City's investment policy follows Minnesota State Statutes described above, to limit the City's exposure to credit, custodial credit and interest rate risks. Additional risk information for the City 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 hold investments to maturity whenever practical to do so.

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- b) Credit risk - investments - Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. In order to limit credit risk to an acceptable level, the City's investments are limited to securities with the credit quality described above in Part B of this note.
- 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, 2021.
- d) Custodial credit risk - Custodial credit risk is the risk that in the event of a failure of the counterparty, the City will not be able to recover the value of its investment securities that are in the possession of an outside party. At December 31, 2021, the securities listed above are held by two separate custodians in the City's name, with \$500,000 of SIPC insurance coverage specific to the City's investments held at each custodian. Each custodian has provided additional protection by providing additional insurance. This additional insurance is subject to aggregate limits applied to all of the custodian's accounts however. Investments in money markets are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk disclosures.

**Note 3 RECEIVABLES**

Significant receivables balances not expected to be collected within one year of December 31, 2021 are as follows:

	Major Funds				Nonmajor Funds				Total
	HRA (component unit) Parkview Villa North & South	EDA (Component Unit) Redev Proj Fund	EDA (Component Unit) TIF 886	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	\$ -	\$ -	\$ -	\$1,510,769	\$101,342	\$ -	\$ -	\$ -	\$1,612,111
Loan receivable	6,585,000	-	4,697,690	-	-	231,000	100,000	56,940	11,670,630
Long-term receivable	-	2,115,600	-	-	-	-	-	-	2,115,600
<b>Total</b>	<b>\$6,585,000</b>	<b>\$2,115,600</b>	<b>\$4,697,690</b>	<b>\$1,510,769</b>	<b>\$101,342</b>	<b>\$231,000</b>	<b>\$100,000</b>	<b>\$56,940</b>	<b>\$15,398,341</b>

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

In 2020, a developer purchased certain land within the City's downtown business district from the EDA. Part of the purchase agreement included a contractual obligation to develop and construct the City Hall Component of Minimum Improvements and convey to the City upon completion. December 31, 2021, the estimated fair value assigned to the right to receive the future condominium shell is \$2,115,600.

On July 12, 2021, the City approved an agreement to loan bond proceeds to redeveloper for the acquisitions and demolition of the former Rainbow Foods Central Avenue shopping center site for redevelopment. The issuance of \$5,935,000 Taxable G.O. Temporary Tax Increment Bonds were placed into an escrow account to be drawn on by the developer for acquisition and demolition of the redevelopment property. As of December 31, 2021, \$4,697,700 has been loaned to the developer. The loan is scheduled for repayment on July 31, 2023.

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**Note 4 UNAVAILABLE REVENUES**

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

	Property Taxes	Tax Increment	Special Assessments	Loan Receivable	Long Term Receivable	Total
Major Funds:						
General Fund	\$170,347	\$ -	\$ -	\$ -	\$ -	\$170,347
EDA (Component Unit) Redevelopment Proj	-	-	-	-	2,115,600	2,115,600
EDA (Component Unit) TIF BB6				4,697,690		4,697,690
HRA Parkview Villa North & South	-	-	-	6,585,000	-	6,585,000
Nonmajor Governmental Funds:	9,053	7,962	2,338,321	331,000	-	2,686,336
Total unavailable revenue	\$179,400	\$7,962	\$2,338,321	\$11,613,690	2,115,600	\$16,254,973

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**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 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	2,906,090	2,617,324	(1,274,461)	4,248,953
Total capital assets not being depreciated	<u>9,346,621</u>	<u>2,617,324</u>	<u>(1,274,461)</u>	<u>10,689,484</u>
Capital assets - being depreciated:				
Buildings	32,306,087	-	-	32,306,087
Equipment	11,533,395	873,542	(201,547)	12,205,390
Infrastructure	35,951,874	1,124,361	-	37,076,235
Total capital assets being depreciated	<u>79,791,356</u>	<u>1,997,903</u>	<u>(201,547)</u>	<u>81,587,712</u>
Less accumulated depreciation for:				
Buildings	12,507,718	920,850	-	13,428,568
Equipment	7,758,999	706,657	(201,547)	8,264,109
Infrastructure	21,635,815	1,139,369	-	22,775,184
Total accumulated depreciation	<u>41,902,532</u>	<u>2,766,876</u>	<u>(201,547)</u>	<u>44,467,861</u>
Capital assets being depreciated - net	<u>37,888,824</u>	<u>(768,973)</u>	<u>-</u>	<u>37,119,851</u>
Governmental activities capital assets - net	<u>47,235,445</u>	<u>1,848,351</u>	<u>(1,274,461)</u>	<u>47,809,335</u>
<b>Business-type activities:</b>				
Capital assets - not depreciated:				
Land	2,349,213	-	-	2,349,213
Construction in progress	1,970,601	1,272,377	(2,464,016)	778,962
Total capital assets not being depreciated	<u>4,319,814</u>	<u>1,272,377</u>	<u>(2,464,016)</u>	<u>3,128,175</u>
Capital assets - being depreciated:				
Buildings	5,673,894	1,082,723	-	6,756,617
Equipment	2,888,151	110,162	(17,229)	2,981,084
Infrastructure	17,957,976	1,336,987	-	19,294,963
Total capital assets being depreciated	<u>26,520,021</u>	<u>2,529,872</u>	<u>(17,229)</u>	<u>29,032,664</u>
Less accumulated depreciation for:				
Buildings	2,474,393	168,506	-	2,642,899
Equipment	2,156,688	125,766	(17,229)	2,265,225
Infrastructure	9,468,222	359,817	-	9,828,039
Total accumulated depreciation	<u>14,099,303</u>	<u>654,089</u>	<u>(17,229)</u>	<u>14,736,163</u>
Capital assets being depreciated - net	<u>12,420,718</u>	<u>1,875,783</u>	<u>-</u>	<u>14,296,501</u>
Business-type activities capital assets - net	<u>16,740,532</u>	<u>3,148,160</u>	<u>(2,464,016)</u>	<u>17,424,676</u>
Total capital assets - net	<u>63,975,977</u>	<u>4,996,511</u>	<u>(3,738,477)</u>	<u>65,234,011</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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Depreciation expense was charged to functions/programs of the primary government – governmental activities as follows:

Governmental activities:	
General government	\$41,403
Public safety	636,843
Public works	1,240,899
Culture and recreation	749,182
Community development	8,706
Depreciation on capital assets held by governmental internal service activities is charged to each function based on use:	
Municipal Service Center	69,178
Information Systems	20,665
	<hr/>
Total depreciation expense - capital assets held by governmental activities	<u>\$2,766,876</u>

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

Business-type activities:	
Water	\$243,722
Sewer	165,382
Refuse	2,500
Storm sewer	96,696
Liquor	145,789
	<hr/>
Total depreciation expense - capital assets held by business-type activities	<u>\$654,089</u>

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

INTERFUND RECEIVABLES, PAYABLES

Individual fund interfund receivable and payable balances at December 31, 2021 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
General Fund	\$5,800	\$ -
Nonmajor funds	<u>733,897</u>	<u>739,697</u>
Total	<u><u>\$739,697</u></u>	<u><u>\$739,697</u></u>

All interfund balances at December 31, 2021, reflect lending arrangements to cover deficit cash balances at yearend. Substantially all amounts are expected to be repaid within one year.

INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2021 are as follows:

	<u>Transfers In</u>				<u>Total</u>
	<u>Major Funds</u>		<u>Nonmajor Funds</u>		
	<u>Governmental</u>		<u>Other Govtl Funds</u>	<u>Internal Service Funds</u>	
	<u>General</u>	<u>Capital Imp PIR Fund</u>			
Transfers out:					
Major funds:					
Governmental:					
General	\$ -	\$ -	\$254,500	\$40,000	\$294,500
EDA Redevelopment Proj	-	-	2,638	-	2,638
Capital Imprvmts PIR	-	-	260,582	-	260,582
Enterprise:					
Water	105,600	-	-	-	105,600
Sewer	105,600	-	-	-	105,600
Storm	-	-	10,136	-	10,136
Refuse	97,800	-	-	-	97,800
Liquor	105,250	-	60,000	-	165,250
Nonmajor funds:					-
Other governmental funds	<u>102,200</u>	<u>376,466</u>	<u>36,000</u>	<u>-</u>	<u>514,666</u>
Total	<u><u>\$516,450</u></u>	<u><u>\$376,466</u></u>	<u><u>\$623,856</u></u>	<u><u>\$40,000</u></u>	<u><u>\$1,556,772</u></u>

2021 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

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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- 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, 2021, 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 Library series 2015A	None	6,875,000	2.50-3.25%	3/4/2015	2/1/2036	\$5,505,000
GO Refunding series 2017B - Advanced Refunding	None	8,505,000	2.65-3.25%	7/6/2017	2/1/2038	7,330,000
GO Refunding series 2018A - Refunding	None	2,070,000	2.45-3.45%	12/27/2018	2/1/2038	1,785,000
Taxable GO housing imprvmt area series 2008A	Special assessments	975,000	5.00-6.05%	7/16/2008	2/1/2024	265,000
GO Improvement series 2013A	Special assessments	235,000	0.40-2.50%	11/21/2013	2/1/2024	60,000
Taxable GO Temporary Tax Increment Bond 2021	Tax increment	5,935,000	0.45%	7/29/2021	8/1/2022	5,935,000
Business-type activities:						
GO Utility revenue series 2013A	Utility revenues	1,685,000	0.40-2.50%	11/21/2013	2/1/2024	610,000
GO Refunding series 2017A - Refunding	Liquor revenues	3,265,000	2.00-3.00%	7/6/2017	2/1/2029	2,320,000
Total general obligation bonds outstanding						<u>\$23,810,000</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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As of December 31, 2021, 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
2022	\$890,000	\$448,510	\$460,000	\$63,618
2023	920,000	418,764	475,000	53,709
2024	6,885,000	374,730	485,000	43,238
2025	760,000	335,332	285,000	33,600
2026	785,000	314,863	295,000	24,900
2027	815,000	294,107	300,000	17,325
2028	830,000	271,678	315,000	10,710
2029	860,000	247,754	315,000	3,623
2030	890,000	222,974	-	-
2031	915,000	197,368	-	-
2032-2036	5,025,000	571,765	-	-
2037-2038	1,305,000	41,699	-	-
<b>Total</b>	<b>\$20,880,000</b>	<b>\$3,739,544</b>	<b>\$2,930,000</b>	<b>\$250,721</b>

**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, 2021 are as follows:

	Pledged revenue	Original Issue	Interest Rate	Issue Date	Final Maturity	Balance End of Year
Governmental activities:						
Tax increment revenue series 2016 - Refunding	Tax increment	\$2,435,000	2.28-3.009%	6/30/2016	2/15/2032	\$1,805,000
Total revenue bonds outstanding						\$1,805,000

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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As of December 31, 2021, the annual debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year Ending December 31	Governmental Activities	
	Principal	Interest
2022	\$135,000	\$57,295
2023	135,000	54,156
2024	140,000	50,200
2025	145,000	45,925
2026	145,000	40,850
2027	155,000	34,850
2028	160,000	28,550
2029	165,000	22,050
2030	170,000	16,200
2031	175,000	11,025
2032	280,000	4,200
Total	<u>\$1,805,000</u>	<u>\$365,301</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, 2021, 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	\$62,175	95%	\$21,190	\$36,319
Project-specific special assessments	Private redevelopment	289,654	95%	98,461	102,750
Project-specific tax increment	Public/Private redevelopment	2,170,301	83%	192,295	760,231
Water, sewer and storm- sewer net revenues	Utility system improvements	632,239	19%	212,143	1,130,062

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

Long-term liability activity for the year ended December 31, 2021 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	\$15,385,000	\$ -	(\$765,000)	\$14,620,000	\$785,000
General obligation bonds with other pledged revenues	430,000	5,935,000	(105,000)	6,260,000	105,000
Revenue bonds	1,935,000	-	(130,000)	1,805,000	135,000
Unamortized premium/discount	340,669	-	(39,729)	300,940	-
Total bonds payable	18,090,669	-	(1,039,729)	22,985,940	1,025,000
Due to other governments	5,200,000	-	-	5,200,000	-
Compensated absences	1,184,462	924,378	(876,764)	1,232,076	110,900
Net pension liability	9,031,244	-	(2,893,000)	6,138,244	-
Postemployment benefits other than pensions	1,527,677	156,256	(182,819)	1,501,114	-
<b>Total governmental activity long-term liabilities</b>	<b>\$35,034,052</b>	<b>\$1,080,634</b>	<b>(\$4,992,312)</b>	<b>\$37,057,374</b>	<b>\$1,135,900</b>
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds with other pledged revenues	\$3,380,000	\$ -	(\$450,000)	\$2,930,000	\$460,000
Unamortized premium/discount	40,901	-	(8,795)	32,106	-
Revenue bonds	-	-	-	-	-
Total bonds payable	3,420,901	-	(458,795)	2,962,106	460,000
Compensated absences	-	-	-	-	-
Net pension liability	-	-	-	-	-
<b>Total business-type activity long-term liabilities</b>	<b>\$3,420,901</b>	<b>\$0</b>	<b>(\$458,795)</b>	<b>\$2,962,106</b>	<b>\$460,000</b>

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, 2021 there was an estimated aggregate principal amount payable of approximately \$62,907,110 in bonds of this type.

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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**Note 9 FUND EQUITY**

**A. CLASSIFICATIONS**

At December 31, 2021, the City has various fund equities through legal restrictions and City Council authorizations. A summary of such classifications are as follows:

	General Fund	EDA (component unit) Redev Project	EDA (component unit) Alatus 4300 Central	Cap Imp Gen Govt Building	Capital Improvements PIR	HRA (component unit) Parkview Villa No & So	Nonmajor Gov't	Total
2021 Fund Balance								
Nonspendable								
Prepaid items	\$131,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,794	\$134,724
Total nonspendable	131,930	-	-	-	-	-	2,794	134,724
Restricted for:								
Debt service	-	-	-	-	-	-	1,492,161	1,492,161
Streets	-	-	-	-	-	-	611,033	611,033
Tax Increment	-	-	1,236,523	-	-	-	1,434,066	2,670,589
Police Forfeiture	-	-	-	-	-	-	15,544	15,544
Grant sponsored Rec Programs	-	-	-	-	-	-	96,248	96,248
Housing & Redevelopment	-	-	-	-	-	-	67,143	67,143
Total restricted	-	-	1,236,523	-	-	-	3,716,195	4,952,718
Committed for:								
Downtown Parking Maintenance	-	-	-	-	-	-	17,021	17,021
Capital Improvements/Replacement	-	-	-	6,412,716	-	-	3,715,778	10,128,494
Cable TV Operations	-	-	-	-	-	-	1,112,160	1,112,160
Library Operations	-	-	-	-	-	-	736,616	736,616
Economic Redevelopment	-	4,297,809	-	-	-	-	3,358,132	7,655,941
Total committed	-	4,297,809	-	6,412,716	-	-	8,939,707	19,650,232
Assigned for:	-	-	-	-	-	-	-	-
Unassigned:	8,802,310	-	-	-	(152,202)	-	(68,400)	8,581,708
Total	\$ 8,934,240	\$ 4,297,809	\$ 1,236,523	\$ 6,412,716	\$ (152,202)	\$ -	\$ 12,590,296	\$ 33,319,382

**B. DEFICIT FUND BALANCE**

The following funds had fund deficits as of December 31, 2021. The City will finance these deficits through collections of tax increment and other revenues in future years.

Major Funds:	
Capital Improvement Funds:	
Capital Improvement PIR	(\$152,202)
Nonmajor Funds:	
Debt Service Funds:	
TIF Alatus 40th Ave	(3,797)
TIF Scattered Site	(64,603)
	<u>(\$220,602)</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, 2021, both funds have met this goal.

**Note 10 DEFINED BENEFIT PENSION PLANS - STATEWIDE**

**A. PLAN DESCRIPTION**

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

General Employees Retirement Fund (GERF)

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

Public Employees Police and Fire Fund (PEPFF)

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

**B. BENEFITS PROVIDED**

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

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 members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989 a

full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. 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.

#### PEPFF Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase will be fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

### **C. CONTRIBUTIONS**

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

#### GERF Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2021 and the City was required to contribute 7.50%. The City's contributions to the GERF for the year ended December 31, 2021, were \$490,333. The City's contributions were equal to the required contributions as set by state statute.

#### PEPFF Contributions

Police and Fire members were required to contribute 11.80% of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70%. The City's contributions to the PEPFF for the year ended December 31, 2021, were \$634,565. The City's contributions were equal to the required contributions as set by state statute.

**D. PENSION COSTS**

GERF Pension Costs

At December 31, 2021, the City reported a liability of \$3,843,403 for its proportionate share of GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$117,435. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0900% at the end of the measurement period and 0.0869% for the beginning of the period.

City's proportionate share of the net pension liability	\$ 3,843,403
State of Minnesota's proportionate share of the net pension liability associated with the city	<u>117,435</u>
Total	<u>\$ 3,960,838</u>

For the year ended December 31, 2021, the City recognized pension expense of \$88,178 for its proportionate share of the GERF's pension expense. In addition, the City recognized an additional \$9,475 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, 2021, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ 24,019	\$ 117,619
Changes in actuarial assumptions	2,346,702	85,484
Differences between projected and actual investment earnings	-	3,332,109
Changes in proportions	139,206	21,558
Contributions paid to PERA subsequent to the measurement date	<u>262,779</u>	<u>-</u>
Total	<u>\$ 2,772,706</u>	<u>\$ 3,556,770</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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The \$262,779 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Pension Expense Amount
2022	\$ (142,464)
2023	(9,470)
2024	12,961
2025	(907,870)
2026	-
Thereafter	-
	<u>\$ (1,046,843)</u>

PEPFF Pension Costs

At December 31, 2021, the City reported a liability of \$2,294,841 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2973% at the end of the measurement period and 0.2899% for the beginning of the period.

The State of Minnesota also contributed \$18 million to PEPFF during the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The direct state aid was paid on October 1, 2020. Thereafter, by October 1 of each year, the state will pay \$9 million to the PEPFF until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

The State of Minnesota is included as a non-employer contributing entity in the PEPFF Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. PEPFF employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2021, the City recognized pension expense of (\$190,585) for its proportionate share of the Police and Fire Plan's pension expense. The City recognized an additional \$18,791 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the PEPFF.

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The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City also recognized \$27,960 for the year ended December 31, 2021 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

At December 31, 2021, the City reported its proportionate share of the PEPFF’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ 441,483	\$ -
Changes in actuarial assumptions	3,372,814	1,285,709
Differences between projected and actual investment earnings	-	4,386,794
Changes in proportions	88,847	161,436
Contributions paid to PERA subsequent to the measurement date	342,246	-
Total	<u>\$ 4,245,390</u>	<u>\$ 5,833,939</u>

The \$342,246 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as outflows:

Year ending December 31:	Pension Expense Amount
2022	\$ (1,616,554)
2023	(330,261)
2024	(280,715)
2025	(455,022)
2026	751,758
Thereafter	-
	<u>\$ (1,930,794)</u>

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	6.50%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

Salary growth assumptions in the GERS range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. In the PEPFF, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for GERS were based on the Pub-2010 General Employee Mortality Table. Mortality rates for PEPFF were based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience. Cost of living benefit increases after retirement are assumed to be 1.25% per year for GERS and 1.0% per year for PEPFF.

Actuarial assumptions for GERS are reviewed every four years. The most recent four-year experience study for GERS was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for PEPFF was completed in 2020 and adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.

- The base mortality tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020 experience study. The changes result in a decrease in gross salary increase rates, slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%.

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:

<u>Domestic equity</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	33.5%	5.10%
International equity	17%	5.30%
Fixed income	25%	0.75%
Private markets	25%	5.90%

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rate set in Minnesota statutes. Based on that assumption, the fiduciary net position of the GERF and the PEPFF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. PENSION LIABILITY SENSITIVITY**

The following presents the City's proportionate share of the net pension liability, 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 one percentage point lower or one percentage point higher than the current discount rate:

	1% decrease in discount rate (5.5%)	Discount Rate (6.5%)	1% increase in discount rate (7.5%)
City's Proportionate share of the GERS net pension liability	\$7,838,581	\$3,843,403	\$565,116
City's Proportionate share of the PEPFF net pension liability	\$7,285,732	\$2,294,841	(\$1,796,453)

**H. PENSION EXPENSE**

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

**I. PENSION PLAN FIDUCIARY NET POSITION**

Pension expense recognized by the City for the year ended December 31, 2021 is as follows:

GERF	\$ 83,178
PEPFF	(190,585)
Total	<u>\$ (107,407)</u>

**Note 11 DEFINED CONTRIBUTION PLAN**

**A. FIRE RELIEF ASSOCIATION, PAID ON-CALL DIVISION**

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

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.

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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 2021, state aid was contributed to the plan. This state aid revenue and the related contribution expense/expenditure of \$118,697 are recognized in the accompanying financial statements for the year ended December 31, 2021.

**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, 2021	\$ 690	\$ 690	5%	5%	5%
December 31, 2020	\$ 1,080	\$ 1,080	5%	5%	5%
December 31, 2019	\$ 390	\$ 390	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 2021, 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, 2021 actuarial valuation, participants of the plan consisted of:

Active Employees	119
Inactive employees or beneficiaries currently receiving benefits	<u>25</u>
	<u>144</u>

**D. TOTAL OPEB LIABILITY AND CHANGES IN TOTAL OPEB LIABILITY**

The City's total OPEB liability of \$1,501,114 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2021. Changes in the total OPEB liability during 2021 were:

Balance - beginning of year	\$ 1,527,677
Charges for the year:	
Service Cost	42,310
Interest	32,701
Change of benefit terms	-
Differences between expected and actual experience	(135,788)
Changes in assumptions	91,215
Benefit payments	(57,001)
Net changes	(26,563)
Balance - end of year	<u>\$ 1,501,114</u>

**E. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS**

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases (Average)	3.00%
Discount rate	2.06%
Investment rate of return	N/A
Retirees' share of benefit-related costs	100%
<u>Healthcare cost trend rates:</u>	
First year (FYE 2021)	7.00%
Second year (FYE 2022)	8.00%
Third year (FYE 2023)	6.50%
Ultimate year (FYE 2040)	4.14%
Years to ultimate year	19

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, 2021.

Salary growth assumptions in the GERS range in annual increments from 10.25% after one year of service to 3.00% after 27 years of service. In PERFF, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service

Mortality rates were based on the Pub-2010 General Employee Mortality Table and Pub-2010 Public Safety Employee Mortality tables using projection scale MP-2020.

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 (1.06%) or 1% higher (3.06%) than the current discount rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB liability	\$ 1,657,421	\$ 1,501,114	\$ 1,363,724

**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 or 1% higher than the current healthcare cost trend rates.

	1% Decrease	Health Cost Trend Rates	1% Increase
Total OPEB liability	\$ 1,355,091	\$ 1,501,114	\$ 1,669,887

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

For the year ended December 31, 2021, the City recognized \$90,352 of OPEB expense. At December 31, 2021, 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	\$ 104,709	(\$118,245)
Change of assumptions and other inputs	\$ 140,036	(\$ 63,750)

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
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Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	OPEB Expense
2022	\$15,341
2023	15,341
2024	15,341
2025	22,844
2026	3,902
Thereafter	(10,019)
	<u>\$62,750</u>

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

**A. TAX INCREMENT DISTRICTS**

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

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

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

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

TIF District 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 \$37,631. At December 31, 2021, 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 \$19,194. At December 31, 2021, 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, 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 \$670,781. At December 31, 2021, the principal amount outstanding on the note was \$7,248,782.

TIF District Z6, Dominion Apartment Project:

Issued in 2017 in the principal sum of \$1,170,000 with an interest rate of 5.36% per annum. Principal and interest shall be paid on August 1, 2020 and each February 1 and August 1 thereafter to and including February 1, 2032. Payments are payable solely from available tax increment derived from the developed/redeveloped property and paid to the City. The pay-as-you-go note provides for payment to the developer equal to 89.78% of all tax increment received in the prior six months. The payment reimburses the developer for acquisition costs, soil correction, site preparation and public improvements. Principal and interest payments will be completed February 1, 2032. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final payment on February 1, 2032. The current year abatement (TIF note payments) amounted to \$220,416. At December 31, 2021, the principal amount outstanding on the note was \$842,687.

TIF District BB2, Alatus Columbia Heights Project:

Issued in 2021 in the principal sum of \$9,550,000 with an interest rate of 3.75% per annum. Principal and interest shall be paid on August 1, 2023 and each February 1 and August 1 thereafter to and including February 1, 2045. 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 95% of all tax increment received in the prior six months. The payment reimburses the developer for acquisition costs, soil correction, demolition, site preparation, utilities, and public improvements. Principal and interest payments will be completed February 1, 2045. 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, 2045. There was no current year abatement (TIF note payments) in 2021. At December 31, 2021, the principal amount outstanding on the note was \$9,550,000.

**Note 14 COMMITMENTS AND CONTINGENCIES**

**A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

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

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

**B. LITIGATION**

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

**C. FEDERAL AND STATE FUNDS**

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

**D. CONTRACTUAL COMMITMENTS**

The City has entered into contractual commitments for street construction projects and other various projects that are in process at yearend. At December 31, 2021, the City's obligation for such projects was approximately \$1,103,000.

**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 included the historical review, environmental analysis, and preparation of a Response Action Plan were completed 2020.

The Minnesota Pollution Control Agency has reviewed and approved the Response Action Plan. The City will complete the planned remediation of the site (Phase II), in December of 2021. Phase III of the remediation included the MPCA's review of the remediation and will be complete in 2022. The costs of the remediation are estimated at \$1,103,000 using the expected value method, with those costs expected to be incurred over the life of the project. A liability for this estimate is recorded within the governmental activities of the December 31, 2021, Statement of Net Position.

In 2019, Anoka County awarded the City a federal Community Development Block Grant (CDBG) to liquidate \$108,000 of 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. 87** *Leases*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

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

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

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

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

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

**Statement No. 99** *Omnibus 2022*. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2022.

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2021  
 With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021				2020 Actual Amounts
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
<b>Revenues:</b>					
Taxes	\$11,631,000	\$11,631,000	\$11,789,271	\$158,271	\$11,274,608
Licenses and permits	367,200	367,200	393,936	26,736	334,596
Intergovernmental	919,500	982,342	1,010,574	28,232	955,096
Charges for services	577,800	577,800	565,472	(12,328)	447,822
Fines and forfeitures	103,000	103,000	94,775	(8,225)	101,309
Investment income:					
Interest and dividends	60,000	60,000	63,540	3,540	142,941
Change in fair value	-	-	(89,219)	(89,219)	43,393
Other revenues	19,000	19,000	36,043	17,043	19,759
<b>Total revenues</b>	<b>13,677,500</b>	<b>13,740,342</b>	<b>13,864,392</b>	<b>124,050</b>	<b>13,319,524</b>
<b>Expenditures:</b>					
<b>General government:</b>					
Council	205,950	215,700	175,934	39,766	166,570
Manager	637,950	637,950	623,083	14,867	597,603
Clerk	99,050	99,050	68,370	30,680	144,851
Legal	181,300	181,300	173,336	7,964	212,212
Finance	987,300	987,300	931,833	55,467	945,979
Assessing	125,359	125,359	80,568	44,791	124,213
General government buildings	164,000	164,000	143,538	20,462	135,735
Contingencies	35,000	35,000	20,567	14,433	13,323
<b>Total general government</b>	<b>2,435,909</b>	<b>2,445,659</b>	<b>2,217,229</b>	<b>228,430</b>	<b>2,340,486</b>
<b>Public safety:</b>					
Police	5,704,300	5,704,300	5,464,730	239,570	5,024,157
Fire	2,108,000	2,161,092	2,147,373	13,719	1,668,008
Capital outlay	-	-	14,853	(14,853)	76,571
<b>Total public safety</b>	<b>7,812,300</b>	<b>7,865,392</b>	<b>7,626,956</b>	<b>238,436</b>	<b>6,768,736</b>
<b>Public works:</b>					
Engineering	413,722	413,722	307,183	106,539	301,628
Maintenance	1,486,540	1,486,540	1,428,637	57,903	1,304,799
Capital outlay	7,000	7,000	101,159	(94,159)	259,235
<b>Total public works</b>	<b>1,907,262</b>	<b>1,907,262</b>	<b>1,836,979</b>	<b>70,283</b>	<b>1,865,662</b>
<b>Other departments:</b>					
Parks and recreation	1,950,868	1,950,868	1,848,151	102,717	1,570,452
<b>Total recreation</b>	<b>1,950,868</b>	<b>1,950,868</b>	<b>1,848,151</b>	<b>102,717</b>	<b>1,570,452</b>
<b>Total expenditures</b>	<b>14,106,339</b>	<b>14,169,181</b>	<b>13,529,315</b>	<b>639,866</b>	<b>12,545,336</b>
Revenues over (under) expenditures	(428,839)	(428,839)	335,077	763,916	774,188

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, 2021  
 With Comparative Actual Amounts For the Year Ended December 31, 2020

	2021		Actual Amounts	Variance with Final Budget Positive (Negative)	2020 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Other financing sources (uses):					
Transfers in	\$516,450	\$516,450	\$516,450	\$ -	\$497,000
Transfers out	(265,000)	(305,000)	(294,500)	10,500	(771,759)
Sale of capital asset	-	-	-	-	2,030
Total other financing sources (uses)	<u>251,450</u>	<u>211,450</u>	<u>221,950</u>	<u>10,500</u>	<u>(272,729)</u>
Net change in fund balance	<u>(\$177,389)</u>	<u>(\$217,389)</u>	557,027	<u>\$774,416</u>	501,459
Fund balance - January 1			<u>8,377,213</u>		<u>7,875,754</u>
Fund balance - December 31			<u>\$8,934,240</u>		<u>\$8,377,213</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

	2017	2018	2019	2020	2021
Total OPEB liability:					
Service cost	\$39,449	\$40,684	\$27,667	\$33,807	\$42,310
Interest	46,400	45,266	50,256	39,144	32,701
Differences between expected and actual experience	-	-	186,771	-	(135,788)
Changes in assumptions	45,106	(86,181)	(46,691)	86,077	91,215
Benefit payments	(43,938)	(43,788)	(50,240)	(51,986)	(57,001)
Net change in total OPEB liability	87,017	(44,019)	167,763	107,042	(26,563)
Total OPEB liability - beginning	1,209,874	1,296,891	1,252,872	1,420,635	1,527,677
Total OPEB liability - ending	<u>\$1,296,891</u>	<u>\$1,252,872</u>	<u>\$1,420,635</u>	<u>\$1,527,677</u>	<u>\$1,501,114</u>
Covered-employee payroll	\$7,604,667	\$7,304,846	\$8,151,167	\$7,759,473	\$9,578,177
Total OPEB liability as a percentage of covered-employee payroll	17.1%	17.2%	17.4%	19.7%	15.7%

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

See accompanying notes to the required supplementary information.

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

REQUIRED SUPPLEMENTARY INFORMATION

**Statement 11**

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

GENERAL EMPLOYEES RETIREMENT FUND

For The Last Ten Years

Measurement Date June 30	Fiscal Year Ending December 31	City's Proportionate Share (Percentage) of the Net Pension Liability	City's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with City (b)	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with City (a+b)	Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0873%	\$4,524,339	\$ -	\$4,524,339	\$5,065,173	89.3%	78.2%
2016	2016	0.0849%	6,893,459	90,022	6,983,481	5,265,065	132.6%	68.9%
2017	2017	0.0860%	5,490,183	69,015	5,559,198	5,538,743	100.4%	75.9%
2018	2018	0.0886%	4,915,165	161,391	5,076,556	5,958,300	85.2%	79.5%
2019	2019	0.0865%	4,782,391	148,660	4,931,051	6,119,252	80.6%	80.2%
2020	2020	0.0869%	5,210,052	160,517	5,370,569	6,194,990	86.7%	79.1%
2021	2021	0.0900%	3,843,403	117,435	3,960,838	6,480,969	61.1%	87.0%

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

See accompanying notes to the required supplementary information.

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

**Statement 12**

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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%
December 31, 2020	490,969	490,969	-	6,546,255	7.5%
December 31, 2021	490,333	490,333	-	6,538,032	7.5%

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

See accompanying notes to the required supplementary information.

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

REQUIRED SUPPLEMENTARY INFORMATION

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

For The Last Ten Years

**Statement 13**

Measurement Date	Fiscal Year Ending	Proportion (Percentage) of the Net Pension Liability	Proportionate Share (Amount) of the Net Pension Liability (a)	Covered Payroll (b)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2015	December 31, 2015	0.3140%	\$3,567,778	\$2,816,543	126.7%	86.6%
June 30, 2016	December 31, 2016	0.3200%	12,842,157	3,080,202	416.9%	63.9%
June 30, 2017	December 31, 2017	0.3070%	4,144,865	3,156,438	131.3%	85.4%
June 30, 2018	December 31, 2018	0.2950%	3,144,396	3,108,859	101.1%	88.8%
June 30, 2019	December 31, 2019	0.2983%	3,175,705	3,145,971	100.9%	89.3%
June 30, 2020	December 31, 2020	0.2899%	3,821,192	3,269,979	116.9%	87.2%
June 30, 2021	December 31, 2021	0.2973%	2,294,841	3,513,727	65.3%	93.7%

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%
December 31, 2020	624,095	624,095	-	3,525,958	17.70%
December 31, 2021	634,565	634,565	-	3,585,114	17.70%

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

See accompanying notes to the required supplementary information.

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO RSI  
December 31, 2021

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**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
  - Planning and Inspections Fund
  - Downtown Parking Fund
  - Economic Development Authority (Component Unit):
    - Economic Development Authority Administration Fund

**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.

*2021 Changes*

Changes in Actuarial Assumptions:

- The discount rate was changed from 2.12 percent to 2.06 percent based on the 20 year AA rated municipal bond rates.
- Per capita claims costs were reset to reflect updated experience, plan(s), and premiums as of January 1, 2021.
- Decrement assumptions (i.e. withdrawal, retirement and mortality rates) are the same assumptions used in the July 1, 2021 General Employees Retirement Fund and July 1, 2021 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 2.25% rate used in the July 1, 2021 General Employees Retirement Fund and July 1, 2021 Public Employees Police and Fire Fund actuarial valuations (from 2.50%).

*2020 Changes*

Changes in Actuarial Assumptions:

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

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO RSI  
December 31, 2021

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*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**

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes in Actuarial Assumptions:

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

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO RSI  
December 31, 2021

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Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

*2019 Changes*

Changes in Actuarial Assumptions:

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

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**

*2021 Changes in Actuarial Assumptions:*

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The inflation assumption was changed from 2.50% to 2.25%.
- The payroll growth assumption was changed from 3.25% to 3.00%.
- The base mortality tables for healthy annuitants, disabled annuitants and employees were changed from RP-2014 tables to Pub-2010 Public Safety Mortality tables. The mortality improvement scale was changed from MP-2019 to MN-2020.
- Assumed salary increase and retirement rates were modified as recommended in the July 14, 2020 experience study. The changes result in a decrease in gross salary increase rates, slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60% to 70%.

*2020 Changes*

*Changes in Actuarial Assumptions:*

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

*2019 Changes*

*Changes in Actuarial Assumptions:*

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

*Changes in the Plan Provisions:*

- There have been no changes since the prior valuation.

*2018 Changes*

*Changes in Actuarial Assumptions:*

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

*2017 Changes*

*Changes in Actuarial Assumptions:*

- The single discount rate was changed from 5.6 percent to 7.5 percent.
- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO RSI  
December 31, 2021

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- 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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Assets	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
Cash and investments	\$4,930,187	\$3,088,220	\$3,716,637	\$11,735,044
Receivables:				
Accounts	57,385	-	-	57,385
Special assessments	-	194,527	-	194,527
Taxes	13,575	44,246	-	57,821
Loans	331,000	-	56,940	387,940
Interest	11,600	4,600	9,700	25,900
Due from other governmental units	700,301	-	275,957	976,258
Interfund receivable	3,797	64,603	665,497	733,897
Prepayments	2,794	-	-	2,794
Real estate held for resale	55,444	213,915	220,149	489,508
<b>Total assets</b>	<b>\$6,106,083</b>	<b>\$3,610,111</b>	<b>\$4,944,880</b>	<b>\$14,661,074</b>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$56,832	\$481,395	\$92,426	\$630,653
Accrued salaries and withholdings payable	16,259	-	2,552	18,811
Contracts payable - retained percentage	16,891	-	-	16,891
Due to other governmental units	5,704	-	-	5,704
Interfund payable	671,297	68,400	-	739,697
Unearned revenue	46,971	-	-	46,971
Deposits	45,000	-	24,509	69,509
<b>Total liabilities</b>	<b>858,954</b>	<b>549,795</b>	<b>119,487</b>	<b>1,528,236</b>
Deferred inflows of resources:				
Unavailable revenue	340,053	202,489	-	542,542
<b>Total deferred inflows of resources</b>	<b>340,053</b>	<b>202,489</b>	<b>0</b>	<b>542,542</b>
Fund balance:				
Nonspendable	2,794	-	-	2,794
Restricted	178,935	2,926,227	611,033	3,716,195
Committed	4,725,347	-	4,214,360	8,939,707
Unassigned	-	(68,400)	-	(68,400)
<b>Total fund balance</b>	<b>4,907,076</b>	<b>2,857,827</b>	<b>4,825,393</b>	<b>12,590,296</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$6,106,083</b>	<b>\$3,610,111</b>	<b>\$4,944,880</b>	<b>\$14,661,074</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, 2021

	Special Revenue	Debt Service	Capital Project	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$1,290,117	\$748,045	\$ -	\$2,038,162
Tax increment collections	-	1,125,789	-	1,125,789
Special assessments	-	103,149	-	103,149
Licenses and permits	662,416	-	-	662,416
Intergovernmental	772,882	450,000	1,443,999	2,666,881
Charges for services	320,612	-	(11,138)	309,474
Fines and forfeitures	5,112	-	-	5,112
Investment income:				
Interest and dividends	24,600	13,795	21,123	59,518
Change in fair value	(34,200)	(13,800)	(29,000)	(77,000)
Other revenues	90,000	-	1,739	91,739
Total revenues	<u>3,131,539</u>	<u>2,426,978</u>	<u>1,426,723</u>	<u>6,985,240</u>
<b>Expenditures:</b>				
Current:				
General government	129,023	-	-	129,023
Public safety	30,781	-	6,282	37,063
Public works	29,762	-	177,034	206,796
Culture and recreation	1,131,559	-	-	1,131,559
Community development	558,124	12,595	-	570,719
Capital outlay:				
General government	-	-	267,590	267,590
Public safety	-	-	783,575	783,575
Public works	-	-	427,897	427,897
Culture and recreation	-	-	65,069	65,069
Community development	-	-	-	-
Debt service:				
Principal retirement	-	1,000,000	-	1,000,000
Interest and fiscal charges	-	519,477	-	519,477
Developer incentives	-	948,021	-	948,021
Total expenditures	<u>1,879,249</u>	<u>2,480,093</u>	<u>1,727,447</u>	<u>6,086,789</u>
Revenues over (under) expenditures	<u>1,252,290</u>	<u>(53,115)</u>	<u>(300,724)</u>	<u>898,451</u>
<b>Other financing sources (uses):</b>				
Transfers in	190,500	47,676	385,680	623,856
Transfers out	(138,200)	-	(376,466)	(514,666)
Bonds issued	-	-	-	-
Sale of capital assets	-	-	26,980	26,980
Total other financing sources (uses)	<u>52,300</u>	<u>47,676</u>	<u>36,194</u>	<u>136,170</u>
Net change in fund balance	1,304,590	(5,439)	(264,530)	1,034,621
Fund balance - January 1	<u>3,602,486</u>	<u>2,863,266</u>	<u>5,089,923</u>	<u>11,555,675</u>
Fund balance - December 31	<u>\$4,907,076</u>	<u>\$2,857,827</u>	<u>\$4,825,393</u>	<u>\$12,590,296</u>

**NONMAJOR  
SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA  
SUBCOMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2021

	Cable Television Fund 225	Police Forfeiture Fund 265	Library Fund 240	After-School Programs Fund 261	Twenty-first Century Arts Fund 262	Contributed Projects - Recreation Fund 881
<b>Assets</b>						
Cash and investments	\$1,084,709	\$29,128	\$764,519	\$95,940	\$788	\$251,096
<b>Receivables:</b>						
Accounts	48,081	-	-	-	-	-
Taxes	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Interest	2,700	-	1,400	300	-	600
Due from other governmental units	-	-	-	-	414	-
Interfund receivable	-	-	-	-	-	-
Prepayments	-	-	2,794	-	-	-
Real estate held for resale	-	-	-	-	-	-
<b>Total assets</b>	<b>\$1,135,490</b>	<b>\$29,128</b>	<b>\$768,713</b>	<b>\$96,240</b>	<b>\$1,202</b>	<b>\$251,696</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>						
<b>Liabilities:</b>						
Accounts payable	\$22,515	\$ -	\$14,879	\$ -	\$1,194	\$ -
Accrued salaries and withholdings payable	815	-	10,250	-	-	-
Contracts payable	-	-	-	-	-	-
Due to other governmental units	-	-	4,174	-	-	-
Interfund payable	-	-	-	-	-	-
Unearned revenue	-	13,584	-	-	-	-
Deposits	-	-	-	-	-	-
<b>Total liabilities</b>	<b>23,330</b>	<b>13,584</b>	<b>29,303</b>	<b>0</b>	<b>1,194</b>	<b>0</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>0</b>
<b>Fund balance:</b>						
Nonspendable	-	-	2,794	-	-	-
Restricted	-	15,544	-	96,240	8	-
Committed	1,112,160	-	736,616	-	-	251,696
Unassigned	-	-	-	-	-	-
<b>Total fund balance</b>	<b>1,112,160</b>	<b>15,544</b>	<b>739,410</b>	<b>96,240</b>	<b>8</b>	<b>251,696</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$1,135,490</b>	<b>\$29,128</b>	<b>\$768,713</b>	<b>\$96,240</b>	<b>\$1,202</b>	<b>\$251,696</b>

Contributed Projects - Other Fund 883	Special Projects Fund 226	Downtown Parking Fund 228	Planning and Inspections Fund 201	Anoka County Comm. Dev. Programs Fund 202	Public Safety Grant Fund 272	EDA Administration Fund 204 (Component Unit)	Total Nonmajor Special Revenue Funds
\$214,780	\$952,289	\$22,806	\$861,596	\$ -	\$ -	\$652,536	\$4,930,187
9	9,295	-	-	-	-	-	57,385
-	-	-	-	-	-	13,575	13,575
-	-	-	-	231,000	-	100,000	331,000
600	2,300	100	2,100	-	-	1,500	11,600
-	-	-	-	694,087	5,800	-	700,301
-	-	-	-	-	-	3,797	3,797
-	-	-	-	-	-	-	2,794
-	-	-	-	55,444	-	-	55,444
<u>\$215,389</u>	<u>\$963,884</u>	<u>\$22,906</u>	<u>\$863,696</u>	<u>\$980,531</u>	<u>\$5,800</u>	<u>\$771,408</u>	<u>\$6,106,083</u>
\$ -	\$11,500	\$5,885	\$288	\$ -	\$ -	\$571	\$56,832
-	-	-	3,066	-	-	2,128	16,259
-	-	-	-	16,891	-	-	16,891
-	-	-	1,530	-	-	-	5,704
-	-	-	-	665,497	5,800	-	671,297
-	33,387	-	-	-	-	-	46,971
-	-	-	-	-	-	45,000	45,000
<u>0</u>	<u>44,887</u>	<u>5,885</u>	<u>4,884</u>	<u>682,388</u>	<u>5,800</u>	<u>47,699</u>	<u>858,954</u>
-	-	-	-	231,000	-	109,053	340,053
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>231,000</u>	<u>0</u>	<u>109,053</u>	<u>340,053</u>
-	-	-	-	-	-	-	2,794
-	-	-	-	67,143	-	-	178,935
215,389	918,997	17,021	858,812	-	-	614,656	4,725,347
-	-	-	-	-	-	-	-
<u>215,389</u>	<u>918,997</u>	<u>17,021</u>	<u>858,812</u>	<u>67,143</u>	<u>0</u>	<u>614,656</u>	<u>4,907,076</u>
<u>\$215,389</u>	<u>\$963,884</u>	<u>\$22,906</u>	<u>\$863,696</u>	<u>\$980,531</u>	<u>\$5,800</u>	<u>\$771,408</u>	<u>\$6,106,083</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, 2021

	Cable Television Fund 225	Police Forfeiture Fund 265	Library Fund 240	After-School Programs Fund 261	Twenty-first Century Arts Fund 262	Contributed Projects - Recreation Fund 881
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$1,032,936	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	36,295	-
Fees/program revenues	170,540	-	9,683	2,357	4,256	-
Rents	-	-	-	-	-	-
Fines and forfeitures	-	-	5,112	-	-	-
Investment income:						
Interest and dividends	5,900	-	3,000	600	-	1,200
Change in fair value	(8,200)	-	(4,100)	(800)	-	(1,700)
Other revenues:						
Contributions	-	-	-	-	-	44,100
Miscellaneous	29,305	-	175	-	-	-
Total revenues	<u>197,545</u>	<u>0</u>	<u>1,046,806</u>	<u>2,157</u>	<u>40,551</u>	<u>43,600</u>
<b>Expenditures:</b>						
Personal services	46,128	-	690,767	3,123	26,690	-
Supplies	1,502	-	91,158	1,327	2,876	1,499
Other services and charges	81,393	5,404	241,445	5,544	10,984	300
Total expenditures	<u>129,023</u>	<u>5,404</u>	<u>1,023,370</u>	<u>9,994</u>	<u>40,550</u>	<u>1,799</u>
Revenues over (under) expenditures	<u>68,522</u>	<u>(5,404)</u>	<u>23,436</u>	<u>(7,837)</u>	<u>1</u>	<u>41,801</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	11,000	-	-	-
Transfers out	(58,000)	-	(15,150)	-	-	-
Total other financing sources (uses)	<u>(58,000)</u>	<u>0</u>	<u>(4,150)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	10,522	(5,404)	19,286	(7,837)	1	41,801
Fund balance - January 1	<u>1,101,638</u>	<u>20,948</u>	<u>720,124</u>	<u>104,077</u>	<u>7</u>	<u>209,895</u>
Fund balance - December 31	<u>\$1,112,160</u>	<u>\$15,544</u>	<u>\$739,410</u>	<u>\$96,240</u>	<u>\$8</u>	<u>\$251,696</u>

Contributed Projects - Other Fund 883	Special Projects Fund 226	Downtown Parking Fund 228	Planning and Inspections Fund 201	Anoka County Comm. Dev. Programs Fund 202	Public Safety Grant Fund 272	EDA Administration Fund 204 (Component Unit)	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$257,181	\$1,290,117
-	-	-	662,416	-	-	-	662,416
-	36,700	-	-	694,087	5,800	-	772,882
-	25,940	-	6,436	-	-	30	219,242
-	70,170	31,200	-	-	-	-	101,370
-	-	-	-	-	-	-	5,112
1,200	4,900	100	4,500	-	-	3,200	24,600
(1,700)	(6,800)	(200)	(6,300)	-	-	(4,400)	(34,200)
11,405	-	-	-	-	-	-	55,505
2,520	-	-	495	-	-	2,000	34,495
<u>13,425</u>	<u>130,910</u>	<u>31,100</u>	<u>667,547</u>	<u>694,087</u>	<u>5,800</u>	<u>258,011</u>	<u>3,131,539</u>
-	-	-	303,067	-	-	155,777	1,225,552
9,651	-	234	1,627	-	5,800	186	115,860
9,926	29,762	55,612	36,148	10,398	-	50,921	537,837
<u>19,577</u>	<u>29,762</u>	<u>55,846</u>	<u>340,842</u>	<u>10,398</u>	<u>5,800</u>	<u>206,884</u>	<u>1,879,249</u>
(6,152)	101,148	(24,746)	326,705	683,689	0	51,127	1,252,290
-	19,500	25,000	135,000	-	-	-	190,500
-	(25,000)	-	(20,025)	-	-	(20,025)	(138,200)
<u>0</u>	<u>(5,500)</u>	<u>25,000</u>	<u>114,975</u>	<u>0</u>	<u>0</u>	<u>(20,025)</u>	<u>52,300</u>
(6,152)	95,648	254	441,680	683,689	0	31,102	1,304,590
221,541	823,349	16,767	417,132	(616,546)	-	583,554	3,602,486
<u>\$215,389</u>	<u>\$918,997</u>	<u>\$17,021</u>	<u>\$858,812</u>	<u>\$67,143</u>	<u>\$0</u>	<u>\$614,656</u>	<u>\$4,907,076</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, 2021

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

	2021			Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Franchise fees	\$132,000	\$132,000	\$170,540	\$38,540	\$174,592
Investment income:					
Interest and dividends	5,000	5,000	5,900	900	11,000
Change in fair value	-	-	(8,200)	(8,200)	3,300
Other revenues:					
Miscellaneous	15,000	15,000	29,305	14,305	32,918
Total revenues	<u>152,000</u>	<u>152,000</u>	<u>197,545</u>	<u>45,545</u>	<u>221,810</u>
Expenditures:					
Personal services	51,950	51,950	46,128	5,822	47,357
Supplies	1,700	1,700	1,502	198	2,889
Other services and charges	91,100	111,100	81,393	29,707	64,898
Total expenditures	<u>144,750</u>	<u>164,750</u>	<u>129,023</u>	<u>35,727</u>	<u>115,144</u>
Revenues over expenditures	7,250	(12,750)	68,522	81,272	106,666
Other financing sources (uses):					
Transfers out	<u>(58,000)</u>	<u>(58,000)</u>	<u>(58,000)</u>	-	<u>(65,400)</u>
Net change in fund balance	<u>(\$50,750)</u>	<u>(\$70,750)</u>	10,522	<u>\$81,272</u>	41,266
Fund balance - January 1			<u>1,101,638</u>		<u>1,060,372</u>
Fund balance - December 31			<u>\$1,112,160</u>		<u>\$1,101,638</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, 2021  
 With Comparative Actual Amounts For the Year Ended December 31, 2020

**Statement 20**

	<u>2021</u>	<u>2020</u>
Revenues:		
Forfeitures	\$ -	\$4,189
Expenditures:	<u>5,404</u>	<u>-</u>
Revenues over (under) expenditures	(5,404)	4,189
Fund balance - January 1	<u>20,948</u>	<u>16,759</u>
Fund balance - December 31	<u><u>\$15,544</u></u>	<u><u>\$20,948</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, 2021**  
**With Comparative Actual Amounts For the Year Ended December 31, 2020**

**Statement 21**

	2021				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Original	Final			
Revenues:					
Taxes	\$1,032,936	\$1,032,936	\$1,032,936	\$ -	\$1,002,850
Charges for services	17,300	17,300	9,683	(7,617)	7,347
Fines	11,000	11,000	5,112	(5,888)	4,403
Investment income:					
Interest and dividends	8,014	8,014	3,000	(5,014)	5,300
Change in fair value	-	-	(4,100)	(4,100)	1,600
Other revenues:					
Miscellaneous	1,500	1,500	175	(1,325)	2,301
Total revenues	<u>1,070,750</u>	<u>1,070,750</u>	<u>1,046,806</u>	<u>(23,944)</u>	<u>1,023,801</u>
Expenditures:					
Personal services	730,900	730,900	690,767	40,133	674,632
Supplies	98,500	97,300	91,158	6,142	97,518
Other services and charges	237,200	238,400	241,445	(3,045)	222,486
Total expenditures	<u>1,066,600</u>	<u>1,066,600</u>	<u>1,023,370</u>	<u>43,230</u>	<u>994,636</u>
Revenues over expenditures	<u>4,150</u>	<u>4,150</u>	<u>23,436</u>	<u>19,286</u>	<u>29,165</u>
Other financing sources (uses):					
Transfers in	11,000	11,000	11,000	-	11,000
Transfers out	(15,150)	(15,150)	(15,150)	-	(14,500)
Total other financing sources (uses)	<u>(4,150)</u>	<u>(4,150)</u>	<u>(4,150)</u>	<u>0</u>	<u>(3,500)</u>
Net change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>19,286</u>	<u>\$19,286</u>	<u>25,665</u>
Fund balance - January 1			<u>720,124</u>		<u>694,459</u>
Fund balance - December 31			<u>\$739,410</u>		<u>\$720,124</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, 2021

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

	2021				2020 Actual Amounts
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)	
	Original	Final			
Revenues:					
Program revenue	\$20,000	\$20,000	\$2,357	(\$17,643)	\$236
Investment income:					
Interest and dividends	2,000	2,000	600	(1,400)	1,100
Change in fair value	-	-	(800)	(800)	300
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>2,157</u>	<u>(19,843)</u>	<u>1,636</u>
Expenditures:					
Personal services	22,700	22,700	3,123	19,577	1,740
Supplies	3,000	3,000	1,327	1,673	-
Other services and charges	<u>18,000</u>	<u>18,000</u>	<u>5,544</u>	<u>12,456</u>	<u>1,155</u>
Total expenditures	<u>43,700</u>	<u>43,700</u>	<u>9,994</u>	<u>33,706</u>	<u>2,895</u>
Revenues over (under) expenditures	<u>(\$21,700)</u>	<u>(\$21,700)</u>	<u>(7,837)</u>	<u>\$13,863</u>	<u>(1,259)</u>
Fund balance - January 1			<u>104,077</u>		<u>105,336</u>
Fund balance - December 31			<u>\$96,240</u>		<u>\$104,077</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SPECIAL REVENUE FUND - TWENTY-FIRST CENTURY ARTS FUND 262

**Statement 23**

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

For The Year Ended December 31, 2021

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

	2021			Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Intergovernmental	\$41,400	\$41,400	\$36,295	(\$5,105)	\$45,022
Fees/program revenue	4,000	4,000	4,256	256	2,158
Total revenues	<u>45,400</u>	<u>45,400</u>	<u>40,551</u>	<u>(4,849)</u>	<u>47,180</u>
Expenditures:					
Personal services	32,500	32,500	26,690	5,810	22,526
Supplies	6,000	6,000	2,876	3,124	11,239
Other services and charges	7,000	7,000	10,984	(3,984)	13,415
Total expenditures	<u>45,500</u>	<u>45,500</u>	<u>40,550</u>	<u>4,950</u>	<u>47,180</u>
Revenues over (under) expenditures	<u>(\$100)</u>	<u>(\$100)</u>	1	<u>\$101</u>	0
Fund balance - January 1			<u>7</u>		<u>7</u>
Fund balance - December 31			<u>\$8</u>		<u>\$7</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SPECIAL REVENUE FUND - CONTRIBUTED PROJECTS-RECREATION FUND 881

**Statement 24**

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ACTUAL

For The Year Ended December 31, 2021

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

	<u>2021</u>	<u>2020</u>
Revenues:		
Investment income:		
Interest and dividends	\$1,200	\$2,100
Change in fair value	(1,700)	600
Other revenue:		
Contributions	44,100	21,200
Total revenues	<u>43,600</u>	<u>23,900</u>
Expenditures:		
Supplies	1,499	7,980
Other services and charges	300	-
Total expenditures	<u>1,799</u>	<u>7,980</u>
Revenues over expenditures	41,801	15,920
Fund balance - January 1	<u>209,895</u>	<u>193,975</u>
Fund balance - December 31	<u>\$251,696</u>	<u>\$209,895</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SPECIAL REVENUE FUND - CONTRIBUTED PROJECTS - OTHER FUND 883

**Statement 25**

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ACTUAL

For The Year Ended December 31, 2021

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

	<u>2021</u>	<u>2020</u>
Revenues:		
Investment income:		
Interest and dividends	\$1,200	\$2,200
Change in fair value	(1,700)	700
Contributions	11,405	18,550
Miscellaneous	2,520	2,876
Total revenues	<u>13,425</u>	<u>24,326</u>
Expenditures:		
Supplies	9,651	24,621
Other services and charges	9,926	-
Total expenditures	<u>19,577</u>	<u>24,621</u>
Revenues over (under) expenditures	(6,152)	(295)
Fund balance - January 1	<u>221,541</u>	<u>221,836</u>
Fund balance - December 31	<u><u>\$215,389</u></u>	<u><u>\$221,541</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SPECIAL REVENUE FUND - SPECIAL PROJECTS FUND 226

**Statement 26**

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ACTUAL

For The Year Ended December 31, 2021

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

	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental	\$36,700	\$33,300
Fees/program revenue	25,940	29,438
Rents	70,170	68,259
Investment income:		
Interest and dividends	4,900	8,700
Change in fair value	(6,800)	2,600
Total revenues	<u>130,910</u>	<u>142,297</u>
Expenditures:		
Supplies	-	15,524
Other services and charges	29,762	57,965
Total expenditures	<u>29,762</u>	<u>73,489</u>
Revenues over (under) expenditures	<u>101,148</u>	<u>68,808</u>
Other financing sources (uses):		
Transfers in	19,500	-
Transfers out	(25,000)	(10,000)
Total other financing sources (uses)	<u>(5,500)</u>	<u>(10,000)</u>
Net change in fund balance	95,648	58,808
Fund balance - January 1	<u>823,349</u>	<u>764,541</u>
Fund balance - December 31	<u><u>\$918,997</u></u>	<u><u>\$823,349</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SPECIAL REVENUE FUND - DOWNTOWN PARKING FUND 228

**Statement 27**

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

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

	2021			Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Rents	\$31,200	\$31,200	\$31,200	-	\$18,200
Investment income:					
Interest and dividends	-	-	100	(100)	100
Change in fair value	-	-	(200)	200	-
Total revenues	<u>31,200</u>	<u>31,200</u>	<u>31,100</u>	<u>100</u>	<u>18,300</u>
Expenditures:					
Personal services	-	-	-	-	202
Supplies	-	-	234	(234)	-
Other services and charges	56,200	56,200	55,612	588	23,204
Total expenditures	<u>56,200</u>	<u>56,200</u>	<u>55,846</u>	<u>354</u>	<u>23,406</u>
Revenues over (under) expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>(24,746)</u>	<u>(254)</u>	<u>(5,106)</u>
Other financing sources (uses):					
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>10,000</u>
Net Change in fund balance	<u>\$0</u>	<u>\$0</u>	<u>254</u>	<u>(\$254)</u>	<u>4,894</u>
Fund balance - January 1			<u>16,767</u>		<u>11,873</u>
Fund balance - December 31			<u>\$17,021</u>		<u>\$16,767</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SPECIAL REVENUE FUND - PLANNING AND INSPECTIONS FUND 201

**Statement 28**

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For The Year Ended December 31, 2021

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

	2021		Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Licenses and permits	\$309,370	\$309,370	\$662,416	\$353,046	\$346,230
Fees/program revenues	-	-	6,436	6,436	99
Investment income:					
Interest and dividends	-	-	4,500	4,500	3,300
Change in fair value	-	-	(6,300)	(6,300)	1,000
Miscellaneous	2,000	2,000	495	(1,505)	429
Total revenues	<u>311,370</u>	<u>311,370</u>	<u>667,547</u>	<u>356,177</u>	<u>351,058</u>
Expenditures:					
Personal services	393,400	393,400	303,067	90,333	351,279
Supplies	4,050	4,050	1,627	2,423	2,069
Other services and charges	30,675	30,675	36,148	(5,473)	49,321
Total expenditures	<u>428,125</u>	<u>428,125</u>	<u>340,842</u>	<u>87,283</u>	<u>402,669</u>
Revenues over (under) expenditures	<u>(116,755)</u>	<u>(116,755)</u>	<u>326,705</u>	<u>443,460</u>	<u>(51,611)</u>
Other financing sources (uses):					
Transfers in	135,000	135,000	135,000	-	135,000
Transfers out	(20,025)	(20,025)	(20,025)	-	(19,500)
Total other financing sources (uses):	<u>114,975</u>	<u>114,975</u>	<u>114,975</u>	<u>-</u>	<u>115,500</u>
Net change in fund balance	<u>(\$1,780)</u>	<u>(\$1,780)</u>	<u>441,680</u>	<u>\$443,460</u>	<u>63,889</u>
Fund balance - January 1			<u>417,132</u>		<u>353,243</u>
Fund balance - December 31			<u>\$858,812</u>		<u>\$417,132</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

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

**Statement 29**

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ACTUAL

For The Year Ended December 31, 2021

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

	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental	\$694,087	\$35,623
Investment income:		
Interest and dividends	-	200
Change in fair value	-	100
Other revenues	-	532
Total revenues	<u>694,087</u>	<u>36,455</u>
Expenditures:		
Other services and charges	<u>10,398</u>	<u>35,621</u>
Total expenditures	<u>10,398</u>	<u>35,621</u>
Revenues over (under) expenditures	683,689	834
Special item	<u>-</u>	<u>(684,219)</u>
Net change in fund balance	683,689	(683,385)
Fund balance - January 1	<u>(616,546)</u>	<u>66,839</u>
Fund balance - December 31	<u><u>\$67,143</u></u>	<u><u>(\$616,546)</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SPECIAL REVENUE FUND - PUBLIC SAFETY GRANT FUND 272

**Statement 30**

SCHEDULE OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ACTUAL

For The Year Ended December 31, 2021

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

	<u>2021</u>	<u>2020</u>
Revenues:		
Intergovernmental	<u>\$5,800</u>	<u>\$1,590,875</u>
Expenditures:		
Personal services	-	383,502
Supplies	5,800	453,523
Other services and charges	-	335,876
Capital outlay	-	417,974
Total expenditures	<u>5,800</u>	<u>1,590,875</u>
Revenues over (under) expenditures	0	0
Fund balance - January 1	<u>0</u>	<u>0</u>
Fund balance - December 31	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SPECIAL REVENUE FUND-EDA ADMINISTRATION FUND 204

**Statement 31**

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

(COMPONENT UNIT)

For The Year Ended December 31, 2021

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

	2021		Actual Amounts	Variance with Final Budget- Positive (Negative)	2020 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Taxes	\$255,500	\$255,500	\$257,181	\$1,681	\$248,277
Fees/program revenues	-	-	30	30	30
Investment income:					
Interest and dividends	-	-	3,200	3,200	3,900
Change in fair value	-	-	(4,400)	(4,400)	1,200
Miscellaneous	-	-	2,000	2,000	-
Total revenues	<u>255,500</u>	<u>255,500</u>	<u>258,011</u>	<u>2,511</u>	<u>253,407</u>
Expenditures:					
Personal services	209,600	209,600	155,777	53,823	147,639
Supplies	3,200	3,200	186	3,014	1,922
Other services and charges	21,800	21,800	50,921	(29,121)	18,773
Total expenditures	<u>234,600</u>	<u>234,600</u>	<u>206,884</u>	<u>27,716</u>	<u>168,334</u>
Revenues over (under) expenditures	20,900	20,900	51,127	30,227	85,073
Other financing sources (uses):					
Transfers out	(20,025)	(20,025)	(20,025)	-	(19,500)
Net change in fund balance	<u>\$875</u>	<u>\$875</u>	31,102	<u>\$30,227</u>	65,573
Fund balance - January 1			<u>583,554</u>		<u>517,981</u>
Fund balance - December 31			<u>\$614,656</u>		<u>\$583,554</u>

**NONMAJOR  
DEBT SERVICE FUNDS**

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

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

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

CITY OF COLUMBIA HEIGHTS, MINNESOTA  
 SUBCOMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 December 31, 2021

	2008A Taxable GO Housing Improvement Area Bonds Fund 315	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	\$252,872	\$116,017	\$413,906	\$460,616	\$234,100
Receivables:					
Taxes	-	-	4,242	5,490	3,318
Assessments	194,527	-	-	-	-
Interest	500	200	300	300	300
Interfund receivable	-	-	-	-	-
Real estate for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$447,899</b>	<b>\$116,217</b>	<b>\$418,448</b>	<b>\$466,406</b>	<b>\$237,718</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-	-
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	194,527	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>194,527</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance:</b>					
Restricted	253,372	116,217	418,448	466,406	237,718
Unassigned	-	-	-	-	-
<b>Total fund balance</b>	<b>253,372</b>	<b>116,217</b>	<b>418,448</b>	<b>466,406</b>	<b>237,718</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$447,899</b>	<b>\$116,217</b>	<b>\$418,448</b>	<b>\$466,406</b>	<b>\$237,718</b>

EDA Component Unit						
Tax Increment Bonds Fund 376	TIF Transition Block Fund 389	TIF Huset Park Area Fund 372	TIF 47th and Grand Fund 375	TIF Scattered Site Fund 391	TIF BB2 Alatus 40th Ave Fund 392	Total Nonmajor Debt Service Funds
\$343,426	\$101,474	\$1,009,670	\$156,139	\$ -	\$ -	\$3,088,220
-	9,858	21,338	-	-	-	44,246
-	-	-	-	-	-	194,527
800	200	1,900	100	-	-	4,600
64,603	-	-	-	-	-	64,603
213,915	-	-	-	-	-	213,915
<u>\$622,744</u>	<u>\$111,532</u>	<u>\$1,032,908</u>	<u>\$156,239</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,610,111</u>
\$ -	\$30,374	\$335,391	\$115,630	\$ -	\$ -	\$481,395
-	-	-	-	64,603	3,797	68,400
<u>0</u>	<u>30,374</u>	<u>335,391</u>	<u>115,630</u>	<u>64,603</u>	<u>3,797</u>	<u>549,795</u>
-	-	7,962	-	-	-	202,489
<u>0</u>	<u>0</u>	<u>7,962</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>202,489</u>
622,744	81,158	689,555	40,609	-	-	2,926,227
-	-	-	-	(64,603)	(3,797)	(68,400)
<u>622,744</u>	<u>81,158</u>	<u>689,555</u>	<u>40,609</u>	<u>(64,603)</u>	<u>(3,797)</u>	<u>2,857,827</u>
<u>\$622,744</u>	<u>\$111,532</u>	<u>\$1,032,908</u>	<u>\$156,239</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,610,111</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, 2021**

	2008A Taxable GO Housing Improvement Area Bonds Fund 315	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	\$ -	\$ -	\$242,647	\$315,303	\$190,095
Tax increment collections	-	-	-	-	-
Special assessments	103,149	-	-	-	-
Intergovernmental	-	-	225,000	225,000	-
Investment income:					
Interest and dividends	1,000	500	700	800	600
Change in fair value	(1,400)	(600)	(1,000)	(1,000)	(800)
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>102,749</b>	<b>(100)</b>	<b>467,347</b>	<b>540,103</b>	<b>189,895</b>
<b>Expenditures:</b>					
Community development:					
Other services and charges	-	-	-	-	-
Debt service:					
Principal retirement	80,000	25,000	290,000	325,000	150,000
Interest and fiscal charges	19,482	2,275	166,588	208,289	58,426
Developer incentives	-	-	-	-	-
<b>Total expenditures</b>	<b>99,482</b>	<b>27,275</b>	<b>456,588</b>	<b>533,289</b>	<b>208,426</b>
Revenues over (under) expenditures	3,267	(27,375)	10,759	6,814	(18,531)
<b>Other financing sources (uses):</b>					
Transfers in	-	36,419	-	-	8,619
Transfers out	-	-	-	-	-
Bonds issued	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>36,419</b>	<b>-</b>	<b>-</b>	<b>8,619</b>
Net change in fund balance	3,267	9,044	10,759	6,814	(9,912)
Fund balance - January 1	250,105	107,173	407,689	459,592	247,630
Fund balance - December 31	<b>\$253,372</b>	<b>\$116,217</b>	<b>\$418,448</b>	<b>\$466,406</b>	<b>\$237,718</b>

## EDA Component Unit

Tax Increment Bonds Fund 376	TIF Transition Block Fund 389	TIF Huset Park Area Fund 372	TIF Central Valu Center Fund 374	TIF 47th and Grand Fund 375	TIF Scattered Site Fund 391	TIF BB2 Alatus 40th Ave Fund 392	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$748,045
-	63,235	761,831	-	256,955	43,768	-	1,125,789
-	-	-	-	-	-	-	103,149
-	-	-	-	-	-	-	450,000
5,395	500	4,000	-	300	-	-	13,795
(2,300)	(600)	(5,600)	-	(400)	(100)	-	(13,800)
-	-	-	-	-	-	-	-
<u>3,095</u>	<u>63,135</u>	<u>760,231</u>	<u>0</u>	<u>256,855</u>	<u>43,668</u>	<u>0</u>	<u>2,426,978</u>
(7,450)	1,459	11,634	-	1,235	1,920	3,797	12,595
-	-	130,000	-	-	-	-	1,000,000
-	-	60,722	-	-	3,695	-	519,477
-	56,825	670,781	-	220,415	-	-	948,021
<u>(7,450)</u>	<u>58,284</u>	<u>873,137</u>	<u>0</u>	<u>221,650</u>	<u>5,615</u>	<u>3,797</u>	<u>2,480,093</u>
10,545	4,851	(112,906)	0	35,205	38,053	(3,797)	(53,115)
-	-	-	2,638	-	-	-	47,676
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	2,638	-	-	-	47,676
10,545	4,851	(112,906)	2,638	35,205	38,053	(3,797)	(5,439)
<u>612,199</u>	<u>76,307</u>	<u>802,461</u>	<u>(2,638)</u>	<u>5,404</u>	<u>(102,656)</u>	<u>-</u>	<u>2,863,266</u>
<u>\$622,744</u>	<u>\$81,158</u>	<u>\$689,555</u>	<u>\$0</u>	<u>\$40,609</u>	<u>(\$64,603)</u>	<u>(\$3,797)</u>	<u>\$2,857,827</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, 2021

	Municipal State Aid Street Fund 212 & 402	Capital Improvement Parks Fund 412
<b>Assets</b>		
Cash and investments	\$338,914	\$306,960
Receivables:		
Loans	-	-
Interest	-	900
Due from other governmental units	275,957	-
Interfund receivable	-	-
Real estate held for resale	-	-
Total assets	\$614,871	\$307,860
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts payable	1,286	-
Accrued salaries and withholdings payable	2,552	-
Deposits	-	-
Total liabilities	3,838	0
<b>Fund balance:</b>		
Restricted	611,033	-
Committed	-	307,860
Total fund balance	611,033	307,860
<b>Total liabilities and fund balance</b>	<b>\$614,871</b>	<b>\$307,860</b>

Statement 34

Capital Improvement Development Fund 420	Infrastructure Replacement Fund 430	Capital Equipment Replacement General Gov't Fund 431	Total Nonmajor Capital Project Funds
\$45,790	\$1,185,051	\$1,839,922	\$3,716,637
56,940	-	-	56,940
1,800	2,400	4,600	9,700
-	-	-	275,957
665,497	-	-	665,497
220,149	-	-	220,149
<u>\$990,176</u>	<u>\$1,187,451</u>	<u>\$1,844,522</u>	<u>\$4,944,880</u>
-	-	91,140	92,426
-	-	-	2,552
24,509	-	-	24,509
<u>24,509</u>	<u>0</u>	<u>91,140</u>	<u>119,487</u>
-	-	-	611,033
965,667	1,187,451	1,753,382	4,214,360
<u>965,667</u>	<u>1,187,451</u>	<u>1,753,382</u>	<u>4,825,393</u>
<u>\$990,176</u>	<u>\$1,187,451</u>	<u>\$1,844,522</u>	<u>\$4,944,880</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, 2021

	Municipal State Aid Street Fund 212 & 402	Capital Improvement Parks Fund 412
<b>Revenues:</b>		
Intergovernmental	\$869,418	\$77,581
Charges for services	(21,138)	10,000
Investment income:		
Interest and dividends	-	2,000
Change in fair value	-	(2,800)
Other revenues	-	-
Total revenues	<u>848,280</u>	<u>86,781</u>
<b>Expenditures:</b>		
Current:		
Public safety	-	-
Public works	172,442	-
Capital outlay		
General government	-	-
Public safety	-	-
Public works	195,132	-
Culture and recreation	-	-
Total expenditures	<u>367,574</u>	<u>0</u>
Revenue over (under) expenditures	<u>480,706</u>	<u>86,781</u>
<b>Other financing sources (uses):</b>		
Transfers in	-	110,136
Transfers out	(376,466)	-
Sale of capital assets	-	-
Total other financing sources (uses)	<u>(376,466)</u>	<u>110,136</u>
Net change in fund balance	104,240	196,917
Fund balance - January 1	<u>506,793</u>	<u>110,943</u>
Fund balance - December 31	<u><u>\$611,033</u></u>	<u><u>\$307,860</u></u>

Statement 35

Capital Improvement Development Fund 420	Infrastructure Replacement Fund 430	Capital Equipment Replacement General Gov't Fund 431	Total Nonmajor Capital Project Funds
\$ -	\$50,000	\$447,000	\$1,443,999
-	-	-	(11,138)
4,223	5,100	9,800	21,123
(5,400)	(7,100)	(13,700)	(29,000)
-	-	1,739	1,739
<u>(1,177)</u>	<u>48,000</u>	<u>444,839</u>	<u>1,426,723</u>
-	-	6,282	6,282
-	2,092	2,500	177,034
-	-	267,590	267,590
-	-	783,575	783,575
-	-	232,765	427,897
-	-	65,069	65,069
<u>0</u>	<u>2,092</u>	<u>1,357,781</u>	<u>1,727,447</u>
<u>(1,177)</u>	<u>45,908</u>	<u>(912,942)</u>	<u>(300,724)</u>
-	265,544	10,000	385,680
-	-	-	(376,466)
-	-	26,980	26,980
<u>0</u>	<u>265,544</u>	<u>36,980</u>	<u>36,194</u>
(1,177)	311,452	(875,962)	(264,530)
<u>966,844</u>	<u>875,999</u>	<u>2,629,344</u>	<u>5,089,923</u>
<u>\$965,667</u>	<u>\$1,187,451</u>	<u>\$1,753,382</u>	<u>\$4,825,393</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, 2021  
With Comparative Totals For December 31, 2020

Statement 36

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2021	2020
<b>Assets:</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$263,566	\$663,500	\$ -	\$86,578	\$ -	\$1,013,644	\$958,232
Receivables:							
Accounts (net of allowance for uncollectables)	1,020,145	5,994	-	-	-	1,026,139	870,757
Interest	1,100	1,400	-	100	-	2,600	1,600
Interfund receivable	466,243	-	-	-	(466,243)	-	-
Inventory - at cost	64,221	-	-	-	-	64,221	8,792
Total current assets	<u>1,815,275</u>	<u>670,894</u>	<u>0</u>	<u>86,678</u>	<u>(466,243)</u>	<u>2,106,604</u>	<u>1,839,381</u>
<b>Noncurrent assets:</b>							
Capital assets:							
Land	45,223	-	-	-	-	45,223	45,223
Construction in process	-	-	755,264	-	-	755,264	1,343,167
Buildings	1,776,045	-	-	-	-	1,776,045	1,305,172
Equipment	744,877	-	-	-	-	744,877	728,156
Infrastructure	9,680,901	-	-	-	-	9,680,901	8,613,661
Total capital assets	<u>12,247,046</u>	<u>0</u>	<u>755,264</u>	<u>0</u>	<u>0</u>	<u>13,002,310</u>	<u>12,035,379</u>
Less: accumulated depreciation	(5,322,319)	-	-	-	-	(5,322,319)	(5,087,210)
Total capital assets (net of accumulated depreciation)	<u>6,924,727</u>	<u>-</u>	<u>755,264</u>	<u>-</u>	<u>-</u>	<u>7,679,991</u>	<u>6,948,169</u>
Total noncurrent assets	<u>6,924,727</u>	<u>0</u>	<u>755,264</u>	<u>0</u>	<u>0</u>	<u>7,679,991</u>	<u>6,948,169</u>
<b>Total assets</b>	<u>8,740,002</u>	<u>670,894</u>	<u>755,264</u>	<u>86,678</u>	<u>(466,243)</u>	<u>9,786,595</u>	<u>8,787,550</u>
<b>Liabilities :</b>							
<b>Current liabilities:</b>							
Accounts payable	16,760	-	72,364	-	-	89,124	43,741
Accrued salaries and withholdings payable	15,058	-	466	-	-	15,524	7,430
Contracts payable - retained percentage	-	-	32,054	-	-	32,054	69,947
Due to other governmental units	130,139	-	-	-	-	130,139	137,198
Interfund payable	-	-	466,243	-	(466,243)	-	-
Accrued interest payable	-	-	-	2,446	-	2,446	3,111
Deposits	2,500	-	-	-	-	2,500	-
Bonds payable - current	-	-	-	80,000	-	80,000	80,000
Total current liabilities	<u>164,457</u>	<u>0</u>	<u>571,127</u>	<u>82,446</u>	<u>(466,243)</u>	<u>351,787</u>	<u>341,427</u>
<b>Noncurrent liabilities:</b>							
Bonds payable - noncurrent	-	-	-	170,000	-	170,000	250,000
Total noncurrent liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>170,000</u>	<u>0</u>	<u>170,000</u>	<u>250,000</u>
<b>Total liabilities</b>	<u>164,457</u>	<u>0</u>	<u>571,127</u>	<u>252,446</u>	<u>(466,243)</u>	<u>521,787</u>	<u>591,427</u>
<b>Net position:</b>							
Net investment in capital assets	6,924,727	-	755,264	(250,000)	-	7,429,991	6,618,169
Restricted for debt service	-	-	-	86,807	-	86,807	87,906
Unrestricted	1,650,818	670,894	(571,127)	(2,575)	-	1,748,010	1,490,048
Total net position	<u>\$8,575,545</u>	<u>\$670,894</u>	<u>\$184,137</u>	<u>(\$165,768)</u>	<u>\$0</u>	<u>\$9,264,808</u>	<u>\$8,196,123</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

WATER UTILITY FUND

Statement 37

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2021	2020
Operating revenues:							
Charges for services:							
Customer services	\$71,959	\$ -	\$ -	\$ -	\$ -	\$71,959	\$79,866
Penalties	143,564	-	-	-	-	143,564	157,542
Charges for sales:							
Water	3,747,396	-	-	-	-	3,747,396	3,446,792
Meter	4,470	84,901	-	-	-	89,371	81,722
Total operating revenues	<u>3,967,389</u>	<u>84,901</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,052,290</u>	<u>3,765,922</u>
Operating expenses:							
Cost of sales	1,716,846	-	-	-	-	1,716,846	1,616,685
Distribution	763,651	-	18,898	-	-	782,549	890,440
Administration	122,478	8,315	-	-	-	130,793	95,237
Depreciation	243,722	-	-	-	-	243,722	300,170
Total operating expenses	<u>2,846,697</u>	<u>8,315</u>	<u>18,898</u>	<u>0</u>	<u>0</u>	<u>2,873,910</u>	<u>2,902,532</u>
Net income (loss) from operations	<u>1,120,692</u>	<u>76,586</u>	<u>(18,898)</u>	<u>0</u>	<u>0</u>	<u>1,178,380</u>	<u>863,390</u>
Nonoperating revenues (expenses):							
Investment income:							
Interest and dividends	2,400	3,100	-	200	-	5,700	7,300
Change in fair value	(3,300)	(4,300)	-	(200)	-	(7,800)	2,200
Gain on sale of capital assets	2,123	-	-	-	-	2,123	-
Miscellaneous revenues (expenses)	1,755	-	325	-	-	2,080	708
Interest and fiscal charges	-	-	-	(6,198)	-	(6,198)	(7,932)
Total nonoperating revenues (expenses)	<u>2,978</u>	<u>(1,200)</u>	<u>325</u>	<u>(6,198)</u>	<u>0</u>	<u>(4,095)</u>	<u>2,276</u>
Net income (loss) before transfers	<u>1,123,670</u>	<u>75,386</u>	<u>(18,573)</u>	<u>(6,198)</u>	<u>0</u>	<u>1,174,285</u>	<u>865,666</u>
Transfers							
Transfers in	67,848	30,000	20,254	85,000	(203,102)	-	-
Transfers out	(240,854)	(67,848)	-	-	203,102	(105,600)	(102,000)
Total transfers	<u>(173,006)</u>	<u>(37,848)</u>	<u>20,254</u>	<u>85,000</u>	<u>0</u>	<u>(105,600)</u>	<u>(102,000)</u>
Change in net position	950,664	37,538	1,681	78,802	0	1,068,685	763,666
Net position - January 1	<u>7,624,881</u>	<u>633,356</u>	<u>182,456</u>	<u>(244,570)</u>	<u>-</u>	<u>8,196,123</u>	<u>7,432,457</u>
Net position - December 31	<u>\$8,575,545</u>	<u>\$670,894</u>	<u>\$184,137</u>	<u>(\$165,768)</u>	<u>\$0</u>	<u>\$9,264,808</u>	<u>\$8,196,123</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

WATER UTILITY FUND

**Statement 38**

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	2021	2020
Cash flows provided by (used in) operating activities:		
Cash received from customers	\$3,841,479	\$3,690,082
Cash paid to suppliers for goods and services	(2,147,034)	(2,083,818)
Cash payments to employees for services	(470,049)	(425,818)
Net cash flows provided by (used in) operating activities	<u>1,224,396</u>	<u>1,180,446</u>
Cash flows provided by (used in) noncapital financing activities:		
Transfers out	<u>(105,600)</u>	<u>(102,000)</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition of capital assets	(973,422)	(1,360,043)
Principal payments - bonds	(80,000)	(80,000)
Interest and fiscal charges	(6,862)	(8,497)
Net cash flows provided by (used in) capital and related financing activities	<u>(1,060,284)</u>	<u>(1,448,540)</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	4,700	7,000
Change in fair value	(7,800)	2,200
Net cash flows provided by (used in) investing activities	<u>(3,100)</u>	<u>9,200</u>
Net increase (decrease) in cash and cash equivalents	55,412	(360,894)
Cash and cash equivalents - January 1	<u>958,232</u>	<u>1,319,126</u>
Cash and cash equivalents - December 31	<u><u>\$1,013,644</u></u>	<u><u>\$958,232</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$1,178,380</u>	<u>\$863,390</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	243,722	300,170
Miscellaneous revenues	2,080	708
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	(155,382)	(76,268)
(Increase) decrease in inventory, at cost	(55,429)	428
Increase (decrease) in accounts payable	45,383	20,125
Increase (decrease) in accrued salaries and withholdings payable	8,094	(7,573)
Increase (decrease) in contracts payable -retained percentage	(37,893)	69,947
Increase (decrease) in due to other governmental units	(7,059)	9,719
Increase (decrease) in deposits payable	2,500	(200)
Total adjustments	<u>46,016</u>	<u>317,056</u>
Net cash flows from operating activities	<u><u>\$1,224,396</u></u>	<u><u>\$1,180,446</u></u>

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2021	2020
<b>Assets:</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$1,464,519	\$351,089	\$ -	\$63,044	\$ -	\$1,878,652	\$569,911
Receivables:							
Accounts (net of allowance for uncollectibles)	566,162	-	-	-	-	566,162	600,797
Interest	1,900	800	-	100	-	2,800	1,900
Due from other funds	5,481	-	-	-	(5,481)	-	-
Due from other governmental units	13,037	-	-	-	-	13,037	-
Prepayments	107,401	-	-	-	-	107,401	103,380
Total current assets	<u>2,158,500</u>	<u>351,889</u>	<u>0</u>	<u>63,144</u>	<u>(5,481)</u>	<u>2,568,052</u>	<u>1,275,988</u>
<b>Noncurrent assets:</b>							
<b>Capital assets:</b>							
Land	36,586	-	-	-	-	36,586	36,586
Construction in progress	-	-	23,697	-	-	23,697	619,147
Buildings	768,836	-	-	-	-	768,836	403,659
Equipment	1,219,400	-	-	-	-	1,219,400	1,194,140
Infrastructure	6,946,918	-	-	-	-	6,946,918	6,677,171
Total capital assets	<u>8,971,740</u>	<u>0</u>	<u>23,697</u>	<u>0</u>	<u>0</u>	<u>8,995,437</u>	<u>8,930,703</u>
Less: accumulated depreciation	(5,603,113)	-	-	-	-	(5,603,113)	(5,437,806)
Net capital assets	<u>3,368,627</u>	<u>0</u>	<u>23,697</u>	<u>0</u>	<u>0</u>	<u>3,392,324</u>	<u>3,492,897</u>
Total noncurrent assets	<u>3,368,627</u>	<u>0</u>	<u>23,697</u>	<u>0</u>	<u>0</u>	<u>3,392,324</u>	<u>3,492,897</u>
<b>Total assets</b>	<u>5,527,127</u>	<u>351,889</u>	<u>23,697</u>	<u>63,144</u>	<u>(5,481)</u>	<u>5,960,376</u>	<u>4,768,885</u>
<b>Liabilities:</b>							
<b>Current liabilities:</b>							
Accounts payable	19,946	-	3,462	-	-	23,408	1,072
Accrued salaries and withholdings payable	6,539	-	-	-	-	6,539	3,250
Contracts payable - retained percentage	-	-	17,358	-	-	17,358	30,396
Due to other funds	-	-	5,481	-	(5,481)	-	-
Accrued interest payable	-	-	-	1,585	-	1,585	2,058
Unearned revenue	1,092,457	-	-	-	-	1,092,457	-
Bonds payable - current	-	-	-	59,600	-	59,600	53,400
Total current liabilities	<u>1,118,942</u>	<u>0</u>	<u>26,301</u>	<u>61,185</u>	<u>(5,481)</u>	<u>1,200,947</u>	<u>90,176</u>
<b>Noncurrent liabilities:</b>							
Bonds payable - noncurrent	-	-	-	119,200	-	119,200	178,800
<b>Total liabilities</b>	<u>1,118,942</u>	<u>0</u>	<u>26,301</u>	<u>180,385</u>	<u>(5,481)</u>	<u>1,320,147</u>	<u>268,976</u>
<b>Net position:</b>							
Net investment in capital assets	3,368,627	-	23,697	(178,800)	-	3,213,524	3,260,697
Restricted for debt service	-	-	-	64,330	-	64,330	58,612
Unrestricted	1,039,558	351,889	(26,301)	(2,771)	-	1,362,375	1,180,600
Total net position	<u>\$4,408,185</u>	<u>\$351,889</u>	<u>(\$2,604)</u>	<u>(\$117,241)</u>	<u>\$0</u>	<u>\$4,640,229</u>	<u>\$4,499,909</u>

## CITY OF COLUMBIA HEIGHTS, MINNESOTA

SEWER UTILITY FUND

Statement 40

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2021	2020
Operating revenues:							
Charges for services:							
Sewer service charges	\$2,375,931	\$ -	\$ -	\$ -	\$ -	\$2,375,931	\$2,241,481
Total operating revenues	<u>2,375,931</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,375,931</u>	<u>2,241,481</u>
Operating expenses:							
Disposal	1,240,561	-	-	-	-	1,240,561	1,206,459
Collection	677,099	-	(72)	-	-	677,027	725,951
Administration	65,672	1,250	-	-	-	66,922	50,720
Depreciation	165,382	-	-	-	-	165,382	165,698
Total operating expenses	<u>2,148,714</u>	<u>1,250</u>	<u>(72)</u>	<u>0</u>	<u>0</u>	<u>2,149,892</u>	<u>2,148,828</u>
Net income (loss) from operations	<u>227,217</u>	<u>(1,250)</u>	<u>72</u>	<u>0</u>	<u>0</u>	<u>226,039</u>	<u>92,653</u>
Nonoperating revenues (expenses):							
Investment income							
Interest and dividends	4,100	1,800	-	100	-	6,000	8,899
Change in fair value	(5,700)	(2,500)	-	(200)	-	(8,400)	2,700
Intergovernmental	23,697	-	-	-	-	23,697	-
Gain on sale of capital assets	2,123	-	-	-	-	2,123	-
Miscellaneous revenues (expenses)	494	-	-	-	-	494	597
Interest and fiscal charges	-	-	-	(4,033)	-	(4,033)	(5,326)
Total nonoperating revenues (expenses)	<u>24,714</u>	<u>(700)</u>	<u>0</u>	<u>(4,133)</u>	<u>0</u>	<u>19,881</u>	<u>6,870</u>
Net income (loss) before transfers and capital contributions	<u>251,931</u>	<u>(1,950)</u>	<u>72</u>	<u>(4,133)</u>	<u>0</u>	<u>245,920</u>	<u>99,523</u>
Transfers and capital contributions:							
Capital contribution - intergovernmental revenue	-	-	-	-	-	-	-
Transfers in	634,925	30,000	-	62,000	(726,925)	-	-
Transfers out	(197,600)	-	(634,925)	-	726,925	(105,600)	(102,000)
Total transfers and capital contributions	<u>437,325</u>	<u>30,000</u>	<u>(634,925)</u>	<u>62,000</u>	<u>0</u>	<u>(105,600)</u>	<u>(102,000)</u>
Change in net position	<u>689,256</u>	<u>28,050</u>	<u>(634,853)</u>	<u>57,867</u>	<u>-</u>	<u>140,320</u>	<u>(2,477)</u>
Net position - January 1	<u>3,718,929</u>	<u>323,839</u>	<u>632,249</u>	<u>(175,108)</u>	<u>-</u>	<u>4,499,909</u>	<u>4,502,386</u>
Net position - December 31	<u>\$4,408,185</u>	<u>\$351,889</u>	<u>(\$2,604)</u>	<u>(\$117,241)</u>	<u>\$0</u>	<u>\$4,640,229</u>	<u>\$4,499,909</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

SEWER UTILITY FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

**Statement 41**

	2021	2020
Cash flows provided by (used in) operating activities:		
Cash received from customers	\$2,394,002	\$2,197,185
Cash paid to suppliers for goods and services	(1,651,180)	(1,669,259)
Cash payments to employees for services	(320,743)	(340,082)
Net cash flows provided by (used in) operating activities	<u>422,079</u>	<u>187,844</u>
Cash flows provided by (used in) noncapital financing activities:		
Transfers out	<u>(105,600)</u>	<u>(102,000)</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition of capital assets	(62,686)	(699,459)
Principal payments - bonds	(53,400)	(53,400)
Interest and fiscal charges	(4,506)	(5,799)
Capital grant funds received	1,116,154	-
Net cash flows provided by (used in) capital and related financing activities	<u>995,562</u>	<u>(758,658)</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	5,100	8,799
Change in fair value	(8,400)	2,700
Net cash flows provided by (used in) investing activities	<u>(3,300)</u>	<u>11,499</u>
Net increase (decrease) in cash and cash equivalents	1,308,741	(661,315)
Cash and cash equivalents - January 1	<u>569,911</u>	<u>1,231,226</u>
Cash and cash equivalents - December 31	<u><u>\$1,878,652</u></u>	<u><u>\$569,911</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>\$226,039</u>	<u>\$92,653</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	165,382	165,698
Miscellaneous revenues	494	597
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	34,635	(42,051)
(Increase) decrease in due from other governmental units	(13,037)	-
(Increase) decrease in prepayments	(4,021)	(2,842)
Increase (decrease) in accounts payable	22,336	(36,585)
Increase (decrease) in accrued salaries and withholdings payable	3,289	(9,890)
Increase (decrease) in contracts payable -retained percentage	(13,038)	20,264
Total adjustments	<u>196,040</u>	<u>95,191</u>
Net cash flows from operating activities	<u><u>\$422,079</u></u>	<u><u>\$187,844</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
 REFUSE UTILITY FUND  
 SUBCOMBINING SCHEDULE OF NET POSITION  
 December 31, 2021  
 With Comparative Totals For December 31, 2020

**Statement 42**

	2021	2020
Assets:		
Current assets:		
Cash and cash equivalents	\$2,069,127	\$1,746,270
Receivables:		
Accounts (net of allowance for uncollectibles)	535,287	584,168
Interest	4,200	3,100
Due from other governmental units	47,045	23,982
Total current assets	<u>2,655,659</u>	<u>2,357,520</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	(142,018)	(139,518)
Total capital assets (net of accumulated depreciation)	<u>26,875</u>	<u>29,375</u>
Total noncurrent assets	<u>26,875</u>	<u>29,375</u>
Total assets	<u>2,682,534</u>	<u>2,386,895</u>
Liabilities:		
Current liabilities:		
Accounts payable	299,637	153,444
Accrued salaries and withholdings payable	1,944	1,800
Total current liabilities	<u>301,581</u>	<u>155,244</u>
Net position:		
Net investments in capital assets	26,875	29,375
Unrestricted	2,354,078	2,202,276
Total net position	<u><u>\$2,380,953</u></u>	<u><u>\$2,231,651</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

REFUSE UTILITY FUND

**Statement 43**

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	2021	2020
Operating revenues:		
Refuse service charges	\$2,168,952	\$2,103,590
Operating expenses:		
Collection and disposal	1,765,750	1,766,657
Administration	96,668	103,076
Recycling	119,220	118,170
Hazardous waste	14,061	11,973
Depreciation	2,500	2,500
Miscellaneous	28,088	27,483
Total operating expenses	2,026,287	2,029,859
Net income (loss) from operations	142,665	73,731
Nonoperating revenues:		
Investment income		
Interest and dividends	9,000	14,100
Change in fair value	(12,500)	4,300
Intergovernmental	107,937	103,695
Total nonoperating revenues	104,437	122,095
Net income (loss) before transfers	247,102	195,826
Transfers out	(97,800)	(94,200)
Total transfers	(97,800)	(94,200)
Change in net position	149,302	101,626
Net position - January 1	2,231,651	2,130,025
Net position - December 31	\$2,380,953	\$2,231,651

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

REFUSE UTILITY FUND

**Statement 44**

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	2021	2020
Cash flows provided by (used in) operating activities:		
Cash received from customers	\$2,194,770	\$2,094,419
Cash paid to suppliers for goods and services	(1,740,411)	(1,875,505)
Cash payments to employees for services	(137,039)	(139,657)
Net cash flows provided by (used in) operating activities	317,320	79,257
Cash flows provided by (used in) noncapital financing activities:		
Transfers out	(97,800)	(94,200)
Intergovernmental	107,937	103,695
Net cash flows provided by (used in) noncapital financing activities	10,137	9,495
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	7,900	13,700
Change in fair value	(12,500)	4,300
Net cash flows provided by (used in) investing activities	(4,600)	18,000
Net increase (decrease) in cash and cash equivalents	322,857	106,752
Cash and cash equivalents - January 1	1,746,270	1,639,518
Cash and cash equivalents - December 31	\$2,069,127	\$1,746,270
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income	\$142,665	\$73,731
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	48,881	(9,094)
(Increase) decrease in due from other governmental units	(23,063)	(77)
Increase (decrease) in accounts payable	146,193	14,671
Increase (decrease) in accrued salaries and withholdings payable	144	(2,474)
Total adjustments	174,655	5,526
Net cash flows from operating activities	\$317,320	\$79,257

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
**STORM SEWER UTILITY FUND**  
**SUBCOMBINING SCHEDULE OF NET POSITION**  
**December 31, 2021**  
**With Comparative Totals For December 31, 2020**

**Statement 45**

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Total	
					2021	2020
<b>Assets:</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 552,969	\$ 26,152	\$ 101,251	\$ 59,424	\$ 739,796	\$ 502,755
<b>Receivables:</b>						
Accounts (net of allowance for uncollectibles)	166,364	-	-	-	166,364	142,485
Interest	1,400	100	-	100	1,600	1,400
Due from other governmental units	-	-	39,993	-	39,993	-
Total current assets	<u>720,733</u>	<u>26,252</u>	<u>141,244</u>	<u>59,524</u>	<u>947,753</u>	<u>646,640</u>
<b>Noncurrent assets:</b>						
<b>Capital assets:</b>						
Land	260,690	-	-	-	260,690	260,690
Equipment	394,068	-	-	-	394,068	402,607
Infrastructure	2,667,144	-	-	-	2,667,144	2,667,144
Total capital assets	<u>3,321,902</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,321,902</u>	<u>3,330,441</u>
Less: accumulated depreciation	<u>(1,549,281)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,549,281)</u>	<u>(1,461,124)</u>
Net capital assets	<u>1,772,621</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,772,621</u>	<u>1,869,317</u>
Total noncurrent assets	<u>1,772,621</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,772,621</u>	<u>1,869,317</u>
Total assets	<u>2,493,354</u>	<u>26,252</u>	<u>141,244</u>	<u>59,524</u>	<u>2,720,374</u>	<u>2,515,957</u>
<b>Liabilities:</b>						
<b>Current liabilities:</b>						
Accounts payable	4,641	-	-	-	4,641	6,774
Accrued salaries and withholdings payable	1,835	-	-	-	1,835	1,430
Contracts payable - retained percentage	-	-	-	-	-	17,388
Interfund payable	-	-	-	-	-	-
Accrued interest payable	-	-	-	1,933	1,933	2,374
Bonds payable - current	-	-	-	60,400	60,400	56,600
Total current liabilities	<u>6,476</u>	<u>0</u>	<u>0</u>	<u>62,333</u>	<u>68,809</u>	<u>84,566</u>
<b>Noncurrent liabilities:</b>						
Bonds payable - noncurrent	-	-	-	120,800	120,800	181,200
Total noncurrent liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,800</u>	<u>120,800</u>	<u>181,200</u>
Total liabilities	<u>6,476</u>	<u>0</u>	<u>0</u>	<u>183,133</u>	<u>189,609</u>	<u>265,766</u>
<b>Net position:</b>						
Net investment in capital assets	1,772,621	-	-	(181,200)	1,591,421	1,631,517
Restricted for debt service	-	-	-	65,649	65,649	62,494
Unrestricted	714,257	26,252	141,244	(8,058)	873,695	556,180
Total net position	<u>\$2,486,878</u>	<u>\$26,252</u>	<u>\$141,244</u>	<u>(\$123,609)</u>	<u>\$2,530,765</u>	<u>\$2,250,191</u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA

STORM SEWER UTILITY FUND

Statement 46

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	Operating Account	Capital Equipment Replacement Account	Capital Construction Account	Debt Service Account	Intrafund Eliminations	Total	
						2021	2020
Operating revenues:							
Storm sewer service charges	\$579,975	\$ -	\$ -	\$ -	\$ -	\$579,975	\$522,652
Operating expenses:							
Collection	255,006	-	121,118	-	-	376,124	455,418
Administration	72,689	-	-	-	-	72,689	1,041
Depreciation	96,696	-	-	-	-	96,696	112,437
Total operating expenses	424,391	0	121,118	0	0	545,509	568,896
Net income (loss) from operations	155,584	0	(121,118)	0	0	34,466	(46,244)
Nonoperating revenues (expenses):							
Investment income							
Interest and dividends	3,000	100	-	100	-	3,200	6,100
Change in fair value	(4,100)	(200)	-	(200)	-	(4,500)	1,900
Miscellaneous revenues (expenses)	-	-	-	-	-	-	359
Interest and fiscal charges	-	-	-	(4,868)	-	(4,868)	(6,057)
Total nonoperating revenues (expenses)	(1,100)	(100)	0	(4,968)	0	(6,168)	2,302
Net income (loss) before transfers and capital contributions	154,484	(100)	(121,118)	(4,968)	0	28,298	(43,942)
Transfers and capital contributions:							
Capital contribution -							
Intergovernmental revenue	-	-	262,412	-	-	262,412	-
Transfers in	-	10,000	70,986	59,000	(139,986)	-	-
Transfers out	(139,986)	-	(10,136)	-	139,986	(10,136)	-
Total transfers and capital contributions	(139,986)	10,000	323,262	59,000	0	252,276	0
Change in net position	14,498	9,900	202,144	54,032	0	280,574	(43,942)
Net position - January 1	2,472,380	16,352	(60,900)	(177,641)	-	2,250,191	2,294,133
Net position - December 31	\$2,486,878	\$26,252	\$141,244	(\$123,609)	\$0	\$2,530,765	\$2,250,191

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
**STORM SEWER UTILITY FUND**  
**SUBCOMBINING SCHEDULE OF CASH FLOWS**  
For Year Ended December 31, 2021  
With Comparative Totals For The Year Ended December 31, 2020

**Statement 47**

	2021	2020
Cash flows provided by (used in) operating activities:		
Cash received from customers	\$516,103	\$540,690
Cash paid to suppliers for goods and services	(305,063)	(335,947)
Cash payments to employees for services	(162,866)	(149,979)
Net cash flows provided by (used in) operating activities	<u>48,174</u>	<u>54,764</u>
Cash flows provided by (used in) noncapital financing activities:		
Transfers out	<u>(10,136)</u>	<u>-</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition of capital assets	-	(3,849)
Intergovernmental revenue	262,412	-
Principal payments - bonds	(56,600)	(56,600)
Interest and fiscal charges	(5,309)	(6,361)
Net cash flows provided by (used in) capital and related financing activities	<u>200,503</u>	<u>(66,810)</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	3,000	5,600
Change in fair value	(4,500)	1,900
Net cash flows provided by (used in) investing activities	<u>(1,500)</u>	<u>7,500</u>
Net increase (decrease) in cash and cash equivalents	237,041	(4,546)
Cash and cash equivalents - January 1	<u>502,755</u>	<u>507,301</u>
Cash and cash equivalents - December 31	<u><u>\$739,796</u></u>	<u><u>\$502,755</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$34,466</u>	<u>(\$46,244)</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	96,696	112,437
Miscellaneous revenue	-	359
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	(23,879)	(16,066)
(Increase) decrease in due from other governmental units	(39,993)	33,745
Increase (decrease) in accounts payable	(2,133)	(25,151)
Increase (decrease) in accrued salaries and withholdings payable	405	(2,653)
Increase (decrease) compensated absences payable	(17,388)	(1,663)
Total adjustments	<u>13,708</u>	<u>101,008</u>
Net cash flows from operating activities	<u><u>\$48,174</u></u>	<u><u>\$54,764</u></u>

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CITY OF COLUMBIA HEIGHTS, MINNESOTA

LIQUOR FUND

Statement 48

SUBCOMBINING SCHEDULE OF NET POSITION

December 31, 2021

With Comparative Totals For December 31, 2020

	Operating Account	Debt Service Account	Total	
			2021	2020
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$1,316,660	\$302,471	\$1,619,131	\$1,647,609
Receivables:				
Accounts	-	-	-	-
Interest	2,600	300	2,900	2,700
Due from other governmental units	-	-	-	388
Prepayments	-	-	-	7,387
Inventory - at cost	2,173,373	-	2,173,373	2,278,746
Total current assets	<u>3,492,633</u>	<u>302,771</u>	<u>3,795,404</u>	<u>3,936,830</u>
<b>Noncurrent assets:</b>				
Capital assets:				
Land	2,006,714	-	2,006,714	2,006,714
Construction in progress	-	-	-	8,287
Buildings	4,155,734	-	4,155,734	3,909,062
Equipment	509,846	-	509,846	450,353
Total capital assets	<u>6,672,294</u>	<u>0</u>	<u>6,672,294</u>	<u>6,374,416</u>
Less: Accumulated depreciation	<u>(2,119,430)</u>	<u>-</u>	<u>(2,119,430)</u>	<u>(1,973,642)</u>
Net capital assets	<u>4,552,864</u>	<u>0</u>	<u>4,552,864</u>	<u>4,400,774</u>
Total noncurrent assets	<u>4,552,864</u>	<u>0</u>	<u>4,552,864</u>	<u>4,400,774</u>
Total assets	<u>8,045,497</u>	<u>302,771</u>	<u>8,348,268</u>	<u>8,337,604</u>
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	287,360	-	287,360	214,205
Accrued salaries and withholdings payable	19,730	-	19,730	15,506
Due to other governmental units	96,013	-	96,013	86,439
Accrued interest payable	-	22,482	22,482	24,644
Bonds payable - current	-	260,000	260,000	260,000
Total current liabilities	<u>403,103</u>	<u>282,482</u>	<u>685,585</u>	<u>600,794</u>
<b>Noncurrent liabilities:</b>				
Bonds payable - noncurrent	-	2,092,106	2,092,106	2,360,901
Total liabilities	<u>403,103</u>	<u>2,374,588</u>	<u>2,777,691</u>	<u>2,961,695</u>
<b>Net position:</b>				
Net investment in capital assets	4,552,864	(2,352,106)	2,200,758	1,779,873
Restricted for debt service	-	304,567	304,567	307,865
Unrestricted	3,089,530	(24,278)	3,065,252	3,288,171
Total net position	<u>\$7,642,394</u>	<u>(\$2,071,817)</u>	<u>\$5,570,577</u>	<u>\$5,375,909</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

LIQUOR FUND

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND

CHANGES IN FUND NET POSITION

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	Operating Accounts		
	Top Valu	Top Valu II	Heights Liquor
Operating revenues:			
Charges for sales:			
Liquor	\$2,096,459	\$1,285,820	\$297,462
Beer	1,840,340	1,426,060	242,527
Wine	686,081	484,001	34,506
Other	282,763	186,021	78,409
Total operating revenues	<u>4,905,643</u>	<u>3,381,902</u>	<u>652,904</u>
Operating expenses:			
Cost of goods sold	3,707,648	2,554,036	471,342
Operating expense	821,844	659,948	175,220
Depreciation	77,205	57,852	10,732
Total operating expenses	<u>4,606,697</u>	<u>3,271,836</u>	<u>657,294</u>
Net income from operations	<u>\$298,946</u>	<u>\$110,066</u>	<u>(\$4,390)</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest and dividends			
Change in fair value			
Intergovernmental			
Miscellaneous revenues (expenses)			
Interest and fiscal charges			
Total nonoperating revenues (expenses)			
Net income (loss) before transfers			
Transfers:			
Transfers in			
Transfers out			
Total transfers			
Change in net position			
Net position - January 1			
Net position - December 31			

Total Operating Accounts	Debt Service Account	Intrafund Eliminations	Total	
			2021	2020
\$3,679,741	\$ -	\$ -	\$3,679,741	\$3,050,659
3,508,927	-	-	3,508,927	3,072,343
1,204,588	-	-	1,204,588	1,108,725
547,193	-	-	547,193	353,656
<u>8,940,449</u>	<u>0</u>	<u>0</u>	<u>8,940,449</u>	<u>7,585,383</u>
6,733,026	-	-	6,733,026	5,649,325
1,657,012	-	-	1,657,012	1,520,529
145,789	-	-	145,789	134,261
<u>8,535,827</u>	<u>0</u>	<u>0</u>	<u>8,535,827</u>	<u>7,304,115</u>
404,622	0	0	404,622	281,268
5,700	600	-	6,300	12,400
(7,900)	(800)	-	(8,700)	3,700
4,414	-	-	4,414	4,091
-	-	-	-	(2,500)
-	(46,718)	-	(46,718)	(50,989)
<u>2,214</u>	<u>(46,918)</u>	<u>0</u>	<u>(44,704)</u>	<u>(33,298)</u>
406,836	(46,918)	0	359,918	247,970
-	314,000	(314,000)	-	-
(479,250)	-	314,000	(165,250)	(90,900)
<u>(479,250)</u>	<u>314,000</u>	<u>0</u>	<u>(165,250)</u>	<u>(90,900)</u>
(72,414)	267,082	0	194,668	157,070
7,714,808	(2,338,899)	0	5,375,909	5,218,839
<u>\$7,642,394</u>	<u>(\$2,071,817)</u>	<u>\$0</u>	<u>\$5,570,577</u>	<u>\$5,375,909</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

LIQUOR FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

**Statement 50**

**Page 1 of 2**

	<u>2021</u>	<u>2020</u>
Cash flows provided by (used in) operating activities:		
Cash received from customers	\$8,948,224	\$7,580,850
Cash paid to suppliers for goods and services	(7,136,983)	(6,202,662)
Cash payments to employees for services	(1,060,729)	(1,099,873)
Net cash flows provided by (used in) operating activities	<u>750,512</u>	<u>278,315</u>
Cash flows provided by (used in) noncapital financing activities:		
Transfers out	(165,250)	(90,900)
Intergovernmental	4,414	4,091
Net cash flows provided by (used in) noncapital financing activities	<u>(160,836)</u>	<u>(86,809)</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition of capital assets	(297,878)	(17,909)
Principal payments - bonds	(260,000)	(255,000)
Interest and fiscal charges - including capitalized interest	(57,676)	(62,892)
Net cash flows provided by (used in) capital and related financing activities	<u>(615,554)</u>	<u>(335,801)</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	6,100	12,000
Change in fair value	(8,700)	3,700
Net cash flows provided by (used in) investing activities	<u>(2,600)</u>	<u>15,700</u>
Net increase (decrease) in cash and cash equivalents	(28,478)	(128,595)
Cash and cash equivalents - January 1	<u>1,647,609</u>	<u>1,776,204</u>
Cash and cash equivalents - December 31	<u><u>\$1,619,131</u></u>	<u><u>\$1,647,609</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

LIQUOR FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

**Statement 50**

**Page 2 of 2**

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	<u>\$404,622</u>	<u>\$281,268</u>
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation expense	145,789	134,261
Miscellaneous expense	-	(2,500)
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in accounts receivable	-	109
(Increase) decrease in due from other governmental units	388	2,745
(Increase) decrease in prepayments	7,387	(7,387)
(Increase) decrease in inventory, at cost	105,373	62,418
Increase (decrease) in accounts payable	73,155	(141,537)
Increase (decrease) in accrued salaries and withholdings payable	4,224	(34,920)
Increase (decrease) in due to other governmental units	<u>9,574</u>	<u>(16,142)</u>
Total adjustments	<u>345,890</u>	<u>(2,953)</u>
Net cash flows from operating activities	<u><u>\$750,512</u></u>	<u><u>\$278,315</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 Technology 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, 2021

**Statement 51**

	Municipal Service Center	Information Technology	Risk Management	Employee Benefits Fund	Total Internal Service Funds
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$1,079,725	\$536,755	\$1,345,327	\$1,232,076	\$4,193,883
Due from other governmental units	300	-	-	-	300
Interest receivable	2,700	900	3,300	-	6,900
Prepayments	-	11,852	64,428	-	76,280
Inventory - at cost	57,061	16,848	-	-	73,909
<b>Total current assets</b>	<b>1,139,786</b>	<b>566,355</b>	<b>1,413,055</b>	<b>1,232,076</b>	<b>4,351,272</b>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Land	15,779	-	-	-	15,779
Buildings	1,978,957	-	-	-	1,978,957
Equipment	285,183	390,915	-	-	676,098
<b>Total capital assets</b>	<b>2,279,919</b>	<b>390,915</b>	<b>0</b>	<b>0</b>	<b>2,670,834</b>
Less: accumulated depreciation	(1,399,743)	(299,759)	-	-	(1,699,502)
<b>Net capital assets</b>	<b>880,176</b>	<b>91,156</b>	<b>0</b>	<b>0</b>	<b>971,332</b>
<b>Total noncurrent assets</b>	<b>880,176</b>	<b>91,156</b>	<b>0</b>	<b>0</b>	<b>971,332</b>
<b>Total assets</b>	<b>2,019,962</b>	<b>657,511</b>	<b>1,413,055</b>	<b>1,232,076</b>	<b>5,322,604</b>
<b>Deferred outflows of resources:</b>					
Related to pensions and OPEB	-	-	-	7,262,841	7,262,841
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	35,214	2,227	101,580	-	139,021
Accrued salaries and withholdings payable	6,854	6,283	-	-	13,137
Unearned revenue	9,720	-	-	-	9,720
Compensated absences payable - current	-	-	-	143,100	143,100
<b>Total current liabilities</b>	<b>51,788</b>	<b>8,510</b>	<b>101,580</b>	<b>143,100</b>	<b>304,978</b>
<b>Noncurrent liabilities:</b>					
Compensated absences payable - noncurrent	-	-	-	1,088,976	1,088,976
Other postemployment benefits payable	-	-	-	1,501,114	1,501,114
Net pension liability	-	-	-	6,138,244	6,138,244
<b>Total noncurrent liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,728,334</b>	<b>8,728,334</b>
<b>Total liabilities</b>	<b>51,788</b>	<b>8,510</b>	<b>101,580</b>	<b>8,871,434</b>	<b>9,033,312</b>
<b>Deferred inflows of resources:</b>					
Related to pensions and OPEB	-	-	-	9,572,704	9,572,704
<b>Net position:</b>					
Net investments in capital assets	880,176	91,156	-	-	971,332
Unrestricted	1,087,998	557,845	1,311,475	(9,949,221)	(6,991,903)
<b>Total net position</b>	<b>\$1,968,174</b>	<b>\$649,001</b>	<b>\$1,311,475</b>	<b>(\$9,949,221)</b>	<b>(\$6,020,571)</b>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

INTERNAL SERVICE FUNDS

**Statement 52**

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

For The Year Ended December 31, 2021

	Municipal Service Center	Information Technology	Risk Management	Employee Benefits Fund	Total Internal Service Funds
Operating revenues:					
Charges for services:					
Services to departments	\$414,772	\$417,000	\$592,188	\$2,106,297	\$3,530,257
Use of space	363,710	-	-	-	363,710
Recovery of damages	-	-	45,807	-	45,807
Charges for sales:					
Sales of motor fuel	102,167	-	-	-	102,167
Total operating revenues	<u>880,649</u>	<u>417,000</u>	<u>637,995</u>	<u>2,106,297</u>	<u>4,041,941</u>
Operating expenses:					
Cost of services and space	824,443	398,612	720,002	940,609	2,883,666
Depreciation	69,178	21,255	-	-	90,433
Total operating expenses	<u>893,621</u>	<u>419,867</u>	<u>720,002</u>	<u>940,609</u>	<u>2,974,099</u>
Net income (loss) from operations	<u>(12,972)</u>	<u>(2,867)</u>	<u>(82,007)</u>	<u>1,165,688</u>	<u>1,067,842</u>
Nonoperating revenues (expenses):					
Investment income					
Interest and dividends	6,000	2,000	7,200	-	15,200
Change in fair value	(8,200)	(2,800)	(10,000)	-	(21,000)
Intergovernmental	-	-	-	55,023	55,023
Total nonoperating revenues (expenses)	<u>(2,200)</u>	<u>(800)</u>	<u>(2,800)</u>	<u>55,023</u>	<u>49,223</u>
Net income (loss) before transfers	<u>(15,172)</u>	<u>(3,667)</u>	<u>(84,807)</u>	<u>1,220,711</u>	<u>1,117,065</u>
Transfers:					
Transfers in	-	40,000	-	-	40,000
Total transfers	<u>0</u>	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>40,000</u>
Change in net position	(15,172)	36,333	(84,807)	1,220,711	1,157,065
Net position - January 1	<u>1,983,346</u>	<u>612,668</u>	<u>1,396,282</u>	<u>(11,169,932)</u>	<u>(7,177,636)</u>
Net position - December 31	<u>\$1,968,174</u>	<u>\$649,001</u>	<u>\$1,311,475</u>	<u>(\$9,949,221)</u>	<u>(\$6,020,571)</u>

	Municipal Service Center	Information Technology	Risk Management	Employee Benefits Fund	Total Internal Service Funds
Cash flows provided by (used in) operating activities:					
Cash received from interfund goods and services provided	\$880,649	\$417,000	\$592,188	\$2,900,671	\$4,790,508
Cash received for damages	-	-	45,807	-	45,807
Cash paid to suppliers for goods and services	(371,626)	(55,316)	(628,002)	(2,064,667)	(3,119,611)
Cash payments to employees for services	(452,293)	(335,612)	-	(876,764)	(1,664,669)
Net cash flows provided by (used in) operating activities	56,730	26,072	9,993	(40,760)	52,035
Cash flows provided by (used in) noncapital financing activities:					
Transfers in	-	40,000	-	-	40,000
Intergovernmental	-	-	-	55,023	55,023
Increases in other postemployment benefits payable	-	-	-	33,351	33,351
Net cash flows provided by (used in) noncapital financing activities	0	40,000	0	88,374	128,374
Cash flows provided by (used in) capital and related financing activities:					
Acquisition of capital assets	-	(70,862)	-	-	(70,862)
Cash flows provided by (used in) investing activities:					
Investment income:					
Interest and dividends	5,700	2,400	6,800	-	14,900
Change in fair value	(8,200)	(2,800)	(10,000)	-	(21,000)
Net cash flows provided by (used in) investing activities	(2,500)	(400)	(3,200)	0	(6,100)
Net increase (decrease) in cash and cash equivalents	54,230	(5,190)	6,793	47,614	103,447
Cash and cash equivalents - January 1	1,025,495	541,945	1,338,534	1,184,462	4,090,436
Cash and cash equivalents - December 31	\$1,079,725	\$536,755	\$1,345,327	\$1,232,076	\$4,193,883
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	(\$12,972)	(\$2,867)	(\$82,007)	\$1,165,688	\$1,067,842
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	69,178	21,255	-	-	90,433
Changes in assets and liabilities:					
(Increase) decrease in prepayments	-	13,438	(2,767)	-	10,671
(Increase) decrease in inventory, at cost	(8,796)	-	-	-	(8,796)
(Increase) decrease in due from other governmental units	(143)	-	-	-	(143)
(Increase) decrease in deferred pension outflows	-	941	-	(4,562,563)	(4,561,622)
Increase (decrease) in accounts payable	8,412	(8,338)	94,767	-	94,841
Increase (decrease) in accrued salaries and withholdings payable	768	1,643	-	-	2,411
Increase (decrease) in deferred revenue	283	-	-	-	283
Increase (decrease) in compensated absences	-	-	-	47,614	47,614
Increase (decrease) in net pension liability	-	-	-	(2,893,000)	(2,893,000)
Increase (decrease) in deferred inflows of resources	-	-	-	6,201,501	6,201,501
Total adjustments	69,702	28,939	92,000	(1,206,448)	(1,015,807)
Net cash flows provided by (used in) operating activities	\$56,730	\$26,072	\$9,993	(\$40,760)	\$52,035

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
MUNICIPAL SERVICE CENTER  
SUBCOMBINING SCHEDULE OF NET POSITION  
December 31, 2021  
With Comparative Totals For December 31, 2020

**Statement 54**

	Central Garage Operating Account	Capital Equipment Replacement Account	Building Maintenance Operating Account	Total	
				2021	2020
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$946,782	\$30,774	\$102,169	\$1,079,725	\$1,025,495
Due from other governmental units	300	-	-	300	157
Interest receivable	2,400	100	200	2,700	2,400
Inventory - at cost	57,061	-	-	57,061	48,265
Total current assets	<u>1,006,543</u>	<u>30,874</u>	<u>102,369</u>	<u>1,139,786</u>	<u>1,076,317</u>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Land	15,779	-	-	15,779	15,779
Buildings	1,978,957	-	-	1,978,957	1,978,957
Equipment	285,183	-	-	285,183	285,183
Total capital assets	<u>2,279,919</u>	<u>0</u>	<u>0</u>	<u>2,279,919</u>	<u>2,279,919</u>
Less: Accumulated depreciation	<u>(1,399,743)</u>	<u>-</u>	<u>-</u>	<u>(1,399,743)</u>	<u>(1,330,565)</u>
Net capital assets	<u>880,176</u>	<u>0</u>	<u>0</u>	<u>880,176</u>	<u>949,354</u>
Total noncurrent assets	<u>880,176</u>	<u>0</u>	<u>0</u>	<u>880,176</u>	<u>949,354</u>
Total assets	<u>1,886,719</u>	<u>30,874</u>	<u>102,369</u>	<u>2,019,962</u>	<u>2,025,671</u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	34,975	-	239	35,214	26,802
Accrued salaries and withholdings payable	3,776	-	3,078	6,854	6,086
Unearned revenue	9,720	-	-	9,720	9,437
Total current liabilities	<u>48,471</u>	<u>0</u>	<u>3,317</u>	<u>51,788</u>	<u>42,325</u>
<b>Net position:</b>					
Net investments in capital assets	880,176	-	-	880,176	949,354
Unrestricted	958,072	30,874	99,052	1,087,998	1,033,992
Total net position	<u>\$1,838,248</u>	<u>\$30,874</u>	<u>\$99,052</u>	<u>\$1,968,174</u>	<u>\$1,983,346</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

MUNICIPAL SERVICE CENTER

**Statement 55**

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

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	Central Garage Operating Account	Capital Equipment Replacement Account	Building Maintenance Operating Account	Intrafund Eliminations	Total	
					2021	2020
Operating revenues:						
Charges for services:						
Services to departments	\$187,772	\$ -	\$227,000	\$ -	\$414,772	\$416,236
Use of space	363,710	-	-	-	363,710	360,610
Charges for sales:						
Sales of motor fuel	102,167	-	-	-	102,167	105,270
Total operating revenues	<u>653,649</u>	<u>0</u>	<u>227,000</u>	<u>0</u>	<u>880,649</u>	<u>882,116</u>
Operating expenses:						
Cost of services and space	611,796	-	212,647	-	824,443	831,376
Depreciation	69,178	-	-	-	69,178	68,322
Total operating expenses	<u>680,974</u>	<u>0</u>	<u>212,647</u>	<u>0</u>	<u>893,621</u>	<u>899,698</u>
Net income (loss) from operations	<u>(27,325)</u>	<u>-</u>	<u>14,353</u>	<u>-</u>	<u>(12,972)</u>	<u>(17,582)</u>
Nonoperating revenues:						
Investment income:						
Interest and dividends	5,300	200	500	-	6,000	10,800
Change in fair value	(7,300)	(200)	(700)	-	(8,200)	3,300
Total nonoperating revenues	<u>(2,000)</u>	<u>0</u>	<u>(200)</u>	<u>0</u>	<u>(2,200)</u>	<u>14,100</u>
Net income (loss) before transfers	<u>(29,325)</u>	<u>0</u>	<u>14,153</u>	<u>0</u>	<u>(15,172)</u>	<u>(3,482)</u>
Transfers in	-	5,000	-	(5,000)	-	-
Transfers out	(5,000)	-	-	5,000	-	-
Total transfers	<u>(5,000)</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in net position	<u>(34,325)</u>	<u>5,000</u>	<u>14,153</u>	<u>-</u>	<u>(15,172)</u>	<u>(3,482)</u>
Net position - January 1	<u>1,872,573</u>	<u>25,874</u>	<u>84,899</u>	<u>0</u>	<u>1,983,346</u>	<u>1,986,828</u>
Net position - December 31	<u>\$1,838,248</u>	<u>\$30,874</u>	<u>\$99,052</u>	<u>\$0</u>	<u>\$1,968,174</u>	<u>\$1,983,346</u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

MUNICIPAL SERVICE CENTER

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

**Statement 56**

	2021	2020
Cash flows provided by (used in) operating activities:		
Cash received from interfund goods & services provided	\$880,649	\$882,116
Cash paid to suppliers for goods and services	(371,626)	(366,847)
Cash payments to employees for services	(452,293)	(489,898)
Net cash flows provided by (used in) operating activities	<u>56,730</u>	<u>25,371</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition and construction of capital assets	-	(11,416)
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	5,700	10,400
Change in fair value	(8,200)	3,300
Net cash flows provided by (used in) investing activities	<u>(2,500)</u>	<u>13,700</u>
Net increase (decrease) in cash and cash equivalents	54,230	27,655
Cash and cash equivalents - January 1	<u>1,025,495</u>	<u>997,840</u>
Cash and cash equivalents - December 31	<u><u>\$1,079,725</u></u>	<u><u>\$1,025,495</u></u>
Reconciliation of operating income to net cash flows from operating activities:		
Operating income (loss)	<u>(\$12,972)</u>	<u>(\$17,582)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	69,178	68,322
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in inventory, at cost	(8,796)	(7,866)
(Increase) decrease in due from other governmental units	(143)	229
Increase (decrease) in accounts payable	8,412	(5,532)
Increase (decrease) in accrued salaries and withholdings payable	768	(12,475)
Increase (decrease) in unearned revenue	283	275
Total adjustments	<u>69,702</u>	<u>42,953</u>
Net cash flows from operating activities	<u><u>\$56,730</u></u>	<u><u>\$25,371</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
**INFORMATION TECHNOLOGY FUND**  
**SUBCOMBINING SCHEDULE OF NET POSITION**  
**December 31, 2021**  
**With Comparative Totals For December 31, 2020**

**Statement 57**

	Operating Account	Capital Equipment Replacement Account	Total	
			2021	2020
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$220,042	\$316,713	\$536,755	\$541,945
Interest receivable	200	700	900	1,300
Prepayments	11,852	-	11,852	25,290
Inventory - at cost	16,848	-	16,848	17,789
<b>Total current assets</b>	<b>248,942</b>	<b>317,413</b>	<b>566,355</b>	<b>586,324</b>
<b>Noncurrent assets:</b>				
<b>Capital assets:</b>				
Equipment	390,915	-	390,915	320,052
Less: accumulated depreciation	(299,759)	-	(299,759)	(278,503)
<b>Net capital assets</b>	<b>91,156</b>	<b>0</b>	<b>91,156</b>	<b>41,549</b>
<b>Total noncurrent assets</b>	<b>91,156</b>	<b>0</b>	<b>91,156</b>	<b>41,549</b>
<b>Total assets</b>	<b>340,098</b>	<b>317,413</b>	<b>657,511</b>	<b>627,873</b>
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	2,227	-	2,227	10,565
Accrued salaries and withholdings payable	6,283	-	6,283	4,640
<b>Total current liabilities</b>	<b>8,510</b>	<b>0</b>	<b>8,510</b>	<b>15,205</b>
<b>Net position:</b>				
Net investment in capital assets	91,156	-	91,156	41,549
Unrestricted	240,432	317,413	557,845	571,119
<b>Total net position</b>	<b>\$331,588</b>	<b>\$317,413</b>	<b>\$649,001</b>	<b>\$612,668</b>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
**INFORMATION TECHNOLOGY FUND**  
**SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**For The Year Ended December 31, 2021**  
**With Comparative Totals For The Year Ended December 31, 2020**

**Statement 58**

	Operating Account	Capital Equipment Replacement Account	Total	
			2021	2020
Operating revenues:				
Charges for services	\$417,000	\$ -	\$417,000	\$405,000
Total operating revenues	<u>417,000</u>	<u>0</u>	<u>417,000</u>	<u>405,000</u>
Operating expenses:				
Cost of services	398,612	-	398,612	434,088
Depreciation	21,255	-	21,255	10,376
Total operating expenses	<u>419,867</u>	<u>0</u>	<u>419,867</u>	<u>444,464</u>
Net income (loss) from operations	<u>(2,867)</u>	<u>0</u>	<u>(2,867)</u>	<u>(39,464)</u>
Nonoperating revenues:				
Investment income				
Interest and dividends	400	1,600	2,000	6,300
Change in fair value	(600)	(2,200)	(2,800)	1,900
Total nonoperating revenues	<u>(200)</u>	<u>(600)</u>	<u>(800)</u>	<u>8,200</u>
Net income (loss) before transfers	<u>(3,067)</u>	<u>(600)</u>	<u>(3,667)</u>	<u>(31,264)</u>
Transfers:				
Transfers in	-	40,000	40,000	12,000
Transfers out	-	-	-	-
Total transfers	<u>0</u>	<u>40,000</u>	<u>40,000</u>	<u>12,000</u>
Change in net position	(3,067)	39,400	36,333	(19,264)
Net position - January 1	<u>334,655</u>	<u>278,013</u>	<u>612,668</u>	<u>631,932</u>
Net position - December 31	<u><u>\$331,588</u></u>	<u><u>\$317,413</u></u>	<u><u>\$649,001</u></u>	<u><u>\$612,668</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

IF INFORMATION TECHNOLOGY FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

**Statement 59**

	2021	2020
Cash flows provided by (used in) operating activities:		
Cash received from interfund goods & services provided	\$417,000	\$405,000
Cash paid to suppliers for goods and services	(55,316)	(140,346)
Cash payments to employees for services	(335,612)	(340,610)
Net cash flows provided by (used in) operating activities	<u>26,072</u>	<u>(75,956)</u>
Cash flows provided by (used in) noncapital financing activities:		
Transfers in	<u>40,000</u>	<u>12,000</u>
Cash flows provided by (used in) capital and related financing activities:		
Acquisition of capital assets	<u>(70,862)</u>	<u>(17,470)</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	2,400	6,200
Change in fair value	(2,800)	1,900
Net cash flows provided by (used in) investing activities	<u>(400)</u>	<u>8,100</u>
Net increase (decrease) in cash and cash equivalents	(5,190)	(73,326)
Cash and cash equivalents - January 1	<u>541,945</u>	<u>615,271</u>
Cash and cash equivalents - December 31	<u><u>\$536,755</u></u>	<u><u>\$541,945</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>(\$2,867)</u>	<u>(\$39,464)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation expense	21,255	10,376
Changes in assets, liabilities, deferred outflows and inflows:		
(Increase) decrease in prepayments	13,438	(10,097)
(Increase) decrease in deferred pension outflows	941	(17,039)
Increase (decrease) in accounts payable	(8,338)	(10,881)
Increase (decrease) in accrued salaries and withholdings payable	1,643	(8,851)
Total adjustments	<u>28,939</u>	<u>(36,492)</u>
Net cash flows from operating activities	<u><u>\$26,072</u></u>	<u><u>(\$75,956)</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
**RISK MANAGEMENT FUND**  
**SUBCOMBINING SCHEDULE OF NET POSITION**  
**December 31, 2021**  
**With Comparative Totals For December 31, 2020**

**Statement 60**

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$1,345,327	\$1,338,534
Interest receivable	3,300	2,900
Prepayments	64,428	61,661
Total assets	<u>1,413,055</u>	<u>1,403,095</u>
Liabilities:		
Current liabilities:		
Accounts payable	101,580	6,813
Total current liabilities	<u>101,580</u>	<u>6,813</u>
Net position:		
Unrestricted	<u>1,311,475</u>	<u>1,396,282</u>
Total net position	<u><u>\$1,311,475</u></u>	<u><u>\$1,396,282</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

RISK MANAGEMENT FUND

**Statement 61**

SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND

CHANGES IN FUND NET POSITION

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	2021	2020
Operating revenues:		
Insurance allocation	\$592,188	\$661,560
Recovery of damages	45,807	87,167
Total operating revenues	<u>637,995</u>	<u>748,727</u>
Operating expenses:		
Cost of services:		
Premiums	561,978	607,390
Claims	158,024	75,206
Total operating expenses	<u>720,002</u>	<u>682,596</u>
Net income (loss) from operations	<u>(82,007)</u>	<u>66,131</u>
Nonoperating revenues:		
Investment income		
Interest and dividends	7,200	13,400
Change in fair value	(10,000)	4,100
Total nonoperating revenues	<u>(2,800)</u>	<u>17,500</u>
Change in net position	(84,807)	83,631
Net position - January 1	<u>1,396,282</u>	<u>1,312,651</u>
Net position - December 31	<u><u>\$1,311,475</u></u>	<u><u>\$1,396,282</u></u>

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

RISK MANAGEMENT FUND

**Statement 62**

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

	<u>2021</u>	<u>2020</u>
Cash flows provided by (used in) operating activities:		
Cash received from interfund services provided	\$592,188	\$661,560
Cash received for damages	45,807	87,167
Cash paid to suppliers for goods and services	<u>(628,002)</u>	<u>(676,027)</u>
Net cash flows provided by (used in) operating activities	<u>9,993</u>	<u>72,700</u>
Cash flows provided by (used in) investing activities:		
Investment income:		
Interest and dividends	6,800	12,800
Change in fair value	<u>(10,000)</u>	<u>4,100</u>
Net cash flows provided by (used in) investing activities	<u>(3,200)</u>	<u>16,900</u>
Net increase (decrease) in cash and cash equivalents	6,793	89,600
Cash and cash equivalents - January 1	<u>1,338,534</u>	<u>1,248,934</u>
Cash and cash equivalents - December 31	<u><u>\$1,345,327</u></u>	<u><u>\$1,338,534</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	<u>(\$82,007)</u>	<u>\$66,131</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in prepayments	(2,767)	1,756
Increase (decrease) in accounts payable	<u>94,767</u>	<u>4,813</u>
Total adjustments	<u>92,000</u>	<u>6,569</u>
Net cash flows from operating activities	<u><u>\$9,993</u></u>	<u><u>\$72,700</u></u>

CITY OF COLUMBIA HEIGHTS, MINNESOTA  
EMPLOYEE BENEFITS FUND  
SUBCOMBINING SCHEDULE OF NET POSITION  
December 31, 2021  
With Comparative Totals For December 31, 2020

Statement 63

	Compensated Absences Account	Pension Account	Other Post Emp Benefits Account	Total	
				2021	2020
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$1,232,076	\$ -	\$ -	\$1,232,076	\$1,184,462
Total assets	1,232,076	0	0	1,232,076	1,184,462
<b>Deferred outflows of resources:</b>					
Related to pensions and OPEB	-	7,018,096	244,745	7,262,841	2,660,937
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Compensated absences payable - current	143,100	-	-	143,100	106,600
Total current liabilities	143,100	0	0	143,100	106,600
<b>Noncurrent liabilities:</b>					
Compensated absences payable - noncurrent	1,088,976	-	-	1,088,976	1,077,862
Other postemployment benefits payable	-	-	1,501,114	1,501,114	1,527,677
Net pension liability	-	6,138,244	-	6,138,244	9,031,244
Total noncurrent liabilities	1,088,976	6,138,244	1,501,114	8,728,334	11,636,783
Total liabilities	1,232,076	6,138,244	1,501,114	8,871,434	11,743,383
<b>Deferred inflows of resources:</b>					
Related to pensions and OPEB	-	9,390,709	181,995	9,572,704	3,271,948
<b>Net position:</b>					
Unrestricted	-	(8,510,857)	(1,438,364)	(9,949,221)	(11,169,932)
Total net position	\$0	(\$8,510,857)	(\$1,438,364)	(\$9,949,221)	(\$11,169,932)

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**  
EMPLOYEE BENEFITS FUND  
SUBCOMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
For The Year Ended December 31, 2021  
With Comparative Totals For The Year Ended December 31, 2020

**Statement 64**

	Compensated Absences Account	Pension Account	Other Post Emp Benefits Account	Total	
				2021	2020
Operating revenues:					
Charges for services	\$924,378	\$1,124,918	\$57,001	\$2,106,297	\$2,117,304
Operating expenses:					
Cost of services	924,378	(74,121)	90,352	940,609	1,688,812
Net income (loss) from operations	-	1,199,039	(33,351)	1,165,688	428,492
Nonoperating revenues:					
Intergovernmental	-	55,023	-	55,023	67,754
Change in net position	-	1,254,062	(33,351)	1,220,711	496,246
Net position - January 1	-	(9,764,919)	(1,405,013)	(11,169,932)	(11,666,178)
Net position - December 31	\$0	(\$8,510,857)	(\$1,438,364)	(\$9,949,221)	(\$11,169,932)

CITY OF COLUMBIA HEIGHTS, MINNESOTA

EMPLOYEE BENEFITS FUND

SUBCOMBINING SCHEDULE OF CASH FLOWS

For The Year Ended December 31, 2021

With Comparative Totals For The Year Ended December 31, 2020

Statement 65

	Compensated Absences Account	Pension Account	Other Post Emp Benefits Account	Total	
				2021	2020
Cash flows provided by (used in) operating activities:					
Cash received from interfund services provided	\$924,378	\$1,919,292	\$57,001	\$2,900,671	\$2,893,279
Cash paid to suppliers for goods and services	-	(1,974,315)	(90,352)	(2,064,667)	(2,052,844)
Cash payments to employees for services	(876,764)	-	-	(876,764)	(889,500)
Net cash flows provided by (used in) operating activities	47,614	(55,023)	(33,351)	(40,760)	(49,065)
Cash flows provided by (used in) noncapital financing activities:					
Intergovernmental	-	55,023	-	55,023	67,754
Increases in other postemployment benefits payable	-	-	33,351	33,351	42,065
Net cash flows provided by (used in) noncapital financing activities	0	55,023	33,351	88,374	109,819
Net increase (decrease) in cash and cash equivalents	47,614	-	-	47,614	60,754
Cash and cash equivalents - January 1	1,184,462	-	-	1,184,462	1,123,708
Cash and cash equivalents - December 31	\$1,232,076	\$0	\$0	\$1,232,076	\$1,184,462
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ -	\$1,199,039	(\$33,351)	\$1,165,688	\$428,492
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
(Increase) decrease in deferred pension outflows	-	(4,562,563)	-	(4,562,563)	1,104,181
Increase (decrease) in compensated absences	47,614	-	-	47,614	60,754
Increase (decrease) in net pension liability	-	(2,893,000)	-	(2,893,000)	1,073,148
Increase (decrease) in deferred pension inflows	-	6,201,501	-	6,201,501	(2,715,640)
Total adjustments	47,614	(1,254,062)	0	(1,206,448)	(477,557)
Net cash flows from operating activities	\$47,614	(\$55,023)	(\$33,351)	(\$40,760)	(\$49,065)

### 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)

	2012	2013	2014	2015
<b>Governmental activities:</b>				
Net investment in capital assets	\$27,666,461	\$27,358,490	\$26,049,057	\$27,168,555
Restricted	2,624,466	2,025,652	3,752,839	4,710,968
Unrestricted	21,241,595	22,222,578	23,157,208	15,717,275
Total governmental activities net position	<u>\$51,532,522</u>	<u>\$51,606,720</u>	<u>\$52,959,104</u>	<u>\$47,596,798</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$9,819,666	\$10,365,407	\$10,729,457	\$11,928,401
Restricted	161,503	643,320	543,822	533,756
Unrestricted	6,680,609	6,690,111	7,269,897	6,098,230
Total business-type activities net position	<u>\$16,661,778</u>	<u>\$17,698,838</u>	<u>\$18,543,176</u>	<u>\$18,560,387</u>
<b>Primary government:</b>				
Net investment in capital assets	\$37,486,127	\$37,723,897	\$36,778,514	\$39,096,956
Restricted	2,785,969	2,668,972	\$4,296,661	\$5,244,724
Unrestricted	27,922,204	28,912,689	\$30,427,105	\$21,815,505
Total primary government net position	<u>\$68,194,300</u>	<u>\$69,305,558</u>	<u>\$71,502,280</u>	<u>\$66,157,185</u>

Table 1

2016	2017	2018	2019	2020	2021
\$29,429,299	\$30,852,838	\$28,080,462	\$29,402,901	\$31,424,776	\$32,828,395
5,120,811	3,145,032	5,032,456	2,745,259	2,541,590	2,763,575
14,107,592	15,789,925	16,318,914	19,319,906	22,947,463	26,002,867
<u>\$48,657,702</u>	<u>\$49,787,795</u>	<u>\$49,431,832</u>	<u>\$51,468,066</u>	<u>\$56,913,829</u>	<u>\$61,594,837</u>
\$11,965,156	\$11,831,468	\$11,675,036	\$11,498,655	\$13,319,631	\$14,462,569
571,852	498,838	559,390	517,261	516,877	521,354
6,533,748	7,111,765	8,093,363	9,734,134	8,937,349	9,686,905
<u>\$19,070,756</u>	<u>\$19,442,071</u>	<u>\$20,327,789</u>	<u>\$21,750,050</u>	<u>\$22,773,857</u>	<u>\$24,670,828</u>
\$41,394,455	\$42,684,306	\$39,755,498	\$40,901,556	\$44,744,407	\$47,290,964
\$5,692,663	3,643,870	5,591,846	3,262,520	3,058,467	3,284,929
\$20,641,340	22,901,690	24,412,277	29,054,040	31,884,812	35,689,772
<u>\$67,728,458</u>	<u>\$69,229,866</u>	<u>\$69,759,621</u>	<u>\$73,218,116</u>	<u>\$79,687,686</u>	<u>\$86,265,665</u>

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

	2012	2013	2014	2015
<b>Expenses</b>				
Governmental activities:				
General government	\$1,977,594	\$1,976,207	\$2,104,025	\$2,128,964
Public safety	5,708,009	5,683,769	5,801,747	6,265,485
Public works	3,200,572	2,843,102	3,052,844	3,529,547
Culture and recreation	2,500,719	2,553,760	2,565,755	2,926,004
Community development	2,157,966	2,010,040	1,943,576	1,555,640
Interest on long-term debt	845,879	808,933	761,967	948,493
Total governmental activities expenses	<u>16,390,739</u>	<u>15,875,811</u>	<u>16,229,914</u>	<u>17,354,133</u>
Business-type activities:				
Water	2,311,858	2,371,414	2,336,475	2,367,954
Sewer	1,464,269	1,538,970	1,789,260	1,621,506
Refuse	1,601,648	1,628,966	1,695,997	1,753,406
Storm sewer	329,998	307,876	315,809	541,926
Liquor	8,371,610	8,341,309	8,148,788	8,125,188
Total business-type activities expenses	<u>14,079,383</u>	<u>14,188,535</u>	<u>14,286,329</u>	<u>14,409,980</u>
Total primary government expenses	<u>\$30,470,122</u>	<u>\$30,064,346</u>	<u>\$30,516,243</u>	<u>\$31,764,113</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$204,391	\$385,728	\$194,201	\$206,531
Public safety	736,927	706,168	752,694	703,489
Public works	139,305	39,141	89,392	51,991
Culture and recreation	137,978	163,931	234,494	227,224
Community development	961,420	976,030	987,722	1,001,740
Operating grants and contributions:				
General government	-	-	-	-
Public safety	556,387	511,527	404,486	485,439
Public works	189,039	233,748	557,112	1,314,378
Culture and recreation	57,337	56,069	31,521	18,422
Community development	23,010	-	-	96,274
Capital grants and contributions:				
General government	-	-	-	-
Public safety	-	-	-	15,350
Public works	797,921	855,227	183,706	811,654
Culture and recreation	-	-	-	252,260
Community development	204,349	1,026,706	422,773	364,791
Total governmental activities program revenues	<u>4,008,064</u>	<u>4,954,275</u>	<u>3,858,101</u>	<u>5,549,543</u>

2016	2017	2018	2019	2020	2021
\$2,239,601	\$2,087,930	\$2,252,456	\$2,237,467	\$2,436,098	\$2,326,356
7,891,721	6,927,308	6,584,189	6,875,101	8,206,813	7,287,477
3,653,777	3,452,239	4,841,290	3,404,984	3,249,175	3,224,168
2,982,919	3,057,306	3,821,503	3,699,635	3,347,512	3,657,301
877,622	1,147,550	1,398,103	1,002,298	1,839,279	1,580,857
958,465	973,688	688,884	535,798	499,896	556,695
<u>18,604,105</u>	<u>17,646,021</u>	<u>19,586,425</u>	<u>17,755,283</u>	<u>19,578,773</u>	<u>18,632,854</u>
2,535,133	3,090,927	2,748,803	2,678,905	2,904,931	2,871,174
1,770,538	1,977,662	1,820,151	1,994,854	2,144,690	2,148,646
1,860,602	2,037,098	1,944,325	1,883,849	2,028,140	2,022,654
490,608	380,844	511,836	812,304	572,081	546,447
8,274,354	8,098,980	8,227,772	8,491,315	7,329,328	8,540,899
<u>14,931,235</u>	<u>15,585,511</u>	<u>15,252,887</u>	<u>15,861,227</u>	<u>14,979,170</u>	<u>16,129,820</u>
<u>\$33,535,340</u>	<u>\$33,231,532</u>	<u>\$34,839,312</u>	<u>\$33,616,510</u>	<u>\$34,557,943</u>	<u>\$34,762,674</u>
\$289,304	\$262,466	\$264,782	\$239,208	\$234,197	\$251,742
670,144	712,314	766,450	957,982	834,238	913,663
273,698	504,412	154,219	164,769	29,133	16,687
240,331	255,498	289,066	254,286	99,542	227,451
1,059,585	1,045,924	373,610	704,987	631,749	791,722
-	1,993	37,636	11,133	303,740	19,225
499,319	619,900	516,775	515,846	983,477	576,815
1,119,332	518,923	881,029	323,994	1,152,281	1,573,783
18,134	56,844	20,830	34,236	129,179	36,295
-	-	2,455	-	295,993	-
-	-	-	-	39,605	-
145,849	4,237	-	-	297,196	-
929,746	1,693,222	1,059,322	321,087	139,738	675,394
694,619	369,771	-	-	80,330	42,331
100,000	1,500	-	-	57,823	694,087
<u>6,040,061</u>	<u>6,047,004</u>	<u>4,366,174</u>	<u>3,527,528</u>	<u>5,308,221</u>	<u>5,819,195</u>

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

	2012	2013	2014	2015
<b>Business-type activities:</b>				
Charges for services:				
Water	\$2,777,383	\$3,020,174	\$2,805,072	\$2,730,516
Sewer	1,581,516	1,618,786	1,627,078	1,699,397
Refuse	1,761,860	1,826,226	1,887,038	1,896,230
Storm sewer	353,343	368,925	366,384	375,663
Liquor	8,804,233	8,747,084	8,415,371	8,399,943
Operating grants and contributions:				
Water	-	1,971	-	-
Sewer	-	-	-	-
Refuse	62,471	68,565	91,421	96,518
Storm sewer	-	14,335	-	-
Liquor	-	-	-	-
Capital grants and contributions:				
Sewer	-	-	-	-
Refuse	50,000	-	-	-
Storm sewer	-	-	47,369	747,334
Total business-type activities program revenues	<u>15,390,806</u>	<u>15,666,066</u>	<u>15,239,733</u>	<u>15,945,601</u>
Total primary government program revenues	<u>\$19,398,870</u>	<u>\$20,620,341</u>	<u>\$19,097,834</u>	<u>\$21,495,144</u>
<b>Net (expense) revenue:</b>				
Governmental activities	(\$12,382,675)	(\$10,921,536)	(\$12,371,813)	(\$11,804,590)
Business-type activities	1,311,423	1,477,531	953,404	1,535,621
Total primary government net (expense) revenue	<u>(11,071,252)</u>	<u>(9,444,005)</u>	<u>(11,418,409)</u>	<u>(10,268,969)</u>
<b>General revenues and other changes in net position</b>				
Governmental activities:				
Taxes:				
Property taxes	9,363,598	9,827,378	10,310,867	10,512,483
Tax increment collections	553,050	532,524	463,837	491,639
Unrestricted grants and contributions	1,003,552	1,000,513	1,496,804	1,682,480
Investment earnings	295,950	(664,694)	1,091,263	342,384
Miscellaneous	7,338	11,842	-	(679,895)
Transfers	263,814	288,171	361,426	369,099
Total governmental activities	<u>11,487,302</u>	<u>10,995,734</u>	<u>13,724,197</u>	<u>12,718,190</u>
Business-type activities:				
Investment earnings	63,321	(152,300)	252,360	62,521
Transfers	(263,814)	(288,171)	(361,426)	(369,099)
Total business-type activities	<u>(200,493)</u>	<u>(440,471)</u>	<u>(109,066)</u>	<u>(306,578)</u>
Total primary government	<u>\$11,286,809</u>	<u>\$10,555,263</u>	<u>\$13,615,131</u>	<u>\$12,411,612</u>
<b>Change in net position:</b>				
Governmental activities	(\$895,373)	\$74,198	\$1,352,384	\$913,600
Business-type activities	1,110,930	1,037,060	844,338	1,229,043
Total primary government	<u>\$215,557</u>	<u>\$1,111,258</u>	<u>\$2,196,722</u>	<u>\$2,142,643</u>

Table 2  
Page 2 of 2

2016	2017	2018	2019	2020	2021
\$2,961,086	\$3,140,940	\$3,325,053	\$3,431,811	\$3,766,630	\$4,056,493
1,836,908	1,925,057	2,026,695	2,074,560	2,242,078	2,378,548
1,867,504	1,914,728	1,986,709	2,068,509	2,103,590	2,168,952
399,604	455,544	458,573	480,867	523,011	579,975
8,468,098	8,422,452	8,588,576	8,914,878	7,585,383	8,940,449
-	-	-	-	-	-
-	-	-	-	-	-
99,454	103,517	112,679	102,190	103,695	107,937
-	-	-	-	-	-
-	3,987	5,694	4,030	4,091	4,414
70,645	-	-	160,288	-	23,697
-	-	-	-	-	-
-	-	-	350,253	-	262,412
<u>15,703,299</u>	<u>15,966,225</u>	<u>16,503,979</u>	<u>17,587,386</u>	<u>16,328,478</u>	<u>18,522,877</u>
<u>\$21,743,360</u>	<u>\$22,013,229</u>	<u>\$20,870,153</u>	<u>\$21,114,914</u>	<u>\$21,636,699</u>	<u>\$24,342,072</u>
(\$12,564,044)	(\$11,599,017)	(\$15,220,251)	(\$14,227,755)	(\$14,270,552)	(\$12,813,659)
772,064	380,714	1,251,092	1,726,159	1,349,308	2,393,057
<u>(11,791,980)</u>	<u>(11,218,303)</u>	<u>(13,969,159)</u>	<u>(12,501,596)</u>	<u>(12,921,244)</u>	<u>(10,420,602)</u>
10,752,430	11,029,020	11,673,168	12,325,204	13,412,668	14,057,170
556,880	604,510	732,192	977,598	1,116,114	1,119,574
1,588,094	1,547,164	1,676,553	1,684,119	1,796,904	1,872,127
232,036	318,554	354,373	829,368	469,067	(65,570)
9,226	574,800	5,528	25,500	2,532,462	26,980
422,365	(231,537)	422,474	422,200	389,100	484,386
<u>13,561,031</u>	<u>13,842,511</u>	<u>14,864,288</u>	<u>16,263,989</u>	<u>19,716,315</u>	<u>17,494,667</u>
40,670	44,453	57,100	118,302	63,599	(11,700)
(422,365)	231,537	(422,474)	(422,200)	(389,100)	(484,386)
(381,695)	275,990	(365,374)	(303,898)	(325,501)	(496,086)
<u>\$13,179,336</u>	<u>\$14,118,501</u>	<u>\$14,498,914</u>	<u>\$15,960,091</u>	<u>\$19,390,814</u>	<u>\$16,998,581</u>
\$996,987	\$2,243,494	(\$355,963)	\$2,036,234	\$5,445,763	\$4,681,008
390,369	656,704	885,718	1,422,261	1,023,807	1,896,971
<u>\$1,387,356</u>	<u>\$2,900,198</u>	<u>\$529,755</u>	<u>\$3,458,495</u>	<u>\$6,469,570</u>	<u>\$6,577,979</u>

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

	2012	2013	2014	2015
General fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	87,341	92,638	94,892	94,848
Restricted	-	-	-	-
Committed	74,594	50,237	30,548	-
Assigned	-	-	-	44,000
Unassigned	5,914,974	6,254,402	7,248,380	6,873,054
Total general fund	<u>\$6,076,909</u>	<u>\$6,397,277</u>	<u>\$7,373,820</u>	<u>\$7,011,902</u>
All other governmental funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Nonspendable	2,763,852	1,750,114	1,522,537	2,724
Restricted	4,186,081	3,879,706	4,368,851	9,821,307
Committed	10,988,368	12,229,481	13,593,609	12,902,165
Assigned	-	-	-	-
Unassigned	(2,782)	(39,344)	(75,389)	(92,040)
Total all other governmental funds	<u>\$17,935,519</u>	<u>\$17,819,957</u>	<u>\$19,409,608</u>	<u>\$22,634,156</u>

Table 3

2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
109,841	105,975	136,962	137,545	131,857	131,930
-	-	-	-	-	-
-	-	-	-	-	-
105,000	1,604,438	61,477	52,471	177,389	-
7,318,303	5,991,395	6,641,233	7,685,738	8,067,967	8,802,310
<u>\$7,533,144</u>	<u>\$7,701,808</u>	<u>\$6,839,672</u>	<u>\$7,875,754</u>	<u>\$8,377,213</u>	<u>\$8,934,240</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,852	2,689	11,938	2,587	2,602	2,794
6,582,938	4,347,012	6,221,392	4,350,015	3,600,385	4,952,718
12,417,310	15,778,762	16,780,634	18,019,074	19,253,241	19,650,232
-	70,000	-	-	-	-
(209,781)	(203,498)	(177,101)	(143,922)	(721,840)	(220,602)
<u>\$18,793,319</u>	<u>\$19,994,965</u>	<u>\$22,836,863</u>	<u>\$22,227,754</u>	<u>\$22,134,388</u>	<u>\$24,385,142</u>

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

	2012	2013	2014	2015
<b>Revenues:</b>				
Taxes	\$9,948,228	\$10,416,523	\$10,774,987	\$11,022,424
Special assessments	775,714	667,719	458,670	1,116,734
Licenses and permits	396,226	412,208	415,032	626,547
Intergovernmental	2,314,195	2,719,400	2,766,383	4,079,184
Charges for services	1,663,782	1,710,767	1,702,900	1,440,361
Fines and forfeitures	161,882	148,023	140,571	124,067
Investment earnings	275,750	(611,794)	1,011,063	318,284
Other revenues	63,674	104,577	73,815	189,073
<b>Total revenues</b>	<b>15,599,451</b>	<b>15,567,423</b>	<b>17,343,421</b>	<b>18,916,674</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,813,433	1,791,379	1,939,689	1,950,062
Public safety	5,250,881	5,171,322	5,270,798	5,595,115
Public works	2,011,507	1,644,075	1,916,874	2,220,057
Culture and recreation	2,184,214	2,233,446	2,247,452	2,581,993
Community development	1,434,329	1,205,273	1,544,419	1,136,220
<b>Capital outlay:</b>				
General government	209,176	13,868	21,642	-
Public safety	158,448	70,960	103,707	608,932
Public works	557,820	896,223	79,225	1,727,488
Culture and recreation	18,107	39,768	100,248	4,173,606
Community development	636,294	566,901	413,179	507,472
<b>Debt service:</b>				
Principal retirement	972,000	1,559,730	662,000	1,036,716
Interest and fiscal charges	861,139	833,890	770,535	826,921
Issuance costs	-	-	-	85,016
Developer incentives	116,072	163,972	55,123	164,188
<b>Total expenditures</b>	<b>16,223,420</b>	<b>16,190,807</b>	<b>15,124,891</b>	<b>22,613,786</b>
<b>Revenues over (under) expenditures</b>	<b>(623,969)</b>	<b>(623,384)</b>	<b>2,218,530</b>	<b>(3,697,112)</b>

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

2016	2017	2018	2019	2020	2021
\$11,313,376	\$11,653,834	\$12,397,958	\$13,243,758	\$14,624,642	\$15,202,268
1,048,926	545,629	640,997	439,609	599,358	908,727
672,000	638,176	469,517	644,829	680,826	1,056,352
3,989,308	4,192,273	3,466,510	2,727,327	4,266,804	4,102,455
1,429,050	1,875,088	1,100,448	1,370,098	938,184	912,519
104,645	108,768	112,553	126,103	109,901	99,887
215,336	290,454	320,573	759,768	429,267	(59,770)
463,354	116,643	165,609	445,752	180,278	142,507
<u>19,235,995</u>	<u>19,420,865</u>	<u>18,674,165</u>	<u>19,757,244</u>	<u>21,829,260</u>	<u>22,364,945</u>
2,107,655	2,012,379	2,200,506	2,167,890	2,455,630	2,380,720
5,570,221	5,914,460	6,213,179	6,402,812	7,919,535	7,649,166
2,227,108	2,216,178	3,395,095	2,248,270	2,141,106	2,042,008
2,605,616	2,700,291	2,867,725	2,869,593	2,646,549	2,979,710
685,180	803,035	838,417	671,671	1,076,152	712,318
-	28,000	-	80,600	276,828	278,738
182,696	230,144	222,395	801,837	598,065	798,428
1,275,862	2,365,538	404,086	245,736	2,773,861	1,890,539
6,284,441	575,894	659,776	6,314	22,200	65,069
531,707	71,164	396,783	-	-	1,646
3,310,670	1,047,635	1,240,000	1,200,000	980,000	1,000,000
910,586	667,863	672,741	607,637	555,801	595,962
107,325	108,255	55,615	-	-	-
91,646	307,654	254,166	474,949	769,402	5,569,226
<u>25,890,713</u>	<u>19,048,490</u>	<u>19,420,484</u>	<u>17,777,309</u>	<u>22,215,129</u>	<u>25,963,530</u>
<u>(6,654,718)</u>	<u>372,375</u>	<u>(746,319)</u>	<u>1,979,935</u>	<u>(385,869)</u>	<u>(3,598,585)</u>

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

	2012	2013	2014	2015
Other financing sources (uses):				
Bonds issued	\$ -	\$563,021	\$ -	\$6,875,000
Payment to refunded bond escrow	-	-	-	-
Bond premium (discount)	-	-	-	293,651
Transfers in	298,814	326,740	405,728	429,099
Transfers out	(110,000)	(113,569)	(124,302)	(120,000)
Sale of capital assets	11,315	51,997	66,236	9,135
Total other financing sources (uses)	<u>200,129</u>	<u>828,189</u>	<u>347,662</u>	<u>7,486,885</u>
Special item	-	-	-	(927,142)
Net change in fund balance	<u>(\$423,840)</u>	<u>\$204,805</u>	<u>\$2,566,192</u>	<u>\$2,862,631</u>
Expenditures capitalized for governmental activities reporting purposes	943,602	952,108	417,503	6,602,755
Debt service as a percentage of noncapital expenditures (A) (B)	12.0%	15.7%	9.7%	11.6%
Debt service as a percentage of total expenditures (A) (B)	11.3%	14.8%	9.5%	8.2%

(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.

2016	2017	2018	2019	2020	2021
\$2,435,000	\$8,505,000	\$2,070,000	\$ -	\$ -	\$5,935,000
-	(8,559,429)	-	(2,030,000)	-	-
79,890	163,700	19,921	-	-	-
435,697	1,594,501	512,282	446,588	389,100	444,386
(88,917)	(1,168,201)	(891)	-	(12,000)	-
284,536	651,281	124,769	30,450	22,555	26,980
<u>3,146,206</u>	<u>1,186,852</u>	<u>2,726,081</u>	<u>(1,552,962)</u>	<u>399,655</u>	<u>6,406,366</u>
-	-	-	-	394,307	-
<u>(\$3,508,512)</u>	<u>\$1,559,227</u>	<u>\$1,979,762</u>	<u>\$426,973</u>	<u>\$408,093</u>	<u>\$2,807,781</u>
7,797,656	3,099,578	679,811	1,134,487	3,670,954	3,034,420
23.3%	10.8%	10.2%	10.9%	8.3%	7.0%
16.3%	9.0%	9.8%	10.2%	6.9%	6.1%

**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				
2012	9,087,666	2,141,140	(521,306)	10,707,500	(710,709)	4,059,432	14,056,223	66.300%	1,134,720,200	1.239%
2013	7,692,288	1,946,245	(489,233)	9,149,300	(678,105)	4,051,497	12,522,692	80.871%	993,984,300	1.260%
2014	8,194,709	1,012,690	(443,838)	8,763,561	(568,852)	4,334,662	12,529,371	78.177%	954,475,000	1.313%
2015	8,872,294	1,824,746	(465,433)	10,231,607	(569,588)	4,339,040	14,001,059	70.811%	1,093,861,500	1.280%
2016	9,262,683	1,861,323	(523,754)	10,600,252	(555,804)	4,149,906	14,194,354	74.841%	1,132,257,300	1.254%
2017	10,024,437	1,994,028	(567,640)	11,450,825	(580,154)	4,468,959	15,339,630	68.546%	1,214,009,300	1.26%
2018	11,317,981	2,036,605	(684,352)	12,670,234	(603,705)	4,613,838	16,680,367	67.645%	1,335,438,300	1.25%
2019	12,593,359	1,977,200	(917,394)	13,653,165	(653,623)	4,652,048	17,803,023	66.775%	1,466,682,000	1.21%
2020	14,334,714	2,397,882	(1,125,976)	15,606,620	(687,648)	5,017,317	19,936,289	64.306%	1,625,512,417	1.23%
2021	14,522,962	2,360,918	(1,045,367)	15,838,513	(732,481)	4,995,988	20,102,020	69.183%	1,677,580,500	1.20%

(A) 2012-2021 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)	
2012	66.300%	24.200%	38.415%	9.932%	138.847%
2013	80.871%	27.636%	41.443%	12.464%	162.414%
2014	78.177%	24.824%	40.365%	12.297%	155.663%
2015	70.811%	32.562%	35.964%	10.811%	150.148%
2016	74.841%	29.442%	36.637%	11.016%	151.936%
2017	68.546%	27.633%	34.633%	10.304%	141.116%
2018	67.645%	27.900%	33.269%	9.871%	138.685%
2019	66.775%	33.148%	32.505%	9.074%	141.502%
2020	64.306%	23.385%	31.133%	8.494%	127.318%
2021	69.183%	28.771%	31.086%	8.580%	137.620%

(A) These property tax rates are stated as a percentage of tax capacity value. Refer to Table 5 for tax capacity value.

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.

Source: Anoka County Auditor's Tax Certificate

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

**Table 7**

Taxpayer	2021			2012		
	Tax Capacity Value (A)	Rank	Percentage of Total City Tax Capacity Value	Taxable Capacity Value (A)	Rank	Percentage of Total City Tax Capacity Value
Columbia Heights Leased Housing I	\$501,768	1	3.44%	N/A	N/A	N/A
Columbia Heights Leased Housing III	389,743	2	2.67%	N/A	N/A	N/A
Medtronic Inc	177,252	3	1.22%	\$207,988	1	1.48%
Crestview Corporation	157,740	4	1.08%	96,952	6	0.69%
Jones Family Investments LLC	148,625	5	1.02%	N/A	N/A	N/A
Burlington Northern	120,880	6	0.83%	N/A	N/A	N/A
Columbia Park Properties	104,956	7	0.72%	95,234	5	0.68%
Parkview Limited Partnership	99,450	8	0.68%	N/A	N/A	N/A
Lynde Investment Co MN Partnership	N/A	N/A	N/A	67,690	8	0.48%
Xcel Energy/ Northern States Power Co	91,369	9	0.63%	58,712	10	0.42%
Health Care Reit, Inc	86,041	10	N/A	133,692	2	0.95%
Stadium Village Properties LLC	N/A	N/A	N/A	109,286	3	0.78%
Consolidated Realty of Mpls	N/A	N/A	N/A	90,625	4	0.64%
Columbia Heights Center LLC	N/A	N/A	N/A	76,126	7	0.54%
Jeff's Bobby & Steve's Auto World	N/A	N/A	N/A	67,392	9	0.48%
Total	<u>\$1,877,824</u>		<u>12.30%</u>	<u>\$1,003,697</u>		<u>7.14%</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.

Source: Anoka County Auditor's Tax Certificate.

**CITY OF COLUMBIA HEIGHTS, MINNESOTA****PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Years

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<u>Fiscal Year</u>	<u>Gross Tax Levy</u>	<u>County Adjustments to Levy (A)</u>	<u>Adjusted Tax Levy</u>
2012	\$9,136,706	(\$54)	\$9,136,652
2013	9,536,888	(182)	9,536,706
2014	9,911,706	166	9,911,872
2015	10,233,706	207	10,233,913
2016	10,455,756	196	10,455,952
2017	10,795,834	188	10,796,022
2018	11,324,913	97	11,325,010
2019	11,928,224	224	11,928,448
2020	12,943,950	157	12,944,107
2021	13,663,436	90	13,663,526

(A) 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

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
\$8,932,564	97.77%	\$204,088	\$9,136,652	100.00%
9,379,873	98.36%	153,676	9,533,549	99.97%
9,778,631	98.66%	117,517	9,896,148	99.84%
10,103,675	98.73%	116,086	10,219,761	99.86%
10,335,418	98.85%	107,457	10,442,875	99.87%
10,694,493	99.06%	96,156	10,790,649	99.95%
11,214,710	99.03%	95,909	11,310,619	99.87%
11,752,267	98.52%	101,532	11,853,799	99.37%
12,747,884	98.48%	121,588	12,869,472	99.42%
13,459,735	98.51%	N/A	Not Available	Not Available

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Fiscal Year	Governmental Activities				Business-Type Activities			All Activities		
	General Obligation Bonds Repaid Only With General Taxes	General Obligation Bonds With Pledged Special Assessments	Tax Incremental Revenue Bonds	Total Governmental Activities	General Obligation Bonds With Pledged Revenues	Liquor Facility Lease Revenue Bonds (B)	Total Business-Type Activities	Total All Debt	Percentage of Personal Income (A)	Per Capita (A)
2012	\$13,090,000	2,211,730	2,737,000	\$18,618,730	\$1,123,270	\$4,595,000	\$5,718,270	\$24,337,000	4.8%	1,240
2013	12,685,000	1,733,021	2,679,000	17,622,021	2,436,979	4,430,000	6,866,979	24,489,000	5.1%	1,245
2014	12,260,000	1,613,021	2,617,000	16,960,021	2,401,979	4,260,000	6,661,979	23,622,000	4.9%	1,201
2015	18,733,863	1,379,305	2,549,000	23,072,168	2,085,695	4,080,000	6,165,695	29,237,863	6.1%	1,486
2016	18,330,232	1,132,635	2,435,000	22,247,867	1,777,365	3,895,000	5,672,365	27,920,232	5.8%	1,422
2017	18,100,531	880,000	2,315,000	21,580,531	4,783,105	-	4,783,105	26,363,636	5.3%	1,319
2018	19,281,618	695,000	2,190,000	22,386,618	4,361,429	-	4,361,429	26,748,047	5.0%	1,327
2019	16,497,618	550,000	2,065,000	19,112,618	3,875,682	-	3,875,682	22,988,300	4.0%	1,121
2020	15,725,670	430,000	1,935,000	18,090,670	3,420,901	-	3,420,901	21,511,571	3.8%	1,103
2021	14,920,940	325,000	1,805,000	22,985,940	2,962,106	-	2,962,106	25,948,046	3.6%	1,181

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

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

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

**CITY OF COLUMBIA HEIGHTS, MINNESOTA**

**RATIOS OF OUTSTANDING NET GENERAL BONDED DEBT BY TYPE**

Last Ten Fiscal Years

Fiscal Year	Governmental General Obligation Bonds	Less: Governmental Restricted for Repayment	Subtotal of Governmental Net General Obligation Bonded Debt	Percentage of Estimated Property Value (B)
2012	\$15,881,730	\$1,559,985	\$14,321,745	1.26%
2013	14,943,021	1,000,831	13,942,190	1.40%
2014	14,281,021	1,134,227	13,146,794	1.38%
2015	20,249,305	1,174,473	19,074,832	1.74%
2016	19,812,867	1,580,529	18,232,338	1.61%
2017	(C) 19,265,531	1,035,920	18,229,611	1.50%
2018	20,196,618	3,184,433	17,012,185	1.27%
2019	17,047,618	1,173,486	15,874,132	1.08%
2020	16,155,670	1,215,855	14,939,815	0.92%
2021	21,180,940	1,226,810	19,954,130	1.19%

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

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

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

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

**Table 10**

Business-type General Obligation Bonds With Pledged Revenues	Less: Business-type Restricted for Repayment	Subtotal of Business-type Net General Obligation Bonded Debt	Percentage of Business-type Revenue	Total Net General Bonded Debt	Per Capita (A)
\$1,123,270	\$226,292	\$896,978	13.9%	\$15,218,723	632
2,436,979	259,366	2,177,613	33.7%	\$16,119,803	820
2,401,979	543,822	1,858,157	28.8%	\$15,004,951	763
2,085,695	533,756	1,551,939	23.2%	\$20,626,771	1,044
1,777,365	571,852	1,205,513	17.1%	\$19,437,851	990
4,783,105	499,838	4,283,267	27.0%	\$22,512,878	1,126
4,361,429	559,390	3,802,039	23.2%	\$20,814,224	1,033
3,875,682	517,262	3,358,420	19.8%	\$19,232,552	938
3,420,901	513,414	2,907,487	17.1%	\$17,847,302	915
2,962,106	521,354	2,440,752	14.4%	\$22,394,882	1,019

Governmental Unit (A)	Debt Outstanding	Estimated Percentage Applicable (B)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Anoka County	\$49,315,000	4.4329%	\$2,186,085
Independent School District 13	20,718,058	72.9760%	15,119,210
Metropolitan Council	187,200,000	0.4115%	770,328
Subtotal - overlapping debt			18,075,623
City direct debt - governmental activities			18,090,670
Total direct and overlapping debt			<u><u>\$36,166,292</u></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

**Legal Debt Margin Calculation for Fiscal Year 2021**

Assessor's Estimated Market Value (A)	\$1,677,580,500
Debt limitation percentage (A)	3%
Debt limit	50,327,415
Net debt applicable to limit (B)	14,920,940
Legal debt margin	\$35,406,475
Legal debt margin as a percentage of limit	70.35%

**Legal Debt Margin Calculation for Fiscal Years 2012 Through 2020**

Fiscal Year	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin as a Percentage of Debt Limit
2012	\$29,067,313	\$10,275,000	\$18,792,313	64.65%
2013	29,819,529	12,685,000	17,134,529	57.46%
2014	28,634,250	12,260,000	16,374,250	57.18%
2015	32,815,845	18,460,000	14,355,845	43.75%
2016	33,967,719	18,330,232	15,637,487	46.04%
2017	36,420,279	18,100,531	18,319,748	50.30%
2018	40,063,149	19,281,618	20,781,531	51.87%
2019	44,000,460	16,497,618	27,502,842	62.51%
2020	48,765,373	15,725,670	33,039,703	67.75%

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

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

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

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

(C)

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

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Economic Development Authority</b>				
<b>Tax Increment Revenue Bonds Series 2007/2016:</b>	<b>(A)</b>			
Tax increment revenue from applicable parcels	\$175,832	\$170,496	\$162,056	\$196,024
Bond Proceeds	-	-	-	-
Intergovernmental:				
Market Value TIF credit	-	-	-	-
<b>Net available revenue</b>	<b><u>\$175,832</u></b>	<b><u>\$170,496</u></b>	<b><u>\$162,056</u></b>	<b><u>\$196,024</u></b>
<b>Debt service:</b>				
Principal (including early redemption)	53,000	58,000	62,000	68,000
Interest	146,263	143,488	140,488	137,238
<b>Total debt service</b>	<b><u>\$199,263</u></b>	<b><u>\$201,488</u></b>	<b><u>\$202,488</u></b>	<b><u>\$205,238</u></b>
<b>Coverage</b>	<b>88%</b>	<b>85%</b>	<b>80%</b>	<b>96%</b>
<b>Economic Development Authority</b>				
<b>Lease Revenue Bonds Series 2007B:</b>	<b>(B)</b>			
Annual appropriation of liquor net revenues	\$386,000	\$390,000	\$384,000	\$380,000
Investment income	1,000	(2,500)	3,230	91
Issuance costs and administration (expense)	(2,000)	(2,332)	(2,200)	(2,667)
<b>Net available revenue</b>	<b><u>\$385,000</u></b>	<b><u>\$385,168</u></b>	<b><u>\$385,030</u></b>	<b><u>\$377,424</u></b>
<b>Debt service:</b>				
Principal (including early redemption)	\$155,000	\$165,000	\$170,000	\$180,000
Interest	223,768	213,178	209,030	201,155
<b>Total debt service</b>	<b><u>\$378,768</u></b>	<b><u>\$378,178</u></b>	<b><u>\$379,030</u></b>	<b><u>\$381,155</u></b>
<b>Coverage</b>	<b>102%</b>	<b>102%</b>	<b>102%</b>	<b>99%</b>

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

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

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

Table 13

2016	2017	2018	2019	2020	2021
\$329,617	\$388,276	\$432,825	\$652,796	\$782,617	\$761,831
2,435,000	-	-	-	-	-
-	-	-	-	-	-
<u>\$2,764,617</u>	<u>\$388,276</u>	<u>\$432,825</u>	<u>\$652,796</u>	<u>\$782,617</u>	<u>\$761,831</u>
2,549,000	120,000	125,000	125,000	130,000	135,000
133,688	73,898	65,916	63,873	61,958	57,295
<u>\$2,682,688</u>	<u>\$193,898</u>	<u>\$190,916</u>	<u>\$188,873</u>	<u>\$191,958</u>	<u>\$192,295</u>
103%	200%	227%	346%	408%	396%
\$392,000	\$ -	\$ -	\$ -	\$ -	\$ -
400	455	-	-	-	-
(2,667)	(475)	-	-	-	-
<u>\$389,733</u>	<u>(\$20)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$185,000	\$3,895,000	\$ -	\$ -	\$ -	\$ -
192,943	184,392	-	-	-	-
<u>\$377,943</u>	<u>\$4,079,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
103%	N/A	N/A	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>
2012	19,667	\$507,408,600	\$25,800	5.9%
2013	19,667	478,616,112	24,336	5.0%
2014	19,674	502,434,612	25,538	4.1%
2015	19,758	497,427,408	25,176	3.6%
2016	19,632	478,137,360	24,355	3.9%
2017	19,995	494,536,335	24,733	3.4%
2018	20,153	537,178,215	26,655	2.8%
2019	20,503	575,375,689	28,063	3.1%
2020	19,496	568,971,264	29,184	6.0%
2021	21,973	714,737,744	32,528	3.6%

Sources are as follows:

Population: Data for 2012-2020 is estimated by the US Census Bureau  
 Data for 2021 is from the 2020 US Census.

Per Capita Income:  
 Data for 2012-2021 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	2021			2012		
	Employees	Rank	Percentage of Total Anoka County (A) Employment	Employees	Rank	Percentage of Total Anoka County (A) Employment
Medtronic Inc	600	1	3.08%	600	1	0.34%
Independent School District 13	490	3	2.51%	484	2	0.27%
Crestview Corporation	290	4	1.49%	245	3	14.00%
City of Columbia Heights	220	5	1.13%	205	4	0.11%
Columbia Park Clinic	120	6	0.62%	120	5	0.07%
Invest Cast	70	7	0.36%	60	8	0.03%
SAVERS/Unique Thrift Shop	N/A	N/A	N/A	75	7	0.04%
Sarna's Classic Grill	60	8	0.31%	N/A	N/A	N/A
Bobby & Steve's Auto World	50	9	0.26%	53	10	0.03%
La Casita Mexican Restaurant	50	10	0.26%	60	9	0.03%
All Temporaies/All Homecaring	500	2	N/A	100	6	0.06%
<b>Total</b>	<b>1,950</b>		<b>10.00%</b>	<b>2,002</b>		<b>14.98%</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. 2020 data for other employers was not available. The combination of 2020 and 2019 compiled from ReferenceUSA, written and telephone survey, and the Minnesota Department of Employment and Economic Development.

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

Table 16

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Mayor/Council	5	5	5	5	5	5	5	5	5	5
Administration	11	10	4	4	4	4	5	5	6	6
Finance	13	13	13	13	13	13	13	13	13	13
Public safety:										
Police	37	36	35	35	37	39	36	41	42	43
Fire	33	31	31	30	29	30	30	30	31	31
Public works	16	15	21	23	23	22	22	22	24	24
Culture and recreation:										
Library	20	21	21	18	18	20	20	21	20	20
Parks	5	5	5	5	5	5	5	5	5	5
Recreation	15	15	15	15	15	16	16	16	16	16
Community development	4	4	4	4	6	6	6	6	6	6
Water	4	4	4	4	4	4	4	4	4	4
Sewer	3	4	4	4	4	4	4	4	4	4
Refuse	-	-	-	-	-	-	-	-	-	-
Storm sewer	1	1	1	1	1	1	1	1	1	1
Liquor	40	40	40	41	41	42	42	42	42	42
<b>Total</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>	<b>219</b>	<b>220</b>

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

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

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

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

Function/Program	Fiscal Year			
	2012	2013	2014	2015
<b>General government:</b>				
Resolutions approved by City Council	159	94	98	96
Ordinances adopted by City Council	5	3	2	9
<b>Public safety:</b>				
<b>Police:</b>				
Part I crimes (A)	742	674	684	673
Part II crimes (A)	1,408	1,326	1,052	1,018
<b>Fire:</b>				
Emergency medical calls (A)	1,839	1,942	1,811	1,980
Fire calls (A)	752	852	729	787
Inspections & Related Actions (A)	5,413	5,249	5,077	4,855
<b>Public works:</b>				
Street paving and patching (tons of asphalt)	1,029	224	782	696
Street sweeping (tons of debris)	350	574	540	470
Trees removed	157	284	217	282
<b>Culture and recreation:</b>				
<b>Library: (E)</b>				
Items in collection	72,985	76,658	78,137	73,907
Circulation	129,624	121,827	117,888	109,018
Reference inquiries	14,547	16,068	13,208	13,923
<b>Parks and recreation:</b>				
Athletics participants (B)	4,232	5,534	5,125	10,836
Other programs, estimated attendance (C)	9,000	10,485	10,637	22,679
Number of paid room rentals	135	139	140	153
<b>Community development:</b>				
Number of business licenses issued	323	346	339	359
Number of building permits issued (D)	1,058	1,303	1,212	2,164
Construction value of permits issued	\$7,203,199	\$7,388,271	\$7,609,375	\$25,476,137
<b>Water:</b>				
Consumption (thousands of gallons)	495,870	461,520	449,415	455,527
<b>Sewer (sanitary):</b>				
Wastewater (thousands of gallons, 12 months ended June 30)	455,210	455,310	467,680	414,930
Miles of line cleaned/rodded/root-sawed	26	33	33	26
<b>Refuse:</b>				
Refuse (tons)	6,563	6,684	6,648	6,895
Recycling (tons)	1,610	1,690	1,670	1,824
Yardwaste (tons)	1,270	1,169	1,250	1,450
<b>Storm sewer:</b>				
No operating indicators available	not avail	not avail	not avail	not avail
<b>Liquor:</b>				
Number of units sold	1,103,790	1,045,188	1,038,985	1,090,131

- (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.
- (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.
- (F) 2020 pandemic impacted many statistics, due to building closures, stay home orders and social distancing.

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						
2016	2017	2018	2019	2020	2021	
114	123	91	94	114	101	
11	5	7	5	5	9	
496	564	585	600	729	769	
934	873	1,022	1,109	1,065	1,242	
1,963	2,485	2,463	2,352	1,695	1,249	
791	419	598	432	476	822	
5,205	4,719	4,621	2,382	2,416	4,727	
703	612	869	1,227	435	632	
448	368	269	570	139	432	
216	243	162	103	163	149	
57,531	53,638	53,501	53,578	52,785	51,740	
116,201	123,812	144,112	137,978	103,774	127,837	
12,805	12,909	14,703	15,730	10,413	10,777	
11,871	13,698	14,415	7,891	1,270	1,352	
26,986	26,016	26,480	20,242	3,496	8,394	
143	235	203	201	36	92	
348	336	329	336	307	242	
1,458	1,434	1,108	1,176	1,125	1,292	
\$35,252,845	\$36,189,715	\$9,095,404	\$14,753,109	\$22,346,834	\$62,338,011	
453,736	447,155	454,725	437,890	461,077	479,260	
423,920	454,830	443,630	450,020	500,510	459,390	
28	42	26	24	36	23	
7,234	7,127	6,535	6,301	7,358	7,119	
1,633	1,718	1,747	1,955	1,850	1,446	
1,385	1,231	1,090	1,602	1,876	1,209	
not avail	not avail	not avail	not avail	not avail	not avail	
1,106,305	1,099,497	1,150,458	1,188,991	796,687	1,032,342	

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

Function/Program	2012	2013	2014	2015
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	-
Water:				
Watermain miles	66	66	66	66
Sewer:				
Sanitary sewer miles	59	59	59	59
Refuse:				
Recycling centers	1	1	1	1
Storm sewer:				
Storm sewer miles	34	34	34	34
Liquor:				
Retail stores owned	3	3	3	3
Retail stores leased	-	-	-	-

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

Sources: Various City departments.

Table 18

2016	2017	2018	2019	2020	2021
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
22,600	22,600	22,600	22,600	22,600	22,600
15	15	15	15	15	15
12	15	15	15	15	15
12,726	12,726	12,726	12,726	12,726	12,726
22,000	22,000	22,000	22,000	22,000	22,000
-	-	-	-	-	-
66	66	66	66	66	66
59	59	59	59	59	59
1	1	1	1	1	1
34	34	34	34	34	34
3	3	3	3	3	3
-	-	-	-	-	-

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#### **IV. OTHER REQUIRED REPORTS SECTION**

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## MINNESOTA LEGAL COMPLIANCE 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, 2021, 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 20, 2022.

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 Minnesota Statute § 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.*

REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

June 20, 2022

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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, 2021, 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 20, 2022.

**Report on Internal Control over Financial Reporting**

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

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*  
Page 2

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 or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Columbia Heights, Minnesota'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 City of Columbia Heights, Minnesota's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



REDPATH AND COMPANY, LTD.  
St. Paul, Minnesota

June 20, 2022