

CITY OF COLUMBUS

Columbus, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2016

CITY OF COLUMBUS

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Columbus
Columbus, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Wisconsin, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City of Columbus's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the City Council
City of Columbus

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Columbus, Wisconsin, as of December 31, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Columbus's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
September 6, 2017

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

CITY OF COLUMBUS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2016 (Unaudited)

The management of the City of Columbus offers all persons interested in the financial position of the city this narrative overview and analysis of the city's financial performance during the fiscal year ended December 31, 2016. You are invited to read this narrative in conjunction with the city's financial statements.

FINANCIAL HIGHLIGHTS

- > The assets and deferred outflows of resources of the City of Columbus exceeded its liabilities and deferred inflows of resources by \$37,980,851 (net position) an increase of \$495,974 from 2015's year-end restated net position. Of this amount, \$6,905,126 is considered unrestricted net position, \$3,822,056 is restricted for specific purposes (restricted net position), and \$27,253,669 is the city's net investment in capital assets.
- > The city's total net position is \$37,980,851. Governmental activities net position is \$13,610,437 while business-type activities net position is \$24,370,414.
- > On December 31, 2016, the city's governmental funds reported combined fund balances of \$4,580,977, a decrease of \$2,627,932 from 2015. General fund unassigned fund balance at year end 2016 was \$838,596, a decrease of \$19,909 from 2015. *Note:* The General Fund transferred \$100,000 to the Capital Projects Fund for the purchase of the Library Annex building. The Council did approve a State Trust Fund loan for this dollar amount to replenish the General Fund unassigned fund balance, which will be reported in 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the city's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the city:

- > The first two statements are government-wide financial statements that provide both long-term and short-term information about the city's overall financial status.
- > The remaining statements are fund financial statements that focus on individual parts of city government, reporting the city's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

CITY OF COLUMBUS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2016 (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the city as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the city's net position and how it has changed. Net Position – the difference between the city's assets and deferred outflows of resources and the city's liabilities and deferred inflows of resources – is one way to measure the city's financial health, or position. Over time, increases or decreases in the city's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the city you need to consider additional non-financial factors such as changes in the city's property tax base, the condition of the city's equipment/vehicles and the condition of the city's roads.

The statement of activities presents information showing how the government'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 the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

The government-wide financial statements include the City of Columbus, the Columbus Water and Light Utilities, and the Columbus Sewer Utility, which are presented as the primary government. The Community Development Authority (CDA) is presented as a component unit. The Columbus Water and Light Utilities and the Columbus Sewer Utility prepare separate financial statements. Financial statements for the Columbus Water and Light Utilities may be obtained from the Columbus Water and Light Department office, located at 950 Maple Avenue, Columbus, and financial statements for the Columbus Sewer Utility may be obtained from Columbus City Hall, 105 North Dickason Boulevard, Columbus. The CDA does not prepare separate financial statements.

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 funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF COLUMBUS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2016 (Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

FUND FINANCIAL STATEMENTS (cont.)

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

The city maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, capital projects fund, and TIF No. 3, all of which are considered to be major funds. 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 city adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds – The city maintains two proprietary funds, both of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

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.

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

Other Information – In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

CITY OF COLUMBUS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2016 (Unaudited)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

An analysis of the city's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the city's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

A summary of the city's Statement of Net Position is presented below in Table 1.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2015	2016	2015	2016	2015	2016
Current and other assets	\$ 11,813,868	\$ 9,261,506	\$ 6,715,480	\$ 9,445,231	\$ 18,529,348	\$ 18,706,737
Capital assets	<u>14,601,773</u>	<u>16,467,426</u>	<u>23,154,740</u>	<u>24,373,093</u>	<u>37,756,513</u>	<u>40,840,519</u>
Total Assets	<u>26,415,641</u>	<u>25,728,932</u>	<u>29,870,220</u>	<u>33,818,324</u>	<u>56,285,861</u>	<u>59,547,256</u>
Deferred outflows of resources	<u>327,565</u>	<u>1,161,977</u>	<u>156,079</u>	<u>561,353</u>	<u>483,644</u>	<u>1,723,330</u>
Long-term liabilities	8,107,597	7,394,145	4,585,489	8,199,982	12,693,086	15,594,127
Other liabilities	<u>1,460,046</u>	<u>1,669,776</u>	<u>1,446,488</u>	<u>1,597,888</u>	<u>2,906,534</u>	<u>3,267,664</u>
Total Liabilities	<u>9,567,643</u>	<u>9,063,921</u>	<u>6,031,977</u>	<u>9,797,870</u>	<u>15,599,620</u>	<u>18,861,791</u>
Deferred inflows of resources	<u>3,685,008</u>	<u>4,216,551</u>	-	<u>211,393</u>	<u>3,685,008</u>	<u>4,427,944</u>
Net investment in capital assets	8,061,713	8,773,330	18,142,518	18,668,359	26,006,436	27,253,669
Restricted	5,189,646	2,359,135	1,367,132	1,462,921	6,556,778	3,822,056
Unrestricted	<u>239,196</u>	<u>2,477,972</u>	<u>4,484,672</u>	<u>4,239,134</u>	<u>4,921,663</u>	<u>6,905,126</u>
Total Net Position	<u>\$ 13,490,555</u>	<u>\$ 13,610,437</u>	<u>\$ 23,994,322</u>	<u>\$ 24,370,414</u>	<u>\$ 37,484,877</u>	<u>\$ 37,980,851</u>

A large portion of the city's total net position (72.10%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any 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. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the city reported 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 COLUMBUS

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2016
(Unaudited)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

**Table 2
Condensed Statement of Activities**

	Governmental Activities		Business-type Activities		Totals	
	2015*	2016	2015*	2016	2015*	2016
REVENUES						
Program Revenues						
Charges for services	\$ 825,564	\$ 878,340	\$ 10,319,752	\$ 10,309,695	\$ 11,145,316	\$ 11,188,035
Operating grants and contributions	454,256	668,842	7,500	-	461,756	668,842
Capital grants and contributions	1,301	1,615	62,368	71,408	63,669	73,023
General Revenues						
Property taxes	3,372,140	3,394,278	-	-	3,372,140	3,394,278
Other taxes	49,031	51,593	-	-	49,031	51,593
Intergovernmental	680,866	589,526	-	-	680,866	589,526
Other	464,257	457,543	46,866	38,943	511,123	496,486
Total Revenues	<u>5,847,415</u>	<u>6,041,737</u>	<u>10,436,486</u>	<u>10,420,046</u>	<u>16,283,901</u>	<u>16,461,783</u>
EXPENSES						
General government	759,034	1,013,082	-	-	759,034	1,013,082
Public safety	1,621,593	1,877,009	-	-	1,621,593	1,877,009
Public works	1,436,669	1,257,010	-	-	1,436,669	1,257,010
Health and human services	194,404	192,766	-	-	194,404	192,766
Culture/recreation/education	1,030,093	1,110,960	-	-	1,030,093	1,110,960
Conservation and development	582,914	683,860	-	-	582,914	683,860
Interest and fiscal charges	300,188	211,278	-	-	300,188	211,278
Electric	-	-	6,961,808	996,844	6,961,808	996,844
Water	-	-	958,441	7,185,851	958,441	7,185,851
Sewer	-	-	1,476,547	1,437,149	1,476,547	1,437,149
Total Expenses	<u>5,924,895</u>	<u>6,345,965</u>	<u>9,396,796</u>	<u>9,619,844</u>	<u>15,321,691</u>	<u>15,965,809</u>
Changes in net position before transfers	(77,480)	(304,228)	1,039,690	800,202	962,210	495,974
Transfers	431,612	424,110	(431,612)	(424,110)	-	-
Changes in Net Position	<u>354,132</u>	<u>119,882</u>	<u>608,078</u>	<u>376,092</u>	<u>962,210</u>	<u>495,974</u>
Beginning Net Position (As Restated)*	<u>13,136,423</u>	<u>13,490,555</u>	<u>23,386,244</u>	<u>23,994,322</u>	<u>36,522,667</u>	<u>37,484,877</u>
Ending Net Position	<u>\$ 13,490,555</u>	<u>\$ 13,610,437</u>	<u>\$ 23,994,322</u>	<u>\$ 24,370,414</u>	<u>\$ 37,484,877</u>	<u>\$ 37,980,851</u>

* 2015 was restated for implementation of GASB No. 68.

As previously noted, the Statement of Net Position shows the city's financial position as of December 31, 2016. The specific nature or source of these changes then becomes more evident in the Statement of Activities as shown above in Table 2.

CITY OF COLUMBUS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2016 (Unaudited)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (cont.)

GOVERNMENTAL ACTIVITIES

Revenues in 2016 for governmental activities increased approximately 3.32% compared to the prior year. The majority of the increase resulted from the FEMA grant, investment income, and gains on the sale of assets received in 2016. Expenses increased \$421,070, approximately 7.11%, compared to the prior year because of a storm event in July which created unexpected costs. At year-end 2016, net position increased by \$119,882, approximately .89%, compared to an increase of \$354,132 in 2015.

BUSINESS-TYPE ACTIVITIES

In 2016, net position for business-type activities increased by \$376,092, or 1.56%. In the 2015, net position increased by \$608,078. Please refer to the separately issued financial statements for the Water and Light Utility and Sewer Utility for more details regarding these changes.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

GOVERNMENTAL FUNDS

The focus of the City of Columbus'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, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At December 31, 2016, the city's governmental funds reported combined fund balances of \$4,580,977. Unassigned fund balance is normally available to meet the city's current and future needs; unassigned fund balance across all city funds totaled \$619,530 at year end. The remaining \$3,961,447 is non-spendable advances to other funds, restricted for debt service, trusts, and TIF districts, committed for specific purposes, or assigned for internal or budget purposes.

General Fund

The general fund's portion of fund balance totaled \$2,097,328. The city's general fund is the chief operating fund of the city. Total fund balance in the general fund decreased \$108,949 or 4.94% since the prior year. The unassigned fund balance decreased from \$858,505 in 2015 to \$838,596 in 2016, a change of \$19,909 or 2.32%.

The city evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the subsequent year's general fund budget. For 2016, unassigned fund balance is \$838,596 and the 2017 general fund expenditure budget is \$3,746,365 resulting in an unassigned fund balance of 22.38%. It is recommended by financial advisors that, at a minimum, the undesignated fund balance fall between 15-20%, which would allow fund balance to fund expenditures for about two months, assuming there is no revenue.

CITY OF COLUMBUS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2016 (Unaudited)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (cont.)

GOVERNMENTAL FUNDS (cont.)

General Fund (cont.)

The city's original adopted budget planned for a decrease in the general fund balance of \$102,272. The general fund had an actual fund balance decrease of \$108,949. Refer to the budget to actual comparison on pages 61-64 of the financial statements for further details on specific departmental budget variances. Primary reasons for the decrease in fund balance in 2016 is a storm event which expended services and the assistance with the purchase of property for the Columbus Public Library.

Debt Service Fund

The city's debt service fund accounts for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs. Fund balance of \$1,056,130 is restricted for future debt service.

TIF No. 3

TIF No. 3 accounts for the revenues and expenditures related to the city's Tax Incremental Financing District (TIF) No. 3. The city has expended funds to prepare the industrial park for future business development. TIF No. 3 currently has a fund balance of \$116,611. In 2016, TIF No. 3 generated a net decrease in fund balance of \$13,223.

Capital Projects

The capital projects fund accounts for the city's capital expenditures and the related financing sources. In 2016, this fund reported significant street improvement work, which was financed by a borrowing in 2015. The ending fund balance totaled \$260,232 and is restricted for future capital projects.

Non-major Governmental Funds

Fund balance of all other governmental funds is \$1,050,676, which is generally restricted or committed for trusts, future projects, and special purposes. For 2016, the pool fund had a deficit totaling \$205,685, which is a result of costs exceeding revenue sources for several years. For information on the other Non-major Governmental Funds refer to page 48.

Proprietary Funds

The City of Columbus's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the city's business-type activities as well as separately issued financial statements.

CITY OF COLUMBUS

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2016 (Unaudited)

CAPITAL ASSETS

At the end of 2016, the city had invested a total of \$40,840,519 in capital assets, an increase of \$3,084,006 from 2015. This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and utility plant. See Note III.D. for more information on capital assets.

**Table 3
Capital Assets**

	Governmental Activities		Business-type Activities		Totals	
	2015	2016	2015	2016	2015	2016
Land	\$ 535,109	\$ 561,919	\$ 175,253	\$ 175,253	\$ 710,362	\$ 737,172
Construction in progress	67,461	1,777,810	-	-	67,461	1,777,810
Other capital assets, net of depreciation	<u>13,999,203</u>	<u>14,127,697</u>	<u>22,979,487</u>	<u>24,197,840</u>	<u>36,978,690</u>	<u>38,325,537</u>
Total Capital Assets	<u>\$ 14,601,773</u>	<u>\$ 16,467,426</u>	<u>\$ 23,154,740</u>	<u>\$ 24,373,093</u>	<u>\$ 37,756,513</u>	<u>\$ 40,840,519</u>

LONG-TERM OBLIGATIONS

At December 31, 2016, the city had \$17,281,149 of long-term obligations outstanding. Of this amount \$7,395,856 is revenue debt, \$9,004,206 is general obligation debt and related premiums, and the rest relates to vested compensated absences, a note payable, and the net pension liability. See Note III.F. for more information on long-term debt.

The total long-term debt that was outstanding on December 31, 2016 increased \$2,890,710 from December 31, 2015 due to additional revenue debt issued in 2016 for the upcoming James Street project.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2016, was \$18,728,565. Total general obligation debt outstanding at year end was \$8,715,347. Therefore, the city was at 46.54% of its legal debt limit at December 31, 2016.

CITY OF COLUMBUS

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2016
(Unaudited)

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

All currently known facts and economic conditions were considered in preparing the 2016 city budget. None of these conditions are anticipated to change the overall financial position of the city.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the city's finances. If you have questions about this report or need any additional information, contact the Finance Director/Treasurer at the City of Columbus; 105 N. Dickason Blvd, Columbus, Wisconsin 53925-1565, or call 920 623 5900.

CITY OF COLUMBUS

STATEMENT OF NET POSITION
As of December 31, 2016

	Primary Government			Component
	Governmental	Business-type	Totals	Unit
	Activities	Activities		Component
				Unit
ASSETS				
Cash and investments	\$ 4,584,183	\$ 3,220,166	\$ 7,804,349	\$ 91,023
Receivables (net)				
Taxes	3,779,137	-	3,779,137	-
Delinquent taxes	4,490	-	4,490	-
Accrued interest	-	2,475	2,475	-
Accounts	62,556	970,891	1,033,447	-
Special assessments	146,838	-	146,838	-
Delinquent special assessments	5,750	-	5,750	-
Loans	128,847	-	128,847	-
Due from other governments	265,010	-	265,010	-
Internal balances	283,575	(283,575)	-	-
Inventories	1,120	338,011	339,131	-
Restricted assets				
Cash and investments	-	4,573,981	4,573,981	-
Other assets	-	623,282	623,282	-
Capital Assets				
Land	561,919	175,253	737,172	-
Construction in progress	1,777,810	-	1,777,810	-
Other capital assets, net of depreciation	14,127,697	24,197,840	38,325,537	-
Total Assets	<u>25,728,932</u>	<u>33,818,324</u>	<u>59,547,256</u>	<u>91,023</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	1,161,977	561,353	1,723,330	-
Total Deferred Outflows of Resources	<u>1,161,977</u>	<u>561,353</u>	<u>1,723,330</u>	<u>-</u>
LIABILITIES				
Accounts payable	545,455	693,349	1,238,804	551
Accrued expenses	189,774	53,422	243,196	2,610
Deposits	64,014	8,324	72,338	-
Public benefits	-	15,185	15,185	-
Unearned revenues	11,119	-	11,119	-
Noncurrent Liabilities				
Due within one year	859,414	827,608	1,687,022	-
Due in more than one year	7,394,145	8,199,982	15,594,127	-
Total Liabilities	<u>9,063,921</u>	<u>9,797,870</u>	<u>18,861,791</u>	<u>3,161</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	3,779,191	-	3,779,191	-
Pension related amounts	437,360	211,393	648,753	-
Total Deferred Inflows of Resources	<u>4,216,551</u>	<u>211,393</u>	<u>4,427,944</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	8,773,330	18,668,359	27,253,669	-
Restricted	2,359,135	1,462,921	3,822,056	-
Unrestricted	<u>2,477,972</u>	<u>4,239,134</u>	<u>6,905,126</u>	<u>87,862</u>
TOTAL NET POSITION	<u>\$ 13,610,437</u>	<u>\$ 24,370,414</u>	<u>\$ 37,980,851</u>	<u>\$ 87,862</u>

See accompanying notes to financial statements.

CITY OF COLUMBUS

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2016

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,013,082	\$ 95,929	\$ -	\$ -
Public safety	1,877,009	268,026	242,221	-
Public works	1,257,010	263,180	314,850	1,615
Health and human services	192,766	41,584	-	-
Culture, recreation, and education	1,110,960	203,901	111,771	-
Conservation and development	683,860	5,720	-	-
Interest and fiscal charges	211,278	-	-	-
Total Governmental Activities	6,345,965	878,340	668,842	1,615
Business-type Activities				
Water	996,844	1,296,420	-	32,286
Electric	7,185,851	7,602,519	-	20,122
Sewer	1,437,149	1,410,756	-	19,000
Total Business-type Activities	9,619,844	10,309,695	-	71,408
Total Primary Government	\$ 15,965,809	\$ 11,188,035	\$ 668,842	\$ 73,023
Component Unit				
Community Development Authority	\$ 68,280	\$ 937	\$ 66,000	\$ -

General Revenues

Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Property taxes, levied for TIF districts
Property taxes, levied for other purposes
Other taxes
Intergovernmental revenues not restricted to specific programs
Public gifts and grants
Investment income
Miscellaneous
Transfers
Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Community Development Authority
\$ (917,153)	\$ -	\$ (917,153)	\$ -
(1,366,762)	-	(1,366,762)	-
(677,365)	-	(677,365)	-
(151,182)	-	(151,182)	-
(795,288)	-	(795,288)	-
(678,140)	-	(678,140)	-
(211,278)	-	(211,278)	-
<u>(4,797,168)</u>	<u>-</u>	<u>(4,797,168)</u>	<u>-</u>
-	331,862	331,862	-
-	436,790	436,790	-
-	(7,393)	(7,393)	-
<u>-</u>	<u>761,259</u>	<u>761,259</u>	<u>-</u>
<u>(4,797,168)</u>	<u>761,259</u>	<u>(4,035,909)</u>	<u>-</u>
-	-	-	(1,343)
1,886,316	-	1,886,316	-
560,000	-	560,000	-
490,043	-	490,043	-
457,919	-	457,919	-
51,593	-	51,593	-
589,526	-	589,526	-
180,024	-	180,024	-
58,207	38,943	97,150	211
219,312	-	219,312	-
<u>424,110</u>	<u>(424,110)</u>	<u>-</u>	<u>-</u>
<u>4,917,050</u>	<u>(385,167)</u>	<u>4,531,883</u>	<u>211</u>
119,882	376,092	495,974	(1,132)
<u>13,490,555</u>	<u>23,994,322</u>	<u>37,484,877</u>	<u>88,994</u>
<u>\$ 13,610,437</u>	<u>\$ 24,370,414</u>	<u>\$ 37,980,851</u>	<u>\$ 87,862</u>

See accompanying notes to financial statements.

CITY OF COLUMBUS

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2016

	<u>General</u>	<u>General Debt Service</u>	<u>TIF No. 3</u>
ASSETS			
Cash and investments	\$ 1,356,080	\$ 1,065,687	\$ 786,319
Receivables (net)			
Taxes	1,947,077	650,803	505,789
Delinquent personal property tax	4,490	-	-
Accounts	30,923	-	-
Special assessments	14,700	132,138	-
Delinquent special assessments	5,750	-	-
Loans	-	-	-
Due from other funds	465,610	1,562	-
Due from other governments	-	-	-
Advances to other funds	699,208	-	-
Inventories	<u>1,120</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 4,524,958</u>	<u>\$ 1,850,190</u>	<u>\$ 1,292,108</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 336,579	\$ -	\$ -
Accrued liabilities	124,131	-	699
Deposits	14,024	-	-
Unearned revenue	-	11,119	-
Advances from other funds	<u>-</u>	<u>-</u>	<u>669,009</u>
Total Liabilities	<u>474,734</u>	<u>11,119</u>	<u>669,708</u>
Deferred Inflows of Resources			
Unearned revenues	1,938,196	650,803	505,789
Unavailable revenues	<u>14,700</u>	<u>132,138</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,952,896</u>	<u>782,941</u>	<u>505,789</u>
Fund Balances			
Nonspendable	641,717	-	-
Restricted	-	1,056,130	116,611
Committed	-	-	-
Assigned	617,015	-	-
Unassigned (deficit)	<u>838,596</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>2,097,328</u>	<u>1,056,130</u>	<u>116,611</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 4,524,958</u>	<u>\$ 1,850,190</u>	<u>\$ 1,292,108</u>

See accompanying notes to financial statements.

<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 126,380	\$ 1,249,717	\$ 4,584,183
-	675,468	3,779,137
-	-	4,490
400	31,233	62,556
-	-	146,838
-	-	5,750
-	128,847	128,847
-	-	467,172
265,010	-	265,010
-	-	699,208
-	-	1,120
<u>\$ 391,790</u>	<u>\$ 2,085,265</u>	<u>\$ 10,144,311</u>
\$ 124,508	\$ 84,368	\$ 545,455
-	9,082	133,912
-	49,990	64,014
-	-	11,119
-	213,796	882,805
<u>124,508</u>	<u>357,236</u>	<u>1,637,305</u>
7,050	677,353	3,779,191
-	-	146,838
<u>7,050</u>	<u>677,353</u>	<u>3,926,029</u>
-	-	641,717
260,232	982,024	2,414,997
-	287,718	287,718
-	-	617,015
-	(219,066)	619,530
<u>260,232</u>	<u>1,050,676</u>	<u>4,580,977</u>
<u>\$ 391,790</u>	<u>\$ 2,085,265</u>	<u>\$ 10,144,311</u>

See accompanying notes to financial statements.

CITY OF COLUMBUS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2016

Total Fund Balances - Governmental Funds	\$ 4,580,977
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Land	561,919
Construction in progress	1,777,810
Other capital assets	20,711,306
Less: Accumulated depreciation	(6,583,609)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	146,838
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The net pension liability does not relate to current financial resources and is not reported in the governmental funds.	(207,823)
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Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	1,161,977
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Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(437,360)
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Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

Bonds and notes payable	(7,750,347)
Compensated absences	(163,620)
Accrued interest	(55,862)
Unamortized premium on debt	<u>(131,769)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 13,610,437</u>
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CITY OF COLUMBUS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

	General	General Debt Service	TIF No. 3
REVENUES			
Taxes	\$ 1,896,613	\$ 560,000	\$ 490,043
Intergovernmental	1,141,560	-	3,002
Licenses and permits	97,842	-	-
Fines, forfeitures and penalties	51,805	-	-
Public charges for services	100,142	-	-
Intergovernmental charges for services	10,549	-	-
Special assessments	4,900	32,138	-
Investment income	20,641	11,877	1,700
Miscellaneous revenues	<u>246,387</u>	-	-
Total Revenues	<u>3,570,439</u>	<u>604,015</u>	<u>494,745</u>
EXPENDITURES			
Current			
General government	931,780	2,609	4,092
Public safety	1,516,755	-	-
Health and human services	100,881	-	-
Public works	664,570	-	-
Culture, recreation, and education	311,272	-	-
Conservation and development	382,738	-	268,536
Capital Outlay	-	-	80
Debt Service			
Principal	-	1,003,316	-
Interest and fiscal charges	-	<u>218,531</u>	<u>16,525</u>
Total Expenditures	<u>3,907,996</u>	<u>1,224,456</u>	<u>289,233</u>
Excess (deficiency) of revenues over expenditures	<u>(337,557)</u>	<u>(620,441)</u>	<u>205,512</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	424,110	218,735	-
Transfers out	<u>(195,502)</u>	-	<u>(218,735)</u>
Total Other Financing Sources (Uses)	<u>228,608</u>	<u>218,735</u>	<u>(218,735)</u>
Net Change in Fund Balances	(108,949)	(401,706)	(13,223)
FUND BALANCES - Beginning of Year	<u>2,206,277</u>	<u>1,457,836</u>	<u>129,834</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,097,328</u>	<u>\$ 1,056,130</u>	<u>\$ 116,611</u>

See accompanying notes to financial statements.

Capital Projects	Nonmajor Governmental Funds	Totals
\$ 72,265	\$ 426,950	\$ 3,445,871
2,035	107,289	1,253,886
-	60,952	158,794
-	4,732	56,537
-	422,037	522,179
-	105,978	116,527
-	-	37,038
2,909	21,080	58,207
-	181,734	428,121
<u>77,209</u>	<u>1,330,752</u>	<u>6,077,160</u>
544	5,503	944,528
-	200,373	1,717,128
-	90,345	191,226
-	249,065	913,635
-	677,111	988,383
-	35,017	686,291
1,919,413	530,146	2,449,639
-	-	1,003,316
-	-	235,056
<u>1,919,957</u>	<u>1,787,560</u>	<u>9,129,202</u>
<u>(1,842,748)</u>	<u>(456,808)</u>	<u>(3,052,042)</u>
100,000	210,373	953,218
-	(114,871)	(529,108)
<u>100,000</u>	<u>95,502</u>	<u>424,110</u>
(1,742,748)	(361,306)	(2,627,932)
<u>2,002,980</u>	<u>1,411,982</u>	<u>7,208,909</u>
<u>\$ 260,232</u>	<u>\$ 1,050,676</u>	<u>\$ 4,580,977</u>

See accompanying notes to financial statements.

CITY OF COLUMBUS

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, 2016

Net change in fund balances - total governmental funds	\$	(2,627,932)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		2,449,639
Some items reported as capital outlay were not capitalized		(115,813)
Some items reported as operating expenditures but are capitalized in the government-wide financial statements		81,229
Depreciation is reported in the government-wide financial statements		(545,171)
Net book value of assets retired		(4,231)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Special assessments		(35,423)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repaid		1,003,316
Capital lease principal payment		15,427

Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.

Amortization of debt premium		15,502
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences		8,663
Accrued interest on debt		8,276
Net pension liability		(530,652)
Deferred outflows of resources related to pensions		834,412
Deferred inflows of resources related to pensions		(437,360)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>119,882</u>
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CITY OF COLUMBUS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 As of December 31, 2016

	Business-type Activities - Enterprise Funds		
	Water and Light Utility	Sewer Utility	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 967,343	\$ 2,252,823	\$ 3,220,166
Receivables (net)			
Interest	1,400	1,075	2,475
Accounts	943,645	27,246	970,891
Due from other funds	-	99,266	99,266
Advances to other funds	-	24,696	24,696
Inventories	338,011	-	338,011
Restricted Assets			
Redemption account - current	454,185	150,127	604,312
Total Current Assets	<u>2,704,584</u>	<u>2,555,233</u>	<u>5,259,817</u>
Noncurrent Assets			
Restricted Assets			
Depreciation account	324,581	-	324,581
Equipment replacement	-	406,973	406,973
Reserve account	384,367	-	384,367
Energy efficiency program	158,570	-	158,570
Construction account	2,695,178	-	2,695,178
Capital Assets			
Property and equipment	24,909,540	20,969,301	45,878,841
Less: Accumulated depreciation	(10,336,799)	(11,168,949)	(21,505,748)
Other Assets			
Advances to other funds	-	158,901	158,901
Preliminary survey and investigation	169,189	190,147	359,336
Investment in American Transmission Company	263,946	-	263,946
Total Noncurrent Assets	<u>18,568,572</u>	<u>10,556,373</u>	<u>29,124,945</u>
Total Assets	<u>21,273,156</u>	<u>13,111,606</u>	<u>34,384,762</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	<u>407,065</u>	<u>154,288</u>	<u>561,353</u>
Total Deferred Outflows of Resources	<u>407,065</u>	<u>154,288</u>	<u>561,353</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds		
	Water and Light Utility	Sewer Utility	Totals
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 638,039	\$ 55,310	\$ 693,349
Accrued liabilities	-	20,634	20,634
Due to other funds	566,438	-	566,438
Customer deposits	8,324	-	8,324
Compensated absences	23,047	5,373	28,420
Public benefits	15,185	-	15,185
Other credits	1,273	-	1,273
Notes payable	29,735	-	29,735
General obligation debt	165,000	65,000	230,000
Liabilities Payable from Restricted Assets			
Revenue bonds payable	370,000	169,453	539,453
Accrued interest	20,123	11,392	31,515
Total Current Liabilities	<u>1,837,164</u>	<u>327,162</u>	<u>2,164,326</u>
Noncurrent Liabilities			
Long-Term Debt			
General obligation bonds	115,000	620,000	735,000
Revenue bonds payable	4,600,000	2,256,403	6,856,403
Compensated absences	72,959	41,483	114,442
Note payable	236,598	-	236,598
Net pension liability	72,453	27,996	100,449
Unamortized debt premium	157,090	-	157,090
Total Noncurrent Liabilities	<u>5,254,100</u>	<u>2,945,882</u>	<u>8,199,982</u>
Total Liabilities	<u>7,091,264</u>	<u>3,273,044</u>	<u>10,364,308</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	<u>152,477</u>	<u>58,916</u>	<u>211,393</u>
Total Deferred Inflows of Resources	<u>152,477</u>	<u>58,916</u>	<u>211,393</u>
NET POSITION			
Net investment in capital assets	11,978,863	6,689,496	18,668,359
Restricted for			
Debt service	434,062	138,735	572,797
Depreciation	324,581	-	324,581
Equipment replacement	-	406,973	406,973
Energy efficiency programs	158,570	-	158,570
Unrestricted	<u>1,540,404</u>	<u>2,698,730</u>	<u>4,239,134</u>
TOTAL NET POSITION	<u>\$ 14,436,480</u>	<u>\$ 9,933,934</u>	<u>\$ 24,370,414</u>

See accompanying notes to financial statements.

CITY OF COLUMBUS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds		
	Water and Light Utility	Sewer Utility	Totals
OPERATING REVENUES	<u>\$ 8,898,939</u>	<u>\$ 1,410,756</u>	<u>\$ 10,309,695</u>
OPERATING EXPENSES			
Operation and maintenance	7,331,092	783,702	8,114,794
Depreciation	<u>605,409</u>	<u>563,466</u>	<u>1,168,875</u>
Total Operating Expenses	<u>7,936,501</u>	<u>1,347,168</u>	<u>9,283,669</u>
Operating Income	<u>962,438</u>	<u>63,588</u>	<u>1,026,026</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	23,085	15,858	38,943
Miscellaneous expenses	(18,726)	-	(18,726)
Interest expense	(74,925)	(89,981)	(164,906)
Amortization of bond premium	5,530	-	5,530
Loss on early retirement of assets	(41,814)	-	(41,814)
Debt issuance costs	<u>(116,259)</u>	<u>-</u>	<u>(116,259)</u>
Total Nonoperating Revenues (Expenses)	<u>(223,109)</u>	<u>(74,123)</u>	<u>(297,232)</u>
Income (Loss) Before Contributions and Transfers	<u>739,329</u>	<u>(10,535)</u>	<u>728,794</u>
CONTRIBUTIONS AND TRANSFERS			
Capital contributions	52,408	19,000	71,408
Transfers out	<u>(424,110)</u>	<u>-</u>	<u>(424,110)</u>
Total Contributions and Transfers	<u>(371,702)</u>	<u>19,000</u>	<u>(352,702)</u>
Change in Net Position	367,627	8,465	376,092
NET POSITION - Beginning of Year	<u>14,068,853</u>	<u>9,925,469</u>	<u>23,994,322</u>
NET POSITION - END OF YEAR	<u>\$ 14,436,480</u>	<u>\$ 9,933,934</u>	<u>\$ 24,370,414</u>

See accompanying notes to financial statements.

CITY OF COLUMBUS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2016

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water and Light Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 8,711,196	\$ 1,407,160	\$ 10,118,356
Received from other funds for services	103,950	-	103,950
Paid to suppliers for goods and services	(6,526,733)	(523,113)	(7,049,846)
Paid to employees for services	(702,089)	(231,914)	(934,003)
Net Cash Flows From Operating Activities	<u>1,586,324</u>	<u>652,133</u>	<u>2,238,457</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments sold and matured	144,000	1,011,500	1,155,500
Investment income	20,048	19,349	39,397
Investments purchased	(2,885,434)	(409,940)	(3,295,374)
Investment in American Transmission Company	(11,326)	-	(11,326)
Net Cash Flows From Investing Activities	<u>(2,732,712)</u>	<u>620,909</u>	<u>(2,111,803)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	(431,612)	-	(431,612)
Transfers to other funds	(17,461)	-	(17,461)
Repayment of advances from other funds	-	24,212	24,212
Net Cash Flows From Noncapital Financing Activities	<u>(449,073)</u>	<u>24,212</u>	<u>(424,861)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt issued	3,915,000	-	3,915,000
Debt retired	(450,000)	(230,381)	(680,381)
Interest paid	(59,726)	(90,003)	(149,729)
Debt issuance costs	(116,259)	-	(116,259)
Acquisition and construction of capital assets	(1,842,696)	(719,063)	(2,561,759)
Received from the sale of capital assets	18,258	-	18,258
Capital contributions received	35,778	19,000	54,778
Note paid	(25,373)	-	(25,373)
Proceeds from note payable	261,721	-	261,721
Premium on debt issued	162,620	-	162,620
Net Cash Flows From Capital and Related Financing Activities	<u>1,899,323</u>	<u>(1,020,447)</u>	<u>878,876</u>
Net Change in Cash and Cash Equivalents	303,862	276,807	580,669
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,794,928</u>	<u>2,123,176</u>	<u>3,918,104</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,098,790</u>	<u>\$ 2,399,983</u>	<u>\$ 4,498,773</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water and Light Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 962,438	\$ 63,588	\$ 1,026,026
Nonoperating revenue (expense)	(1,265)	-	(1,265)
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
Depreciation	605,409	563,466	1,168,875
Depreciation charged to other funds	31,428	-	31,428
Changes in assets, deferred outflows and liabilities			
Accounts receivable	(90,785)	(4,432)	(95,217)
Due from other funds	-	836	836
Inventories	18,028	-	18,028
Prepaid items	1,202	-	1,202
Accounts payable	7,885	13,436	21,321
Accrued liabilities	-	4,748	4,748
Due to other funds	3,065	-	3,065
Customer deposits	(721)	-	(721)
Compensated absences	2,419	(5,130)	(2,711)
Public benefits	5,130	-	5,130
Other current liabilities	(1,419)	-	(1,419)
Pension related deferrals and liabilities	43,510	15,621	59,131
	<u>43,510</u>	<u>15,621</u>	<u>59,131</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,586,324</u>	<u>\$ 652,133</u>	<u>\$ 2,238,457</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS			
Cash and investments	\$ 967,343	\$ 2,252,823	\$ 3,220,166
Restricted cash and investments			
Redemption account	454,185	150,127	604,312
Reserve account	384,367	-	384,367
Depreciation account	324,581	406,973	731,554
Construction account	2,695,178	-	2,695,178
Energy efficiency program	158,570	-	158,570
Total Cash and Investments	4,984,224	2,809,923	7,794,147
Less: Noncash equivalents	(2,885,434)	(409,940)	(3,295,374)
	<u>(2,885,434)</u>	<u>(409,940)</u>	<u>(3,295,374)</u>
CASH AND CASH EQUIVALENTS	<u>\$ 2,098,790</u>	<u>\$ 2,399,983</u>	<u>\$ 4,498,773</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Developer financed additions to utility plant	\$ 16,630	\$ -	
Dividends reinvested in American Transmission Company	3,037	-	
Amortization of bond premium	5,530	-	

See accompanying notes to financial statements.

CITY OF COLUMBUS

STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
As of December 31, 2016

	<u>Agency Fund</u> <u>Tax Collection</u>
ASSETS	
Cash and investments	\$ 3,336,512
Taxes receivable	<u>2,339,583</u>
TOTAL ASSETS	<u>\$ 5,676,095</u>
LIABILITIES	
Due to other governments	<u>\$ 5,676,095</u>
TOTAL LIABILITIES	<u>\$ 5,676,095</u>

See accompanying notes to financial statements.

CITY OF COLUMBUS

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CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Columbus, Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the city. The reporting entity for the city consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Unit

Community Development Authority

The government-wide financial statements include the Community Development Authority ("CDA") as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the city can impose its will on the CDA, and also create a potential financial benefit to or burden on the city. See Note III.H. As a component unit, the CDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2016. The CDA does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In February 2015, the GASB issued statement No. 72 - *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard was implemented January 1, 2016.

In August 2015, the GASB issued statement No. 77 - *Tax Abatement Disclosures*. This statement addresses required disclosures for governments that enter into tax abatement agreements. This standard was implemented January 1, 2016.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The city does not allocate indirect expenses to functions in the statement of activities. 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 as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the city are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the city or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the city believes is particularly important to financial statement users may be reported as a major fund.

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.

The city reports the following major governmental funds:

- General Fund - accounts for the city's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- General Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.
- Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the city.
- Tax Incremental District (TID) No. 3 Capital Projects Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures outlined in the TID project plan.

The city reports the following major enterprise funds:

- Water and Light Utility - accounts for operations of the water and light system.
- Sewer Utility - accounts for operations of the sewer system.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Community Development Block Grant (CDBG) Fund	Cemetery Fund
Room Tax Fund	Cable TV Fund
Solid Waste Fund	Library Fund
Pool Fund	Library Board
Ward Beautification	Development Fees Fund
Historical Landmarks and Preservation	Joint EMS Fund
Parks Fund	

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

TIF No. 4

In addition, the city reports the following fund type:

Agency Fund - used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

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

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Government-Wide Financial Statements (cont.)

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the city is entitled the resources and the amounts are available. Amounts owed to the city which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues. Delinquent special assessments being held for collection by the county are reported as receivables and nonspendable fund balance in the general fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

The 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 and light and sewer utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary 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.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the city considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of city funds is restricted by Wisconsin state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The city has adopted an investment policy. That policy follows the state statute for allowable investments.

In relation to custodial credit risk, the city's investment policy states that all deposits and investments should be collateralized in full. The collateral should be held by the city or an independent third party custodian. As of year end, there were uncollateralized deposits due to tax collections. The investment policy does not address credit risk.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note III. A. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2016, the fair value of the city's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III. A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of assets and liabilities - agency fund.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

Property tax calendar - 2016 tax roll:

Lien date and levy date	December 2016
Tax bills mailed	December 2016
Payment in full, or	January 31, 2017
First installment due	January 31, 2017
Second installment due	July 31, 2017
Personal property taxes in full	January 31, 2017
Tax sale - 2016 delinquent real estate taxes	October 2019

Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the water and light and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

The city has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The city records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has not been reduced by an allowance for uncollectible accounts.

It is the city's policy to record revenue when the initial loan is made from the federal and state grant funds. The net amount of the loan receivable balance is included in restricted fund balance. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted fund balance in the fund financial statements.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

3. Inventories

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	30-125	Years
Land Improvements	25	Years
Machinery and Equipment	5-50	Years
Utility System	4-100	Years
Infrastructure	60	Years
Improvements to buildings	30	Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Other Assets

Other assets includes an amount for preliminary survey and investigation. This balance represents initial project engineering costs related to utility plant construction. The balance will be capitalized upon commencement of the project.

Other assets include an amount for investment in American Transmission Company (ATC). The electric utility is a member of ATC, which was formed by approximately 25 utilities to plan, construct, maintain, monitor, and own electric transmission facilities in Wisconsin. The electric utility owns less than 1/2 of one percent of ATC. The investment earns dividends quarterly, some of which are paid in cash and some of which are required to be reinvested. The electric utility has the option to contribute additional funds to maintain their proportionate share of ownership. The investment is valued at net asset value per share, which is equal to the original cost plus additional contributions and reinvested dividends, and approximates fair value.

7. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave 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, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2016, are determined on the basis of current salary rates and include salary related payments.

9. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At year end, the aggregate principal amount for the seven series outstanding could not be determined; however, their original issue amounts totaled \$31,030,000.

10. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets", and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 8,773,330	\$ 18,668,359	\$ (188,020)	\$ 27,253,669
Unrestricted	2,477,972	4,239,134	188,020	6,905,126

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

11. Equity Classifications (cont.)

Fund Statements (cont.)

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The city considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the city would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. G. for further information.

12. Pension

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

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

13. Basis for Existing Rates

Electric Utility

Current electric rates were approved by the Public Service Commission of Wisconsin on October 24, 2012 and placed into effect on November 1, 2012. The rates are designed to provide a 6.00% return on rate base.

Water Utility

Current water rates were approved by the Public Service Commission of Wisconsin on November 19, 2012 and became effective December 1, 2012. The rates are designed to provide a 5.00% return on rate base.

Sewer Utility

Current sewer rates were approved by the city council with an effective date of October 19, 2010. The city council also revised the rate charged to the Town of Elba, with an effective date of January 1, 2014. The city council approved the Village of Fall River rates in accordance with their agreement effective August 1, 2016.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget has been adopted for the general fund, certain special revenue funds, the debt service fund and capital projects funds. A budget has not been formally adopted for other funds. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS

Funds	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
General Fund	\$ 3,651,933	\$ 4,103,498	\$ 451,565
Library Fund	377,700	552,980	175,280
Room Tax Fund	5,250	13,290	8,040
Solid Waste Fund	248,863	250,272	1,409
Cemetery Fund	66,515	89,870	23,355
Pool Fund	210,219	236,317	26,098
General Debt Service Fund	1,150,942	1,224,456	73,514
CDBG Fund	4,750	21,727	16,977
TIF. No. 4	500	10,965	10,465

The city controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the city's year-end budget to actual report.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2016, the following individual funds held a deficit balance:

Fund	Amount	Reason
Pool Fund	\$ 205,685	Expenditures in excess of revenues
TIF No. 4	13,381	Costs exceeded increment

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Other fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

D. LIMITATIONS ON THE CITY'S TAX LEVY

Wisconsin law limits the city's future tax levies. Generally the city is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the city's equalized value due to new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The city is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The city's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 14,805,091	\$ 14,883,314	Custodial credit risk
LGIP	1,000,574	1,000,574	Credit risk
Petty cash	200	-	N/A
Total Deposits and Investments	\$ 15,805,865	\$ 15,883,888	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments - primary government	\$ 7,804,349		
Restricted cash and investments - primary government	4,573,981		
Unrestricted cash and investments - component unit	91,023		
Per statement of assets and liabilities - agency fund			
Agency Fund	3,336,512		
Total Deposits and Investments	\$ 15,805,865		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The city maintains collateral agreements with its banks. At December 31, 2016, the banks had pledged various government securities in the amount of \$7,530,598 to secure the city's deposits.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the city's deposits may not be returned to the city.

As of December 31, 2016, \$610,816 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ <u>610,816</u>
Total	\$ <u><u>610,816</u></u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The city had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Nonmajor and Other Funds</u>	<u>Totals</u>
Amounts not expected to be collected within one year	\$ <u>24,940</u>	\$ <u>132,138</u>	\$ <u>128,847</u>	\$ <u>285,925</u>

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 3,779,191	\$ -
Special assessments not yet due	11,119	146,838
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 3,790,310	 \$ 146,838

For economic development loans, the city is limited by the Wisconsin Department of Administration to the amount of program income from economic development loans that it may retain to be loaned to other businesses and/or the amount of time for which funds may be held without use. Program income includes the principal and interest received from economic development loans repayments.

At December 31, 2016, the city has not exceeded the maximum amount of program income that it may retain or the amount of time for which funds may be held without use. When it does, a liability to the state will be recorded.

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

- Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.
- Depreciation - Used to report resources set aside to fund plant renewals and replacement or make up potential future deficiencies in the redemption account.
- Construction - Used to report proceeds of revenue bond issuances that are restricted for use in construction.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS (cont.)

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Energy Efficiency Program

In conjunction with the electric utility's last rate case in 2012, the utility participates in its own energy efficiency program funded by rate payers. Money collected is restricted for use specific to energy efficiency programs maintained by the utility.

Following is a list of restricted assets at December 31, 2016:

Restricted Assets	
Redemption account	\$ 604,312
Reserve account	384,367
Depreciation account	324,581
Construction account	2,695,178
Equipment replacement account	406,973
Energy efficiency program	<u>158,570</u>
Total Restricted Assets	<u>\$ 4,573,981</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 535,109	\$ 26,810	\$ -	\$ 561,919
Construction in progress	<u>67,461</u>	<u>1,710,349</u>	-	<u>1,777,810</u>
Total Capital Assets Not Being Depreciated	<u>602,570</u>	<u>1,737,159</u>	-	<u>2,339,729</u>

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Capital assets being depreciated				
Land improvements	\$ 341,174	\$ -	\$ -	\$ 341,174
Buildings	5,135,055	596,667	-	5,731,722
Machinery and equipment	3,352,654	81,229	420,870	3,013,013
Streets	6,752,823	-	-	6,752,823
Storm sewers	2,121,721	-	-	2,121,721
Improvements to buildings	882,198	-	-	882,198
Sidewalks	175,823	-	-	175,823
Bridges	1,067,984	-	-	1,067,984
Dams	<u>624,848</u>	<u>-</u>	<u>-</u>	<u>624,848</u>
Total Capital Assets Being Depreciated	<u>20,454,280</u>	<u>677,896</u>	<u>420,870</u>	<u>20,711,306</u>
Total Capital Assets	<u>21,056,850</u>	<u>2,415,055</u>	<u>420,870</u>	<u>23,051,035</u>
Less: Accumulated depreciation for				
Land improvements	(86,642)	(13,647)	-	(100,289)
Buildings	(1,498,156)	(99,856)	-	(1,598,012)
Machinery and equipment	(2,278,382)	(224,210)	416,639	(2,085,953)
Streets	(1,854,245)	(112,172)	-	(1,966,417)
Storm sewers	(291,721)	(35,362)	-	(327,083)
Improvements to buildings	(224,361)	(29,671)	-	(254,032)
Sidewalks	(28,036)	(3,517)	-	(31,553)
Bridges	(137,298)	(14,239)	-	(151,537)
Dams	<u>(56,236)</u>	<u>(12,497)</u>	<u>-</u>	<u>(68,733)</u>
Total Accumulated Depreciation	<u>(6,455,077)</u>	<u>(545,171)</u>	<u>416,639</u>	<u>(6,583,609)</u>
Net Capital Assets Being Depreciated	<u>13,999,203</u>	<u>132,725</u>	<u>4,231</u>	<u>14,127,697</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 14,601,773</u>	<u>\$ 1,869,884</u>	<u>\$ 4,231</u>	<u>\$ 16,467,426</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 54,799
Public safety	93,746
Culture, recreation, and education	166,080
Public works	<u>230,546</u>
Total Governmental Activities Depreciation Expense	<u>\$ 545,171</u>

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 15,418	\$ -	\$ -	\$ 15,418
Total Capital Assets Not Being Depreciated	<u>15,418</u>	<u>-</u>	<u>-</u>	<u>15,418</u>
Capital assets being depreciated				
Source of supply	122,133	-	-	122,133
Pumping	278,252	-	-	278,252
Water treatment	1,171,347	-	-	1,171,347
Transmission and distribution	8,478,405	991,349	55,768	9,413,986
General	960,787	6,692	2,602	964,877
Total Capital Assets Being Depreciated	<u>11,010,924</u>	<u>998,041</u>	<u>58,370</u>	<u>11,950,595</u>
Total Capital Assets	<u>11,026,342</u>	<u>998,041</u>	<u>58,370</u>	<u>11,966,013</u>
Less: Accumulated depreciation for				
Source of supply	(89,261)	(3,542)	-	(92,803)
Pumping	(246,686)	(11,137)	-	(257,823)
Water treatment	(929,254)	(38,176)	-	(967,430)
Transmission and distribution	(1,822,462)	(160,081)	56,333	(1,926,210)
General	(701,349)	(21,023)	2,602	(719,770)
Total Accumulated Depreciation	<u>(3,789,012)</u>	<u>(233,959)</u>	<u>58,935</u>	<u>(3,964,036)</u>
Net Capital Assets Being Depreciated	<u>7,221,912</u>	<u>764,082</u>	<u>(565)</u>	<u>7,986,559</u>
Net Water Capital Assets	<u>\$ 7,237,330</u>	<u>\$ 764,082</u>	<u>\$ (565)</u>	<u>\$ 8,001,977</u>

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Electric</u>				
Capital assets not being depreciated				
Land and land rights	\$ 157,335	\$ -	\$ -	\$ 157,335
Total Capital Assets Not Being Depreciated	<u>157,335</u>	<u>-</u>	<u>-</u>	<u>157,335</u>
Capital assets being depreciated				
Distribution	10,524,641	773,980	433,795	10,864,826
General	<u>1,923,310</u>	<u>38,839</u>	<u>40,783</u>	<u>1,921,366</u>
Total Capital Assets Being Depreciated	<u>12,447,951</u>	<u>812,819</u>	<u>474,578</u>	<u>12,786,192</u>
Total Capital Assets	<u>12,605,286</u>	<u>812,819</u>	<u>474,578</u>	<u>12,943,527</u>
Less: Accumulated depreciation for				
Distribution	(5,259,670)	(403,690)	446,833	(5,216,527)
General	<u>(1,135,952)</u>	<u>(61,066)</u>	<u>40,782</u>	<u>(1,156,236)</u>
Total Accumulated Depreciation	<u>(6,395,622)</u>	<u>(464,756)</u>	<u>487,615</u>	<u>(6,372,763)</u>
Net Capital Assets Being Depreciated	<u>6,052,329</u>	<u>348,063</u>	<u>(13,037)</u>	<u>6,413,429</u>
Net Electric Capital Assets	<u>\$ 6,209,664</u>	<u>\$ 348,063</u>	<u>\$ (13,037)</u>	<u>\$ 6,570,764</u>

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	\$ 2,500	\$ -	\$ -	\$ 2,500
Total Capital Assets Not Being Depreciated	2,500	-	-	2,500
Capital assets being depreciated				
Collecting system	8,694,404	518,815	51,472	9,161,747
Collecting system pumping	633,725	-	-	633,725
Treatment and disposal	10,715,630	137,257	39,252	10,813,635
General	357,694	-	-	357,694
Total Capital Assets Being Depreciated	20,401,453	656,072	90,724	20,966,801
Total Capital Assets	20,403,953	656,072	90,724	20,969,301
Less: Accumulated depreciation for				
Collecting system	(1,536,800)	(115,777)	51,472	(1,601,105)
Collecting system pumping	(604,196)	(29,529)	-	(633,725)
Treatment and disposal	(8,217,273)	(406,562)	39,252	(8,584,583)
General	(337,938)	(11,598)	-	(349,536)
Total Accumulated Depreciation	(10,696,207)	(563,466)	90,724	(11,168,949)
Net Capital Assets Being Depreciated	9,705,246	92,606	-	9,797,852
Net Sewer Capital Assets	\$ 9,707,746	\$ 92,606	\$ -	\$ 9,800,352
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 23,154,740	\$ 1,204,751	\$ (13,602)	\$ 24,373,093

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 223,369
Electric	382,040
Sewer	563,466

Total Business-type Activities Depreciation Expense \$ 1,168,875

Depreciation expense is different from accumulated depreciation additions because of joint metering, salvage cost of removal, internal allocations, and cost associated with the disposal of assets.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Light Utility	\$ 465,610
General Debt Service	Water and Light Utility	1,562
Sewer Utility	Water and Light Utility	99,266
Total - Fund Financial Statements		566,438
Less: Fund eliminations		(99,266)
Less: Interfund advances		(183,597)
Total Internal Balances - Government-Wide Statement of Net Position		\$ 283,575
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 467,172
Business-type Activities	Governmental Activities	(183,597)
Total Government-Wide Financial Statements		\$ 283,575

All amounts are due within one year.

The principal purpose of these interfunds is for the payment in lieu of tax and cash overdrafts. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

The general fund is advancing funds to the pool fund. The amount advanced is determined by the accumulated deficit of the fund. No repayment schedule has been established.

The general fund and the sewer utility are advancing funds to TIF No. 3. The amounts advanced are determined by the deficiency of revenues over expenditures since the district's inception. Repayment schedules have been established and are presented below.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances (cont.)

The general fund is advancing funds to TIF No. 4. The amount advanced was determined by the negative cash position in TIF No. 4. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF No. 3	\$ 485,412	\$ 416,561
General Fund	Pool Fund	202,260	202,260
General Fund	TIF No. 4	11,536	11,536
Sewer Utility	TIF No. 3	183,597	158,901
Total - Fund Financial Statements		882,805	
Less: Fund eliminations		(699,208)	
Total - Interfund Advances		\$ 183,597	

Years	TIF 3 Advance from General Fund		TIF 3 Advance from Sewer Utility	
	Principal	Interest	Principal	Interest
2017	\$ 68,851	\$ 11,240	\$ 24,696	\$ 3,672
2018	68,851	8,912	25,190	3,178
2019	68,851	7,713	25,694	2,674
2020	68,851	6,490	26,208	2,160
2021	68,851	5,243	26,732	1,636
2022-2024	141,157	7,995	55,077	1,658
Totals	\$ 485,412	\$ 47,593	\$ 183,597	\$ 14,978

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Water and Light Utility	\$ 424,110	Tax equivalent payment
General Debt Service	TIF No. 3	218,735	TIF debt
Capital Projects	General Fund	100,000	Contribution to library expansion
Nonmajor Funds	Nonmajor Funds	114,871	Contributions for library expansion and pavilion improvements
Nonmajor Funds	General Fund	<u>95,502</u>	Funding EMS activities
Total - Fund Financial Statements		953,218	
Less: Fund eliminations		<u>(529,108)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 424,110</u></u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 8,753,663	\$ -	\$ 1,003,316	\$ 7,750,347	\$ 831,898
Premiums on long-term debt	147,271	-	15,502	131,769	-
Sub-totals	<u>8,900,934</u>	<u>-</u>	<u>1,018,818</u>	<u>7,882,116</u>	<u>831,898</u>
Other Liabilities					
Vested compensated absences	172,283	22,675	31,338	163,620	27,516
Capital lease	15,427	-	15,427	-	-
Net pension liability (asset)	(322,829)	530,652	-	207,823	-
Total Other Liabilities	<u>(135,119)</u>	<u>553,327</u>	<u>46,765</u>	<u>371,443</u>	<u>27,516</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 8,765,815</u>	<u>\$ 553,327</u>	<u>\$ 1,065,583</u>	<u>\$ 8,253,559</u>	<u>\$ 859,414</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	\$ 1,095,000	\$ -	\$ 130,000	\$ 965,000	\$ 230,000
Revenue bonds	4,031,237	3,915,000	550,381	7,395,856	539,453
Note payable	29,985	261,721	25,373	266,333	29,735
Unamortized premium	-	162,620	5,530	157,090	-
Sub-totals	<u>5,156,222</u>	<u>4,339,341</u>	<u>711,284</u>	<u>8,784,279</u>	<u>799,188</u>
Other Liabilities					
Vested compensated absences	145,573	36,576	39,287	142,862	28,420
Net pension liability (asset)	(152,563)	253,012	-	100,449	-
Total Other Liabilities	<u>(6,990)</u>	<u>289,588</u>	<u>39,287</u>	<u>243,311</u>	<u>28,420</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 5,149,232</u>	<u>\$ 4,628,929</u>	<u>\$ 750,571</u>	<u>\$ 9,027,590</u>	<u>\$ 827,608</u>

In accordance with Wisconsin Statutes, total general obligation indebtedness of the city may not exceed 5% of the equalized value of taxable property within the city's jurisdiction. The debt limit as of December 31, 2016, was \$18,728,565. Total general obligation debt outstanding at year end was \$8,715,347.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2016
2007 GO Corporate Purpose Bonds	2/22/07	4/1/26	4%	\$ 1,795,000	\$ 380,000
2007 GO Community Development Bonds	7/11/07	1/1/26	4.1 - 4.6%	1,200,000	885,000
2007 GO Promissory Notes	11/14/07	5/1/27	2.475%	550,000	335,347
2012 GO Promissory Notes	1/5/12	10/1/20	.70 - 2.1%	2,945,000	1,075,000
2013 GO Industrial Development Bonds	2/7/13	10/1/32	2.0 - 2.8%	1,885,000	1,635,000
2015 GO Promissory Notes	3/25/15	3/1/25	1.80%	3,645,000	<u>3,440,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 7,750,347</u>

Business-type Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2016
2007 GO Bonds - Electric	2/22/07	4/1/26	4.0%	\$ 200,000	\$ 110,000
2007 GO Bonds - Sewer	2/22/07	4/1/26	4.0%	750,000	685,000
2010 GO Bonds - Electric	3/25/15	3/1/25	1.5 - 3.0%	225,000	<u>170,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 965,000</u>

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2017	\$ 831,898	\$ 144,179	\$ 230,000	\$ 33,013
2018	782,564	131,478	125,000	25,200
2019	818,246	117,543	120,000	21,450
2020	838,945	99,229	65,000	18,300
2021	839,661	83,079	65,000	15,700
2022-2026	2,904,687	239,643	360,000	38,000
2027-2031	609,346	41,540	-	-
2032	125,000	-	-	-
Totals	<u>\$ 7,750,347</u>	<u>\$ 856,691</u>	<u>\$ 965,000</u>	<u>\$ 151,663</u>

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and light and sewer utilities.

The water and light utility has pledged future customer revenues, net of specified operating expenses, to repay revenue bonds issued in 2015 and 2016. Proceeds from the bonds provided financing for the improvements to the utility systems. The bonds are payable solely from service revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require 19% of net revenues. The total principal and interest remaining to be paid on the bonds is \$6,074,054. Principal and interest paid for the current year and total customer net revenues were \$436,586 and \$1,589,667, respectively.

The sewer utility has pledged future customer revenues to repay revenue bonds issued in 2007 and 2011. Proceeds from the bonds provided financing for the improvements to the utility system. The bonds are payable solely from service revenues and are payable through 2031. Annual principal and interest payments on the bonds are expected to require 13% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$2,821,361. Principal and interest paid for the current year and total customer gross revenues were \$226,685 and \$1,445,614, respectively.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2016, consists of the following:

Business-type Activities Revenue Debt

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2016</u>
<u>Water and Light Utility</u>					
Revenue bonds	3/25/15	5/1/19	0.70-1.40%	\$ 1,440,000	\$ 1,055,000
Revenue bonds	6/8/16	5/1/36	2.00-3.00%	3,915,000	<u>3,915,000</u>
				Total Water and Light Utility	<u>4,970,000</u>
<u>Sewer Utility</u>					
Clean Water Fund Loan	11/14/07	5/1/27	2.475%	2,258,679	1,380,670
Clean Water Fund Loan	6/8/11	5/1/31	2.40%	1,313,944	<u>1,045,186</u>
				Total Sewer Utility	<u>2,425,856</u>
				Total Business-type Activities - Revenue Debt	<u>\$ 7,395,856</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 539,453	\$ 163,712
2018	523,603	155,833
2019	642,854	145,872
2020	457,210	135,067
2021	466,673	125,000
2022-2026	2,449,222	467,430
2027-2031	1,356,841	232,995
2032-2036	<u>960,000</u>	<u>73,650</u>
Totals	<u>\$ 7,395,856</u>	<u>\$ 1,499,559</u>

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of vested compensated absences and net pension liability are not included in the debt service requirement schedules. The compensated absences and net pension liability attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the sewer utility's system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The sewer utility's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The city believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2016, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 561,919
Construction in progress	1,777,810
Other capital assets, net of accumulated depreciation	14,127,697
Less: Long-term debt outstanding	(7,750,347)
Plus: Noncapital debt proceeds	188,020
Less: Unamortized debt premium	<u>(131,769)</u>
Total Net Investment in Capital Assets	<u>8,773,330</u>
Restricted	
Debt service	1,000,268
Grant programs	413,073
Library	308,803
Trust purposes	260,148
TIF districts	116,611
Capital projects	<u>260,232</u>
Total Restricted	<u>2,359,135</u>
Unrestricted	<u>2,477,972</u>
Total Governmental Activities Net Position	<u>\$ 13,610,437</u>

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2016, include the following:

	General Fund	General Debt Service	TIF No. 3	Capital Projects	Nonmajor Funds	Totals
Fund Balances						
Nonspendable:						
Inventories	\$ 1,120	\$ -	\$ -	\$ -	\$ -	\$ 1,120
Noncurrent receivables	10,240	-	-	-	-	10,240
Advances	630,357	-	-	-	-	630,357
Restricted for:						
Preservation	-	-	-	-	57,190	57,190
Debt service	-	1,056,130	-	-	-	1,056,130
Capital projects	-	-	116,611	260,232	-	376,843
Grants	-	-	-	-	413,073	413,073
Library	-	-	-	-	308,803	308,803
Cemetery	-	-	-	-	202,958	202,958
Committed to:						
Public safety	-	-	-	-	3,445	3,445
Promote city	-	-	-	-	53,655	53,655
Development	-	-	-	-	1,107	1,107
Cable TV	-	-	-	-	215,879	215,879
Garbage collection	-	-	-	-	6,387	6,387
Parks and recreation	-	-	-	-	7,245	7,245
Assigned to:						
Budget carryovers	80,095	-	-	-	-	80,095
Subsequent year's budget	68,851	-	-	-	-	68,851
Continuing appropriations	43,389	-	-	-	-	43,389
Payment in lieu of taxes from utilities	424,680	-	-	-	-	424,680
Unassigned (deficit):	838,596	-	-	-	(219,066)	619,530
Total Fund Balances	\$ 2,097,328	\$ 1,056,130	\$ 116,611	\$ 260,232	\$ 1,050,676	\$ 4,580,977

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 175,253
Other capital assets, net of accumulated depreciation	24,197,840
Less: Long-term debt outstanding	(8,627,189)
Plus: Unspent capital related debt proceeds	3,079,545
Less: Unamortized debt premium	<u>(157,090)</u>
Total Net Investment in Capital Assets	<u>18,668,359</u>
Restricted	
Debt service	572,797
Depreciation	324,581
Equipment replacement	406,973
Energy efficiency programs	<u>158,570</u>
Total Restricted	<u>1,462,921</u>
Unrestricted	<u>4,239,134</u>
Total Business-type Activities Net Position	<u>\$ 24,370,414</u>

H. COMPONENT UNIT

COMMUNITY DEVELOPMENT AUTHORITY

This report contains the Community Development Authority (CDA), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The CDA follows the full accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

At year end, the carrying amount of the CDA's deposits was \$91,023 and is part of the city's commingled cash. See Note III. A.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

H. COMPONENT UNIT (cont.)

COMMUNITY DEVELOPMENT AUTHORITY (cont.)

c. Cash and Cash Equivalents

For purposes of the statement of cash flows, the CDA considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

Post-retirement adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2006	0.8%	3%
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$178,503 in contributions from the city.

Contribution rates as of December 31, 2016 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.6%	6.6%
Executives & Elected Officials	6.6%	6.6%
Protective with Social Security	6.6%	9.4%
Protective without Social Security	6.6%	13.2%

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

At December 31, 2016, the city reported a liability of \$308,272 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The city's proportion of the net pension liability was based on the city's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the city's proportion was 0.01897080%, which was a decrease of 0.00038337% from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the city recognized pension expense of \$365,504.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2016, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 52,151	\$ 648,753
Changes in assumptions	215,680	-
Net differences between projected and actual earnings on pension plan investments	1,262,153	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,619	-
Employer contributions subsequent to the measurement date	<u>178,727</u>	<u>-</u>
Totals	<u>\$ 1,723,330</u>	<u>\$ 648,753</u>

\$178,727 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2017	\$ 401,120	\$ 156,999
2018	401,120	156,999
2019	401,118	156,999
2020	334,078	156,999
2021	7,167	20,757

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
U.S. Equities	27%	23%	7.6%	4.7%
International Equities	24.5	22	8.5	5.6
Fixed Income	27.5	37	4.4	1.6
Inflation Sensitive Assets	10	20	4.2	1.4
Real Estate	7	7	6.5	3.6
Private Equity/Debt	7	7	9.4	6.5
Multi-Asset	4	4	6.7	3.8
Total Core Fund	107	120	7.4	4.5
 <u>Variable Fund Asset Class</u>				
U.S Equities	70	70	7.6	4.7
International Equities	30	30	8.5	5.6
Total Variable Fund	100	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) 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.

Sensitivity of the city's proportionate share of the net pension liability to changes in the discount rate. The following presents the city's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension liability/(asset)	\$2,162,224	\$308,272	\$(1,139,698)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2016, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

B. RISK MANAGEMENT

The city is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

From time to time, the city is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the city attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the city's financial position or results of operations.

The city has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Long-Term Contracts - WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the State of Wisconsin. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

In 2015, a majority of WPPI Energy members ratified an eighteen year extension to their existing contracts. All but two of the remaining members ratified the same extension in 2016. The new contract expires at midnight on December 31, 2055.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$411 million as of December 31, 2016.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

Municipal Revenue Obligations

In previous years, the city has issued municipal revenue obligations as part of developer agreements in its TIF districts. These agreements provide for a maximum obligation and are payable only from tax increments collected on specific development within the TIF districts. These obligations do not constitute a charge upon any funds of the city. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the city. Since the amount of future payments is contingent on the collection of future TIF increments, the obligations are not reported as liabilities in the accompanying financial statements. The total amount committed in relation to these obligations is \$1,900,000. As of year end, the outstanding commitment is \$1,639,199. Refer to Note IV.G. for amounts paid in relation to these agreements with tax abatement clauses.

D. JOINT VENTURES

Columbus Rural Fire Group

The City of Columbus and Townships of Portland, York, Hampden, Elba, Calamus, and Columbus jointly operate the fire department, which is called the Columbus Rural Fire Group (district) and provides fire protection services to the municipalities indicated.

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the district. The city is obligated by the joint venture agreement to remit an amount annually to the district. The city made a payment to the district of \$403,172 in 2016.

Financial information of the district as of December 31, 2016 is available directly from the district's office.

The city does not have an equity interest in the district.

Joint Municipal Court for Eastern Columbia County

The City of Columbus and the Villages of Fall River, Pardeeville, Randolph, Rio, Poynette, Dane and Cambria, City of Lodi and Town of Columbus jointly operate the local municipal court, which is called the Joint Municipal Court for Eastern Columbia County (court) and provides non-criminal citation processing.

The governing committee is made up of citizens from each community. Local representatives are appointed by the chief executive officer of each community. The committee recommends its own budget which is ratified by each community member. The committee also controls the financial affairs of the courts.

Financial information of the court as of December 31, 2016 is available directly from the municipal court in Columbus, Wisconsin.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Joint Municipal Court for Eastern Columbia County (cont.)

The City of Columbus does not have an equity interest in the court.

E. SUBSEQUENT EVENTS

On January 10, 2017, the city received a State Trust Fund Loan in the amount of \$800,000 with an interest rate of 3.5%. This amount will be used to finance land purchases for library and fire department expansion.

On March 7, 2017, the sewer utility issued revenue bonds in the amount of \$1,935,000 with an interest rate of 1.4 - 4.0%. This amount will be used to finance improvements to the sewer system.

On March 7, 2017, the city issued general obligation promissory notes in the amount of \$1,090,000 with an interest rate of 0.9 - 2.15%. This amount will be used to finance municipal equipment, swimming pool improvements, and refund certain outstanding obligations of the city and sewer utility.

On March 7, 2017, the city issued general obligation corporate purpose bonds in the amount of \$1,535,000 with an interest rate of 1.1 - 3.5%. This amount will be used to finance street improvement projects and community development projects in TIF No. 4.

F. ECONOMIC DEPENDENCY

Water and Light Utility

The water and light utility has one significant customer who was responsible for 25% of operating revenues in 2016.

G. TAX ABATEMENT

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The city is disclosing all abatement agreements.

CITY OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2016

NOTE IV - OTHER INFORMATION (cont.)

G. TAX ABATEMENT (cont.)

The city through its Tax Incremental Financing Districts (TID) No. 3 has entered into tax abatement agreements with a developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid. The incentives are calculated based on the property taxes collected on the specified properties and the developer commitments include construction of facilities and public improvements. Aggregate incentive payments for the year ended December 31, 2016 were \$232,878.

The city has entered into a development agreement as part of the purchase and sale of specific land in the Gateway Industrial Park. The developer pays property taxes as they become due, and after meeting the criteria established in the development agreement, is entitled to future incentive payments that directly correlate to the taxes paid. The incentive is calculated based on the property taxes collected on the specified property and the developer commitments include construction of facility and public improvements. The incentive payment for the year ended December 31, 2016 was \$184,223.

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > *Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > *Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > *Statement No. 80, Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*
- > *Statement No. 81, Irrevocable Split-Interest Agreements*
- > *Statement No. 82, Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COLUMBUS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
TAXES				
General property taxes	\$ 1,886,316	\$ 1,886,316	\$ 1,886,316	\$ -
Mobile home taxes	5,000	5,000	4,648	(352)
Payments in lieu of taxes	4,750	4,750	4,493	(257)
Interest and penalties on taxes	1,000	1,000	521	(479)
Other taxes	-	-	635	635
Total Taxes	<u>1,897,066</u>	<u>1,897,066</u>	<u>1,896,613</u>	<u>(453)</u>
INTERGOVERNMENTAL				
Federal aid - law enforcement	-	-	173,805	173,805
State shared revenues	574,647	574,647	574,650	3
Fire insurance tax (2% fire dues)	13,927	13,927	15,235	1,308
State aid - exempt computers	11,500	11,500	11,874	374
State aid - law enforcement improvement	1,440	1,440	1,440	-
State aid - emergency management	-	-	49,706	49,706
State aid - general transportation aids	269,928	269,928	269,797	(131)
State aid - connecting streets	41,603	41,603	41,184	(419)
County aid - highway and bridges	4,000	4,000	3,869	(131)
Total Intergovernmental	<u>917,045</u>	<u>917,045</u>	<u>1,141,560</u>	<u>224,515</u>
LICENSES AND PERMITS				
Liquor licenses	12,000	12,000	14,568	2,568
Operators' licenses	4,500	4,500	6,709	2,209
Business and occupational licenses	62,000	62,000	60,319	(1,681)
Other business and occupational licenses	1,450	1,450	1,480	30
Dog licenses	1,500	1,500	2,366	866
Building permits	3,000	3,000	12,400	9,400
Total Licenses and Permits	<u>84,450</u>	<u>84,450</u>	<u>97,842</u>	<u>13,392</u>
FINES, FORFEITURES, AND PENALTIES				
Court penalties and costs	50,000	50,000	49,758	(242)
Parking violations	2,000	2,000	2,047	47
Total Fines, Forfeitures, and Penalties	<u>52,000</u>	<u>52,000</u>	<u>51,805</u>	<u>(195)</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF COLUMBUS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
PUBLIC CHARGES FOR SERVICES				
General government	\$ 6,180	\$ 6,180	\$ 6,828	\$ 648
Law enforcement fees	250	250	468	218
Fire protection fees	28,700	28,700	32,202	3,502
Public works fees	7,650	7,650	16,831	9,181
Weed and nuisance control	1,500	1,500	322	(1,178)
Cemetery	-	-	309	309
Other health services	50	50	25	(25)
Recreation programs	26,000	26,000	24,087	(1,913)
Park rental	8,000	8,000	6,949	(1,051)
Senior center	<u>12,974</u>	<u>12,974</u>	<u>12,121</u>	<u>(853)</u>
Total Public Charges for Services	<u>91,304</u>	<u>91,304</u>	<u>100,142</u>	<u>8,838</u>
INTERGOVERNMENTAL CHARGES FOR SERVICES				
Local - fire services	3,000	3,000	10,250	7,250
Local - ambulance services	<u>-</u>	<u>-</u>	<u>299</u>	<u>299</u>
Total Intergovernmental Charges for Services	<u>3,000</u>	<u>3,000</u>	<u>10,549</u>	<u>7,549</u>
SPECIAL ASSESSMENTS				
Curb and gutter	<u>4,900</u>	<u>4,900</u>	<u>4,900</u>	<u>-</u>
INVESTMENT INCOME				
Interest on investments	22,000	22,000	19,779	(2,221)
Interest - special assessments	<u>862</u>	<u>862</u>	<u>862</u>	<u>-</u>
Total Investment Income	<u>22,862</u>	<u>22,862</u>	<u>20,641</u>	<u>(2,221)</u>
MISCELLANEOUS REVENUES				
Rent	1,500	1,500	3,026	1,526
Insurance dividends	8,500	8,500	17,152	8,652
Donations	13,550	13,550	40,574	27,024
Other miscellaneous	1,500	1,500	6,914	5,414
Insurance recoveries	-	-	173,371	173,371
Property sales - fire and ambulance	<u>-</u>	<u>-</u>	<u>5,350</u>	<u>5,350</u>
Total Miscellaneous Revenues	<u>25,050</u>	<u>25,050</u>	<u>246,387</u>	<u>221,337</u>
 Total Revenues	 <u>3,097,677</u>	 <u>3,097,677</u>	 <u>3,570,439</u>	 <u>472,762</u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF COLUMBUS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2016

EXPENDITURES	Budgeted Amounts		<u>Actual</u>	Variance with <u>Final Budget</u>
	Original	Final		
GENERAL GOVERNMENT				
City council	\$ 23,177	\$ 23,177	\$ 23,007	\$ 170
Legal counseling	85,000	85,000	78,905	6,095
Codification of ordinances	10,000	10,000	15,584	(5,584)
Mayor	10,440	10,440	10,292	148
Administrator	129,072	129,072	143,502	(14,430)
Clerk	131,435	131,435	128,718	2,717
Elections	19,719	19,719	16,412	3,307
Accounting	27,700	27,700	24,612	3,088
Treasurer	71,680	71,680	69,839	1,841
Assessment of property	15,600	15,600	16,567	(967)
City hall	119,312	119,312	98,319	20,993
Property and liability insurance	90,000	90,000	102,110	(12,110)
Other insurance	5,000	3,600	-	3,600
Other general government	30,000	37,159	203,913	(166,754)
Total General Government	768,135	773,894	931,780	(157,886)
PUBLIC SAFETY				
Police administration	352,033	352,033	346,299	5,734
Police patrol	569,826	569,826	578,376	(8,550)
Police communicator	94,429	94,429	100,205	(5,776)
Crossing guards	25,767	25,767	25,732	35
Fire administration	215,213	215,213	403,172	(187,959)
Emergency government	8,435	8,435	5,799	2,636
Udey dam	5,285	5,285	4,290	995
Building inspection	55,000	55,000	52,882	2,118
Total Public Safety	1,325,988	1,325,988	1,516,755	(190,767)
HEALTH AND HUMAN SERVICES				
Animal control	2,000	2,000	1,512	488
Senior center	116,885	116,885	99,369	17,516
Total Health and Human Services	118,885	118,885	100,881	18,004
PUBLIC WORKS				
Public works and building administration	175,751	175,751	156,429	19,322
Municipal garage	101,705	101,705	86,429	15,276
Streets and alleys	147,525	147,525	143,676	3,849
Snow and ice control	76,945	76,945	83,046	(6,101)
Street lighting	95,500	95,500	101,023	(5,523)
Storm sewers	13,110	13,110	12,803	307
City buildings and grounds	63,330	63,330	64,761	(1,431)
Recycling	18,279	18,279	16,403	1,876
Total Public Works	692,145	692,145	664,570	27,575

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF COLUMBUS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
CULTURE, RECREATION, AND EDUCATION				
Historic preservation	\$ 4,000	\$ 4,000	\$ 5,340	\$ (1,340)
Special events	-	-	26,106	(26,106)
Municipal parks	<u>276,646</u>	<u>276,646</u>	<u>279,826</u>	<u>(3,180)</u>
Total Culture, Recreation, and Education	<u>280,646</u>	<u>280,646</u>	<u>311,272</u>	<u>(30,626)</u>
CONSERVATION AND DEVELOPMENT				
Forestry	101,870	101,870	103,416	(1,546)
Weed control	8,905	8,905	7,943	962
Economic development	210,375	204,600	204,598	2
Planning	<u>49,500</u>	<u>49,500</u>	<u>66,781</u>	<u>(17,281)</u>
Total Conservation and Development	<u>370,650</u>	<u>364,875</u>	<u>382,738</u>	<u>(17,863)</u>
 Total Expenditures	<u>3,556,449</u>	<u>3,556,433</u>	<u>3,907,996</u>	<u>(351,563)</u>
 Excess (deficiency) of revenues over expenditures	<u>(458,772)</u>	<u>(458,756)</u>	<u>(337,557)</u>	<u>121,199</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	452,000	452,000	424,110	(27,890)
Transfers out	<u>(95,500)</u>	<u>(195,500)</u>	<u>(195,502)</u>	<u>(2)</u>
Total Other Financing Sources (Uses)	<u>356,500</u>	<u>256,500</u>	<u>228,608</u>	<u>(27,892)</u>
 Net Change in Fund Balance	 (102,272)	 (202,256)	 (108,949)	 93,307
 FUND BALANCE - Beginning of Year	 <u>2,206,277</u>	 <u>2,206,277</u>	 <u>2,206,277</u>	 <u>-</u>
 FUND BALANCE - END OF YEAR	 <u><u>\$ 2,104,005</u></u>	 <u><u>\$ 2,004,021</u></u>	 <u><u>\$ 2,097,328</u></u>	 <u><u>\$ 93,307</u></u>

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF COLUMBUS

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET) -
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2016

<u>Fiscal Year Ending</u>	<u>Proportion of the Net Pension Liability/(Asset)</u>	<u>Proportionate Share of the Net Pension Liability/(Asset)</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability/ (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
12/31/16	0.01897080%	\$ 308,272	\$ 2,401,552	12.84%	98.20%
12/31/15	0.01935417%	(475,391)	2,409,212	19.73%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31, 2016

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/16	\$ 178,727	\$ 178,727	\$ -	\$ 2,478,792	7.21%
12/31/15	176,280	176,280	-	2,401,552	7.34%

See independent auditors' report and accompanying notes to the required supplementary information.

CITY OF COLUMBUS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2016

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The city may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$80,095. Budgets are adopted at the department level of expenditure.

WISCONSIN RETIREMENT SYSTEM

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The city is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in assumptions. There were no changes in assumptions.

SUPPLEMENTARY INFORMATION

CITY OF COLUMBUS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2016

	Special Revenue Funds			
	CDBG Fund	Cemetery Fund	Room Tax Fund	Cable TV Fund
ASSETS				
Cash and investments	\$ 284,226	\$ 203,569	\$ 42,828	\$ 207,730
Receivables				
Taxes	-	35,000	-	-
Accounts	-	-	10,827	15,105
Loans	128,847	-	-	-
	<u>413,073</u>	<u>238,569</u>	<u>53,655</u>	<u>222,835</u>
TOTAL ASSETS	<u>\$ 413,073</u>	<u>\$ 238,569</u>	<u>\$ 53,655</u>	<u>\$ 222,835</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 184	\$ -	\$ 6,956
Accrued liabilities	-	427	-	-
Deposits	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>611</u>	<u>-</u>	<u>6,956</u>
Deferred Inflows of Resources				
Unearned revenues	-	35,000	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	413,073	202,958	-	-
Committed	-	-	53,655	215,879
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>413,073</u>	<u>202,958</u>	<u>53,655</u>	<u>215,879</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 413,073</u>	<u>\$ 238,569</u>	<u>\$ 53,655</u>	<u>\$ 222,835</u>

Special Revenue Funds

Solid Waste Fund	Library Fund	Pool Fund	Library Board	Ward Beautification	Development Fees Fund	Historic Landmarks and Preservation
\$ 48,816	\$ 123,695	\$ -	\$ 201,748	\$ 2,744	\$ 2,689	\$ 70,901
270,169	266,000	104,299	-	-	-	-
-	-	-	-	-	5,301	-
-	-	-	-	-	-	-
<u>\$ 318,985</u>	<u>\$ 389,695</u>	<u>\$ 104,299</u>	<u>\$ 201,748</u>	<u>\$ 2,744</u>	<u>\$ 7,990</u>	<u>\$ 70,901</u>
\$ 42,429	\$ 8,066	\$ 1,540	\$ -	\$ -	\$ 6,893	\$ 16,455
-	8,574	-	-	-	-	-
-	-	-	-	-	(10)	-
-	-	202,260	-	-	-	-
<u>42,429</u>	<u>16,640</u>	<u>203,800</u>	<u>-</u>	<u>-</u>	<u>6,883</u>	<u>16,455</u>
270,169	266,000	106,184	-	-	-	-
<u>270,169</u>	<u>266,000</u>	<u>106,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	107,055	-	201,748	2,744	-	54,446
6,387	-	-	-	-	1,107	-
-	-	(205,685)	-	-	-	-
<u>6,387</u>	<u>107,055</u>	<u>(205,685)</u>	<u>201,748</u>	<u>2,744</u>	<u>1,107</u>	<u>54,446</u>
<u>\$ 318,985</u>	<u>\$ 389,695</u>	<u>\$ 104,299</u>	<u>\$ 201,748</u>	<u>\$ 2,744</u>	<u>\$ 7,990</u>	<u>\$ 70,901</u>

CITY OF COLUMBUS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2016

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Joint EMS Fund</u>	<u>Parks Fund</u>	<u>TIF No. 4</u>	
ASSETS				
Cash and investments	\$ 53,526	\$ 7,245	\$ -	\$ 1,249,717
Receivables				
Taxes	-	-	-	675,468
Accounts	-	-	-	31,233
Loans	-	-	-	128,847
	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,847</u>
TOTAL ASSETS	<u>\$ 53,526</u>	<u>\$ 7,245</u>	<u>\$ -</u>	<u>\$ 2,085,265</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 1,845	\$ 84,368
Accrued liabilities	81	-	-	9,082
Deposits	50,000	-	-	49,990
Advances from other funds	-	-	11,536	213,796
Total Liabilities	<u>50,081</u>	<u>-</u>	<u>13,381</u>	<u>357,236</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	677,353
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>677,353</u>
Fund Balances				
Restricted	-	-	-	982,024
Committed	3,445	7,245	-	287,718
Unassigned (deficit)	-	-	(13,381)	(219,066)
Total Fund Balances	<u>3,445</u>	<u>7,245</u>	<u>(13,381)</u>	<u>1,050,676</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 53,526</u>	<u>\$ 7,245</u>	<u>\$ -</u>	<u>\$ 2,085,265</u>

CITY OF COLUMBUS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Special Revenue Funds		
	CDBG Fund	Cemetery Fund	Room Tax Fund
REVENUES			
Taxes	\$ -	\$ 35,000	\$ 41,296
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Fines, forfeitures and penalties	-	-	-
Public charges for services	-	41,275	-
Intergovernmental charges for services	-	-	-
Investment income (loss)	5,682	1,107	42
Miscellaneous revenues	-	11,024	-
Total Revenues	5,682	88,406	41,338
EXPENDITURES			
Current			
General government	-	-	-
Health and human services	-	89,870	-
Public works	-	-	-
Public safety	-	-	-
Culture, recreation, and education	-	-	-
Conservation and development	21,727	-	13,290
Capital outlay	-	-	-
Total Expenditures	21,727	89,870	13,290
Excess (deficiency) of revenues over expenditures	(16,045)	(1,464)	28,048
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(16,045)	(1,464)	28,048
FUND BALANCES (DEFICIT) - Beginning of Year	429,118	204,422	25,607
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 413,073	\$ 202,958	\$ 53,655

Special Revenue Funds

Cable TV Fund	Solid Waste Fund	Library Fund	Pool Fund	Library Board	Ward Beautification	Development Fees Fund
\$ -	\$ -	\$ 263,250	\$ 87,404	\$ -	\$ -	\$ -
-	-	107,039	250	-	-	-
60,952	-	-	-	-	-	-
-	-	4,732	-	-	-	-
-	246,027	-	134,735	-	-	-
-	-	-	-	-	-	-
284	55	131	19	12,751	8	-
80	-	108,564	55	10,972	-	-
<u>61,316</u>	<u>246,082</u>	<u>483,716</u>	<u>222,463</u>	<u>23,723</u>	<u>8</u>	<u>-</u>
-	1,207	-	-	-	-	-
-	-	-	-	-	475	-
-	249,065	-	-	-	-	-
-	-	-	-	-	-	-
46,953	-	384,880	236,317	2,120	-	-
-	-	-	-	-	-	-
-	-	168,100	-	-	-	-
<u>46,953</u>	<u>250,272</u>	<u>552,980</u>	<u>236,317</u>	<u>2,120</u>	<u>475</u>	<u>-</u>
<u>14,363</u>	<u>(4,190)</u>	<u>(69,264)</u>	<u>(13,854)</u>	<u>21,603</u>	<u>(467)</u>	<u>-</u>
-	-	90,000	-	-	-	-
-	-	-	-	(90,000)	-	-
-	-	90,000	-	(90,000)	-	-
14,363	(4,190)	20,736	(13,854)	(68,397)	(467)	-
<u>201,516</u>	<u>10,577</u>	<u>86,319</u>	<u>(191,831)</u>	<u>270,145</u>	<u>3,211</u>	<u>1,107</u>
<u>\$ 215,879</u>	<u>\$ 6,387</u>	<u>\$ 107,055</u>	<u>\$ (205,685)</u>	<u>\$ 201,748</u>	<u>\$ 2,744</u>	<u>\$ 1,107</u>

CITY OF COLUMBUS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2016

	Special Revenue Funds		
	Historic Landmarks and Preservation	Joint EMS Fund	Parks Fund
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Fines, forfeitures and penalties	-	-	-
Public charges for services	-	-	-
Intergovernmental charges for services	-	105,978	-
Investment income (loss)	907	87	7
Miscellaneous revenues	<u>43,797</u>	<u>-</u>	<u>7,242</u>
Total Revenues	<u>44,704</u>	<u>106,065</u>	<u>7,249</u>
EXPENDITURES			
Current			
General government	-	-	-
Health and human services	-	-	-
Public works	-	-	-
Public safety	-	200,373	-
Culture, recreation, and education	6,841	-	-
Conservation and development	-	-	-
Capital outlay	<u>355,377</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>362,218</u>	<u>200,373</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(317,514)</u>	<u>(94,308)</u>	<u>7,249</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	24,871	95,502	-
Transfers out	<u>-</u>	<u>-</u>	<u>(24,871)</u>
Total Other Financing Sources (Uses)	<u>24,871</u>	<u>95,502</u>	<u>(24,871)</u>
Net Change in Fund Balances	(292,643)	1,194	(17,622)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>347,089</u>	<u>2,251</u>	<u>24,867</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 54,446</u>	<u>\$ 3,445</u>	<u>\$ 7,245</u>

<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>TIF No. 4</u>	
\$ -	\$ 426,950
-	107,289
-	60,952
-	4,732
-	422,037
-	105,978
-	21,080
-	<u>181,734</u>
<u>-</u>	<u>1,330,752</u>
4,296	5,503
-	90,345
-	249,065
-	200,373
-	677,111
-	35,017
<u>6,669</u>	<u>530,146</u>
<u>10,965</u>	<u>1,787,560</u>
<u>(10,965)</u>	<u>(456,808)</u>
-	210,373
-	<u>(114,871)</u>
<u>-</u>	<u>95,502</u>
(10,965)	(361,306)
<u>(2,416)</u>	<u>1,411,982</u>
<u>\$ (13,381)</u>	<u>\$ 1,050,676</u>

CITY OF COLUMBUS

STATEMENT OF CASH FLOWS
COMPONENT UNIT
For the Year Ended December 31, 2016

	Community Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 937
Received from city and other contributors	66,000
Paid to suppliers for goods and services	(20,228)
Paid to employees for services	(46,164)
Net Cash Flows From Operating Activities	<u>545</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>211</u>
Net Cash Flows From Investing Activities	<u>211</u>
Net Change in Cash and Cash Equivalents	756
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>90,267</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 91,023</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (1,343)
Changes in assets and liabilities	
Accounts payable	551
Accrued liabilities	<u>1,337</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 545</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
None	