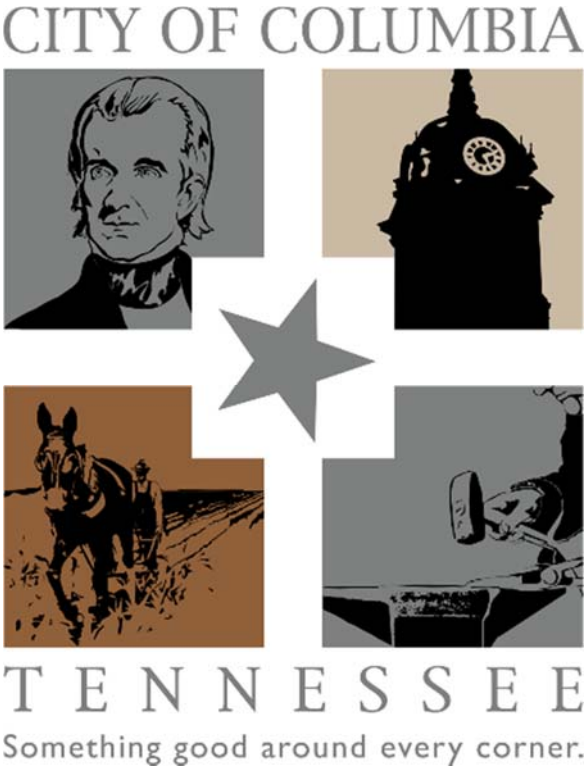

CITY OF COLUMBIA, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2015

CITY OF COLUMBIA, TENNESSEE

Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

Prepared By:

Patti Amorello, CMFO, CGFM, Finance Director
Betty Modrall, City Recorder

CITY OF COLUMBIA, TENNESSEE

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INTRODUCTORY SECTION

CITY OF COLUMBIA

TENNESSEE

OFFICE OF THE MAYOR

November 6, 2015

To the Citizens and City Council of Columbia, Tennessee:

The Comprehensive Annual Financial Report of the City of Columbia, Tennessee for the fiscal year ended June 30, 2015 is enclosed. The City has applied for and received its sixteenth consecutive "Certificate of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association of the United States and Canada for the FY 2013-14 financial report. We believe that the continued attainment of this recognition demonstrates the City's dedication to both the highest standards of financial reporting and the quality of information reported to our citizens, the Office of the Comptroller, bond buyers and sellers and the organization as a whole.

Collectively and individually, we are excited about many of the changes taking place in our City. We can see improvement in the economy as a whole and are looking forward to several upcoming, exciting projects to benefit our City. The City's elected officials and Management Team are also responsive to the perpetual need for infrastructure improvements, the maintenance and renovation of existing facilities and the scheduled replacement of capital equipment, and will continue to work together to balance those needs with available resources. Additionally, we recognize the need to identify and allocate resources to comply with mandates that are passed down from other governmental agencies.

To guide the City Council and Management Team in moving the community forward, we have updated our Strategic Plan as a roadmap to guide us through the year 2025. The plan highlights the top priorities identified by the City Council during our Strategic Planning sessions. Our progress on achieving the milestones in the plan are reported periodically and the plan is updated annually prior to the beginning of the budget process. The Strategic Plan may be found on the City's website.

The City Council will continue to work to enhance the quality of life of the citizens of Columbia and we look forward to making our beautiful city an even better place to live.

Yours truly,

Dean Dickey
Mayor

Something Good Around Every Corner
City Hall 700 North Garden Street Columbia, Tennessee 38401 Phone 931.560.1505

CITY OF COLUMBIA
TENNESSEE

FINANCE DEPARTMENT

October 27, 2015

To the Honorable Mayor, City Council and Citizens of the City of Columbia, Tennessee:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2015.

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

Yeary, Howell & Associates, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Columbia's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent author's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Columbia, incorporated on November 18, 1817, is the county seat of Maury County and is located approximately 40 miles southwest of Nashville, Tennessee. The City of Columbia currently occupies a land area of 28 square miles and serves a population of approximately 36,430. The City of Columbia is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City of Columbia operates under the council-manager form of government. The governing council consists of seven members (Mayor, Councilman at Large and five City Council members elected by ward). The election of the Mayor and Councilman at Large (Vice Mayor) is staggered by two years from the election of council members. The Mayor is the presiding officer of the City Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing board members, and appointing a City Manager, who is chief administrative officer of the City. The City Manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City provides a wide range of services characteristic of similar jurisdictions in the State, including public safety (police and fire protection), highway and street maintenance, public works, parks and recreation, development services (including engineering, planning and code administration), solid waste collection and general administrative support services. The City also operates a sewerage collection system through the Wastewater Fund, which is managed as a City department. Electric power, water and broadband telecommunication services are provided by the Columbia Power & Water Systems (CPWS), which are operated by the City of Columbia Board of Public Utilities. The Wastewater Fund and CPWS are business-type activity funds that have been included as an integral part of the City of Columbia's financial statements.

The Council is required to adopt a budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Columbia's financial planning and control. The budget is prepared by fund, function (e.g. police), and activity (e.g. patrol). Department heads may transfer resources within and between activities as they see fit with City Manager approval. Transfers between departments, however, require City Council approval and amendment to the budget ordinance.

Local Economy and Outlook

Unemployment statistics as of August 31, 2015, indicate a 5.1 percent unemployment rate for Maury County as compared to a statewide rate of 5.7 percent and a national jobless rate of 5.1 percent. A major driver of employment in the area continues to be the automotive and automotive supplier sector. This sector includes General Motors Spring Hill Manufacturing Facility, which is one of the area's largest employers.

The General Motors Spring Hill Manufacturing facility is located on 2,100 acres directly adjacent to the city limits of Columbia. Currently, the site manufacturing operations consist of a flexible vehicle assembly plant, an engine plant making 4-cylinder engines, a stamping plant, two polymer injection molding operations and one painting operation for bumper fascias. Since 2010, General Motors has announced more than $1.2 billion in planned investments, which are expected to create or retain approximately 2,800 jobs. These investments included expansion of the existing 4-cylinder Ecotec engine plant, construction of a new 4 cylinder Ecotec engine plant and reopening of the idled general assembly plant as one of the world's most flexible manufacturing facilities capable of building any GM car or crossover based on customer demand or manufacturing need. In August 2013, General Motors increased to $350 million planned spending for new vehicles to be produced at the assembly plant; the new investment supports two projects for future mid-size vehicles and creating or retaining 1,800 jobs. In August 2014, officials announced that the Cadillac XT5 will be produced at the site and also a small gas engine line which includes a $185 million investment in the facility. Those two items will create an estimated 390 jobs. General Motors is also expected to announce a second vehicle to be built at Spring Hill Manufacturing alongside the Cadillac XT5.

Several area automotive suppliers have had activity over the past year, including the following:

- Magna International Inc. completed construction in 141 days on a new, state-of-the-art manufacturing facility in Spring Hill, Tennessee, which opened in January 2015. The $16 million, 122,500-square-foot facility will manufacture complete seat assemblies

supplying General Motors' Spring Hill Assembly Plant and currently employs approximately 100 people. By 2016, the company anticipates expanding to over 350 employees.

- Ohio-based Comprehensive Logistics is making a new home in Spring Hill with a $30 million investment estimated to create more than 200 jobs. The building will house a manufacturing and assembly operation to supply General Motors Spring Hill Manufacturing and will provide parts sequencing and headliners, tires and wheels, rear suspensions and front vertical assembly, in addition to logistical services. The facility will open on February 1, 2016.
- Samuel & Son & Co, Inc. is continuing progress in its development of its new blanking service center facility in Columbia. This plant will deliver capacity/capabilities specifically designed to support the growing automotive market in the Southern United States. The $30 million facility is 108,000 square feet on a 30-acre site with rail access and currently employs 24 with a target employment of 60 within the next year.

Business activity in the non-automotive sector during the year included the following:

The IBEX Global call center (formerly known as TRG Customer Solutions) at Northfield opened in October 2011 with approximately 75 employees and has grown to/currently maintains a workforce of nearly 1,200 employees.

CLARCOR Inc. purchased the former Porter-Walker building, a 62,250-square foot facility on Oakland Parkway. The company invested $10 million and created 25 new jobs with the expectation of adding 10 more jobs over the coming year. The facility includes research laboratories, pilot and semi-works lines, a center for nanofiber production and a learning center and houses research scientists, engineers and an Advanced Filtration Solutions group.

The City's official population has increased from 26,372 in 1980, 28,583 in 1990, 33,055 in 2000 to the most recent census count of 34,681 in 2010. The census figures reflect a rate of growth of approximately 15 percent during each of the 10-year census periods until the last count, which showed less than half a percent growth annually. Estimated population as of June 2015 is 36,430.

The number of building permits issued during calendar year 2014 (363) remained relatively constant with 2013 (350) and approximately 17% higher than calendar year 2012. A comparison of permits issued and the related valuation follows:

Calendar year:	2014	2013	2012	2011	2010
Number of permits	363	350	315	327	371
Valuation of permits	$27,874,838	$26,126,958	$27,704,406	$20,100,284	$24,411,355

Total valuation for permits issued grew nearly 7% from $26,126,958 to $27,874,838. On an important note, valuation to date in calendar year 2015 has been substantially higher than preceding years with several large projects permitted during the first quarter of FY 2015-16.

Large projects permitted during the year not addressed above include $1.5 million for construction of a replacement restaurant/convenience store for Stan's Restaurant, $1.2 million

for construction of a new building for Tri Star Bank, $850,000 for interior renovations to a portion of the 4th floor at Maury Regional Medical Center and $700,000 for a new Speedway fuel station/convenience store.

Significant projects permitted after the end of FY 2014-15 before the date of this report include $16.2 million (permitted in July 2015) for construction of 8 apartment buildings with 24 units each for the new Eagle Ridge at Gholson Hill development, $915,000 for nearly 20,000 square feet in additional storage buildings at A+ Storage, $899,000 for a 16,000 square foot addition to the existing Columbia Machine Works facility, $661,746 for construction of a new Burger King on Bear Creek Pike, $600,000 for construction of a 2-story office building on North Main Street and $550,000 for a tenant build out for Ollies Bargain Outlet.

Additionally, in July 2015, National HealthCare Corporation (NHC) broke ground on a new skilled nursing and transitional care center that will open in fall of 2016. The new center will be called the NHC-Maury Regional Transitional Care Center and represents more than an $18 million investment by NHC and will create more than 125 jobs. The joint venture with Maury Regional Medical Center will be a 73,500 square foot single-story center with 104 skilled nursing beds. When completed, the center will replace the existing 92-bed NHC Healthcare-Hillview facility.

Not included in the City's total permitted amount is the renovation project for Columbia Central High School, a $46 million project. The project was permitted by and is being overseen by Maury County. The phased demolition/reconstruction project began in May 2015. The first phase is scheduled for completion mid-2016 and subsequent phases will be completed over the following two years.

The government's expenses within most categories have increased during the past ten years, primarily a function of ever-increasing salary and benefit expense. Retirement funding has been a primary driver of benefits expense, with the City's share of funding for retirement and other postemployment benefits at 25.07% for FY 2014-15 compared to 21.81% for FY 2013-14 and 17.82% for FY 2012-13. Employees hired after July 1, 2012 fall under a defined contribution plan through ICMA-RC and do not participate in the previously-established defined benefit plan (City of Columbia Employees' Retirement plan). It is forecast that contributions required to fund the defined benefit plan will continue to increase for several years before leveling off.

The City has an established Capital Equipment Replacement Plan and Management Information Systems replacement schedule, which provide a guide to identify equipment that has reached the end of its useful life and to aid in ensuring that equipment is replaced once its useful life has expired, although deferral of equipment replacement has often been used as an aid in balancing the budget each year.

The City's General Fund revenue base continues to consist primarily of sales and property taxes. Local sales tax collections during the year ($8,330,399) reflected an increase of 8.5% from the FY 2014 total of $7,681,171, a result of overall improvement within the area's economy. Local sales tax collections represented 28.6% of total General Fund revenues for FY 2014-15 and exceeded the budgeted amount ($7,453,000) by approximately 11.8%. The property tax rate was maintained at $1.44 during the FY 2014-15 budget process and collections ($10,5389,704)

maintained level when compared to FY 2013-14 ($10,513,459). Property taxes represented over 36% of total General Fund revenues.

Long-term Financial Planning

The City's General Fund balance as of June 30, 2015 is approximately $19.2 million, which is equal to almost 66 % of the adopted General Fund budget for the new fiscal year. Almost $1.8 million of the fund balance was used to balance the adopted and subsequently amended FY 2015-16 budget. The General Fund balance represents an increase of 11% from the $17.3 million balance from FY 2013-14, with the remaining balance (after budget) over the target range of 25%, or 3 months of budgeted expenditures for the new fiscal year.

The City established a new trust fund for FY 2008-09 to comply with Governmental Accounting Standards Board (GASB) Statement No. 45 titled "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions". The Annual Required Contribution (ARC) is being funded monthly as a percentage of payroll. Additional information may be found in Note 7 of the financial statement.

A $1.9 million capital outlay note was authorized in April 2014 for renovations to the former City Hall facility (for Police Department relocation) and radio system improvements. The bid award for the note was made at the July 2014 Council meeting and funds were drawn in September 2014.

A $1 million Sanitation Equipment Capital Outlay note was authorized in October 2014 to provide funding for replacement Sanitation collection/fleet vehicles. The bid for the note was awarded at the same meeting. Based upon bid awards for the related vehicles, the actual amount of funds that will be borrowed is $960,972, but the draw has not yet been made.

> Note: In 1999, the City's A2 bond rating was raised to A1 by Moody's Investors Service. The rating was amended to Aa2 in 2010 when Moody's recalibrated ratings of municipal bond issues and issuers to its global rating scale. That Aa2 rating was affirmed in June 2011 when the City issued $7 million in Sewer System Revenue and Tax Bonds.

Relevant Financial Policies

The City follows state statutes on the budgetary process. In the past, the City Council has agreed with staff's recommendation to retain a General Fund balance of at least 25% of the adopted budget, or three months of operating expenses. A Fund Balance policy affirming that recommendation was adopted by the City Council on October 6, 2011. The City also has a Debt Policy in place, which was adopted on the same date.

Major Initiatives – During the Year. Following is a summary of items of interest that have occurred during the fiscal year, as well as a synopsis of ongoing projects and issues that the City will face in the near future:

- During the FY 2014-15 fiscal year, the City expended over $2 million in grant funds, including:

- Over $1.8 million for construction and construction engineering services for Surface Transportation Projects funded by the Federal Highway Administration through the Tennessee Department of Transportation. The City completed construction of two projects (approximately $2.1 million) consisting of intersection improvements at Trotwood Avenue and James Campbell Boulevard and the installation of a traffic signal at Spring Meade Boulevard and Nashville Highway.
- $138,054, primarily for services provided by the Boys & Girls Club of Maury County and Goodwill and overtime for Police personnel via a Targeted Community Crime Reduction grant funded by the Tennessee Office of Criminal Justice Programs,
- $124,944 from a Hub & Spoke Recycling Grant from the Tennessee Department of Environment & Conservation to purchase recycling carts. Recyclables are transported to Marshall County Solid Waste Department, which serves as the "hub" for the collection program, for sorting and distribution,
- $48,667 in Justice Assistance Grant funds from the U.S. Department of Justice used for furnishings for the relocated Police Department, to fund victim advocacy services and to reimburse Maury County for a portion of the cost of a vehicle/accessories purchased with grant funds,
- $6,187 for laptops and other computer equipment funded with Federal Equitable Sharing Funds,
- $6,100 for administrative services from the South Central Tennessee Development District for a Community Livability Grant from the US Department of Housing and Urban Development, and
- $4,877 for bulletproof vests for Police department staff from Bulletproof Vest Program funds.

- The Maury County/City of Columbia Animal Services Facility completed its tenth year of operations. Maury County manages the facility and "bought out" the City's capital investment (approximately $640,000) in the building over a 5-year period, with the City and County splitting net operating expenses 50/50. For the fiscal year ending June 30, 2015, the City's payment to Maury County for facility operations was $203,382 (compared with $196,358 for FY 2014-15).

- In May 2014, bid award was made to Wellspring Builders in the amount of $1,648,728 for the renovation of the former City Hall building at 707 North Main Street for the future location of the Columbia Police Department. The project was completed at the end of 2014 and the department relocated to the new building in January 2015.

- During the 2014-15 fiscal year, several "Columbia Works" projects were completed by Public Works staff:
  - One of the more significant projects included the 1100 block of Woodland Street. Along this 800 ft. section of roadway, a large open drainage-way was closed using poured-in-place box culvert and HDPE piping. Several driveway approaches and sidewalks were reconstructed, resulting in much more aesthetically pleasing and functional properties for the 14 residents along the East side of this block.

- Improvements were made in the Mayes Place neighborhood with approximately 450 linear feet of public sidewalk replaced. As part of this process, special attention was given to preserve the mature trees along this street.
- A storm drainage project was completed on University Drive. This included the construction of 3 catch basins and 250 Lin. Ft. of HDPE piping, as well as a significant amount of grading.

- Wastewater projects completed during the year include:
  - Rehabilitation of the Duck River and Riverside upstream inverted siphon structures ($90,000).

Major Initiatives – For the Future. Following is a summary of items of interest that have occurred during the beginning of the new fiscal year, as well as highlights of ongoing projects and issues that the City will face in the near future:

- Within the Wastewater Department, capital improvement items for the 2015-16 fiscal year include:
  - Infrastructure rehabilitation in the Royal Oaks, Stevens Bottom, West 1st Basin ($1,218,500 budget allocation). Evaluation of the sewer infrastructure in the area has been accomplished, plans and specifications prepared and bid solicitation and award for construction of the improvements is complete. The project is underway with an anticipated completion date of July 2016.
  - Pump station telemetry upgrade ($342,256 budget allocation). A proposal to upgrade the existing pump station telemetry system to allow communication via VHF radio was received and reviewed. Bid award for the project was approved in November 2014. The system upgrade is anticipated to be complete in November 2015.
  - Treatment plant SCADA upgrade ($300,000 budget allocation). Requests for proposals were opened in November 2014. Bid award for the project was approved in January 2015 and construction of the upgrade was completed in September 2015.
  - Other Infrastructure Rehabilitation ($750,000 budget allocation). A professional services agreement has been executed, and work to evaluate the condition of the sanitary sewer collection system is underway. In order to satisfy measures set forth in the recently executed EPA Administrative Order on Consent, development of various system evaluation and rehabilitation plans is necessary. This work will be on-going throughout the five (5) year duration of the AOC.

- In July 2015, the City Council passed an ordinance adopting a hotel/motel tax in the amount of 5%. The proceeds received from are dedicated for tourism development. Based upon preliminary estimates, the revenues anticipated from this new source will be $500,000 annually. A proposal for expenditure of these funds is under development.

- In August 2015, the City Council authorized accepting an agreement with the Tennessee Department of Transportation for a Transportation Alternatives grant for improvements to West 7th Street, including sidewalks, ADA upgrades, crosswalk signalization, utility relocation, landscaping, pedestrian amenities and pedestrian lighting with other transportation-related structures. The $925,353 grant requires a $231,338 match for a total project amount of $1,156,692.

- The next phase of Surface Transportation funds (over $400,000) will be used for intersection improvements at James Campbell Boulevard at Highland Avenue/Campbellsville Pike.

- Columbia was awarded $315,000 via a Community Development Block Grant for the demolition of blighted structures located throughout the city. A total of 8 structures from Phase 1 have been razed so far at a cost of $49,777 and 16 more properties (phase 2) are currently under environmental review. Eligible phase 2 properties should be demolished by the end of February and phase 3 consisting of 40 more structures will hopefully be completed within the current 2015-2016 fiscal year.

- A $500,000 Home Grant was awarded to Columbia by Tennessee Housing & Development Authority to provide assistance to owners in need of home repairs. There were 17 homeowners eligible to receive funding out of more than 70 applicants. The "Environmental Clearances" have been received for all the homes. The work write-ups for the 5 properties with the greatest need are in process and when completed will be advertised for bidding by contractors. After these are completed, the construction for the next 5 properties will be bid, and the process continues until the funds are allocated. It is anticipated that funds will be expended within the 2015-16 fiscal year.

Awards – Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Columbia for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the sixteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

This report has been prepared with the help of the City Recorder's Office, Finance Department staff and the cooperation of each City department. The guidance provided by the City Manager, the support and leadership extended by the Mayor and City Council, and the technical assistance and guidance of the staff of Yeary, Howell & Associates in the preparation of this report are all recognized and appreciated.

Respectfully submitted,

Patti Amorello

Patti Amorello
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

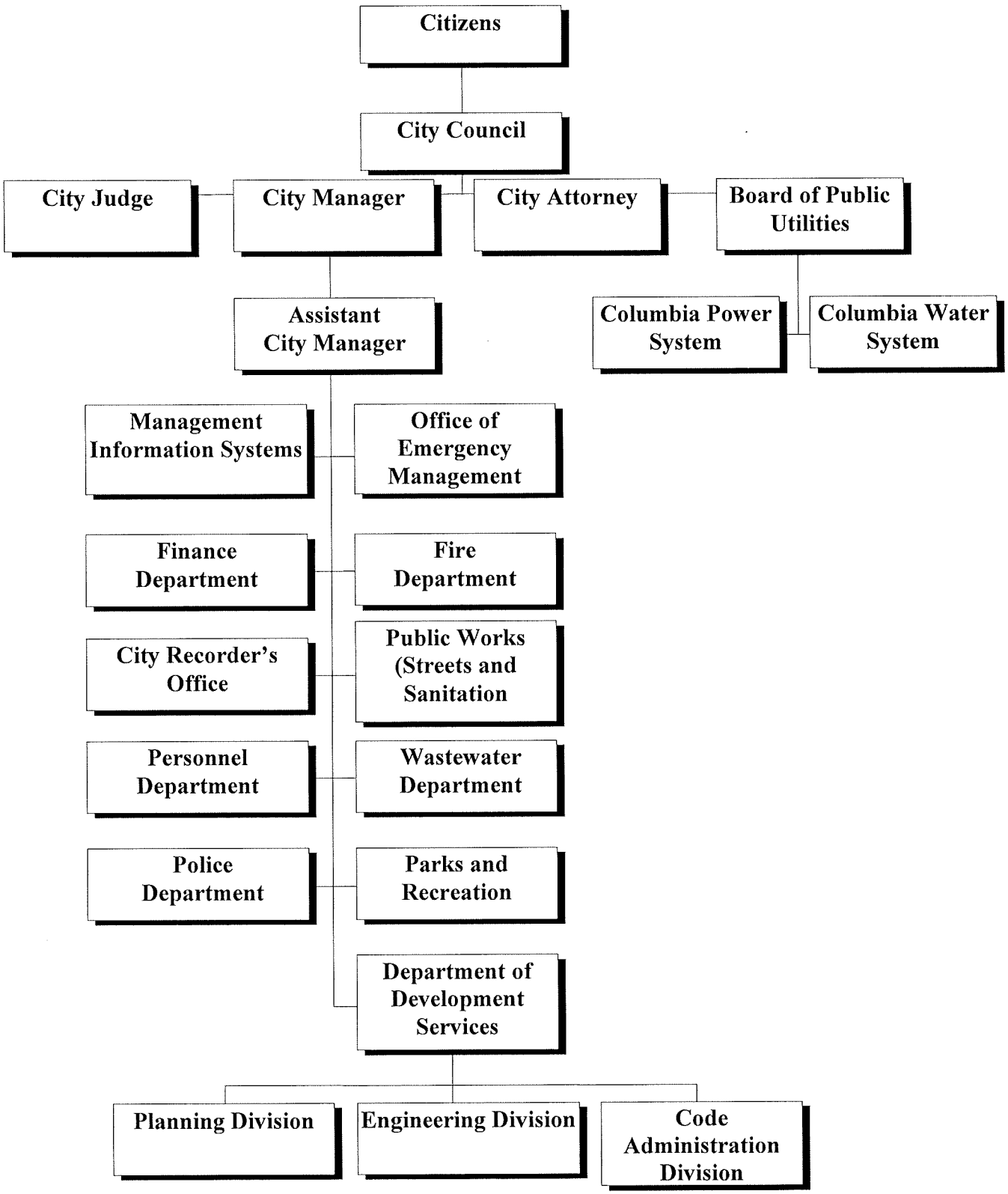
City of Columbia Tennessee

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF COLUMBIA
Organization Chart
FY 2014-15



CITY OF COLUMBIA, TENNESSEE

List of Elected and Appointed Officials

Elected Officials

Mayor	Dean Dickey
Vice Mayor	Christa Martin, Ed. D.
Council Member-Ward 1	Carl McCullen
Council Member-Ward 2	Debbie Matthews
Council Member-Ward 3	Tony Greene
Council Member-Ward 4	Mike Greene
Council Member-Ward 5	Mark King

Appointed Officials

City Manager	Tony Massey
Assistant City Manager	Thad Jablonski
City Engineer	Glenn Harper
City Recorder	Betty Modrall
Emergency Management Director	Mark Blackwood
Finance Director	Patti Amorello
Fire Chief	Tommy Hemphill
Development Services Director	Paul Keltner
Management Information Systems Director	Rick Harrison
Parks & Recreation Director	Brian Borden
Personnel Director	Connie Etzkin
Police Chief	Tim Potts
Public Works Director	Ken Donaldson
Wastewater Director	Mark Williams

FINANCIAL SECTION

YEARY, HOWELL & ASSOCIATES
Certified Public Accountants
501 EAST IRIS DRIVE
NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY
GREGORY V. HOWELL

(615) 385-1008
FAX (615) 385-1208

Independent Auditor's Report

Honorable Mayor and City Council
City of Columbia, Tennessee
Columbia, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia, Tennessee, (the City) as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Columbia Power and Water System (Enterprise) Funds, which statements reflect 68%, 68% and 90%, respectively of the assets and deferred outflows, net position, and revenues of the business - type activities of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Power and Water System (Enterprise) Funds, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia, Tennessee, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Sanitation Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 14 to the financial statements, in 2015, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions—an amendment of* GASB *Statement No. 27*. The Statement is effective for fiscal years beginning after June 15, 2014. Our opinion is not modified with respect to this matter.

Other Matters

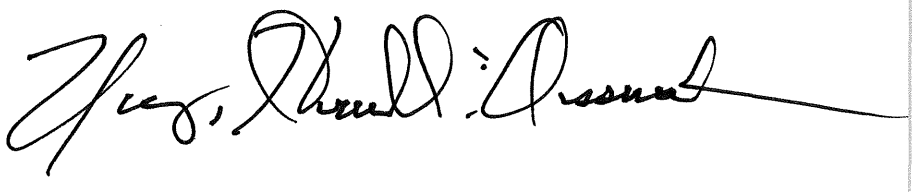
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 19 and the schedules of funding progress, employer contributions and actuarial methods and significant assumptions on pages 64 - 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Statements and Schedules, Financial Schedules and Statistical Section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and Schedules, Financial Schedules and the Schedule of Expenditure of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the Combining and Individual Nonmajor Fund Financial Statements and Schedules, Financial Schedules and the Schedule of Expenditure of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Other Reporting Required by Governmental Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Columbia's internal control over financial reporting and compliance.



October 26, 2015

CITY OF COLUMBIA, TENNESSEE

Management's Discussion and Analysis

As management of the City of Columbia, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015.

This analysis focuses on significant variances in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. We encourage readers to consider the information presented here in conjunction with our Letter of Transmittal (page ii-ix) and the City's financial statements (beginning on page 20).

Financial Highlights

- The assets of the City of Columbia exceeded its liabilities at the close of the most recent fiscal year by $208,644,619 (net position). Of this amount, $39,712,179 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- Effective July 1, 2014, the City implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions.* As a result, net position at July 1, 2014 was reduced $20,939,916 within Governmental Activities and $2,539,331 within Business-Type Activities.

- The government's total net position during the year increased by $9,528,979 as a result of increases of $4,844,868 within governmental funds and $4,684,111 in the Sewer, Power and Water Systems.

- As of the close of the current fiscal year, the City of Columbia's governmental funds reported combined ending fund balances of $22,549,149. The ending fund balance reflected a net increase of $2,045,177, as compared with an increase of $2,417,468 in the prior fiscal year. Slightly over 77% of this total amount, $17,438,706, is unassigned and available for spending at the government's discretion.

- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed, assigned* and *unassigned* components of *fund balance*) for the General Fund was $18,861,534 or 69 percent of total General Fund expenditures and uses. Over $1.4 million of fund balance was used to balance the FY 2015-16 budget when it was initially adopted and an additional $374,985 was committed in conjunction with the first FY 2015-16 budget amendment. The City remains in a stable financial position to meet unexpected emergencies, uncertainties at the State level or a general slowdown in the economy.

- The City's total debt decreased by nearly $2 million (approximately 3%) during the year as a result of routine principal payments on debt for governmental and business activities. Those payments were offset by a $1.9 million capital outlay note that was issued during FY 2014-15.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City of Columbia's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Columbia is improving or deteriorating.

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 related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Columbia that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Columbia include general government, public safety, public works (roads and streets), sanitation, parks and recreation, and community support. The business-type activities of the City of Columbia include the sewer, power and water systems.

The government-wide financial statements can be found on pages 20-21 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Columbia, 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 of Columbia can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Columbia maintains eight 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, Sanitation and Capital Projects funds, which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 22-31 of this report.

Proprietary funds. There are two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Columbia uses enterprise funds to account for activities in its Sewer Fund and the Columbia Power and Water Systems. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a City's various functions. The City of Columbia used an internal service fund beginning July 1, 2011 to account for costs associated with the employees' health insurance plan. The balance of the internal service fund at June 30, 2015 was allocated back in a pro-rata share to the General, Sanitation and Wastewater funds, which provided funding during FY 2014-15.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund and the Power and Water systems, all three of which are considered to be major funds of the City of Columbia.

The basic proprietary fund financial statements can be found on pages 32-34 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Columbia's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 35-36 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-63 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The City of Columbia's progress in funding its obligation to provide pension benefits to its employees is presented along with related actuarial methods and significant assumptions. Required supplementary information can be found on pages 64-71 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 73-80 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Columbia, assets exceeded liabilities by $208,644,619 as of June 30, 2015.

City of Columbia, Tennessee
Net Position-Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	$ 39,613,588	$ 36,744,253	$ 59,105,560	$ 53,464,838	$ 98,719,148	$ 90,209,091
Capital Assets	44,333,776	41,708,727	179,307,029	181,504,960	223,640,805	223,213,687
Total Assets	83,947,364	78,452,980	238,412,589	234,969,798	322,359,953	313,422,778
Total Deferred Outflows of Resources	0	0	812,101	553,645	812,101	553,645
Long-term Liabilities Outstanding	35,365,875	12,747,662	55,953,915	56,311,488	91,319,790	69,059,150
Other Liabilities	2,023,158	1,861,687	11,057,926	9,326,714	13,081,084	11,188,401
Total Liabilities	37,389,033	14,609,349	67,011,841	65,638,202	104,400,874	80,247,551
Total Deferred Inflows of Resources	12,707,039	11,133,985	0	0	12,707,039	11,133,985
Net Position:						
Net investment in capital assets	32,909,034	31,342,867	129,324,547	130,443,503	162,233,581	161,786,370
Restricted	3,098,146	3,790,440	3,600,713	3,498,826	6,698,859	7,289,266
Unrestricted	607,418	17,576,339	39,104,761	35,942,912	39,712,179	53,519,251
Total Net Position	$ 36,614,598	$ 52,709,646	$ 172,030,021	$ 169,885,241	$ 208,644,619	$ 222,594,887

The largest portion of the City of Columbia's net position (nearly 78 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Columbia uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Columbia'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. An additional portion of the City's net position represents resources that are subject to restrictions as to how they may be used. These include net assets restricted for drug enforcement ($224,509), highways and streets ($963,397), solid waste disposal ($1,193,249), park improvements ($83,284), employee postemployment benefits ($572,074) and debt service ($3,662,346). Additionally, $900,455 was committed to be used for capital projects.

At the end of the current fiscal year, the City of Columbia reported positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's net position as a result of activity throughout the year increased $9,528,979 ($4,844,868 within Governmental Activities and $4,684,111 in Business Activities). The following analysis of net position will be based upon actual activity throughout the year, net of the adjustment for the pension liability.

Governmental activities. Governmental activities increased the City of Columbia's net position by $4,844,868 or 51% of the total growth in the net position of the City. Key elements of this increase are as follows:

- Revenues increased nearly $564,000 (over 1.7%) from the previous year. Decreases in capital grants and contributions ($464,000) and operating grants ($262,000 less for Police and Recycling grant funding) were offset by increases in sales taxes ($772,749), charges for services ($101,939), state income and excise tax ($201,058) business tax ($49,714), other taxes ($47,610) and other items ($124,832).

- Overall expenses increased $1,106,599, or 3.8%. Influencing factors included the following:

  - General Government decreased $155,020 (3.5%) when compared with FY 2013-14.

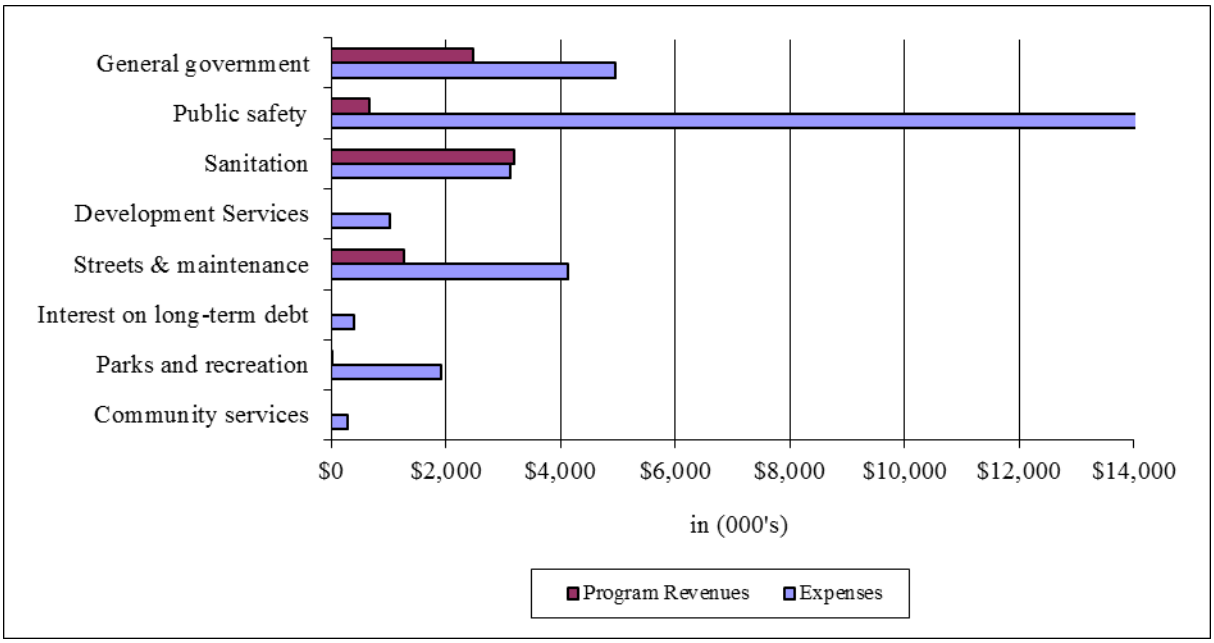
  - Streets & Maintenance expenses increased $726,644 or 21%. The increase is attributable to additional salaries and benefits and nearly $500,000 for street resurfacing.

  - $529,149 is recorded as a loss associated the abandonment of a capital asset in relation to improvements previously made to former City Hall building at 707 North Main Street that were deemed to no longer have any residual value as a result of the renovation project to create the new Police Department building.

The City's Changes in Net Position
For the year ended June 30,

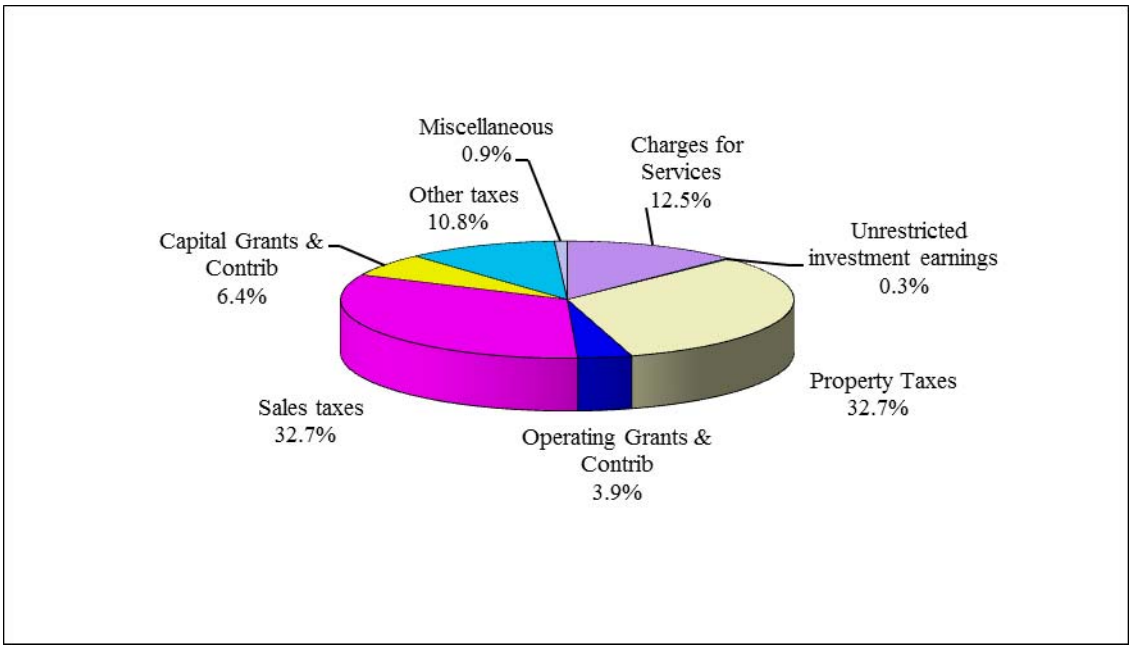
	Governmental Activities		Business-Type Activities		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Revenues:						
Charges for Services	$ 4,186,345	$ 4,084,406	$ 88,876,324	$ 88,192,464	$ 93,062,669	$ 92,276,870
Operating grants and contributions	1,293,895	1,556,547			1,293,895	1,556,547
Capital grants and contributions	2,137,572	2,602,381	345,695	345,132	2,483,267	2,947,513
General Revenues:						
Property Taxes	10,945,490	10,960,754			10,945,490	10,960,754
Sales Taxes	10,946,492	10,173,743			10,946,492	10,173,743
Other taxes	3,610,074	3,311,692			3,610,074	3,311,692
Miscellaneous	390,010	256,384	197,852	95,984	587,862	352,368
Total Revenues	33,509,878	32,945,907	89,419,871	88,633,580	122,929,749	121,579,487
Expenses:						
General government	4,950,758	5,105,778	-	-	4,950,758	5,105,778
Public Safety (Police & Fire)	14,266,192	14,280,134	-	-	14,266,192	14,280,134
Streets/Public Works	4,126,015	3,399,371	-	-	4,126,015	3,399,371
Sanitation	3,126,853	3,069,085			3,126,853	3,069,085
Parks and recreation	1,921,320	1,937,519	-	-	1,921,320	1,937,519
Development Services	1,025,890	1,050,114	-	-	1,025,890	1,050,114
Community support	276,102	279,386	-	-	276,102	279,386
Special Item	529,149	-			529,149	-
Interest on long-term debt	391,387	385,680	-	-	391,387	385,680
Power	-	-	66,368,295	65,151,490	66,368,295	65,151,490
Water	-	-	7,786,069	7,689,022	7,786,069	7,689,022
Sewer	-	-	8,632,740	8,471,305	8,632,740	8,471,305
Total Expenses	30,613,666	29,507,067	82,787,104	81,311,817	113,400,770	110,818,884
Increase (decrease) in net position before transfers	2,896,212	3,438,840	6,632,767	7,321,763	9,528,979	10,760,603
Transfers	1,948,656	1,832,459	(1,948,656)	(1,832,459)	-	-
Increase (decrease) in net position	4,844,868	5,271,299	4,684,111	5,489,304	9,528,979	10,760,603
Adj to restate beginning net position	(20,939,916)	6,761	(2,539,331)	(291,185)	(23,479,247)	(284,424)
Net position-beginning	52,709,646	47,431,586	169,885,241	164,687,122	222,594,887	212,118,708
Net position-ending	$ 36,614,598	$ 52,709,646	$ 172,030,021	$ 169,885,241	$ 208,644,619	$ 222,594,887

Expenses and Program Revenues – Governmental Activities



As reflected in the graph above, Public Safety remains the largest activity, a reflection of the City's continued commitment to a safe community. General Government (including City administrative functions and cooperative agreements related to several grant projects), Sanitation and Streets and Maintenance also represent significant drivers of overall expenses.

Revenue by Source – Governmental Activities

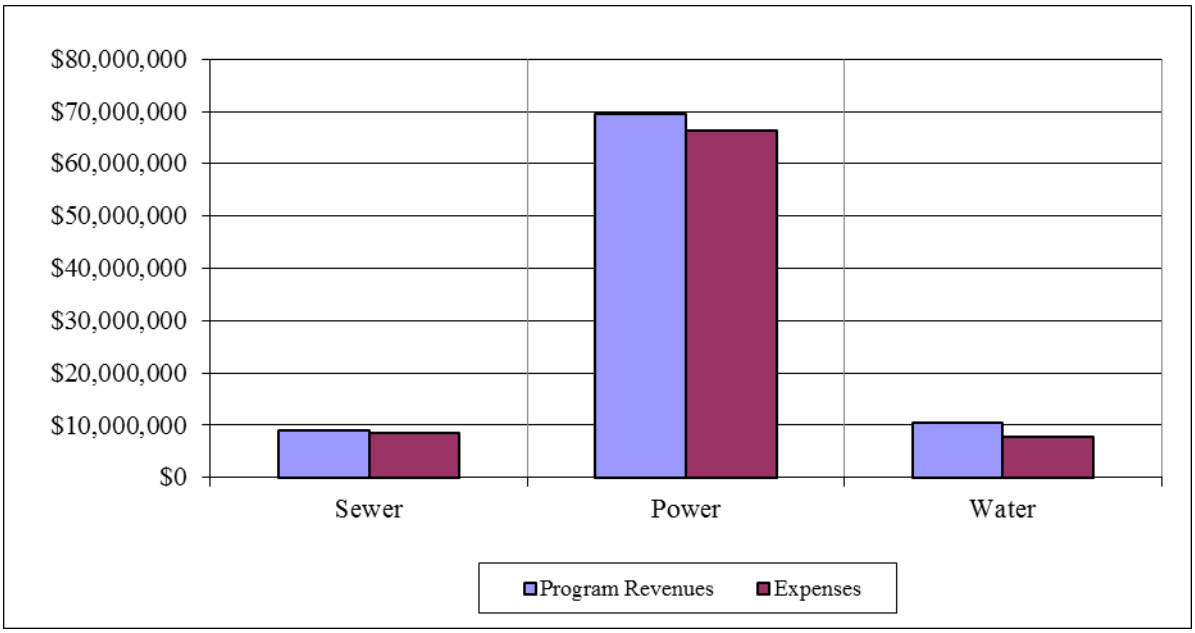


As the above graph shows, property and sales taxes made up over 65% of revenues for governmental funds. Charges for services at made up 12.5% of revenues, other taxes brought in almost 11%, and various grants comprised a little over 10%.

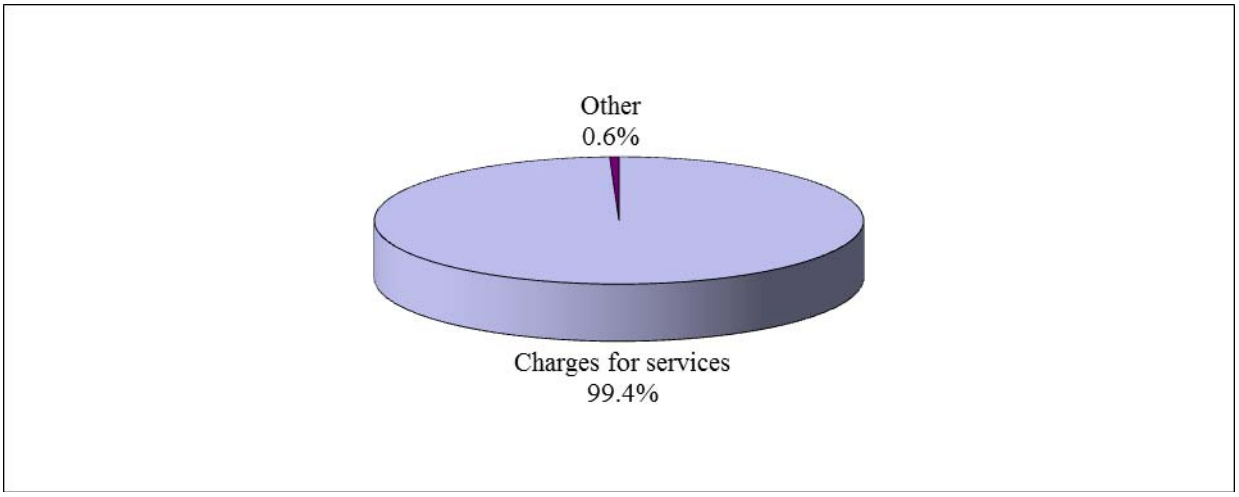
Business-type activities. Business-type activities increased the City of Columbia's net position by $4,684,111, accounting for 49% of the growth in the government's net position. Key elements of this increase are as follows:

- The City's Sewer Fund reflected a total increase in net position of $18,180 compared to an increase of $285,398 for FY 2013-14 and an increase in net position of $1,164,492 for FY 2012-13.
  - Operating revenues ($8,990,593) decreased by approximately $172,455 (2%) when compared to FY 2013-14 ($9,163,048). Revenue from sewer charges for the General Motors manufacturing facility decreased $337,435 (35%) from $971,366 to $633,932 as a result of increased efficiencies at the facility. Sewer user fees increased minimally ($72,000), sewer tap fees increased $75,200 from $200,300 to $275,500, and contributed sewer lines and infrastructure were recorded in the amount of $32,598 during the year (there had been none the previous two years due to depressed overall development in the area).
  - Operating expenses increased 9.7% ($701,917) from the previous year, from $7,266,166 to $7,968,083. Primary components of the increase were $267,000 in increased salary/benefits cost, $225,000 in charges for professional services from J.R. Wauford for sewer system evaluation and rehabilitation recommendations, $123,000 in increased utility charges and a $77,000 payment for a consent agreement and final order with the EPA related to previous discharge violations.
- The Columbia Power System reflected an increase in net position of 1,996,162 to over $60.6 million for the year. Within the Power System, the Electric System showed ending net position of over $63.6 million and the Broadband System had a deficit in net position of slightly over $3 million.
  - Operating revenues for the Electric System increased approximately $690,000 during the fiscal year to $69.4 million (a 1% increase for FY 2014-15 compared to a 3.6% increase for FY 2013-14). Electric sales revenue increased $55,000 and broadband sales increased $683,000.
  - During FY 2015, operating expenses increased $1.3 million, or 2% as a result of additional energy purchased from increased consumption.
  - The Broadband system reflected operating income of $1.3 million for the year compared with $867,000 for FY 2013-14 and customers increased from 5,245 at June 30, 2014 to 5,555 at June 30, 2015, a result of significant capital upgrades to the system and competitive marketing.
  - Capital contributions received from developers and builders for electric system extensions totaled $190,000 during the year, compared with $181,000 during FY 2013-14.
- The Columbia Water System accounts for the remainder of the total increase in business-type assets, reflecting a change in assets of $2,669,769 (compared with $2,624,351 for FY 2013-14).
  - Water sales increased $212,000 (compared to a $309,000 increase in FY 2013-14) as a result of a slight increase in total gallons sold.
  - Operating expenses increased approximately $124,000 during the fiscal year, including $97,000 in additional depreciation expense as a result of recent capital asset additions.
  - Capital contributions of water plant deeded to the system by developers and builders for water system extensions totaled $123,000 during the year.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City of Columbia uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Columbia'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 of Columbia's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Changes in Fund Balances of Governmental Funds
For the year ended June 30,

	2015	2014
REVENUES:		
Taxes	$ 21,993,026	$ 21,252,380
Intergovernmental	6,767,528	6,179,248
Licenses and permits	318,425	307,459
Fines and fees	403,575	403,800
Charges for services	3,384,995	3,345,627
Other	444,953	394,056
TOTAL REVENUES	33,312,502	31,882,570
EXPENDITURES		
Current:		
General government	4,881,980	4,634,131
Public Safety (Police & Fire)	14,618,819	14,114,370
Public Works (Streets, Development Services)	4,890,583	4,085,126
Sanitation	3,006,445	2,927,351
Parks and recreation	1,741,159	1,731,306
Community support (including Drug Education)	276,102	279,386
Other	250	500
Capital outlay	4,469,594	2,326,574
Debt Service	1,231,049	1,198,817
TOTAL EXPENDITURES	35,115,981	31,297,561
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,803,479)	585,009
OTHER FINANCING SOURCES (USES)		
Transfers in	5,160,224	3,017,864
Transfers out	(1,311,568)	(1,185,404)
TOTAL OTHER FINANCING SOURCES (USES)	3,848,656	1,832,460
NET CHANGES IN FUND BALANCES	2,045,177	2,417,469
FUND BALANCE, BEGINNING OF YEAR	20,503,972	18,086,503
FUND BALANCE, END OF YEAR	$ 22,549,149	$ 20,503,972

As of the end of the current fiscal year, the City of Columbia's governmental funds reported combined ending fund balances of $22,549,149, an increase of $2,045,177 from the prior year. Approximately 77% of this total ($17,438,706) constitutes unassigned fund balance, available for spending at the government's discretion.

Assets, Liabilities and Fund Balances
Total Governmental Funds
June 30,

	2015	2014
Total assets	$ 36,285,958	$ 34,132,161
Total liabilities	$ 1,808,492	$ 1,682,184
Total deferred inflows of resources	$ 11,928,317	$ 11,946,005
Fund balances:		
Nonspendable	262,388	239,127
Restricted	2,524,772	3,210,527
Committed	900,455	89,725
Assigned	1,422,828	1,930,050
Unassigned	17,438,706	15,034,542
Total fund balances	22,549,149	20,503,972
Total liabilities, deferred inflows and fund balances	$ 36,285,958	$ 34,132,161

Fund balance classifications were modified for FY 2010-11 in accordance with GASB Statement No. 54.

The General Fund is the chief operating fund of the City of Columbia. At the end of the current fiscal year, unassigned fund balance of the General Fund was $17,438,706 while total General Fund balance was $19,192,008. A measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 64% of total General Fund expenditures. Total fund balance represents 70.5% of that same amount.

The fund balance of the City of Columbia's General Fund increased by $1,921,080 during FY 2014-15.

- Revenues and Other Financing Sources increased by $1,032,595 (3.7%) from the previous year. Factors in the increase were as follows:
    - Property taxes increased less than $25,000 from the previous year to $10,538,704. The tax rate remained constant at 1.44 and overall assessed value decreased slightly,
    - Local sales tax collections increased from the previous year by $649,228 (8.5%) to $8,330,399,
    - State sales tax increased $123,521 (5%),
    - State income and excise tax increased $201,058 (16%) due to overall improved personal investment earnings, and
    - Payments in lieu of tax from utilities increased $116,197 (6.3%).

- Total Expenditures and Financing Uses increased by $1,743,167 (6.9%) from the preceding year:
    - Overall salary and benefit expense within the General Fund increased $860,886 (4.6%) due to a combination of increased salaries as a result of a 2% pay increase and a 3.26% increase in retirement funding for employees under the defined benefit plan.
    - Legal services increased $108,356, a result of additional legal representation required due to ongoing litigation,
    - Public Works-Streets showed an increase of $107,000 within the services category as a result of expenditures for contracted engineering and design services for the West 7th Street Streetscape Project and the East 9th Street project.

- Capital outlay expenditures more than doubled from the previous year, an increase of $433,264. Within General Government-Other, $153,000 was spent on renovations to a building at 814 South Main to get it in condition where it can be sold and $18,000 was spent to purchase a parcel of land on Riverside Drive for additional parking for the Farmer's Market. Within the Police Department, $47,543 was expended for components of the new Voice over IP phone system. A backhoe and paving machine were purchased within Public Works-Streets, increasing their equipment expenditures $121,000 from the previous year. Parks and Recreation purchased two new mowers ($41,000) and computer equipment replacement within MIS was $63,178 higher than the previous year.
- Other departments and categories remained relatively constant when compared to FY 2013-14.
- Transfers for debt service increased approximately $295,000, primarily as a result of new principal and interest payments on the 2014 Public Safety Equipment capital outlay note.

Other Governmental Funds reflected increases and decreases as follows:

The Sanitation Fund increased by $33,954 during the year. Revenues reflected a $25,932 decrease. Charges for services increased $28,539. A $72,066 reduction in recycling grant revenues ($72,066) was partially offset by an increase in sales of surplus property ($17,586). Expenditures reflected a 5.7% decrease ($181,192) from the previous year. Increased salaries and benefits ($49,000) were offset by a reduction in transfers to the Debt Service Fund ($168,000) for debt payments and a $92,000 reduction in capital outlay expenditures.

The State Street Aid Fund balance decreased $289,937 (23%) from $1,240,527 to $950,590. Revenues remained constant with FY 2013-14. Expenditures increased $494,616 as a result of the biannual resurfacing program.

The Drug Fund balance increased $30,379 from $194,130 to $224,509, primarily due to increased revenues from drug fines and sales of seized property and the Streets and Transportation Fund increased $710 from $12,097 to $12,807.

The Debt Service Fund increased $32,158 from $29,475 to $61,633. A portion of the funds budgeted for interest on the 2014 Public Safety Equipment Capital Outlay note were not expended due to the timing of the actual borrowing. Please see Note 5 for additional information on the City's debt service requirements.

The Capital Projects Fund balance increased by 54% ($316,833) from $583,622 to $900,455. Grant revenues decreased by almost $500,000 and capital outlay expenditures increased $1.85 million from $1.65 million to $3.5 million as a result of the Police Department renovation project ($1.6 million) and Surface Transportation Program project costs ($1.8 million). Increased expenditures were offset by issuance of the $1.9 million Public Safety Improvement Capital Outlay Note.

Proprietary funds. The City of Columbia's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Sewer System ($10,224,295), Power System ($13,544,710) and Water System ($15,335,756) totaled $39,104,761. After an adjustment to reflect the consolidation of internal service fund activities related to the Sewer system, the Sewer, Power and Water Systems reflected $18,180, $1,996,162 and $2,669,769 increases in net position, respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City of Columbia's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and final amended budget, a $1,187,478 increase in appropriations, may be summarized as follows:

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Variance
Expenditures and other financing uses:			
Council, Attorney & Court	$ 430,611	$ 525,611	$ 95,000
City Manager's Office	414,242	430,958	16,716
Emergency Management	128,660	128,660	-
Management Information Systems	459,720	499,720	40,000
Finance	401,517	401,517	-
City Recorder	487,246	487,246	-
Personnel	262,765	262,765	-
General Government	2,636,303	2,901,294	264,991
Police Department	7,800,421	8,403,659	603,238
Fire Department	7,241,212	7,231,487	(9,725)
Streets & Maintenance	2,821,463	2,751,463	(70,000)
Development Services	1,188,536	1,203,303	14,767
Parks & Recreation	1,900,386	1,902,886	2,500
Community Services	197,500	197,500	-
Capital Outlay	968,650	1,147,361	178,711
Transfers	1,211,053	1,262,333	51,280
	$ 28,550,285	$ 29,737,763	$ 1,187,478

Within the Council, Attorney & Court budget, an additional $95,000 budget allocation was made for outside legal services for representation in a lawsuit.

Within the City Manager's budget, additional budget allocations were made for an adjustment to compensation and benefits ($11,716)and funding for the Arts Council.

In the Management Information Systems budget, $40,000 was transferred from Capital Outlay to the department's operating budget to cover replacement computers, software items and printers that didn't meet the City's capitalization threshold.

The General Government budget was increased by almost $265,000, primarily due to a $240,000 budget allocation within the reserve account for the required match on an anticipated Multi-modal grant for improvements to the West 7th Street corridor.

The Police Department budget increased over $600,000 as a result of grant balances carried forward from the prior fiscal year, including the $325,764 balance of a Targeted Community Crime Reduction Grant received from the State of Tennessee Office of Criminal Justice Programs. Funds were also budgeted for new grants received during the year ($64,000), revenues and associated expenditures related to interagency agreements with the FBI/DEA ($9,000) and seized weapons ($77,000).

Public Works-Streets decreased $70,000 during the year when funds were transferred from the regular operating budget to the capital outlay line item for purchase of a mini excavator to be used for Columbia Works and other improvement projects.

The $178,711 increase to the Capital Outlay budget was related to a transfer of $179,143 from reserves to capital outlay for a bid award to Paul Varney Construction for improvements to the building at 814 South Main Street, $18,465 for the purchase of a lot on Riverside Drive, $27,000 for purchase of a replacement vehicle for the Fire Department, and $70,000 transfer of budgeted funds for the purchase of a mini excavator, offset by transfers from capital outlay to supplies within Management Information Systems ($40,000) and Police ($30,000) for items which didn't meet the City's capitalization threshold.

Variances occurred when comparing to the final amended budget to actual expenditures during the year as a result of the following:

- Within the Management Information Systems budget, $40,000 was unexpended within salaries and benefits at the end of the fiscal year from a position that was transitioned from full time to part time during the year.
- Within General Government, $180,865 was unexpended from salary and benefits as a result of worker's compensation expenses being less than budgeted, $36,000 remained unexpended within Professional Services and $345,591 was unexpended within the "Reserve" allocation ($240,000 of the $345,591 is related to a required match for pending grant application at the end of the fiscal year).
- The Police Department had $188,000 remaining from budgeted but unexpended funds for the Targeted Community Crime Reduction Grant and approximately $400,000 in unexpended salary and benefit expense due to transitions in staffing.
- Within the Fire Department, approximately $229,000 remained in salary and benefits categories at the end of the fiscal year. The $20,000 balance in the supply category was reappropriated for a pending purchase order for turnout gear.
- Streets & Maintenance had $100,000 remaining in salaries/benefits and nearly $80,000 in professional services for obligated but unexpended contract balances at yearend. Those contract balances were re-appropriated into the new fiscal year.
- The Parks & Recreation Departments had almost $162,000 lower expenditures than budgeted due to salary and benefit savings ($142,715) and balances left in fuel and utility categories.
- Within Capital Outlay, slightly over $292,000 remained at the end of the fiscal year. Over $43,000 of that amount was within Management Information Systems (volume prices for replacement computers were lower than anticipated). The Police Department had $62,000 in outstanding vehicle orders at the end of the year and the $70,000 balance within the Fire Department was reappropriated for a pending order for a replacement staff vehicle ($27,000) and apron repairs at Station #1 ($40,000).

Capital Assets and Debt Administration

Capital assets. The City of Columbia's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to $223,640,805 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, park facilities, roads and bridges. The total increase in the City of Columbia's investment in capital assets for the current fiscal year was minimal (less than .2%) at $427,118 (a 6.2% increase for governmental activities and a 1.2% decrease for business-type activities).

City of Columbia Capital Assets
(net of depreciation)
June 30,

	Governmental Activities		Business-type Activities		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Land	7,519,262	7,457,200	2,174,490	2,171,740	$ 9,693,752	$ 9,628,940
Buildings and utility plant	20,375,546	20,119,249	269,800,186	266,342,427	290,175,732	286,461,676
Machinery and equipment	16,882,363	16,480,899	18,515,327	17,759,461	35,397,690	34,240,360
Infrastructure	73,918,615	71,240,272	-	-	73,918,615	71,240,272
Construction in progress	6,920,785	7,314,277	2,851,068	2,126,779	9,771,853	9,441,056
Total Assets	125,616,571	122,611,897	293,341,071	288,400,407	418,957,642	411,012,304
Less accumulated depreciation	(81,282,795)	(80,903,170)	(114,034,042)	(106,895,447)	(195,316,837)	(187,798,617)
Net Capital Assets	$ 44,333,776	$ 41,708,727	$ 179,307,029	$ 181,504,960	$ 223,640,805	$ 223,213,687

Within governmental activities, an increase in total assets of slightly over $3 million was offset by an increase in accumulated depreciation of nearly $400,000, resulting in an overall increase of $2,625,049 in net capital assets for governmental funds.

Major capital asset events within governmental activities during the current fiscal year included the following:

- Land value increased approximately $62,000 when compared to FY 2013-14 as a result of acquisition of land for a parking lot at the Farmer's Market and several tax-acquired properties,
- A $256,297 increase in buildings and improvements was associated with improvements made to the Police Department building. The increase due to the building renovations (over $1.6 million) was offset by a $1.4 million reduction in building value when the previously-made improvements (which were deemed to be of no further value) were removed from the books.
- Machinery and equipment showed a net increase of $401,464 during the year. Acquisitions of machinery and equipment totaled $851,842 (including $279,177 for replacement Police vehicles, $155,300 for a mini paver and backhoe for Public Works, $113,302 for Sanitation pickup trucks, $76,372 for a tractor, infield machine and mowers for Parks & Recreation and $149,000 in replacement computer equipment). Acquisitions were offset by $450,378 in disposals/sales of surplus equipment throughout the year.
- The value of infrastructure increased by nearly $2.7 million as a result of accepted intersection improvements and signalization funded by Surface Transportation Program funds ($2.4 million) and $283,070 for streets and drainage accepted during the fiscal year.
- Construction in progress decreased $393,442 during the year from $7,314,277 to $6,920,785. Additions for the Police Department renovation and STP intersection improvements during the year were rolled off at the end of the year once the projects were completed.

Net acquisitions of capital assets totaling $4.9 million within business-type activities were offset by depreciation of $7.1 million, resulting in a net decrease of approximately $2.2 million. Major capital asset events within business-type activities during the current fiscal year included the following:

- Net capital assets of the Power system increased approximately $300,000 after depreciation. Capital asset increases of approximately $3.3 million (primarily from miscellaneous plant improvements) were offset by $3 million in additional depreciation. Construction in progress decreased $180,459 from $1,624,369 to $1,443,910.
- Net capital assets of the Water system decreased nearly $1 million during the year. Capital asset increases of approximately $709,000 (primarily upgrades to the water treatment plant) were offset by $2.1 million in

additional depreciation. Construction in progress was $969,190 at June 30, 2015 compared to $435,093 at June 30, 2014.

- Net capital assets of the Sewer system decreased by nearly $1.65 million. Capital assets increased by approximately $269,000, offset by $2.2 million in additional depreciation. Construction in progress reflected an increase of $269,526 from $67,316 to $336,842.

Additional information on the City of Columbia's capital assets can be found in Note 4 on pages 45-46 of this report.

Long-term bonded debt. At the end of the current fiscal year, the City of Columbia had total long-term bonded debt outstanding of $60,970,757. Of this amount, $38,260,757 comprises debt backed by the full faith and credit of the City and $22,710,000 comprises bonds secured solely by specified revenue sources (i.e. revenue bonds).

City of Columbia Outstanding Debt
General Obligation and Revenue Bonds
June 30,

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	$ 8,645,000	$ 9,100,000	$ -	$ -	$ 8,645,000	$ 9,100,000
Capital outlay notes	2,765,757	1,251,074	-	-	2,765,757	1,251,074
Revenue and tax bonds			26,850,000	28,640,000	26,850,000	28,640,000
Revenue bonds	-	-	22,710,000	23,970,000	22,710,000	23,970,000
Total	$ 11,410,757	$ 10,351,074	$ 49,560,000	$ 52,610,000	$ 60,970,757	$ 62,961,074

During FY 2014-15, the City's total long-term debt decreased by nearly $2 million as a reduction of scheduled principal payments during the year offset by the issuance of a $1.9 million capital outlay note.

The City of Columbia maintains an "Aa2" rating from Moody's Investors Service for its general obligation and revenue and tax bond debt.

State statutes set no limit for the amount of general obligation debt a governmental entity may issue. The total long-term bonded debt outstanding for the City of Columbia of $60,970,757 translates to approximately $1,674 per capita using the estimated population figure of 36,430 at June 30, 2015.

Additional information on the City of Columbia's long-term debt can be found in Note 5 on pages 47-50 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the Maury County was 5.1 percent during August compared to a rate of 5.7 percent within the State of Tennessee. The Maury County unemployment rate was lower than the surrounding counties of Marshall (5.7%), Lawrence (6.5%) and Lewis (6.9%), but higher than Williamson (4.1%) and Rutherford (4.7%). The rate in adjacent Giles County was also 5.1%. With ongoing activity at the General Motors manufacturing facility, expansions and new businesses in the area, the rate is expected to continue to decrease. Inflationary trends in the region compare favorably to national indices. These factors were considered during the preparation of the FY 2015-16 budget.

The unassigned fund balance in the General Fund at June 30, 2014 was $15,034,452 (nearly $2.7 million of that amount was subsequently used to balance the FY 2014-15 budget) and the unassigned fund balance in the General Fund at June 30, 2015 was $17,438,706. Staff monitors revenues and expenditures on a monthly basis to ensure that the City remains within budgeted amounts.

Water and Sewer rates were maintained at the same rates as FY 2013-14. A commercial rate increase for Sanitation was passed on July 9, 2015 to offset an increase in the cost of transporting waste from Maury County to the landfill. Broadband rates fluctuated slightly based upon the type of service provided.

The Columbia Power System will continue to adjust the retail electric fuel cost adjustment on a monthly basis in response to the TVA wholesale fuel cost adjustments.

Requests for Information

This financial report is designed to provide a general overview of the City of Columbia's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Columbia
Attn: Patti Amorello, Finance Director
700 North Garden Street
Columbia, Tennessee 38401

CITY OF COLUMBIA, TENNESSEE

Statement of Net Position

June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents:			
Unrestricted	$ 23,993,842	36,094,791	60,088,633
Restricted:			
Construction funds	-	462,647	462,647
Debt service funds	-	1,361,933	1,361,933
Other	-	3,690,515	3,690,515
Total cash and cash equivalents	23,993,842	41,609,886	65,603,728
Investments:			
Unrestricted	-	2,250,378	2,250,378
Restricted-Debt service funds	-	2,411,533	2,411,533
Total investments	-	4,661,911	4,661,911
Accounts receivable:			
Property taxes	11,204,067	-	11,204,067
Other governments	3,342,362	-	3,342,362
Customers and others	418,382	8,463,558	8,881,940
Less allowance for doubtful accounts	(80,893)	(158,199)	(239,092)
Total accounts receivable	14,883,918	8,305,359	23,189,277
Inventory of supplies	-	1,398,504	1,398,504
Prepaid items	262,388	2,032,159	2,294,547
Internal balances	(98,634)	98,634	-
Depreciable capital assets, net of accumulated depreciation	29,893,729	174,281,471	204,175,200
Non depreciable capital assets	14,440,047	5,025,558	19,465,605
Other assets-noncurrent	-	999,107	999,107
Net OPEB asset	572,074	-	572,074
Total Assets	83,947,364	238,412,589	322,359,953
Deferred Outflows of Resources			
Advance refundings of debt	-	479,022	479,022
Pension plan	2,763,306	333,079	3,096,385
Total Deferred Outflows	2,763,306	812,101	3,575,407
Liabilities			
Accounts payable	1,084,356	5,505,749	6,590,105
Accrued liabilities	938,802	1,172,508	2,111,310
Customer deposits	-	3,690,515	3,690,515
Accrued interest	-	230,459	230,459
Advances - Tennessee Valley Authority	-	458,695	458,695
Noncurrent liabilities:			
Net pension liability	22,922,576	2,762,153	25,684,729
Due within one year	1,826,970	3,783,311	5,610,281
Due in more than one year	10,616,329	49,408,451	60,024,780
Total Liabilities	37,389,033	67,011,841	104,400,874
Deferred Inflows of Resources			
Unavailable property tax revenues	10,903,552	-	10,903,552
Unavailable grant revenue	286,698	-	286,698
Pension plan	1,516,789	182,828	1,699,617
Total Deferred Inflow of Resources	12,707,039	182,828	12,889,867
Net Position			
Net investment in capital assets	32,909,034	129,324,547	162,233,581
Restricted for:			
Drug enforcement and education	224,509	-	224,509
Highways and streets	963,397	-	963,397
Solid waste disposal	1,193,249	-	1,193,249
Park improvements	83,284	-	83,284
Employees postemployment benefits	572,074	-	572,074
Debt service	61,633	3,600,713	3,662,346
Unrestricted	607,418	39,104,761	39,712,179
Total Net Position	$ 36,614,598	172,030,021	208,644,619

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position – Primary Government: Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	$ 4,950,758	623,785	-	1,854,502	(2,472,471)	-	(2,472,471)
Police	7,605,848	471,324	191,597	-	(6,942,927)	-	(6,942,927)
Fire	6,660,344	-	-	-	(6,660,344)	-	(6,660,344)
Streets and maintenance	4,126,015	-	977,354	283,070	(2,865,591)	-	(2,865,591)
Sanitation	3,126,853	3,072,873	124,944	-	70,964	-	70,964
Parks and recreation	1,921,320	18,363	-	-	(1,902,957)	-	(1,902,957)
Development services	1,025,890	-	-	-	(1,025,890)	-	(1,025,890)
Community services	276,102	-	-	-	(276,102)	-	(276,102)
Interest on long - term debt	391,387	-	-	-	(391,387)	-	(391,387)
Total government activities	30,084,516	4,186,345	1,293,895	2,137,572	(22,466,705)	-	(22,466,705)
Business-type activities:							
Sewer System	8,632,740	8,990,593	-	32,598	-	390,451	390,451
Power System	66,368,295	69,400,709	-	189,755	-	3,222,169	3,222,169
Water System	7,786,069	10,485,022	-	123,342	-	2,822,295	2,822,295
Total business-type activities	82,787,104	88,876,324	-	345,695	-	6,434,915	6,434,915
Total primary government	$ 112,871,621	93,062,669	1,293,895	2,483,267	(22,466,705)	6,434,915	(16,031,790)
General Revenues:							
Property taxes					$ 10,945,490	-	10,945,490
Sales taxes					10,946,492	-	10,946,492
Business taxes					1,305,359	-	1,305,359
Local beer tax					1,246,833	-	1,246,833
Gross receipts tax - TVA					407,863	-	407,863
State income and excise tax					527,083	-	527,083
City portion of other unrestricted State shared revenues					22,116	-	22,116
Other taxes					100,820	-	100,820
Unrestricted investment earnings					85,607	197,852	283,459
Other					304,403	-	304,403
Transfers					1,948,656	(1,948,656)	-
Total general revenues and transfers					27,840,722	(1,750,804)	26,089,918
Change in net position					5,374,017	4,684,111	10,058,128
Special iItem-loss on abandonment of capital asset					(529,149)	-	(529,149)
Net Position - beginning of year, as restated					31,769,730	167,345,910	199,115,640
Net Position - end of year					$ 36,614,598	172,030,021	208,644,619

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Balance Sheet

Governmental Funds

June 30, 2015

		General Fund	Sanitation Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$	17,406,815	1,071,003	1,178,620	1,149,326	20,805,764
Accounts receivable						
Property taxes		11,204,067	-	-	-	11,204,067
Other governments		2,911,507	-	257,306	173,549	3,342,362
Others		418,318	-	-	-	418,318
Total accounts receivable		14,533,892	-	257,306	173,549	14,964,747
Prepaid items		247,190	13,898	-	1,300	262,388
Due from other funds		-	253,059	-	-	253,059
Total Assets	$	32,187,897	1,337,960	1,435,926	1,324,175	36,285,958
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	$	535,057	84,322	248,773	43,820	911,972
Accrued liabilities		819,213	46,491	-	30,816	896,520
Due to other funds		-	-	-	-	-
Total Liabilities		1,354,270	130,813	248,773	74,636	1,808,492
Deferred Inflows of Resources						
Unavailable revenue-property taxes and grants		11,641,619	-	286,698	-	11,928,317
Fund Balances:						
Nonspendable:						
Prepaid items		247,190	13,898	-	1,300	262,388
Restricted for:						
Park improvements		83,284	-	-	-	83,284
Roads and streets		-	-	-	963,397	963,397
Public safety		-	-	-	223,209	223,209
Debt service		-	-	-	61,633	61,633
Capital projects		-	-	-	-	-
Solid waste disposal		-	1,193,249	-	-	1,193,249
Committed to:						
Capital Projects		-	-	900,455	-	900,455
Assigned to:						
Park improvements		3,755	-	-	-	3,755
Appropriated in 2015-16 budget		1,419,073	-	-	-	1,419,073
Unassigned		17,438,706	-	-	-	17,438,706
Total Fund Balances		19,192,008	1,207,147	900,455	1,249,539	22,549,149
Total Liabilities, Deferred Inflows and Fund Balances	$	32,187,897	1,337,960	1,435,926	1,324,175	36,285,958

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Reconciliation of Balance Sheet to Statement of Net Position of Governmental Activities

June 30, 2015

Total Governmental Funds Fund Balances		$ 22,549,149
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds for:		
Capital assets, at cost	$ 125,616,573	
Accumulated depreciation	(81,282,796)	44,333,777
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds for:		
Delinquent property taxes, net of allowance for doubtful accounts of $90,721		657,173
Liabilities, including bonds payable and liabilities relate to pension and OPEB plans are not due and payable in the current period and therefore are not recorded in the funds for::		
Bonds and other liabilities:		
Bonds payable, net of premium and discount	(11,410,757)	
Accrued interest payable	(42,282)	
Accrued compensated absences	(1,018,557)	
Premium/discount on bonds	(13,988)	(12,485,584)
Pension and OPEB plans:		
Net pension Liability	(22,922,576)	
Deferred outflow pension	2,763,306	
Deferred inflow-pension	(1,516,789)	
OPEB Plan asset	572,074	(21,103,985)
Internal service fund is used by management to charge the costs of medical and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position as follows:		
Cash	3,188,078	
Receivables	64	
Accounts payable	(172,381)	
Amount due to Sewer Fund	(351,693)	
		2,664,068
Net position of governmental activities		$ 36,614,598

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds

For the Year Ended June 30, 2015

		General Fund	Sanitation Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$	21,993,026	-		-	21,993,026
Intergovernmental		3,810,729	124,944	1,854,501	977,354	6,767,528
Licenses and permits		318,425	-	-	-	318,425
Fines and costs		363,284	-	-	40,291	403,575
Charges for services		332,865	3,052,130	-	-	3,384,995
Miscellaneous		339,053	25,862	3,766	76,272	444,953
Total Revenues		27,157,382	3,202,936	1,858,267	1,093,917	33,312,502
Expenditures:						
Current:						
General government		4,881,980	-	-	-	4,881,980
Police		7,658,943	-	-	-	7,658,943
Fire		6,959,876	-	-	-	6,959,876
Streets and maintenance		2,544,656	-	-	1,262,329	3,806,985
Development services		1,083,598	-	-	-	1,083,598
Recreation		1,741,159	-	-	-	1,741,159
Sanitation		-	3,006,445	-	-	3,006,445
Community support		197,500	-	-	78,602	276,102
Program costs		-	-	-	250	250
Capital outlay		854,913	113,302	3,492,714	8,665	4,469,594
Debt service		-	-	-	1,231,049	1,231,049
Total Expenditures		25,922,625	3,119,747	3,492,714	2,580,895	35,115,981
Excess (deficiency) of revenues over expendi		1,234,757	83,189	(1,634,447)	(1,486,978)	(1,803,479)
Other Financing Sources (Uses):						
Transfers in		1,948,656	-	1,951,280	1,260,288	5,160,224
Transfers out		(1,262,333)	(49,235)	-	-	(1,311,568)
Total Other Financing Sources (Uses)		686,323	(49,235)	1,951,280	1,260,288	3,848,656
Net change in fund balance		1,921,080	33,954	316,833	(226,690)	2,045,177
Fund Balance, Beginning of Year		17,270,928	1,173,193	583,622	1,476,229	20,503,972
Fund Balance, End of Year	$	19,192,008	1,207,147	900,455	1,249,539	22,549,149

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2015

Amounts reported for net change in fund balance - total governmental funds		$ 2,045,177
Amounts reported for governmental activities in the Statement of Net Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense for governmental activities. Gains and losses from disposals of capital assets are not presented in the fund financial statements. Specific amounts follow:		
Capital assets acquisitions	$ 4,609,018	
Donated capital assets	283,070	
Loss on disposal of capital assets	(550,720)	
Less Loss on disposal presented as special item in Statement of Activities	529,149	
Depreciation expense	(1,716,320)	3,154,197
Revenues for governmental activities that do not provide current financial resources are not reported as revenues in the governmental funds for:		
Property taxes		(64,123)
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities for governmental activities. Conversely, bond issuance proceeds are other financing sources in the governmental funds, but increases long-term liabilities for governmental activities. Specific amounts related to debt follow:		
Bond payments	840,317	
Proceeds from debt issuance	(1,900,000)	
Amortization of bond premium / discount	797	(1,058,886)
OPEB costs are recognized as expenditures in the fund statements, but are deferred and amortized in the government-wide statements, resulting in a net difference		
Expenses reported for governmental activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds for:		
Changes in net pension benefit obligation	663,992	
Changes in net OPEB asset	(7,189)	
Changes in the accrual for interest	(656)	
Changes in the accrual for compensated absences	(36,887)	619,260
Internal service fund is used by management to charge the costs of medical and dental insurance to individual funds. The net revenues of the internal service are reported in the statement of activities.		678,392
Change in net position of governmental activities		$ 5,374,017

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Taxes:				
Real and personal property taxes	$ 10,341,000	10,341,000	10,538,704	197,704
Local sales tax	7,453,000	7,453,000	8,330,399	877,399
Tax equivalents payments	445,000	445,000	470,911	25,911
Business tax	1,155,000	1,155,000	1,305,359	150,359
Local beer and liquor tax	1,179,540	1,179,540	1,246,833	67,293
Other taxes	90,000	90,000	100,820	10,820
Total Taxes	20,663,540	20,663,540	21,993,026	1,329,486
Intergovernmental:				
State sales tax	2,450,000	2,450,000	2,616,093	166,093
State beer tax	17,000	17,000	16,587	(413)
State income and excise	200,000	200,000	527,083	327,083
State and Federal grant programs	-	382,971	237,574	(145,397)
TVA replacement tax	389,000	389,000	407,863	18,863
Excise tax	4,600	4,600	5,529	929
Total Intergovernmental	3,060,600	3,443,571	3,810,729	367,158
Licenses and Permits	200,600	200,600	318,425	117,825
Fines and Fees	315,000	315,000	363,284	48,284
Charges for Services:				
Recreation fees	20,000	20,000	18,363	(1,637)
Administrative charge-Sanitation Fund	95,000	95,000	100,360	5,360
Administrative charge-Sewer Fund	-	205,000	205,000	-
Other	14,000	14,000	9,142	(4,858)
Total Charges for Services	129,000	334,000	332,865	(1,135)
Miscellaneous:				
Interest revenue	35,000	35,000	68,200	33,200
Miscellaneous revenue	120,000	180,915	270,853	89,938
Total Miscellaneous	155,000	215,915	339,053	123,138
Total Revenues	24,523,740	25,172,626	27,157,382	1,984,756
Other Financing Sources				
Transfers from:				
Water Fund - Payments in lieu of tax	180,488	180,488	171,086	(9,402)
Waste Water Fund - Payments in lieu of tax	531,714	531,714	531,714	-
Electric Power Fund - Payments in lieu of tax	1,183,048	1,183,048	1,245,856	62,808
Other transfers	205,000	-	-	-
Total Other Financing Sources	2,100,250	1,895,250	1,948,656	53,406
Total Revenues and Other Financing Sources	26,623,990	27,067,876	29,106,038	2,038,162

Continued on next page.

CITY OF COLUMBIA, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Expenditures:				
General government:				
Council, Attorney, and Court:				
Current:				
Salaries	$ 90,844	91,144	91,111	33
FICA and employee benefits	41,117	40,817	37,191	3,626
Services	296,250	391,250	384,196	7,054
Supplies and materials	900	900	542	358
Miscellaneous	1,500	1,500	75	1,425
Total Council, Attorney, and Court	430,611	525,611	513,115	12,496
City Managers Office:				
Current:				
Salaries	268,510	274,760	271,016	3,744
FICA and employee benefits	80,712	81,178	78,606	2,572
Services	63,820	70,820	52,458	18,362
Supplies and materials	1,200	4,200	3,431	769
Miscellaneous	-	-	-	-
Total City Managers Office	414,242	430,958	405,511	25,447
Emergency Management:				
Current:				
Salaries	76,270	78,270	78,240	30
FICA and employee benefits	32,390	32,990	32,932	58
Transfer to County	20,000	17,400	15,576	1,824
Total Emergency Management	128,660	128,660	126,748	1,912
Management Information Systems:				
Current:				
Salaries	255,377	255,377	236,456	18,921
FICA and employee benefits	112,343	112,343	90,509	21,834
Services	81,250	81,250	62,366	18,884
Supplies and materials	10,750	50,750	45,084	5,666
Miscellaneous	-	-	-	-
Total Management Information Systems	459,720	499,720	434,415	65,305
Finance:				
Current:				
Salaries	274,937	274,937	258,791	16,146
FICA and employee benefits	113,880	113,880	112,708	1,172
Services	9,600	9,600	5,827	3,773
Supplies and materials	3,100	3,100	1,463	1,637
Miscellaneous	-	-	-	-
Total Finance	401,517	401,517	378,789	22,728

Continued on next page.

CITY OF COLUMBIA, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended June 30, 2015

Expenditures, continued	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
City Recorder:				
Current:				
Salaries	$ 324,059	324,059	321,892	2,167
FICA and employee benefits	140,349	140,349	138,496	1,853
Services	19,638	17,488	16,666	822
Supplies and materials	3,200	5,300	4,916	384
Miscellaneous	-	50	376	(326)
Total City Recorder	487,246	487,246	482,346	4,900
Personnel				
Current:				
Salaries	167,124	171,124	170,888	236
FICA and employee benefits	76,141	72,141	62,873	9,268
Services	16,700	16,200	11,951	4,249
Supplies and materials	2,800	3,300	3,081	219
Miscellaneous	-	-	-	-
Total Personnel	262,765	262,765	248,793	13,972
Other:				
Current:				
Salaries	13,500	13,500	13,049	451
FICA and employee benefits	1,389,233	1,366,233	1,185,368	180,865
Services	604,070	682,470	615,899	66,571
Supplies and materials	31,500	31,500	16,962	14,538
Miscellaneous	598,000	807,591	460,985	346,606
Total Other	2,636,303	2,901,294	2,292,263	609,031
Total General Government	5,221,064	5,637,771	4,881,980	755,791
Public Safety:				
Police Department:				
Current:				
Salaries	4,647,475	4,696,930	4,436,317	260,613
FICA and employee benefits	2,092,496	2,101,383	1,962,236	139,147
Services	546,955	575,460	544,313	31,147
Supplies and materials	498,025	713,295	572,285	141,010
Miscellaneous	15,470	316,591	143,792	172,799
Total Police Department	7,800,421	8,403,659	7,658,943	744,716

Continued on next page.

CITY OF COLUMBIA, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended June 30, 2015

Expenditures, continued	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Fire Department:				
Current:				
Salaries	$ 4,633,682	4,631,982	4,495,884	136,098
FICA and employee benefits	2,107,459	2,081,459	1,988,959	92,500
Services	287,769	306,771	288,065	18,706
Supplies and materials	205,832	204,905	183,945	20,960
Miscellaneous	6,470	6,370	3,023	3,347
Total Fire Department	7,241,212	7,231,487	6,959,876	271,611
Total Public Safety	15,041,633	15,635,146	14,618,819	1,016,327
Public Works:				
Street and Maintenance				
Current:				
Salaries	1,468,389	1,468,389	1,411,193	57,196
FICA and employee benefits	713,519	713,519	670,908	42,611
Services	72,260	254,760	167,764	86,996
Supplies and materials	565,145	311,645	244,557	67,088
Miscellaneous	2,150	3,150	50,234	(47,084)
Total Public Works	2,821,463	2,751,463	2,544,656	206,807
Development Services				
Current:				
Salaries	750,675	751,175	702,391	48,784
FICA and employee benefits	319,368	319,868	279,778	40,090
Services	90,402	104,169	84,542	19,627
Supplies and materials	28,091	28,091	16,887	11,204
Miscellaneous	-	-	-	-
Total Development Services	1,188,536	1,203,303	1,083,598	119,705
Parks & Recreation:				
Current:				
Salaries	1,003,284	1,000,449	902,422	98,027
FICA and employee benefits	418,465	418,135	373,447	44,688
Services	279,130	271,255	264,161	7,094
Supplies and materials	189,457	202,032	191,241	10,791
Miscellaneous	10,050	11,015	9,888	1,127
Total Parks & Recreation	1,900,386	1,902,886	1,741,159	161,727

Continued on next page.

CITY OF COLUMBIA, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended June 30, 2015

Expenditures, continued:	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Community Service:				
Appropriations:				
Current:				
Appropriations to not-for-profit entities	$ 23,500	23,500	23,500	-
Contractual Agreements:	174,000	174,000	174,000	-
Total Community Service	197,500	197,500	197,500	-
Capital Outlay:				
General government	-	206,608	180,087	26,521
Management information systems	224,500	191,850	148,263	43,587
Police Department	464,850	361,463	286,737	74,726
Fire Department	44,000	84,640	15,400	69,240
Streets	148,000	218,000	148,052	69,948
Parks and Recreation	87,300	84,800	76,374	8,426
Total Capital Outlay	968,650	1,147,361	854,913	292,448
Total Expenditures	27,339,232	28,475,430	25,922,625	2,552,805
Other Financing Uses:				
Transfer to:				
Debt Service Fund	1,211,053	1,211,053	1,211,053	-
Capital Projects Fund	-	51,280	51,280	-
Total Other Financing Uses	1,211,053	1,262,333	1,262,333	-
Total Expenditures and Uses	28,550,285	29,737,763	27,184,958	2,552,805
Net Change in Fund Balance	(1,926,295)	(2,669,887)	1,921,080	4,590,967
Fund Balance, Beginning of Year	17,270,928	17,270,928	17,270,928	-
Fund Balance, End of Year	$ 15,344,633	14,601,041	19,192,008	4,590,967

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Sanitation Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Intergovermental				
State grant revenue	$ -	124,944	124,944	-
Charges for Services:				
Garbage fees	2,985,000	2,985,000	3,052,130	67,130
Miscellaneous:				
Interest income	3,000	3,000	5,119	2,119
Other	1,000	19,000	20,743	1,743
Total Revenues	2,989,000	3,131,944	3,202,936	70,992
Expenditures:				
Current:				
Sanitation:				
Salaries	1,140,632	1,141,832	1,027,104	114,728
Employee benefits	742,306	742,606	598,753	143,853
Services	982,950	1,005,950	914,561	91,389
Supplies	523,900	501,844	408,032	93,812
Other	74,000	74,100	57,995	16,105
Capital Outlay	1,095,000	1,114,500	113,302	1,001,198
Total Expenditures	4,558,788	4,580,832	3,119,747	1,461,085
Net Change in Fund Balance	(1,569,788)	(1,448,888)	83,189	1,532,077
Other Financing Sources:				
Proceeds from debt issuance	1,000,000	1,000,000	-	(1,000,000)
Transfer to other funds	(49,235)	(49,235)	(49,235)	-
Total Other Financing Sources	950,765	950,765	(49,235)	(1,000,000)
Net Change in Fund Balance	(619,023)	(498,123)	33,954	532,077
Fund Balance, Beginning of Year	1,173,193	1,173,193	1,173,193	-
Fund Balance, End of Year	$ 554,170	675,070	1,207,147	532,077

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Statement of Net Position

Proprietary Funds

June 30, 2015

		Sewer System	Power System	Water System	Total	Governmental Activities Internal Service Fund
Assets						
Current Assets:						
Cash and cash equivalents	$	12,181,980	9,665,288	14,247,523	36,094,791	3,188,078
Investments		-	2,000,378	250,000	2,250,378	-
Restricted Assets:						
Cash and cash equivalents:						
Construction		-	-	462,647	462,647	-
Debt service		-	705,115	656,818	1,361,933	-
Customer deposits		-	3,269,817	420,698	3,690,515	-
Investments - Debt Service		-	650,260	1,761,273	2,411,533	-
Accounts receivable		-	4,711,062	-	4,711,062	-
Other receivables		55,966	3,695,444	1,086	3,752,496	64
Less allowance for doubtful accounts		-	(158,199)	-	(158,199)	-
Inventory, materials		82,003	938,661	377,840	1,398,504	-
Due from other funds		692,009	-	1,653,476	2,345,485	-
Prepaid expenses		8,480	2,023,662	17	2,032,159	-
Total Current Assets		13,020,438	27,501,488	19,831,378	60,353,304	3,188,142
Noncurrent Assets:						
Property, Plant and Equipment:						
Plant in service		101,842,829	103,944,933	84,803,364	290,591,126	-
Less accumulated depreciation		(38,981,242)	(44,759,198)	(30,293,599)	(114,034,039)	-
		62,861,587	59,185,735	54,509,765	176,557,087	-
Construction in progress		336,842	1,443,910	969,190	2,749,942	-
Total Property, Plant and Equipment, net		63,198,429	60,629,645	55,478,955	179,307,029	-
Other assets:						
Conservation loans receivable		-	437,974	-	437,974	-
Bond issue costs		-	223,121	199,177	422,298	-
Other		-	138,835	-	138,835	-
Total Other Assets		-	799,930	199,177	999,107	-
Total Noncurrent Assets		63,198,429	61,429,575	55,678,132	180,306,136	-
Deferred Outflows of Resources:						
Advance refundings of debt		413,316	-	65,706	479,022	
Pension plan		333,079	-	-	333,079	
Total Deferred Outflows		746,395	-	65,706	812,101	-
Total Assets and Deferred Outflows of Resources		76,965,262	88,931,063	75,575,216	241,471,541	3,188,142
Liabilities						
Current Liabilities:						
Accounts payable		230,959	5,121,755	153,035	5,505,749	172,381
Due to other funds		-	1,906,535	692,009	2,598,544	-
Customer deposits		-	3,269,817	420,698	3,690,515	-
Accrued expenses and other liabilities		129,903	816,775	225,830	1,172,508	-
Accrued interest		57,706	143,919	28,834	230,459	-
Current portion of long-term obligations		1,367,366	1,315,576	1,100,369	3,783,311	-
Total Current Liabilities		1,785,934	12,574,377	2,620,775	16,981,086	172,381
Long-Term Debt:						
Advances - Tennessee Valley Authority		-	458,695	-	458,695	-
Net pension liability		2,762,153	-	-	2,762,153	
Long - term obligations payable-non current portion		16,607,249	15,261,855	17,539,347	49,408,451	-
Total Long-Term Debt		19,369,402	15,720,550	17,539,347	52,629,299	-
Total Liabilities		21,155,336	28,294,927	20,160,122	69,610,385	172,381
Deferred Inflows of Resources-Pension Plan		182,828	-	-	182,828	-
Net Position						
Net invested in capital assets		45,754,496	45,879,970	37,690,081	129,324,547	-
Restricted for debt service		-	1,211,456	2,389,257	3,600,713	-
Restricted for medical insurance		-	-	-	-	3,015,761
Unrestricted		9,872,602	13,544,710	15,335,756	38,753,068	-
Total Net Position		55,627,098	60,636,136	55,415,094	171,678,328	3,015,761
Total Liabilities, Deferred Inflows and Net Position	$	76,965,262	88,931,063	75,575,216	241,471,541	3,188,142
Total Net Position above	$	55,627,098			171,678,328	
Adjustment to reflect the consolidation of internal service fund activities related to the Enterprise Fund		351,693			351,693	
Net Position of Business - Type Activieies	$	55,978,791			172,030,021	

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Statement of Revenue, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2015

		Sewer System	Power System	Water System	Total	Governmental Activities Internal Service Fund
Operating Revenues:						
Services	$	8,978,396	62,157,812	9,894,076	81,030,284	-
Broadband sales		-	6,055,077	-	6,055,077	-
Medical premiums		-	-	-	-	4,262,119
Other		12,197	1,187,820	590,946	1,790,963	-
Total Operating Revenues		8,990,593	69,400,709	10,485,022	88,876,324	4,262,119
Operating Expenses:						
Purchased power and programming		-	49,939,550	-	49,939,550	-
Programming purchased		-	2,479,337	-	2,479,337	-
Production / treatment		2,506,623	-	1,836,756	4,343,379	-
Distribution		964,236	5,411,262	1,229,167	7,604,665	-
Customer accounts and service		-	864,702	591,435	1,456,137	-
Other direct costs and expenses		1,497,941	157,179	-	1,655,120	-
Administration and general expense		607,927	3,307,299	1,553,670	5,468,896	255,402
Medical claims expense		-	-	-	-	3,249,385
Depreciation		2,391,356	3,502,693	2,231,749	8,125,798	-
Total Operating Expenses		7,968,083	65,662,022	7,442,777	81,072,882	3,504,787
Operating Income (Loss)		1,022,510	3,738,687	3,042,245	7,803,442	757,332
Nonoperating Revenues (Expenses):						
Other income		159,443	19,849	18,560	197,852	10,617
Interest expense		(754,214)	(662,549)	(355,145)	(1,771,908)	-
Amortization expense		-	(43,724)	11,853	(31,871)	-
Total Nonoperating Revenues (Expenses)		(594,771)	(686,424)	(324,732)	(1,605,927)	10,617
Net Income (Loss) Before Transfers and Contributions		427,739	3,052,263	2,717,513	6,197,515	767,949
Transfers Special item and contributions:						
Transfer out - payments to City of Columbia for in lieu of tax		(531,714)	(1,245,856)	(171,086)	(1,948,656)	-
Special item - loss on abandonment of asset		-	-	-	-	-
Capital contribution - utility plant		32,598	189,755	123,342	345,695	-
Total Transfers, Special item and Contributions		(499,116)	(1,056,101)	(47,744)	(1,602,961)	-
Change in Net Position		(71,377)	1,996,162	2,669,769	4,594,554	767,949
Net Position , Beginning of Year, as Previously Reported		58,237,806	58,639,974	52,745,325	169,623,105	2,247,812
Restatement		(2,539,331)	-	-	(2,539,331)	-
Net Position , Beginning of Year, as Restated		55,698,475	58,639,974	52,745,325	167,083,774	2,247,812
Net Position, End of Year	$	55,627,098	60,636,136	55,415,094	171,678,328	3,015,761
Change in Net Position above	$	(71,377)			4,594,554	
Adjustment to reflect the consolidation of internal service fund activities ' related to the Enterprise Fund		89,557			89,557	
Changes in Net Positions of Business - Type Activieies	$	18,180			4,684,111	

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2015

		Sewer System	Power System	Water System	Total	Governmental Activities Internal Service Fund
Cash Flows from Operations						
Cash received from customers	$	9,014,315	68,375,167	9,854,011	87,243,493	4,286,070
Cash paid to employees for services		(1,753,820)	(6,718,635)	(3,041,171)	(11,513,626)	-
Cash paid to suppliers of goods and services		(3,830,673)	(55,571,689)	(2,095,934)	(61,498,296)	(3,483,306)
Payments in lieu of taxes		(531,714)	(1,246,153)	(171,086)	(1,948,953)	-
Other		9,154	882,408	593,787	1,485,349	-
Net Cash Provided (Used) by Operating Activities		2,907,262	5,721,098	5,139,607	13,767,967	802,764
Cash Flows from Capital and Related Financing Activities						
Purchase of property, plant and equipment		(716,251)	(3,571,399)	(798,779)	(5,086,429)	-
Interest paid on bonds		(720,438)	(692,407)	(737,816)	(2,150,661)	-
Proceeds from sale of capital assets		99,199	-	-	99,199	-
Payments on long-term debt		(1,215,000)	(990,000)	(975,000)	(3,180,000)	-
Net (cost to remove) salvage on utility plant		-	(255,891)	4,038	(251,853)	-
Net Cash Used by Capital and Related Financing Activities		(2,552,490)	(5,509,697)	(2,507,557)	(10,569,744)	-
Cash Flows from Non-Capital Financing Activities						
Increase in interfund receivable		(11,972)	-	-	(11,972)	-
Conservation loans made		-	(74,403)	-	(74,403)	-
Collections on conservation loans		-	121,590	-	121,590	-
TVA advances		-	74,703	-	74,703	-
Payments on TVA advances		-	(113,268)	-	(113,268)	-
Net Cash Provided (Used) by Non-Capital Financing Activities		(11,972)	8,622	-	(3,350)	-
Cash Flows from Investing Activities						
Purchase of investments		-	(5,300,638)	(2,889,413)	(8,190,051)	-
Sale of investment		-	5,300,000	2,889,238	8,189,238	-
Interest received on investments		55,442	19,849	18,196	93,487	10,617
Net Cash Provided (Used) by Investing Activities		55,442	19,211	18,021	92,674	10,617
Net Increase (Decrease) in Cash and Restricted Cash		398,242	239,234	2,650,071	3,287,547	813,381
Cash and Restricted Cash, Beginning of Year		11,783,738	13,400,986	13,137,615	38,322,339	2,374,697
Cash and Restricted Cash, End of Year	$	12,181,980	13,640,220	15,787,686	41,609,886	3,188,078
Reconciliation of Operating Income to Net Cash Provided (Used) by Operations						
Operating income (loss)	$	1,022,510	3,738,687	3,042,245	7,803,442	757,332
Adjustments to reconcile operating income to net cash provided by operating activities:						
Other		(71,725)	-	-	(71,725)	-
Depreciation and amortization		2,391,356	3,502,693	2,231,749	8,125,798	-
Payments in lieu of taxes		(531,714)	(1,246,153)	(171,086)	(1,948,953)	-
(Increase) decrease in:						
Accounts receivable		23,722	(341,278)	(48,936)	(366,492)	23,951
Inventory		1,144	69,497	57,294	127,935	-
Other assets		317	(1,999,945)	122	(1,999,506)	-
Increase (decrease) in:						
Accounts payable		56,096	1,667,878	(78,327)	1,645,647	21,481
Unearned revenue		-	72,127	-	72,127	-
Customer deposits		15,556	163,293	5,634	184,483	-
Accrued expenses and other liabilities		-	94,299	100,912	195,211	-
Net Cash Provided (Used) By Operating Activities	$	2,907,262	5,721,098	5,139,607	13,767,967	802,764
Supplemental Schedule of Non-Cash Capital Financing and Investing Activities						
Capital contributions - utility plant	$	32,598	189,755	123,342	345,695	-
Decrease in accrued interest related to debt refunding	$	-	(76,360)	-	(76,360)	
Capitalized interest and amortization expense	$	3,789	-	378,742	382,531	-
Depreciation and amortization expense capitalized in utility plant	$	-	185,660	80,255	265,915	-
Refunding bonds issued	$	-	9,100,000	-	9,100,000	-
Bonds refunded	$	-	(8,970,000)	-	(8,970,000)	-
Amortization of premium, discount and deferred loss on refunding charged to interest expense	$	(36,885)	(53,640)	-	(90,525)	-

See accompanying notes to financial statements.

CITY OF COLUMBIA, TENNESSEE

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2015

		Trust Funds	Agency Fund
		Pension and Other Employee Benefit Trust Funds	Maury County Drug Task Force Fund
Assets			
Cash and cash equivalents	$	564,577	26,294
Receivable - interest		80,950	-
Investments, at fair value:			
Fixed income funds		23,640,861	-
Equity Securities		29,085,801	-
Total Investments		52,726,662	-
Total Assets	$	53,372,189	26,294
Liabilities			
Accrued liabilities	$	77,613	-
Confiscations pending		-	26,294
Total Liabilities		77,613	26,294
Net Position			
Reserved for employee's pension benefits		39,992,312	-
Reserved for employee's postemployment benefits		13,302,264	-
Total Net Position	$	53,294,576	-

See accompanying notes to financial statements

CITY OF COLUMBIA, TENNESSEE

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2015

	Trust Funds Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	$ 3,621,714
Plan members	905,788
Total contributions	4,527,502
Investment income:	
Net increase (decrease) in fair value of investments	(947,563)
Investment earnings	2,601,832
Net investment earnings	1,654,269
Total Additions	6,181,771
Deductions:	
Pension benefits and refunds	3,352,270
Healthcare premiums and supplements	553,607
Administrative expenses	159,769
Total deductions	4,065,646
Net increase	2,116,125
Net Position, Beginning of Year	51,178,451
Net Position, End of Year	$ 53,294,576

See accompanying notes to financial statements

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

The City of Columbia, Tennessee (the City), located in Maury County, Tennessee, was incorporated as an entity under the Chapter 380, Private Acts of Tennessee for 1972, which became the charter of the City. The City operates under a "Council-Manager" form of government and is governed by the Mayor, a councilman at large that serves as the Vice-Mayor, and a councilman from each of the five wards of the City. The City provides the following services and facilities as authorized by its charter: public safety (police and fire protection), public works, parks and recreation, community support, and utilities.

The financial statements of the City have been prepared, in conformity with accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). Following is a summary of the more significant accounting policies.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the City present the primary government, organizations for which the primary government is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's financial statements to be misleading or incomplete.

Because the following organizations are not legally separate, data from these entities has been presented as part of the primary government.

The **Columbia Power System** provides electrical and broadband service to customers located generally within Maury County, Tennessee. The Columbia Power System's board is appointed by the Mayor of the City of Columbia and is approved by City Council. The Power System is fiscally dependent upon the City because the City Council approves the borrowing of money and the issuance of bonds by the Power System.

The **Columbia Water System** provides water to residential and commercial customers in the Columbia, Tennessee area. The Columbia Water System's board is appointed by the Mayor of the City of Columbia and is approved by the City Council. The Water System is fiscally dependent upon the City because the City Council approves all the Water System's rate changes, borrowing of money, and the issuance of bonds.

Complete financial statements for the above-described organizations may be obtained from their respective administrative offices at the following locations:

Columbia Power System
201 Pickens Lane
Columbia, TN 38401

Columbia Water System
201 Pickens Lane
Columbia, TN 38401

The following separately administered organization does not meet the prescribed criteria and thus is excluded from the City's financial statements.

The **Columbia Housing Authority** is considered to be a related entity to the City but not a part of the City's reporting entity. The Mayor of the City of Columbia appoints the Columbia Housing Authority's board of directors; however, the Authority's operating and capital expenditures, including debt service, are financed entirely from grants from the U.S. Department of Housing and Urban Development and from income generated by the Authority.

Government-Wide and Fund Financial Statements

The government-wide financial statements, the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the City. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)
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. 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 properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligible requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e.: when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Property tax revenues are recognized in the fiscal year for which they are levied. The City considers property taxes as available if they are collected by year-end. The City revenues which do not meet the recognition criteria are deferred and reported in the balance sheet as liabilities. Expenditures are recorded when the related fund liability is incurred, except for matured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes and state income and excise taxes. Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues (except interest income on cash deposits) are recorded as revenues when received because they are generally not measurable prior to receipt. Interest income is recognized when it becomes measurable and available.

The City also recognizes imposed revenue transactions when an enforceable legal claim to the assets arises or when the resources are received, whichever comes first. In the State of Tennessee, the enforceable legal claim or lien date on taxable property occurs January 1 as stated in Tennessee Code Annotated 67-5-2101. Thus, a receivable is recognized for the tax levy of the ensuing tax year but revenue recognition is deferred until available.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)
The government reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
The *Sanitation Fund* accounts for the sanitation service charges and related expenditures as required by the Solid Waste Management Act of 1991codified at TCA 68-211-801.
The *Capital Project Fund* is used to account for the cost of various long-term construction projects costs and the related funding.

The government reports the following major proprietary funds:

Sewer System- established to account for sewer service charges and related expenditures.

The following major proprietary funds are operated by the Columbia Board of Public Utilities whose members are appointed by the Mayor and approved by the Council of the City of Columbia, Tennessee.

Columbia Power System- established to account for power service charges and related expenditures. In 2002, the System established a broadband telecommunications network division pursuant to Section 7-52-601, Tennessee Code Annotated.
Columbia Water System- established to account for water service charges and related expenditures

Additionally, the City reports the following fund types:

Internal Service Fund is used to account for costs associated with the employees' health insurance plan.

The fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under terms of a formal trust agreement. The government reports the following fiduciary funds:

Trust Funds - established to account for assets and related liabilities held by the City in a fiduciary capacity for current and former employees of the City.
Agency Fund - Maury County Drug Task Force Fund - an agency fund established to account for assets seized relative to drug cases pending final resolution.

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 for services between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported in the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 City's proprietary water, sewer, and power systems are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise 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 non-operating revenues and expenses. The Columbia Board of Public Utilities is regulated by TVA relative to the establishment of power rates. TVA will not allow debt issue costs to be expensed in the period of issuance . Accordingly, the Board has approved continued amortization of bond issue costs as defined in GASB Statement 62 for the Electric and Water Funds.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)
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.

Cash and Cash Equivalents
Cash and cash equivalents are stated at cost and consist primarily of demand deposits, short-term (original maturities of three months or less) certificates of deposit and investments in the Local Government Investment Pool of the State of Tennessee.Statutes authorize the City to invest in: (1) U.S. government securities and obligations guaranteed by the U.S. government; (2) deposit accounts at state and federal chartered banks and savings and loan associations; (3) the Local Government Investment Pool of the State of Tennessee; and (4) obligations of the United States or its agencies under repurchase agreements with certain restrictions. During the current fiscal year, the City invested funds that were not immediately needed in interest bearing accounts and certificates of deposit. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of deposits placed in the institutions less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool. The Pension Trust Fund is authorized to invest in certain corporate bonds and marketable securities under terms of the pension trust instrument.

Certain cash and cash equivalents are set aside by management or Council for identified purposes over which the City retains control and may, at its discretion, be subsequently used for other purposes. A portion of unrestricted net position has been designated for such amounts.

Investments
Nonparticipating investment contracts, generally certificates of deposit, are reported at original cost. All other investments, including Pension Trust Fund investments, are reported at fair value.

Receivables
Accounts receivable are presented, when considered necessary, net of an allowance for uncollectible accounts. Unbilled revenues for estimated usage between the last meter reading cycle and June 30 are recorded by the Electric Fund, the Water and Sewer Funds do not accrue unbilled revenue.

Interfund Receivables/Payables
During the course of operations, numerous transactions occur between individual funds for goods or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet and are eliminated on the government-wide statements. Other activities between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Restricted assets
Restricted assets, consisting of cash and investments, include funds limited by bond indentures or otherwise legally restricted for future construction projects and debt service requirement. When both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as needed.

Capital Assets
Capital assets, which include property, plant equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of $5,000 ($1,500 for the Power and Water Systems) or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. When Power and Water System depreciable plant assets are retired, the cost is removed from the asset account and charged, along the cost of removal less salvage value, to accumulated depreciation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business type activities is included as part of the capitalized value of the assets constructed.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)
In addition, the use of qualifying resources to pay for new construction rather than repaying outstanding debt effectively represents recycling of the outstanding debt to finance new projects. Capitalized interest is calculated using the average accumulated construction expenditures during the capitalization period and the weighted average interest on outstanding debt, unless specific identification of debt and/or project expenditures is possible.

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Buildings	40-50 years
Improvements other than buildings	10-20 years
Utility plant in service	3-50 years
Machinery, equipment and vehicles	5-20 years
Infrastructure	10-60 years

Inventories and prepaid costs
For enterprise funds, inventories consist primarily of materials and supplies and are valued at the lower of average cost or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method.

Energy Conservation Loans-Power System
The Power System participates with TVA in its energy conservation loan program. Under this program, eligible customers may obtain low interest loans for conservation improvements. Advances from TVA are reported as other liabilities and loans receivable from customers are reported as other assets. Any uncollected loans are the responsibility of TVA.

Compensated absences
City employees are granted vacation and sick leave in varying amounts. In the event of termination an employee is paid for accumulated vacation leave, but not for accumulated sick leave. Accumulated vacation is accrued when incurred in the government wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee terminations or retirements.

Employees of the Power and Water Fund use a paid time off (PTO) style of accruing paid leave. This policy converts all vacation and sick leave into a single PTO pool. Employees receive compensation equal to 50% of the employee's standard hourly rate upon retirement or voluntary separation for all days remaining in the individual's PTO bank.

Budgets and Budgetary Accounting
Annual budgets are adopted for the general, sanitation, special revenue, debt service funds, and capital project funds on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Prior to June 30, the City Manager prepares a proposed operating budget for the fiscal year beginning July 1. This budget is submitted to the City Council for review and approval. The budget includes all proposed expenditures and the anticipated means of financing them. A public hearing is held at the City Hall in order to obtain taxpayers' comments. The budget is legally adopted by passage of an ordinance by June 30. The City Manager is authorized to transfer budgeted amounts within and between departmental activities. Any revisions to the total expenditures of any department or fund must be approved through passage of an ordinance by the City Council. Capital expenditures within the governmental funds are budgeted within the appropriate department. All annual appropriations lapse at year end.

The 2014-15 budget was amended several times throughout the year. During the fiscal year, amendments totaling $1,187,478 and $22,044 for the General and Sanitation Funds, respectively were approved appropriating additional expenditures and other uses for the funds during the year. The above increases in appropriations were financed in part by increases in estimated revenue sources for the General and Sanitation Funds of $443,886 and $142,944 , respectively.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. The Sewer Fund reports bond issue costs as a current period expense.

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

Grants

The City receives grant revenues from various federal and state agencies. Grant revenues and certain related program revenues are recognized when qualifying expenditures are incurred and other grant requirements are met. Grant revenues collected in advance of the period that they are intended to finance are reported as unavailable revenue. Amounts received by proprietary funds that are restricted for the acquisition or construction of capital assets are recorded as program revenue as such amounts are earned.

Government-Wide Equity

In the government-wide financial statements, equity is shown as net position and classified into three components. *Net Investment in capital assets*-capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets. *Restricted net position*-net position with constraints placed on use, either by (1) external groups such as creditors, grantors, or laws and regulations of other governments, (2) laws through constitutional provisions or enabling legislation. *Unrestricted net position*-All other net position that does not meet the above classifications.

Fund Equity

The City implemented Governmental Accounting Standard Board (GASB) Statement 54 for its governmental funds. As a result, fund balance is reported in the fund financial statements under the following categories. *Nonspendable fund balance* represents amounts that are required to be maintained intact, such as inventories and prepaid expenses. *Restricted fund balance* is that portion of fund balance that can be spent only for the specific purposes stipulated by external resource or through enabling legislation. *Committed fund balance* includes amounts constrained to specific purposes as determined by ordinance adopted by the City Council. Conversely, to rescind or modify a fund balance commitment, similar action by the City Council is also required. *Assigned fund balance* amounts are intended to be used by the City for specific purposes but do not meet the criteria to be restricted or committed. Amounts may be assigned by the City Council or a designee authorized by Council, such as the finance director, similar action in necessary to modify the assignment. Appropriations of fund balance to eliminate projected budgetary deficits in the subsequent year's budget are presented as assignments of fund balance. *Unassigned fund balance* is the residual classification of the General Fund. Generally, when costs are incurred for purposes for which both restricted and unrestricted funds are available it is the City's policy. The City's target is to maintain a minimum unassigned fund balance of not less than 25% of annual operating expenditures. At the end of the current fiscal year the unassigned fund balance of the General Fund was approximately 64% of annual General Fund expenditures and other uses. City management believes that as the unassigned amount increases so does the City's ability to cope with financial emergencies and fluctuations in the revenue cycle. In the event unassigned General Fund balance should ever fall below the 25% target level, the City will develop a plan to restore the deficiency.

Spending Policy

Generally, when costs are incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to spend the most restricted dollars before less restricted dollars. Further, when expenditures are incurred for which committed, assigned, or unassigned amounts may be used, committed amounts are first used followed by assigned then unassigned.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property taxes are levied as of November 1, on the assessed value as of the prior January 1, for property located in the City's legal boundaries. Property taxes are secured by a statutory lien effective as of the original assessment date of January 1, however property taxes are not legally available until the subsequent fiscal year. Taxes are due in one payment on November 1 and are delinquent on December 16 each tax year. Assessed values are established by the State of Tennessee at the following rates of appraised market value:

Public Utility Property	55% (Railroads 40%)
Industrial and Commercial Property	
Real	40%
Personal	30%
Residential Property	25%

The assessed value of property as of January 1, 2014 was $705,434,248 and the assessed value of public utilities was $21,414,994 for a total of $726,849,242.

Taxes were levied at a rate of $1.44 per $100 assessed valuation. Current tax collections of $9,977,660 for the year ended June 30, 2015 were approximately 95% of the tax levy.

In accordance with GASB 33, property taxes receivable includes the estimated 2015-16 net realizable tax levy in the amount of $10,466,000. These revenues are reported in the financial statements as unavailable revenue until such time as legally available.

(2) DEPOSITS AND INVESTMENTS

The City is authorized to invest funds in, among other things, financial institutions and direct obligations of the Federal Government. During 2015, the City of Columbia, except for the Pension Fund, invested in certificates of deposit.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires that deposits be either (I) secured and collateralized by the institutions at 105% of the value of the deposits placed in the institution, less the amount protected by federal depository insurance or (ii) that deposits be placed in financial institutions that participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Institutions participating in the collateral pool determine the aggregated balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held. All deposits and cash equivalents were covered by federal depository insurance or by the bank collateral pool.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. City policy provides that to the extent practicable, investments are matched with anticipated cash flows. Typically certificates of deposit are issued for periods less than one year.

Credit Risk , the City does not have a formal investment policy, however management's current investment practice is formulated around the prudent-person rule: investments are made as a prudent person should be expected to make, with discretion and intelligence, to produce reasonable income, preserve capital and, in general, avoid speculative investments.

Investments:

As of June 30, 2015, the City, exclusive of the Trust Funds, had the following investments in Certificates of Deposit.

Investment	Average Maturities	Fair Value
Power System- Certificates of Deposit	5.11 months	$ 2,650,638
Water Fund- Certificates of Deposit`	5.92 months	1,569,794

(2) DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued):

As of June 30, 2015, the City Trust Funds had the following investments:

Investment	Average Days to Maturity	Cost	Fair Value	Average Credit Rating
Cash and cash equivalents	N/A	$ 564,577	564,577	N/A
Fixed Income *	757	23,960,310	23,640,861	AA-AAA
Equities		20072,748	29,085,801	N/A
		$44,597,635	53,291,239	

* Mutual Funds not rated

As of June 30, 2015, the Trust Funds had the following investments in any one organization that represent 5 percent or more of the fair value of plan net assets:

	Pension Plan	OPEB Plan
Vanguard GNMA Admiral Fund	$ 4,267,124	1,779,975
Blackrock Equity Dividend Fund	3,342,702	1,160,627
Federated Strategic Value Dividend Fund	3,260,454	1,109,689
Federal Total Return Government IS Fund	2,996,976	1,276,067
Vanguard Short Inv Admiral Fund.	2,514,081	902,970

The Pension and OPEB plans have a formal investment policy which encompasses the following matters:

Policy-Investment policies of the City relative to the Trust Funds are established by ordinance. The current policy provides for investment of up to 55% of investment funds in stocks and / or equities.

Concentrations-The Trust Funds did not hold investments (other than those issued/guaranteed by the U.S. Government) in any one organization that represents 5% or more of Funds net position.

Rate of Return-The annual money-weighted rate of return based on cash flows on Trust Fund plan investments, net of investment expenses.

(3) INTERFUND TRANSACTIONS

Interfund receivables and payables among individual funds of the City for the year ended June 30, 2015, were as follows:

Fund	Due From	Due To
Sanitation Fund	$ 253,059	-
Power System	-	1,906,535
Water System	1,653,476	692,009
Sewer System	692,009	-
	$ 2,598,544	2,598,544

Transfers among individual funds of the City for the year ended June 30, 2015, were as follows:

Fund	Transfer From	Transfer To
General	$ 1,948,656	1,262,333
Capital Projects Fund	51,280	-
Sanitation Fund	-	49,235
Debt Service Fund	1,260,288	-
Payments in lieu of tax:		
Columbia Sewer Fund	-	531,714
Columbia Power Fund	-	1,245,856
Columbia Water Fund	-	171,086
	$ 3,260,224	3,260,224

(3) INTERFUND TRANSACTIONS (CONTINUED)

Due from and to other funds consist primarily of amounts billed by the Columbia Power System for water, sewer and sanitation services. The Power System, upon collection, remits customer collections to the water, sewer and sanitation funds. Amounts due from the Sanitation Fund to the General Fund arose from inter fund charges paid the following month. Also, the "internal amounts" reported in the government wide statement of net position include allocated amounts due from the Internal Service Fund to the General, Sanitation and Sewer Funds in the amounts of $2,417,884, $246,184 and $351,693, respectively.

Individual fund transfers of the City for the year ended June 30, 2015 are attributed to (i) transfer of of the City's portion of in-lieu of tax payments from the Power, Water and Sewer Fund and (ii) budget appropriation transfers from the General and Sanitation Funds for debt service and capital project purposes

As discussed further in Note 7, the City made total employer contributions of $3,621,714 to the Trust Funds, $2,872,307 and $749,407 for pension contributions and postemployment retirement health care benefits, respectively. Such amounts were reported as current expenditures, as classified by government function of the general and special revenue funds, as other direct costs and expenses of the Sewer Fund (an enterprise fund), and as employer contributions of the Trust Funds.

In accordance with Tennessee Code Annotated 7-52-603(b), a short-term note was executed allowing the Broadband division of the Power System to borrow up to $2.5 million from the Power System. The note agreement was approved by TVA as required by the Power Contract between the City of Columbia and TVA. The note is interest - bearing at the highest earned interest rate of invested electric plant funds at that time. The balance of the loan as of June 30, 2015 is $1,113,524 and was eliminated through consolidation for reporting purposes.

(4) CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 7,457,200	62,062	-	7,519,262
Construction in progress	7,314,277	3,687,554	(4,081,046)	6,920,785
Total capital assets not being depreciated	14,771,477	3,749,616	(4,081,046)	14,440,047
Capital assets, being depreciated:				
Buildings and improvements	20,119,249	7,560	248,737	20,375,546
Machinery and Equipment	16,480,899	851,842	(450,378)	16,882,363
Infrastructure	71,240,272	283,070	2,395,273	73,918,615
Total capital assets, being depreciated	107,840,420	1,142,472	2,193,632	111,176,524
Less accumulated depreciation for:				
Buildings and improvements	6,991,961	480,381	(907,887)	6,564,455
Machinery and Equipment	10,791,844	942,039	(428,808)	11,305,075
Infrastructure	63,119,365	293,900	-	63,413,265
Total accumulated depreciation	80,903,170	1,716,320	(1,336,695)	81,282,795
Total capital assets being depreciated, net	26,937,250			29,893,729
Governmental activities capital assets, net	$ 41,708,727			44,333,776

(4) CAPITAL ASSETS (CONTINUED

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land and land rights	$ 2,171,740	2,750	-	2,174,490
Construction work in progress	2,126,779	904,748	(180,459)	2,851,068
Total capital assets not being depreciated	4,298,519	907,498	(180,459)	5,025,558
Capital assets being depreciated:				
Structures and improvements	57,564,840	910,693	-	58,475,533
Plant and lines	208,777,587	2,986,193	(439,127)	211,324,653
Machinery and equipment	17,759,461	1,322,358	(566,492)	18,515,327
Total capital assets being depreciated	284,101,888	5,219,244	(1,005,619)	288,315,513
Less accumulated depreciation for:				
Structures and improvements	18,305,352	1,525,336	-	19,830,688
Plant and lines	75,745,433	5,828,446	(739,451)	80,834,428
Equipment	12,844,662	1,037,934	(513,670)	13,368,926
Total accumulated depreciation	106,895,447	8,391,716	(1,253,121)	114,034,042
Total capital assets, being depreciated, net	177,206,441			174,281,471
Total business-type capital assets, net	$181,504,960			179,307,029

Depreciation expense was charged to functions/programs as of June 30, 2015 follows:

Governmental activities:	
General Government	$ 147,724
Public works, including depreciation of general infrastructure assets	448,512
Sanitation	220.759
Police	319,818
Fire	269,273
Management Information Systems	46,218
Recreation	264,016
Total depreciation expense- government activities	$ 1,716,320
Business-type activities:	
Sewer	$ 2,391,359
Power	3,688,353
Water	2,312,004
Total depreciation expense - business type activities	$ 8,391,716

Depreciation expense capitalized as part of construction costs amounted to $185,660 and $80,255 for the Power and Water Systems, respectively for 2015.

During 2015, interest in the amount of $3,789 and $378,742 was capitalized in the Sewer and Water Funds, respectively.

(5) LONG-TERM LIABILITIES

Changes in Governmental Activities Long-Term Liabilities

During the year ended June 30, 2015, the changes in long-term liabilities were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and Notes Payable:					
2008 General Obligation Public Improvement Bonds	$ 1,700,000	-	(100,000)	1,600,000	100,000
2010 General Obligation Refunding & Improvement Bonds	7,400,000	-	(355,000)	7,045,000	360,000
Notes Payable:					
General Obligation Capital Outlay Note – 2011	1,202,557	-	(159,346)	1,043,211	172,101
Sanitation Capital Outlay Note – 2011	48,517	-	(48,517)	-	-
Public Safety Equipment/Improvement Capital Outlay Note – 2014	-	1,900,000	(177,454)	1,722,546	176,312
	10,351,074	1,900,000	(840,317)	11,410,757	808,413
Less Discount	(24,190)	-	1,728	(22,462)	
Plus Premium	38,976	-	(2,524)	36,452	-
Bonds & Notes-net	10 ,365,860	1,900,000	(841,113)	11,424,747	
Other:					
Compensated absences	981,667	827,302	(790,417)	1,018,552	1,018,536
Government activity Long-term liabilities	$ 11,347,527	2,727,302	(1,631,530)	12,443,299	1,826,970

Changes in Business - type Activities Long-Term Liabilities

During the year ended June 30, 2015 the changes in long-term liabilities were as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Sewer Fund:					
2005 Sewer Revenue & Tax Refunding Bonds	7,615,000	-	(700,000)	6,915,000	720,000
2008 Revenue and Tax Bonds	4,895,000	-	(240,000)	4,655,000	250,000
2011 Revenue and Tax Bonds	6,475,000	-	(275,000)	6,200,000	280,000
	18,985,000	-	(1,215,000)	17,770,000	1,250,000
Add Premium	167.963		(12,124)	155,839	
Less discount	(73,705)	-	5,115	(68,590)	
Total Sewer Bonds Payable	19,079,258	-	(1,222,009)	17,857,249	
Compensated Sewer System	111,512	112,787	(106,933)	117,366	117,366
Long-term debt-Sewer Fund	19,190,770	112,787	(1,328,942)	17,974,615	1,367,366

(5) LONG-TERM LIABILITIES (CONTINUED)

Business - type activities (Continued)

Changes in Business - type Activities Long-Term Liabilities (Continued)

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Columbia Water System:					
2006 Revenue Impr. Bonds	$ 4,460,000	-	(265,000)	4,195,000	280,000
2011 Revenue Bonds	9,635,000	-	(370,000)	9,265,000	380,000
2008 Revenue Bonds	4,170,000	-	(340,000)	3,830,000	350,000
	18,265,000	-	(975,000)	17,290,000	1,010,000
Plus premium	533,346	-	(30,622)	502,724	
Less Discount	(4,307)	-	457	(3,849)	-
Revenue Bonds, net	18,794,039	-	(1,005,165)	17,788,874	
Compensated absences:	701,620	230,000	(146,484)	785,136	90,369
Long-term debt Water Fund	$19,495,659	230,000	(1,151,649)	18,574,010	1,100,369
Columbia Electric Fund:					
2005 Telecom Revenue and Tax Bonds	9,655,000	-	(9,655,000)	-	-
2014 Broadband Revenue and Tax Refunding Bonds	-	9,100,000	(20,000)	9,080,000	840,000
2008 Electric Revenue Bonds	5,705,000	-	(285,000)	5,420,000	300,000
	15,360,000	9,100,000	(9,960,000)	14,500,000	1,140,000
Plus premium	356,475	-	(33,419)	323,056	
Less Discount	(8,587)	-	912	(7,675)	-
Total Power Bonds Payable, net	15,707,888	9,100,000	(9,992,507)	14,815,381	1,140,000
Compensated absences :	1,763,720	456,370	(392,334)	1,827,756	175,576
Long-term debt Electric Fund	$17,471,608	9,556,370	(10,384,841)	16,643,137	1,315,576
Total Bonds Payable	$ 56,158,037	9,899,157	(12,865,432)	53,191,762	3,783,311

Description of long-term liabilities:

Amounts payable at June 30, 2015 were as follows:

Governmental Activity Debt:

General Obligation Bonds:	
$2,300,000 2008 General Obligation Public Improvement Bonds; due in increasing annual installments through June 1, 2028, at varying rates of interest from 3.65% to 4.5%	$ 1,600,000
$8,760,000 2010 General Obligation Refunding and Improvement Bonds; due in increasing annual installments through December 1, 2029 at varying rates of interest from 3% to 4%	7,045,000
1,700,000 2011 General Obligation Capital Outlay Note for purchase of Fire and Public Works vehicles, due in semi-annual installments through February 28, 2021, interest at 3.45%.	1,043,211
$1,900,000 2014 Public Safety Equipment/Improvement Capital Outlay Note for building renovations for Police Department and narrow banding Radio system for Police/Fire Departments due in annual installments through May 31, 2024 , interest at 2%.	1,722,546
Total General Obligation Bonds / Notes	11,410,757
Compensated absences	1,018,552
Less Discount and Premium, net	13,990
Less current portion	(1,826,970)
Total Governmental Activity Debt, net of current portion and discounts	$ 10,616,329

Long-term obligations and compensated absences are typically liquidated by payments from the General, Capital Project and Sanitation Funds.

(5) LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities Debt:

Bonds Payable:

Sewer Fund:	
$10,685,000 2005 Sewer Revenue and Tax Refunding Bonds due in increasing annual installments through December 1, 2025 at varying rates of interest ranging from 3.60% to 5.0%	$ 6,915,000
$6,000,000 2008 Sewer Revenue and Tax Bonds; due in increasing annual installments through December 1, 2028 at varying rates of interest ranging from 3.45% to 4.8%	4,655,000
$7,000,000 2011 Sewer System Revenue and Tax Bonds; due in increasing annual installments through December 1, 2031 at varying rates of interest ranging from 2% to 4%	6,200,000
Water Fund:	
$5,855,000 2000 Waterworks System Revenue Bonds due in increasing annual installments through December 1, 2026, with interest at 4%	4,195,000
$4,500,000 2008 Waterworks Revenue Bonds; due in increasing annual installments through December 1, 2023, at varying rates of interest ranging from 4.00% to 5.125%	3,830,000
$10,000,000 2012 Waterworks Revenue Bonds; due in increasing annual installments through December 1, 2032, at varying rates of interest ranging from 2.00% to 5.00%	9,265,000
Columbia Power System:	
$9,100,000 2012 Broadband Revenue and Tax Bonds due in increasing annual installments through 2025 at 1.79% interest	9,080,000
$6,500,000 2008 Electric System Revenue Bonds; due in increasing annual installments through September 1, 2023, at varying rates of interest from 4% to 5.125%	5,420,000
Total Revenue and Tax Bonds	$ 49,560,000
Compensated Absences::	
Sewer Fund	117,366
Columbia Water System	785,136
Columbia Power System	1,827,756
Other:	
Unamortized discounts	(80,114)
Unamortized premiums	981,618
Current portion of long-term obligations	(3,783,311)
Total Business-Type Activities Debt, net of current portion and unamortized charge	$ 49,408,451

Other Matters

During 2015, the Broadband Revenue and Tax Refunding Bonds, Series 2005 were refinanced in order to capitalize on the lower interest rate market. A private placement bond sale was negotiated with a local financial institution Or the remaining principal and existing term of the Series 2005 Bonds. Due to the refinance, the Broadband division will experience interest savings of approximately $1.5 million over the remaining term of the bond.

(5) LONG-TERM LIABILITIES (CONTINUED)

Other Matters (Continued)

The City is required to assess taxes sufficient to meet the annual principal and interest requirements for general obligation bonds payable and notes payable. Revenue bonds payable and notes payable are collateralized by the charges for services revenue generated by the applicable utility system. Revenues of the appropriate utility and ad valorem taxes of the City and a lien on the City's state-shared revenues secure revenue and tax bonds payable.

The various bond indentures contain significant limitations and restrictions as to the use of revenues in paying current expenditures (expenses) and the maintenance of debt service sinking fund and reserves, and the maintenance of minimum revenue bond coverage. Also various bond resolutions contain other restrictive covenants and requirements with which the City must comply. As of and for the year ended June 30, 2015, it was management's opinion that the City was in compliance with all such limitations and requirements.

Debt Service Requirements

The annual debt service requirements to maturity for all long-term obligations outstanding as of June 30, 2015 are as follows:

	Governmental Activities Debt		Business-Type Activities Debt	
Fiscal Year	Principal	Interest	Principal	Interest
2016	$ 802,626	376,686	3,400,000	1,801,981
2017	822,084	352,528	3,510,000	1,694,992
2018	851,722	327,965	3,615,000	1,581,760
2019	876,642	302,354	4,060,000	1,454,828
2020	901,799	275,832	4,200,000	1,311,787
2021-2025	3,895,884	979,453	20,345,000	4,242,548
2026-2030	3,260,000	326,025	7,395,000	1,479,705
2031-2033	-	-	3,035,000	198,275
	$ 11,410,757	2,940,843	49,560,000	13,765,976

(6) DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to liabilities, the Balance Sheets and Statements of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The unavailable revenue reported in the Balance Sheet, which arises under a modified accrual basis of accounting, represents amounts that are deferred and recognized as an inflow of resources in the periods that the amounts become available. The assessed and unlevied property taxes reported in the Statement of Net Position, arises from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year but levied in the subsequent year. Deferred inflows of resources are presented after total liabilities.

A deferred outflow of resources is a consumption of net assets by the City that is applicable to a future reporting period. The City had one item that qualifies as a deferred outflow. It is the deferred amount on refunding reported in the government-wide and in the proprietary fund statement of net position. A deferred amount on refunding results form the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding bonds. Deferred outflows of resources are presented after total assets.

Deferred outflows and inflows of resources also include amounts related to pensions, and pension expense, refer to Note 7 for further details..

(7) RETIREMENT PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLANS

EMPLOYERS RETIREMENT SYSTEM

Plan Description and Benefits

Plan description-All full time employees of the City of Columbia hired after July 1, 1974 through June 30, 2012 were eligible to participate in the City of Columbia, Tennessee Employees' Retirement Plan (the "Plan"). The Plan was closed to any employee hired after June 30, 2012. The Plan is a single-employer defined benefit pension plan that is accounted for as a pension trust fund of the City. The assets of the Plan are held separately and are used only for the payment of benefits to the members of the Plan or their beneficiaries and other administrative expenses of the plan. The Plan is administered by the Plan Trustees and Retirement Committee. The Trustees consist of the Mayor, City Recorder, City Attorney, and Council Member and City Employee appointed by Council. The Retirement Committee consists of the Vice Mayor and four City Employees appointed by Council. The Plan does not issue a separate financial report.

Benefits Provided-The Plan provides certain retirement, death, disability or termination of service prior to retirement benefits to plan members and their beneficiaries. Section 5.09 of the Plan document provides for cost-of-living adjustments (COLA). The City Council of the City of Columbia, Tennessee (the "City Council") has the authority to establish and amend the benefit provisions of the plan by City Ordinance. There were no changes in plan benefits since the last actuarial valuation.

Normal retirement-The first day of the month following the date when age plus credited service equals of exceeds eighty (rule of 80), but not beyond the later of the date the participant obtains Medicare eligibility and 5 years of participation.

Plan membership-Plan membership consisted of the following as of June 30, 2015, the date of the latestlatest actuarial valuation:

Inactive Plan Participants:	
Retirees and beneficiaries currently receiving benefits	173
Terminated employees entitled to benefits	35
Total	208
Active plan participants:	
Vested	245
Non-vested	39
Total	284

Contributions- Plan members are required to contribute 6.74% of their annual covered salary. The City is required to make contributions at an actuarial determined rate, which is adjusted as necessary. The City's contribution rate for the current year was 19.5%. The contribution requirements of the plan members and the City are established under provisions of the Plan document and may be amended by the City Council. The City has historically based the contribution rate on the prior year actuarial valuation.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date. These amounts will be used for reporting purposes for the year ended June 30, 2015

Actuarial assumptions. The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement There were no changes to actuarial assumptions and methods effective June 30, 2014.

(7) RETIREMENT PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLANS

EMPLOYERS RETIREMENT SYSTEM

General Information about the Pension Plan

Actuarial Assumptions (Continued)

Actuarial valuation	Entry age normal.
Inflation rate	2.25 percent.
Salary increases	3.5 percent annual increase to normal retire
Rate of retirement	Same method as used for contribution determination
Cost-of-Living Adjustment	Annual increase is the lesser of (i) the annual change in the consumer price index (CPI-U)) not seasonally adjusted and (ii) 3.0 percent
Mortality rate	2000 Mortality Table and improvement scale AA
Termination rates	2003 SOA Pension Plan Turnover Study "The Basic
Asset Valuation Method	5-year smoothing method where the difference between the expected return and the actual is recognized over 5 years for the actuarially determined contribution. Fair value used for GASB 67 and 68 is based on quoted market prices.
Amortization method	For actuarial Determined Contribution: Level dollar amortization of unfunded liabilities for GASB 67 and 68. Investment gains are amortized over 5 years. Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.

Rate of Return- The long-term expected rate of return on pension plan investments was established by the City as 7.25% per annum, compounded annually.

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. Best estimates of forward-looking rates of return for each major asset class included in the pension plan's target asset allocation ae summarized in the following table;

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity-Small Cap	8.75%
Domestic Equity-Large Cap	7.00%
Domestic Equity-Mid Cap	8.00%
International Equity	7.50%
International Equity-Emerging Markets	10.50%
Fixed income	2.00%
Limited Partnerships	1.25%
Cash	1.25%

(7) RETIREMENT PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLANS

EMPLOYERS RETIREMENT SYSTEM
General Information about the Pension Plan

Discount rate- 7.25% per annum, compounded annually.
Paragraph 29 of Statement No. 68 provides for an alternative method to be used other than the projection of the pension plan's fiduciary net position based on projected contributions, benefit payments and investment earnings. The annual recommended contribution is based on the Entry Age Normal Funding Method where the contributions is equal to the normal cost plus the 30-year closed amortization of the unfunded liabilities. The City adopted a funding policy as required by recent State of Tennessee legislation. The funding policy states that the City will contribute at least the actuarially determined contribution as described in the funding policy. Based on actuarial theory if the actuarial experience is within reasonable expectations, and the City makes at least the actuarially determined contribution, the Plan's fiduciary net position will remain positive.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (c)
Balance at 6/30/13	$61,197,009	33,757,646	27,439,363
Changes for the year:			
Service cost	1,340,715	-	1,340,715
Interest	4,421,469	-	4,421,469
Differences between expected and actual experience	268,892	-	268,892
Contributions – employer	-	2,406.530	(2,406,530)
Contributions- Employees	-	950,763	(950,763)
Net investment income	-	4.584,810	(4,584,810)
Benefit payments, including refunds of employee contributions	(3,103,879)	(3,103,879)	-
Administrative expense	-	(156,393)	156,393
Net changes	2,927,197	4,681,831	(1,754,634)
Balance at 6/30/14	$64,124,206	38,439,477	25,684,729

Determination of Net Pension Liability

Total Pension Liability	$ 64,124,206
Plan Fiduciary Net Position	(38,439,477)
Net Pension Liability	$ 25,684,729
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	59.953%

Sensitivity of the net pension liability (asset) to changes in the discount rate.

The following presents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate determined as of June 30,2014:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$33,537,186	25,684,729	19,006,325

(7) RETIREMENT PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLANS

EMPLOYERS RETIREMENT SYSTEM

General Information about the Pension Plan

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense. For the year ended June 30, 2015, the recognized pension expense is $2,120,437 determined as follows:

Service cost	$ 1,340,715
Interest	4,421,469
Contribution-members	(950,763)
Expected investment return	(2,460,289)
Recognition of Deferred Inflows/Outflows of Resources:	
Recognition of economic/demographic gains (losses)	44,815
Recognition of investment gains (losses)	(424,904)
Plan administrative expense	149,394
Pension expense	$ 2,120,437

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, the City of Columbia reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 224,077	-
Net difference between projected and actual earnings	-	1,699,617
Contributions subsequent to the measurement date	2,872,308	-
Total	$ 3,096,385	1,699,617

The amount shown above for "Contributions subsequent to the measurement date will be reported as a deferred outflow of resources and recognized as a reduction (increase) to net position liability (asset) in the following measurement period.

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2015 will be recognized in pension expense as follows:

Year ended June 30:	Amount
2016	$ (380,089)
2017	(380,089)
2018	(380,089)
2019	(380,090)
2020	44,817
Thereafter	-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

(7) RETIREMENT PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLANS

POST EMPLOYMENT BENEFIT - SUPPLEMENTAL HEALTH CARE PLAN

The City administers a single employer plan (the Plan) funded through a irrevocable trust that was established in 2009. City Ordinances provide for the City to pay qualified retiree health care insurance premiums from age 54 to age 65 (pre 65 benefits) and supplemental health care insurance for retirees who retire on or after July 1, 1989 and who are at least 65 years of age (post 65 benefits). The City Council has the authority to establish and amend benefit provisions of the Plan. The Plan is not required to issue a separate financial report.

The accompanying Plan financial statements have been prepared in accordance with Governmental Accounting Standards Board issued Statement No. 45 titled "*Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions.*" GASB Statement No. 45 requires the accrual of liabilities of other post-employment benefits (OPEB) generally over the working careers of plan members.

Plan members:

Plan membership consisted of 293 active members and 133 retired members as of July 1, 2013, the date of the latest actuarial update.

Contributions:

The City is required to make contributions at an actuarial determined rate, which is adjusted as necessary. The City's contribution rate for the 2015 year was 5.57%. The contribution requirements of the City are established under provisions of GASB Statement 45. The ARC represents a level of funding that is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a thirty year closed period as al level percentage of payroll.

Annual OPEB cost and net benefit obligation (asset):

The City's annual OPEB cost and net OPEB obligation (asset) for the current year were as follows:

Annual required contribution	$ 766,804
Interest on Net OPEB Obligation	(46,117)
Adjustment of Annual Required Contribution	35,909
Annual OPEB Cost	756,596
Annual Employer Contribution	(749,407)
Increase in Net OPEB Obligation	7,189
Net OPEB obligation (asset) beginning of year	(579,263)
Net OPEB obligation (asset) end of year	$ (572,074)

Annual Contribution:

The annual required contribution for the current year was determined as part of the July 1, 2013 actuarial update using the entry age actuarial method. A method under which the actuarial value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings of the individual between entry age an assumed exit age.

(7) RETIREMENT PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLANS

POST EMPLOYMENT BENEFIT - SUPPLEMENTAL HEALTH CARE PLAN

Three-year trend information

Fiscal Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Total Contribution Made
6/30/2015	$ 756,596	99.05%	$ 749,407
6/30/2014	$ 726,877	92.18%	$ 670,048
6/30/2013	$ 708,282	106.86%	$ 756,848

Schedule of funding progress for year is shown below:

Plan Year	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B) - (A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage Of Covered Payroll ((B-A)/C)
2014-2015	$12,126,049	$18,379,170	$6,253,121	66.0%	$13,571,270	46.1%
2013-2014	$11,142,082	$17,361,741	$6,219,659	64.2%	$13,112,338	47.4%
2012-2013	$10,011,101	$16,378,273	$6,367,172	61.1%	$12,668,926	50.3%

Actuarial Assumptions and Methods:

Actuarial Valuation Method
Entry Age Normal Actuarial Cost Method

Retirement Eligibility
Combined age and service greater than 80 (rule of 80) Up to one year of unused sick leave can be counted towards eligibility No postretirement medical benefits are offered to employees hired on or after July 1, 2012.

Discount Rate and Expected Long-term rate of return on Plan assets
7.25% per annum

Compensation
Annualized compensation as of July 1, 2015 is $11,736,585.

Salary Scale
3.5% per annum

Health Care Cost Trend Rate
Annual medical costs are assumed to increase 9% in the first year of the valuation. Future annual increases are assumed to grade uniformly to 5% over an 8 year period. Annual administrative costs are assumed to be built into the premium rates used for developing the per capita medical claims costs..

Retiree Contribution
Retirees are not required to make ontributions to the Plan. Spouses under age 65 are required to pay the full premium for coverage.

Plan Participation
100% of future eligible retirees are assumed to elect medical coverage upon retirement.

Dependent Coverage
Spouses of retirees are not included in the valuation. Spouses are not covered beyond age 65. As a result there is no existing liability to the City for providing access to this coverage.

(7) RETIREMENT PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLANS

POST EMPLOYMENT BENEFIT - SUPPLEMENTAL HEALTH CARE PLAN

Summary Financial Information
The following is summary financial information of the individual plans as of and for the year ended June 30, 2015:

		Pension Plan	Postemployment Benefit Plan
Assets:			
Cash and equivalents	$	516,321	48,256
Investments		39,477,433	13,249,229
Other assets		59,549	21,401
Total Assets	$	40,053,303	13,318,886
Liabilities:			
Accrued expenses	$	60,991	16,622
Net plan position	$	39,992,312	13,302,264
Additions to Net Assets:			
Contributions:			
Employer	$	2,872,307	749,407
Plan members		1,905,788	-
Investment earnings		1,267,113	387,156
Total Additions		5,045,208	1,136,563
Deductions from Net Assets:			
Pension benefits & refunds		3,352,270	-
Healthcare premiums		-	553,607
Administrative costs		140,103	19,666
Total deductions		3,492,373	573,273
Net increase		1,552,835	563,290
Net position, beginning of year		38,439,477	12,738,974
Net position, end of year	$	39,992,312	13,302,264

(8) DEFERRED COMPENSATION AND DEFINED CONTRIBUTION PLANS

Effective July 1, 2012, the City commenced offering its full time employees, exclusive of the Columbia Power and Water Systems employees, both a IRC 457 deferred compensation plan and a IRC 401 defined contribution plan. Plan investments are held in trust by ICMA-RC. Employees must contribute 4% of their salary, with equal match by the City to the 401 Plan. Employees may also contribute up to an additional 2% of their salary to the 457 Plan (funded exclusively by employee contributions), with equal match by the City made to the 401 Plan. In 2015, payroll for employees covered by the 401 Plan was $2,155,122 (plus salary of $508,530 for supplemental contributions to the 401 and 457 Plans). In 2015, employee and City contributions to the 401 Plan amounted to $86,205 and $96,375, respectively. In 2015, employee contributions to the 457 Plan amounted to $10,170.

The City offers all employees, except the Columbia Power and Water Systems, an IRC 457 deferred compensation plan. The Plan is funded exclusively by employee contributions and permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Effective July 1, 2012, the Plan was transitioned from Nationwide Retirement Solutions to ICMA-RC.

(9) DEFINED CONTRIBUTION PLAN AND OTHER POST EMPLOYMENT BENEFITS - CP&W

Pension Plan:

The Columbia Power and Water (CP&W) Systems provide pension benefits for full-time employees meeting eligibility requirements and electing to participate in the Columbia Board of Public Utilities 401(k) Retirement Plan, (the Plan), a single-employer contributory defined contribution plan. The Columbia Board of Public Utilities administers the Plan and has the authority to establish and amend the plan document as necessary. SunTrust Bank is the plan trustee. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate at a minimum age of 21 years following one year of service.

The Plan requires minimum employee and employer contributions equal to 4% and 8%, respectively, of the employee's base salary each month. Employees may elect to make additional contributions, which are not matched by the employer. The Systems' contributions for each employee (together with interest earnings on such contributions) are allocated to the employee's account, and are 20% vested after1 year and fully vested after 5 years of service. Forfeitures, resulting from employees who leave employment prior to being fully vested in the Plan, are used to reduce the Systems' current period contribution requirements. Plan assets do not include any type of security of the employer or any other related party.

Total payroll of the Columbia Power System for the year ended June 30, 2015 was $5,375,840. Total payroll for employees covered by the Defined Contribution Plan was $4,899,745. Employees contributed $393,943 (8.0% of covered payroll) to the Defined Contribution Plan and the employer contributed $391,979 (8.0% of covered payroll).

Total payroll of the Columbia Water System for the year ended June 30, 2015 was $2,344,023. Total payroll for employees covered by the Defined Contribution Plan was $2,075,106. Employees contributed $187,207 (9.0% of covered payroll) to the Defined Contribution Plan, and the employer contributed $166,009 (8.0% of covered payroll).

Other Post Employment Benefit Plan:

During the year ended June 30, 2009, the System implemented the provisions of GASB Statement No. 45 titled "*Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions.*" The provisions were applied prospectively with respect to the Systems' other Post-Employment benefits (OPEB) Plan. GASB Statement No. 45 requires the accrual of liabilities for other post-employment benefits (OPEB) generally over the working careers of plan members rather than as claims are incurred. The total expense that was recognized under these new requirements during fiscal year 2015 totaled $253,267 and $142,462 for Power and Water, respectively.

The Systems' OPEB Plan is a single-employer defined benefit plan funded through an irrevocable trust that was established during the year ended June 30, 2009. The Plan is not required to issue a separate financial report.

The Systems' annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a thirty-year period beginning July 1, 2008. The current rate is calculated using a percent of annual covered payroll.

(9) DEFINED CONTRIBUTION PLAN AND OTHER POST EMPLOYMENT BENEFITS - CP&W (CONTINUED)

Other Post Employment Benefit Plan (Continued):

The Systems contributed 100% of the required contribution for the Plan year. A schedule of employer contributions for the year is listed below:

	Total Annual Contribution		
Year	Power System	Water System	Percentage Contributed
2015	$253,267	142,462	100%
2014	$372,540	209,553	100%
2013	$384,233	404,651	100%
2012	$404,651	227,616	100%
2011	$404,098	227,305	100%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the Plan and the annual required contributions of the Systems are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits are based on the substantive plan (the plan as understood by the Systems and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Systems and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation update: June 30, 2015
Actuarial cost method: Entry age, normal method
Amortization method: Level dollar amount
Remaining amortization period: 30 years, closed

The actuarial assumptions included 5% long-term investment rate of return. The assumptions include a health care cost trend rate increase equal to 7.5% in the first year of valuation and 5% thereafter.

The ARC that resulted from the valuation ranges from $356,000 to $469,000, depending on the level of funding by the Systems. The unfunded accrued liability is estimated to be $5.0 million at June 30, 2015. The results of this valuation must be viewed as an estimate of the actual results that will occur in the future. In addition, certain assumptions have been made that will affect the results of the valuation.

Schedule of funding progress for the two available years is shown below:

Fiscal Year	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded AAL (UAAL) (AAL) (B) - (A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage Of Covered Payroll ((B-A)/C)
2015	$2,215,968	$7,211,388	$4,995,420	30.73%	$1,491,931	334.8%
2014	$1,777,999	$9,626,511	$7,848,512	18.42%	$1,720,553	456.2%
2013	$1,425,416	$9,458,612	$8,033,196	15,07%	$1,720,553	466.9%
2012	$965,988	$9,088,109	$8,122,121	10.63%	$1,748,876	464.4%
2011	$645,270	$8,899,496	$8,254,226	7.25%	$1,748,876	472.0%

(10) RISK MANAGEMENT

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

The City (Excluding Columbia Power System and Columbia Water System)
The City established the self-insured medical insurance fund (an internal service fund) to provide for the funding for risks associated with the employee's health insurance plan. Under the plan, the City retains the risk of loss up to a limit of $60,000 per employee. The City has obtained stop/loss commercial insurance to cover claims beyond this limit. All full time employees are eligible to participate in the plan. A premium charge, based upon actuarial estimates of amounts needed to pay prior and current year claims and to establish an amount for catastrophic losses is paid by each fund with participating employees. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not settled, and of claims that have been incurred but not reported. The process used to compute claim liabilities does not necessarily result in an exact amount. For the government-wide financial statements the activity and assets and liabilities of the fund have been allocated to the participating funds. Changes in the balance of claims liabilities during the past year are as follows.

	Claims Liability Beginning of Year	Claims Incurred and Changes In Estimate	Claims Payments	Claims Liability End of Year	Amount Due Within One Year
2015	$ 150,900	3,270,866	(3,249,385)	172,381	172,381
2014	$ 168,488	3,057,355	(3,376,743)	150,900	150,900

The City continues to carry commercial insurance for all other risks of loss through the Tennessee Municipal League Risk Management Pool. The TML Pool is a cooperative risk sharing arrangement between local government agencies that works in many ways like a traditional insurer. The City pays a premium, receives coverage, and can make claims against that coverage. The City meets the TML Pool's guidelines and complies with its rules and regulations, including loss control requirements as well as its underwriting standards. Rates of the TML Pool are actuarially projected to provide adequate funding to cover loss reserves and expenses, as well as building contingency reserves. The City has also purchased commercial insurance for the surety bonds for principal management officials. Management believes insurance coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three years.

Columbia Power System and Columbia Water System
The Columbia Power System and the Columbia Water System maintain a self-insurance program to provide for claims incurred in connection with employee health, accident, and dental benefits. Each System retains the risk of loss up to a limit of $50,000 per specific loss and 125% of expected claims. The Systems have commercial stop/loss insurance to cover claims beyond this liability.

Liabilities are reportable when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported and this amount is based on historical experience. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing the claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Following are the changes in the reported liabilities for the year ended June 30:

	Claims Liability Beginning of Year	Claims Incurred and Changes In Estimate	Claims Payments	Claims Liability End of Year	Amount Due Within One Year
Columbia Power System					
2015	$ 159,000	1,070,798	(1,120,798)	109,000	109,000
2014	$ 138,000	1,017,641	(996,641)	159,000	159,000

(10) RISK MANAGEMENT (CONTINUED)

Columbia Power System and Columbia Water System (Continued)

Columbia Water System					
2015	$ 81,000	463,816	(493,816)	51,000	51,000
2014	$ 62,000	505,955	(486,955)	81,000	81,000

The Systems continue to carry commercial insurance for other risks of loss, including general liability, property and casualty, workers' compensation, employee dishonesty and environmental. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(11) JOINT VENTURES

Maury County E911:
The Maury County Emergency Communications District (E911) is operated under a consolidation agreement between Maury County and the City of Columbia. The City has no equity interest in the Communications District and is committed to sharing operating expenses with the County. The joint venture is not a part of the reporting entity.

The following presents selected financial information for E911as of June 30, 2015 and for the year then ended:

Assets:			**Operations:**	
Current assets	$	669,149	Net Income	$ 1,224,483
Other assets		974,217	Operating expense	(1,544,447)
Total assets	$	1,643,366	Non-operating income	261,772
Liabilities:				
Current liabilities	$	42,842		
Net position		1,600,524	Net Income (loss)	$ (58,192)
Total liabilities and net position	$	1,643,366		

Complete financial statements for this entity may be obtained from its administrative office at: 2907 Cayce Lane, Columbia, Tennessee.

(12) COMMITMENTS AND CONTINGENCIES

Litigation:
The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the City's financial position. Accordingly, no provision for any liability resulting from such litigation has been made in the accompanying financial statements

Contractual Commitment:
As of June 30, 2015, the Sewer Fund and Capital Project Fund were obligated under construction and engineering contracts for various projects in the approximate amounts of $1,704,014 and 65,507, respectively.

Electric Power Contract:
The Power System has a contract to purchase all electrical power from the Tennessee Valley Authority (TVA). This contract requires at least five years prior written notice for termination by either party.

(13) SEGMENT INFORMATION - POWER SYSTEM

The Power System consists of an electric utility division and a broadband division both of which provide service to customers located generally in the Maury County, TN area. The System has outstanding electric system revenue bonds and broadband telecommunications network revenue and tax bonds. Accordingly, summary financial information for the electric utility division and the broadband division is presented as follows (eliminating entries between the divisions have been excluded):

Condensed Statement of Net Position

	Electric	Broadband
Assets:		
Utility plant	$ 54,126,218	6,503,427
Current assets	26,451,855	1,543,669
Deferred outflows and other assets	1,760,850	152,604
Total assets, deferred outflows and other assets	$ 82,338,923	8,199,700
Liabilities:		
Current liabilities	$ 8,001,393	513,284
Current liabilities payable from restricted assets	3,584,898	968,838
Long-term debt	6,637,902	8,623,953
Other noncurrent liabilities	458,695	1,113,524
Total liabilities	18,682,888	11,219,599
Net Position:		
Net investment in capital assets	48,713,894	(2,833,924)
Restricted for debt service	904,223	307,233
Unrestricted	14,037,918	(493,208)
Total net position	63,656,035	(3,019,899)
Total liabilities and net position	$ 82,338,923	8,199,700

Condensed Statement of Revenues, Expenses and Changes in Net Position

	Electric	Broadband
Operating revenue	$ 63,349,434	6,544,200
Operating expenses	60,500,726	5,282,500
Operating Income	2,848,708	1,261,700
Non operating revenue (expense)	(270,133)	(416,291)
Income before transfers and contributions	2,578,575	845,409
Transfers and contributions	(1,433,822)	6,000
Increase (decrease) in net position	1,144,753	851,409
Net position, beginning of year	62,511,282	(3,871,308)
Net position, end of year	$ 63,656,035	(3,019,899)

Condensed Statement of Cash Flows

	Electric	Broadband
Net cash provided by operations	$ 3,848,932	1,872,166
Net cash provided (used) by noncapital financing activities	8,622	-
Net cash provided by (used in) capital and related financing activities	(3,814,598)	(1,698,285)
Net cash provided by investing activities	21,801	596
Net increase (decrease) in cash and cash equivalents	64,757	174,477
Cash and cash equivalents, beginning of year	12,731,068	669,918
Cash and cash equivalents, end of year	$ 12,795,825	844,395

(14) RESTATEMENT AS A RESULT OF IMPLEMENTING GASB STATEMENTS 68

Effective July 1, 2014, the City implemented GASB Statement No. *68 Accounting and Financial Reporting for Pensions* which replaces the requirements of Statement 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement 50, *Pension Disclosures*, as they relate to governments that provide their employees with pension benefits. As a result, net position at July 1, 2014 was reduced as follows:

	Statement of Activities		Fund Statement of Revenue, Expenses and Changes in Net Position
	Governmental Activities	Business-Type Activities	Sewer Fund
Net Position, As Previously Reported	$ 52,709,646	169,885,241	58,237,806
Restatement	(20,939,916)	(2,539,331)	(2,539,331)
Net Position (Deficit), As Restated	$ 31,769,730	167,345,910	55,698,475

(15) SPECIAL ITEM-LOSS ON ABANDONMENT OF ASSET

During 2015, the City made extensive renovations and structural improvements to the old City administration building to accommodate the needs of the City Police Department, as a result various improvements to the building in 1996 and 2002 were deemed to be of no continuing value. The building improvements had an original cost of $1,437,037 and accumulated depreciation of $907,884 resulting in an net loss of $529,153. The transaction, as it is somewhat unique to the ongoing operations of the City is accounted for as a special item in the accompanying Statement of Activities for Governmental Activities.

(16) SUBSEQUENT EVENTS

The City had notes authorized but unissued at June 30, 2015, in the amount of $1,000,000. The notes were intended to be issued to finance the purchase of sanitation vehicles. The term of the issue is expected to approximate four years. Debt service is to be provided by the Sanitation Fund.

Required Supplemental Information

CITY OF COLUMBIA, TENNESSEE

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

Fiscal Year Ending June 30,

		2014	2015
Total pension liability			
Service cost	$	1,340,715	1,348,687
Interest		4,421,469	4,465,773
Differences between actual and expected experience		268,892	243,872
Benefit payments, including refunds of employee conributions		(3,103,879)	(3,352,270)
Net change in total pension liability		2,927,197	2,706,062
Total pension liability, beginning of year		61,197,009	64,124,206
Total pension liability, ending of year (a)	$	64,124,206	66,830,268
Plan fiduciary net position			
Contributions, employer	$	2,406,530	2,872,307
Contributions, employee		950,763	905,788
Net investment income		4,584,810	1,267,114
Benefit payments, including refunds of employee contributions		(3,103,879)	(3,352,270)
Administrative expenses		(156,393)	(136,774)
Net change in plan fiduciary net position		4,681,831	1,556,165
Plan fiduciary net position, beginning of year		33,757,646	38,439,477
`Plan fiduciary net position, ending of year (b)	$	38,439,477	39,995,642
Net Pension Liability (asset) ending of year (a)-(b)	$	25,684,729	26,834,626
Plan fiduciary net position, as a percentage of total pension liability		59.95%	59.85%
Covered-employee payroll	$	12,578,334	12,977,297
Net pension liability (asset) as a percentage of covered-employee payroll		204.20%	206.78%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF COLUMBIA, TENNESSEE

Schedule of Contributions

Fiscal Year Ending June 30,

	2014	2015
Actuarially determined contribution	$ 2,814,441	2,793,112
Contributions in relation to the actuarially determined contribution	(2,406,530)	(2,872,307)
Contribution deficiency (excess)	$ 407,911	(79,195)
Covered-employee payroll	$ 12,578,334	12,977,297
Contributions as a percentage of covered employee payroll	22.38%	21.52%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

CITY OF COLUMBIA, TENNESSEE

Schedule of Investment Return

Fiscal Year Ending June 30,

	2014	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	13.61%	3.30%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

Valuation date: Actuarially determined contribution rates for 2014-2015 were calculated based on the July 1, 2014 actuarial valuation.

Methods and assumptions used ot determine the contribution rates:

Actuarial cost method	Entry age normal method.
Amortization method	Level dollar amortization of unfunded liabilities.
Amortization period	30 years, closed period effective July 1, 2012.
Asset valuation method	5-year smoothed method where the difference between the expected return and the actual retrun is recognized over 5 years.
Rate of retirement	Participants are eligible to retire are assumed to retire at the following rates:

Age	General Employees	Age	Fire & Police
50-54	15%	50-54	20%
55-61	20%	55-59	35%
62-64	60%	60-62	45%
Over age 67	100%	Over age 63	100%

Mortality rate	P 2000 Mortality Table, scale AA
Cost of living	Annual increase is the lesser of (i) the annual change in the consumer price index (CPI-U)) not seasonally adjusted and (ii) 3.0 percent
Termination rates	2003 SCA Pension Plan Turnover Study "The Basic Service Table"

CITY OF COLUMBIA, TENNESSEE

Schedule of Funding Progress-OPEB Plan

June 30, 2015

Fiscal Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
2007-2008	6,036,629	12,842,995	6,806,366	47.1%	12,257,546	55.5%
2008-2009 *	6,116,699	13,516,522	7,399,823	45.3%	12,485,086	59.3%
2009-2010	7,141,116	12,435,439	5,294,323	57.4%	13,116,700	40.4%
2010-2011	8,256,224	13,682,427	5,426,203	60.3%	13,254,743	40.9%
2011-2012 *	9,530,988	14,472,402	4,941,414	65.9%	13,441,023	36.8%
2012-2013	10,011,101	16,378,273	6,367,172	61.1%	12,668,926	50.3%
2013-2014	11,142,082	17,361,741	6,219,659	64.2%	13,112,338	47.4%
2014-2015 *	12,126,049	18,379,170	6,253,121	66.0%	13,571,270	46.1%

* Results in these years represent estimates based on a projection of the results from the prior plan year.

CITY OF COLUMBIA, TENNESSEE

Schedule of Employer Contributions-OPEB Plan

June 30, 2015

Fiscal Year	Annual OPEB Cost	Total Contribution	Percentage Contributed
2007-2008 *	642,927	285,077	44.3%
2008-2009	679,404	708,406	104.3%
2009-2010	592,538	913,474	154.2%
2010-2011	611,386	848,444	138.8%
2011-2012	611,089	640,626	104.8%
2012-2013	708,282	756,843	106.9%
2013-2014	726,877	670,048	92.2%
2014-2015	756,956	749,407	99.0%

* 2007-2008 total contributions only reflect funding for post-65 benefits

CITY OF COLUMBIA, TENNESSEE

Actuarial Methods and Significant Assumptions-
Supplemental Health Care (OPEB) Plan

June 30, 2015

The information presented in the required supplementary schedules was determined as part of the actuarial valuation update at the date indicated. Additional information as of the latest actuarial valuation follows:

Asset Valuation Method	Market Value.
Amortization Method	Closed 30 year amortization of the unfunded accrued liability as a level percentage of payroll.

Actuarial assumptions:

	AGE (Sample Values per 1,000 Lives)			
	20	35	50	60
Mortality Rates				
RP 2000 Mortality Table Projected to Valuation Year				
Male	.26	.72	1.63	5.30
Female	.15	.40	1.30	4.69

Withdrawal Rates
2003 SOA Pension Plan Turnover Study "The Basic Service Table"

CYST	TR	CYST	TR	CTST	TR	CYST	TR
0	17.13	11	4.55	21	2.66	31	1.34
1	16.02	12	4.16	22	2.49	32	1.31
2	15.63	13	3.92	23	2.31	33	1.02
3	11.98	14	3.92	24	2.31	34	0.71
4	9.87	15	3.66	25	2.12	35	0.40
5	8.34	16	3.45	26	2.11	36	0.20
6	7.36	17	3.23	27	1.91	37	0
7	6.46	18	2.96	28	1.75	38	0
8	5.88	19	2.96	29	1.66	39	0
9	5.13	20	2.81	30	1.52	40	0
10	4.91						

CYST-Completed. Years of Service Termination
TR-Turnover Rate

Rate of Disablement				
Railroad Retirement Plan1965 Rates	1.00	1.00	10.10	10.80
Disabled Mortality/Recovery Rates				
1965 Railroad Retirement Board (modified)	44.06	44.06	45.30	53.30

Rate of Retirement

Participants eligible to retire are assumed to retire at the following rates:

Age	General Employee	Fire & Police	Age	General Employee	Fire & Police
50	15.00%	20.00%	59	20.00%	35.00%
51	15.00%	20.00%	60	20.00%	45.00%
52	15.00%	20.00%	61	20.00%	45.00%
53	15.00%	20.00%	62	40.00%	45.00%
54	15.00%	20.00%	63	60.00%	100.00%
55	20.00%	35.00%	64	60.00%	100.00%
56	20.00%	35.00%	65	90.00%	100.00%
57	20.00%	35.00%	66	90.00%	100.00%
58	20.00%	35.00%	67	100.00%	100.00%

CITY OF COLUMBIA, TENNESSEE

Actuarial Methods and Significant Assumptions-
Supplemental Health Care (OPEB) Plan

June 30, 2015

Per Capita Medical Claims Cost
Sample Claims Cost per Covered Life

Age	Claims Cost
64	$ 6,458
65	1,453
70	1,960
75	2,474
80	2,932
85	3,277
90+	3,466

Per capita medical claims costs were developed based on the actual premiums being charged to and paid by the City . In addition to the claims above , many participants receive a a post-Medicare prescription drug benefit that has been valued at $262 per year. This cost is based on actual premiums being paid by the City.

Medical Benefits-Coordination with Medicare

Benefits for retirees under age 65 are deemed to be similar to those benefits provided for actives. The retirees medical plan is assumed to be the primary plan of benefits prior to age 65. Individual Medicare Supplement policies are purchased from Blue Cross-Blue Shield of TN upon the attainment of Medicare eligibility at age 65. Medicare benefits are assumed to be those statutory benefits effective as of the valuation date for all future periods.

COMBINING AND INDIVIDUAL NONMAJOR STATEMENTS AND SCHEDULES

NONMAJOR FUND STATEMENTS AND SCHEDULES

Special Revenue Funds

State Street Aid Fund- This fund accounts for revenues and expenditures for the City's share of State gasoline taxes. The State distributes the taxes to municipalities based on per capita population. Tennessee law requires that these receipts be kept in a separate fund and used for construction and maintenance of City streets and certain street related expenditures.

Drug Fund - This fund was established in accordance with State law to account for funds received directly from the enforcement of laws associated with illegal drug activity. Funds are used for the enforcement of drug laws, for local drug education programs and for nonrecurring general law enforcement expenditures.

Streets and Transportation Fund - This fund accounts for revenues and expenditures for a portion of the share of State gasoline taxes. Tennessee law requires that these receipts be used for maintenance of City streets and certain street related expenditures. This fund is used to pay for a portion of the street lighting utility bills.

Debt Service Fund

Debt Service Fund- This fund is a governmental fund used to account for financial resources to be used for retirement of current debt maturities.

Agency Fund

Maury County Drug Task Force Agency Fund - This fund is used to account for the assets and liabilities held by the City as an agent for the members of the Maury County Drug Task Force.

CITY OF COLUMBIA, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2015

Assets	Special Revenue Funds: State Street Aid Fund	Special Revenue Funds: Drug Fund	Special Revenue Funds: Streets and Transportation Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 804,794	256,644	26,255	61,633	1,149,326
Due from other funds	-	-	-	-	-
Prepaid costs	-	1,300	-	-	1,300
Accounts receivable, net of allowance for doubtful accounts	161,852	-	11,697	-	173,549
Total Assets	$ 966,646	257,944	37,952	61,633	1,324,175
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	$ 16,056	2,619	25,145	-	43,820
Due to other funds	-	-	-		-
Accrued costs	-	30,816	-	-	30,816
Total Liabilities	16,056	33,435	25,145	-	74,636
Fund Balance:					
Nonspendable:					
Prepaid items	-	1,300	-	-	1,300
Restricted for:					
Roads and streets	950,590	-	12,807	-	963,397
Public safety	-	223,209	-	-	223,209
Debt service	-	-	-	61,633	61,633
Total Fund Balance	950,590	224,509	12,807	61,633	1,249,539
Total Liabilities and Fund Balance	$ 966,646	257,944	37,952	61,633	1,324,175

CITY OF COLUMBIA, TENNESSEE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

	Special Revenue Funds				Total
	State Street Aid Fund	Drug Fund	Streets and Transportation Fund	Debt Service Fund	Nonmajor Governmental Funds
Revenues:					
Intergovernmental:					
Gasoline tax - State of Tennessee	$ 906,703	-	70,651	-	977,354
Federal and State grants					-
Fines and fees	-	40,291	-	-	40,291
Miscellaneous:					
Other revenue	-	67,749	-	-	67,749
Interest income	4,295	941	118	3,169	8,523
Total Revenues	910,998	108,981	70,769	3,169	1,093,917
Expenditures:					
Current:					
Salaries	76,059	-	-	-	76,059
FICA and employee benefits	38,341	-	-	-	38,341
Contractual services	1,063,021	-	70,059	-	1,133,080
Supplies and materials	14,849	-	-	-	14,849
Other	-	-	-		-
Program costs	-	78,602	-	250	78,852
Debt service	-	-	-	1,231,049	1,231,049
Capital outlay	8,665	-	-	-	8,665
				-	
Total Expenditures	1,200,935	78,602	70,059	1,231,299	2,580,895
Excess (deficiency) of revenues over expenditures	(289,937)	30,379	710	(1,228,130)	(1,486,978)
Other Financing Sources:					
Transfer from Other Funds	-	-	-	1,260,288	1,260,288
Transfer to Other Funds	-	-			-
Total Other Financing Sources	-	-	-	1,260,288	1,260,288
Net Change in Fund Balance	(289,937)	30,379	710	32,158	(226,690)
Fund Balance, Beginning of Year	1,240,527	194,130	12,097	29,475	1,476,229
Fund Balance, End of Year	$ 950,590	224,509	12,807	61,633	1,249,539

CITY OF COLUMBIA, TENNESSEE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

State Street Aid Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Intergovernmental:				
Gasoline and motor fuel tax	$ 600,000	710,000	621,979	(88,021)
Gas 1989	75,000	-	99,693	99,693
Gas 3 cent	180,000	180,000	185,031	5,031
Miscellaneous - interest income	3,000	3,900	4,295	395
Total Revenues	858,000	893,900	910,998	17,098
Expenditures:				
Current:				
Salaries	92,378	91,770	76,059	15,711
Employee benefits	43,364	43,777	38,341	5,436
Services	1,175,000	1,187,000	1,063,021	123,979
Supplies	46,000	35,000	14,849	20,151
Other	-	10,000	-	10,000
Capital Outlay	52,000	15,000	8,665	6,335
Total Expenditures	1,408,742	1,382,547	1,200,935	181,612
Net Change in Fund Balance	(550,742)	(488,647)	(289,937)	198,710
Other Financing Sources:				
Transfer to Capital Project Fund	(146,737)	(146,311)	-	146,311
Total Other Financing Sources	(146,737)	(146,311)	-	146,311
Net Change in Fund Balance	(697,479)	(634,958)	(289,937)	345,021
Fund Balance, Beginning of Year	1,240,527	1,240,527	1,240,527	-
Fund Balance, End of Year	$ 543,048	605,569	950,590	345,021

CITY OF COLUMBIA, TENNESSEE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

Drug Fund

For the Year Ended June 30, 2015

		Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:					
Fines and fees					
Drug fines, confiscated property	$	12,725	12,725	40,291	27,566
Miscellaneous		12,000	32,000	68,690	36,690
Total Revenues		24,725	44,725	108,981	64,256
Expenditures:					
Current:					
Services		36,493	76,493	57,854	18,639
Supplies		14,540	14,540	10,847	3,693
Other		9,900	29,900	9,901	19,999
Capital Outlay		25,000	25,000	-	25,000
Total Expenditures		85,933	145,933	78,602	67,331
Net Change in Fund Balance		(61,208)	(101,208)	30,379	131,587
Fund Balance, Beginning of Year		194,130	194,130	194,130	-
Fund Balance, End of Year	$	132,922	92,922	224,509	131,587

CITY OF COLUMBIA, TENNESSEE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

Streets & Transportation Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Intergovernmental:				
Gasoline tax	$ 70,000	70,000	70,651	651
Miscellaneous	60	60	118	58
Total Revenues	70,060	70,060	70,769	709
Expenditures:				
Current:				
Services	75,000	75,000	70,059	4,941
Total Expenditures	75,000	75,000	70,059	4,941
Net Change in Fund Balance	(4,940)	(4,940)	710	5,650
Fund Balance, Beginning of Year	14,075	14,075	12,097	(1,978)
Fund Balance, End of Year	$ 9,135	9,135	12,807	3,672

CITY OF COLUMBIA, TENNESSEE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

Debt Service Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:				
Miscellaneous - interest income	$ 3,000	2,000	3,169	1,169
Total Revenues	3,000	2,000	3,169	1,169
Expenditures:				
Current:				
Program Costs	260	1,250	250	1,000
Debt Service:				
Principal	812,054	822,491	840,317	(17,826)
Interest and fees	386,936	438,547	390,732	47,815
Total Expenditures	1,199,250	1,262,288	1,231,299	30,989
Net Change in Fund Balance	(1,196,250)	(1,260,288)	(1,228,130)	32,158
Other Financing Sources:				
Transfer from General Fund	778,860	1,211,053	1,211,053	-
Transfer from Sanitation Fund	217,390	49,235	49,235	-
Total Other Financing Sources	996,250	1,260,288	1,260,288	-
Net Change in Fund Balance	(200,000)	-	32,158	32,158
Fund Balance, Beginning of Year	29,475	29,475	29,475	-
Fund Balance, End of Year	$ (170,525)	29,475	61,633	32,158

CITY OF COLUMBIA, TENNESSEE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual

Capital Project Fund

For the Year Ended June 30, 2015

		Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues:					
Intergovernmental:					
Federal & State Grants	$	3,049,482	3,200,106	1,854,501	(1,345,605)
Miscellaneous - interest income		2,000	2,000	3,766	1,766
Total Revenues		3,051,482	3,202,106	1,858,267	(1,343,839)
Expenditures:					
Current:					
Program costs		5,000	786,698	-	786,698
Capital Outlay		3,240,753	4,362,816	3,492,714	870,102
Total Expenditures		3,245,753	5,149,514	3,492,714	1,656,800
Net Change in Fund Balance		(194,271)	(1,947,408)	(1,634,447)	312,961
Other Financing Sources (Uses):					
Proceeds from debt issuance		1,500,000	1,500,000	1,900,000	400,000
Transfer from Debt Service Fund		146,737	146,737	-	(146,737)
Transfer from General Fund		-	51,280	51,280	-
Total Other Financing Sources		1,646,737	1,698,017	1,951,280	253,263
Net Change in Fund Balance		1,452,466	(249,391)	316,833	566,224
Fund Balance, Beginning of Year		583,622	583,622	583,622	-
Fund Balance, End of Year	$	2,036,088	334,231	900,455	566,224

CITY OF COLUMBIA, TENNESSEE

Statement of Changes in Assets and Liabilities

Maury County Drug Task Force - Agency Fund

For the Year Ended June 30, 2015

		Cash	Confiscations Pending
Balances, Beginning of Year	$	26,343	(26,343)
Receipt-cases pending		2,111	(2,111)
Disbursements-cases settled		(2,160)	2,160
Balances, End of Year	$	26,294	(26,294)

FINANCIAL SCHEDULES

CITY OF COLUMBIA, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity

June 30, 2015

		Total	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure	Construction in Progress
General government	$	11,171,364	6,310,782	4,495,045	365,537	-	-
Public Works:							
Streets		77,542,891	-	-	3,624,276	73,918,615	-
Engineering		133,296	-	-	133,296	-	-
Public Safety:							
Police Department		6,061,780	-	2,397,612	3,664,168	-	-
Fire Department		8,588,897	529,121	3,265,611	4,794,165	-	-
Drug Operation		135,061	-	78,865	56,196	-	-
Management Information Systems		538,069	-	-	538,069	-	-
Parks and Recreation		11,906,652	679,359	10,138,413	1,088,880	-	-
Sanitation		2,617,776	-	-	2,617,776	-	-
Construction in Progress		6,920,785	-	-	-		6,920,785
	$	125,616,571	7,519,262	20,375,546	16,882,363	73,918,615	6,920,785

CITY OF COLUMBIA, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity

For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Disposals	Balance June 30, 2015
General government	$ 12,499,413	120,242	(1,448,291)	11,171,364
Public Works:				
Streets	74,689,249	438,370	2,415,272	77,542,891
Engineering	133,296	-	-	133,296
Public Safety:				
Police Department	4,505,720	290,962	1,265,098	6,061,780
Fire Department	8,573,497	16,374	(974)	8,588,897
Drug Operation	143,481	-	(8,420)	135,061
Management Information Systems	399,926	148,912	(10,769)	538,069
Parks and Recreation	11,830,280	76,372	-	11,906,652
Sanitation	2,522,758	113,302	(18,284)	2,617,776
Construction in Progress	7,314,277	3,687,554	(4,081,046)	6,920,785
	$ 122,611,897	4,892,088	(1,887,414)	125,616,571

CITY OF COLUMBIA, TENNESSEE

Schedule of Changes in Property Taxes Receivable

For the Year Ended June 30, 2015

Tax Year	Balance June 30, 2014	Tax Levy and Adjustments	Collections	Adjustments	Balance June 30, 2015
2014	$ -	10,466,717	(9,977,660)	7,232	496,289
2013	529,812	-	(386,488)	(3,909)	139,415
2012	175,450	-	(166,562)	(1,280)	7,608
2011	17,528	-	(5,427)	(1,437)	10,664
2010	19,495	-	(1,054)	(1,130)	17,311
2009	14,677	-	(1,255)	(808)	12,614
2008	11,937	-	(166)	(379)	11,392
2007	5,771	-	(64)	(164)	5,543
2006	4,527	-	(42)	(33)	4,452
2005	6,042	-	(30)	(14)	5,998
2004	6,102	-	-	-	6,102
2003	6,591	-	-	-	6,591
2002	5,554	-	-	-	5,554
2001	4,641	-	-	-	4,641
2000	109	-	-	-	109
1999	-	-	-	-	-
1998	995	-	-	-	995
1997	1,275	-	-	-	1,275
1996	1,442	-	-	-	1,442
1996	42	-	-	-	42
1995	30	-	-	-	30
	$ 812,020	10,466,717	(10,538,748)	(1,922)	738,067

Estimated property tax 2015-16 tax levy	10,466,000
Total Property Tax Receivable	11,204,067
Less Allowance for Doubtful Accounts	(80,893)
Total Property Tax Receivable, net	$ 11,123,174

Schedule of Debt Service Requirements

General Obligation Debt

June 30, 2015

Year	General Obligation Bonds - 2008*		General Obligation Refunding & Improvement Bonds - 2010**		General Obligation Equipment Capital Outlay Note 2011 ***		Public Safety Equip/Imp Capital Outlay Note 2014 ****		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$100,000	67,150	360,000	238,369	166,314	36,142	176,312	35,025	802,626	376,686
2017	100,000	63,500	370,000	227,419	172,101	30,355	179,983	31,254	822,084	352,528
2018	105,000	59,800	385,000	216,094	178,089	24,366	183,633	27,705	851,722	327,965
2019	110,000	55,810	395,000	204,394	184,286	18,169	187,356	23,981	876,642	302,354
2020	110,000	51,520	410,000	192,318	190,699	11,757	191,100	20,237	901,799	275,832
2021	115,000	47,120	425,000	179,528	151,722	5,120	195,031	16,307	886,753	248,075
2022	120,000	42,405	445,000	165,656			198,985	12,352	763,985	220,413
2023	125,000	37,425	460,000	150,662			203,020	8,317	788,020	196,404
2024	130,000	32,175	480,000	134,500			207,126	4,211	817,126	170,886
2025	140,000	26,325	500,000	117,350					640,000	143,675
2026	145,000	20,025	520,000	99,175					665,000	119,200
2027	150,000	13,500	540,000	79,625					690,000	93,125
2028	150,000	6,750	560,000	58,650					710,000	65,400
2029			585,000	36,100					585,000	36,100
2030			610,000	12,200					610,000	12,200
Total	$1,600,000	523,505	7,045,000	2,112,040	1,043,211	125,909	1,722,546	179,389	11,410,757	2,940,843

* Proceeds from the 2008 General Obligation Bond Issue were used for construction of a fire hall to replace Station #2 (currently on Experiment Station Lane). Residual funds were used for capital improvements to public safety facilities.

** Proceeds from the 2010 General Obligation Refunding & Improvement Issue were used for:

1) Repayment of funds drawn on two Tennessee Municipal Bond Fund Loans (amounts drawn used for Ridley Park project, Fairview Park Pool and replacement of a truck for the Fire Department). Converted variable rate debt to fixed rate debt.
2) Replace undrawn balances of two Tennessee Municipal Bond Fund loans with fixed rate debt. Funds were used for completion of Ridley Park (infrastructure, ballfields and a concession stand /restroom building, maintenance building at that facility).
3) Acquisition of property on North Garden Street for relocation of City Hall / improvements to that facility.

*** Proceeds from the 2010 Capital Outlay note were used to purchase 2 pieces of Fire equipment and an excavator for Public Works.

**** Proceeds from the 2014 Public Safety Equipment/Improvement Capital Outlay Note were used to fund building renovations for Police Department and narrow banding radio upgrade for Police/Fire.

CITY OF COLUMBIA, TENNESSEE

Schedule of Debt Service Requirements

Sewer Fund

June 30, 2015

	Sewer Revenue and Tax Advance Ref. Bonds-2005		Sewer Revenue and Tax Bonds - 2008		Sewer Revenue and Tax Bonds - 2011		Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	720,000	280,638	250,000	197,408	280,000	204,500	1,250,000	682,546
2017	750,000	253,803	260,000	188,415	285,000	196,025	1,295,000	638,243
2018	780,000	225,108	270,000	178,673	295,000	187,325	1,345,000	591,106
2019	810,000	194,594	280,000	168,150	305,000	178,325	1,395,000	541,069
2020	845,000	162,000	290,000	156,818	310,000	169,100	1,445,000	487,918
2021	540,000	134,300	305,000	144,540	320,000	159,650	1,165,000	438,490
2022	570,000	109,250	320,000	131,255	335,000	149,825	1,225,000	390,330
2023	600,000	80,000	330,000	117,115	345,000	139,625	1,275,000	336,740
2024	635,000	49,125	345,000	102,093	355,000	129,125	1,335,000	280,343
2025	665,000	16,625	365,000	85,935	365,000	118,325	1,395,000	220,885
2026			380,000	68,705	380,000	106,913	760,000	175,618
2027			400,000	50,470	395,000	94,062	795,000	144,532
2028	-	-	420,000	31,095	410,000	79,975	830,000	111,070
2029	-	-	440,000	10,560	425,000	64,300	865,000	74,860
2030	-	-	-	-	445,000	46,900	445,000	46,900
2031	-	-	-	-	465,000	28,700	465,000	28,700
2032	-	-	-	-	485,000	9,700	485,000	9,700
	$ 6,915,000	$ 1,505,443	$ 4,655,000	$ 1,631,232	$ 6,200,000	$ 2,062,375	$ 17,770,000	$ 5,199,050

CITY OF COLUMBIA, TENNESSEE

Schedule of Debt Service Requirements

Water System

June 30, 2015

Year	Water Revenue Bonds 2006		Water Revenue Bonds 2008		Water Revenue Bonds 2012		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	280,000	162,200	350,000	171,213	380,000	371,875	1,010,000	705,288
2017	290,000	150,800	370,000	156,813	390,000	362,225	1,050,000	669,838
2018	300,000	139,000	385,000	141,472	400,000	351,375	1,085,000	631,847
2019	315,000	126,700	400,000	124,731	410,000	340,225	1,125,000	591,656
2020	325,000	113,900	420,000	106,219	420,000	327,775	1,165,000	547,894
2021	340,000	100,600	440,000	85,506	435,000	314,950	1,215,000	501,056
2022	355,000	86,700	460,000	63,006	450,000	301,113	1,265,000	450,819
2023	365,000	72,300	490,000	38,950	465,000	286,244	1,320,000	397,494
2024	380,000	57,400	515,000	13,197	480,000	270,887	1,375,000	341,484
2025	400,000	41,800			495,000	255,044	895,000	296,844
2026	415,000	25,500			515,000	234,125	930,000	259,625
2027	430,000	8,600			540,000	207,750	970,000	216,350
2028					570,000	180,000	570,000	180,000
2029					600,000	150,750	600,000	150,750
2030					630,000	120,000	630,000	120,000
2031					660,000	87,750	660,000	87,750
2032					695,000	53,875	695,000	53,875
2033	-	-	-	-	730,000	18,250	730,000	18,250
	$ 4,195,000	$ 1,085,500	$ 3,830,000	$ 901,107	$ 9,265,000	$ 4,234,214	$17,290,000	$ 6,220,821

CITY OF COLUMBIA, TENNESSEE

Schedule of Debt Service Requirements

Power System

June 30, 2015

Year	2014/15 Broadband Telecommunications Revenue & Tax Refunding Bonds - 2014/2015		Electric Revenue Bonds - 2008		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	840,000	162,532	300,000	251,615	1,140,000	414,147
2017	855,000	147,496	310,000	239,415	1,165,000	386,911
2018	865,000	132,192	320,000	226,615	1,185,000	358,807
2019	880,000	116,708	660,000	205,495	1,540,000	322,203
2020	900,000	100,956	690,000	175,019	1,590,000	275,975
2021	910,000	84,846	725,000	140,938	1,635,000	225,784
2022	930,000	68,557	765,000	103,688	1,695,000	172,245
2023	950,000	51,910	805,000	63,934	1,755,000	115,844
2024	965,000	34,905	845,000	21,653	1,810,000	56,558
2025	985,000	17,632	-	-	985,000	17,632
	$ 9,080,000	$ 917,733	$ 5,420,000	$ 1,428,371	$ 14,500,000	$2,346,104

CITY OF COLUMBIA, TENNESSEE

Schedule of Federal and State Financial Assistance

For the Fiscal Year Ended June 30, 2015

FEDERAL FINANCIAL ASSISTANCE	GRANTOR AGENCY	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED (DEFERRED) REVENUE JULY 1, 2014	RECEIPTS	EXPENDITURES	ACCRUED (DEFERRED) REVENUE JUNE 30, 2015
Bulletproof Vest Grant (2013)	U.S. Department of Justice	16.607	N/A	$ 7,121	$ -	-	4,877	4,877
Federal Equitable Sharing-Asset Forfeiture Program	U.S. Department of Justice	16.922	N/A	-	(8,565)	(40,965)	6,187	(43,343)
2013 JAG	U.S. Department of Justice	16.738	2013-DJ-BX-1035	22,551	3,458	(10,388)	16,699	9,769
2014 JAG	U.S. Department of Justice	16.738	2014-DX-BX-0222	31,967	-	(18,984)	31,967	12,983
Targeted Comm Crime Red	U.S. Department of Justice	16.738	17781	800,000	82,066	(220,120)	138,054	-
Total Program 16.738				$	85,524	(249,492)	186,720	22,752
Neighborhood Stablization	U.S. Dept of Housing and Urban Dev	14.218	NSP1-09-009	519,016	(286,698)	-	-	(286,698)
Community Livablity Grant - CDBG	U.S. Dept of Housing and Urban Dev	14.228	41112-9075	315,000	-	-	6,100	6,100
Hazard Mitigation Grant	Federal Emergency Management Agenc	97.039	E24547	2,109,030	87,856	(87,856)	-	-
Surface Transp Program	U.S. Department of Transportation	20.205	PIN 114780	1,716,000	251,302	(1,848,498)	1,848,401	251,205
Total Federal Financial Assistance					$ 129,419	$ (2,226,811)	$ 2,052,285	$ (45,107)
STATE FINANCIAL ASSISTANCE								
Recycling Grant	TN Dept of Environment & Conservatio	NA	32701-01907	150,000	25,056	(150,000)	124,944	-
Arts Build Communities Gant	Tennessee Arts Commission	NA	266785	1,500		(600)	968	368
Arts Program Grant	Tennessee Arts Commission	NA	31625-24982	140	140	(140)		-
Hazard Mitigation Grant	Tennessee Emergency Management Age	97.039	E24547	351,505	14,643	(14,643)	-	-
Total State Financial Assistance					$ 39,839	$ (165,383)	$ 125,912	$ 368

Note: Schedule was prepared utilizing the accrual basis of accounting.

CITY OF COLUMBIA, TENNESSEE

Schedule of Expenditure of Federal Awards

For the Year Ended June 30, 2015

Federal Financial Assistance Program	Grantor Agency	CFDA Number	Expenditures
Bulletproof Vest Program	U.S. Department of Justice	16.607	$ 4,877
Federal Equitable Sharing-Asset Forfeiture Program	U.S. Department of Justice	16.922	6,187
2013 JAG	U.S. Department of Justice	16.738	48,666
Targeted Comm Crime Red	U.S. Department of Justice	16.738	138,054
Community Living Grant	U.S. Department of Housing & Urban Development	14.228	6,100
Surface Transp Program""	U.S. Department of Transportation	20.205	1,848,401 *
			$ 2,052,285

* Major Program
** Passed through the Tennessee Department of Transportation
Note: All federal financial assistance programs utilize the accrual basis of accounting.

STATISTICAL SECTION

CITY OF COLUMBIA, TENNESSEE

Statistical Section Divider Page

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

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Financial Trends
These Schedules contain trend information to help readers understand how the City's financial performance and well - being have changed over time. 92 - 96

Revenue Capacity
These Schedules contain information to help readers assess the City's most significant local revenue source-its property tax. 97 - 105

Debt Capacity
These Schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 106 - 110

Demographic and Economic Information
These Schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place. 111 - 112

Operating Information
These Schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 113 - 115

CITY OF COLUMBIA, TENNESSEE
Financial Trends Information
Net Position by Component, Last Ten Fiscal Years*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Investment in capital assets	$ 16,228,893	$ 16,002,409	$ 18,323,003	$ 16,530,318	$ 17,894,246	$ 21,464,385	$ 28,531,953	$ 28,887,406	$ 31,342,867	$ 32,909,034
Restricted	1,499,906	1,576,274	1,790,377	1,495,094	1,586,365	5,633,966	4,001,009	3,970,794	3,780,216	3,098,146
Unrestricted	9,101,497	10,833,876	11,938,643	16,569,644	16,003,375	12,385,194	12,984,591	14,573,386	17,586,563	607,418
Total governmental activities net position	$ 26,830,296	$ 28,412,559	$ 32,052,023	$ 34,595,056	$ 35,483,986	$ 39,483,545	$ 45,517,553	$ 47,431,586	$ 52,709,646	$ 36,614,598
Business-type activities										
Invested in capital assets, net of related debt	$ 94,791,924	$109,778,561	$115,238,981	$119,692,674	$121,042,823	$123,531,699	$111,012,498	$128,702,481	$ 130,443,503	$129,324,547
Restricted	2,249,856	2,628,274	2,719,341	3,475,093	3,547,434	3,566,630	12,638,267	3,467,721	3,498,826	3,600,713
Unrestricted	27,853,947	19,914,347	21,291,911	22,788,354	26,178,549	26,912,892	35,568,638	32,516,920	35,942,912	39,104,761
Total business-type activities net position	$ 124,895,727	$132,321,182	$139,250,233	$145,956,121	$150,768,806	$154,011,221	$159,219,403	$164,687,122	$ 169,885,241	$172,030,021
Primary government										
Invested in capital assets, net of related debt	$ 111,020,817	$125,780,970	$133,561,984	$136,222,992	$138,937,069	$144,996,084	$139,544,451	$157,589,887	$ 161,786,370	$162,233,581
Restricted	3,749,762	4,204,548	4,509,718	4,970,187	5,133,799	9,200,596	16,639,276	7,438,515	7,279,042	6,698,859
Unrestricted	36,955,444	30,748,223	33,230,554	39,357,998	42,181,924	39,298,086	48,553,229	47,090,306	53,529,475	39,712,179
Total primary government net position	$ 151,726,023	$160,733,741	$171,302,256	$180,551,177	$186,252,792	$193,494,766	$204,736,956	$212,118,708	$ 222,594,887	$208,644,619

CITY OF COLUMBIA, TENNESSEE
Financial Trends Information
Changes in Net Position, Last Ten Fiscal Years*

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Revenues:										
Charges for services:										
Sanitation	$ 2,937,806	$ 2,966,164	$ 3,019,712	$ 2,927,775	$ 3,019,497	$ 3,111,566	$ 2,975,125	$ 3,052,861	$ 3,026,748	$ 3,072,873
Police	785,529	683,492	658,191	639,802	648,385	646,698	461,103	431,494	435,329	471,324
Other	383,683	462,772	477,665	393,364	291,261	266,245	313,884	286,361	622,329	642,148
Operating grants and contributions	1,044,749	1,067,186	1,004,685	1,044,625	1,290,635	1,451,837	1,224,269	1,416,667	1,556,547	1,293,895
Capital grants and contributions	1,496,075	997,124	1,064,713	549,789	702,118	2,299,082	5,164,518	1,289,395	2,602,381	2,137,572
General Revenues:										
Property taxes	6,061,733	6,845,344	7,742,082	9,999,448	9,990,881	9,789,154	9,937,257	9,776,041	10,960,754	10,945,490
Sales taxes	9,410,344	9,929,277	9,966,166	9,236,328	8,988,942	9,092,504	9,580,161	9,699,238	10,173,743	10,946,492
Other taxes	2,910,840	3,158,342	3,328,467	3,114,006	2,798,038	2,893,875	3,102,404	3,125,478	3,311,692	3,610,074
Miscellaneous	495,928	447,928	954,669	352,355	418,485	292,479	552,729	491,535	256,384	390,010
Total governmental activities revenues	$ 25,526,687	$ 26,557,629	$ 28,216,350	$ 28,257,492	$ 28,148,242	$ 29,843,440	$ 33,311,450	$ 29,569,070	$ 32,945,907	$ 33,509,878
Expenses:										
General government	$ 4,218,473	$ 4,330,325	$ 4,986,137	$ 5,077,367	$ 5,146,656	$ 5,099,743	$ 5,091,362	$ 6,058,004	$ 5,105,778	$ 4,950,758
Public Safety (Police and Fire)	11,573,572	11,920,305	12,424,791	12,832,827	13,108,031	12,828,030	13,307,070	14,012,528	14,280,134	14,266,192
Public Works	6,511,345	5,274,941	3,520,015	4,275,075	3,361,884	4,333,789	5,156,576	3,253,321	3,399,371	4,126,015
Sanitation	2,636,607	2,665,466	2,926,685	2,917,926	2,829,759	2,848,070	2,800,276	3,017,034	3,069,085	3,126,853
Parks and recreation	1,446,085	1,514,753	1,553,945	1,520,431	1,476,370	1,682,299	1,920,265	1,822,334	1,937,519	1,921,320
Development Services*	-	-	-	-	-	-	-	1,110,860	1,050,114	1,025,890
Community Support	257,996	255,577	263,434	291,093	282,250	296,719	321,302	328,877	279,386	276,102
Program Costs	-	-	-	-	-	-	-	-	-	529,149
Interest on long-term debt	50,892	106,574	119,746	121,540	196,499	410,585	432,719	404,695	385,680	391,387
Total governmental activities expenses	$ 26,694,970	$ 26,067,941	$ 25,794,753	$ 27,036,259	$ 26,401,449	$ 27,499,235	$ 29,029,570	$ 30,007,653	$ 29,507,067	$ 30,613,666
Total governmental activities net expense	(1,168,283)	489,688	2,421,597	1,221,233	1,746,793	2,344,205	4,281,880	(438,583)	3,438,840	2,896,212
Total operating transfers	1,079,473	1,092,576	1,217,867	1,321,801	1,446,941	1,655,354	1,752,128	1,765,084	1,832,459	1,948,656
Total governmental activites change in net position	$ (88,810)	$ 1,582,264	$ 3,639,464	$ 2,543,034	$ 3,193,734	$ 3,999,559	$ 6,034,008	$ 1,326,501	$ 5,271,299	$ 4,844,868
Business-type activities:										
Power, Water & Sewer										
Program revenues:										
Charges for services										
Power	$ 49,865,454	$ 53,492,732	$ 57,913,093	$ 66,454,163	$ 64,202,060	$ 67,107,440	$ 65,474,155	$ 66,331,187	$ 68,708,684	$ 69,400,709
Water	5,772,173	6,200,649	6,857,869	7,681,074	8,188,314	8,026,103	8,749,454	9,850,520	10,294,575	10,485,022
Sewer	7,663,475	7,479,127	7,009,418	6,506,879	6,330,289	6,195,232	8,656,625	9,032,541	9,189,205	8,990,593
Capital grants and contributions	2,118,171	2,434,395	3,401,902	3,384,395	734,965	644,197	762,086	309,575	345,132	345,695
Other	1,053,229	1,529,965	1,094,862	583,045	294,751	203,329	157,572	120,492	95,984	197,852
Total business-type activities program revenues	$ 66,472,502	$ 71,136,868	$ 76,277,144	$ 84,609,556	$ 79,750,379	$ 82,176,301	$ 83,799,892	$ 85,644,315	$ 88,633,580	$ 89,419,871
Expenses:										
Power	$ 47,773,615	$ 50,520,447	$ 55,765,471	$ 62,874,528	$ 60,344,865	$ 63,246,842	$ 62,283,356	$ 63,430,413	$ 65,151,490	$ 66,368,295
Water	5,049,750	5,657,425	5,997,750	6,512,591	6,564,871	6,909,933	7,146,538	7,513,285	7,689,022	7,786,069
Sewer	6,666,317	6,440,968	6,367,005	7,194,748	7,004,965	7,121,757	7,409,688	7,467,812	8,471,305	8,632,740
Total business-type activities expenses	$ 59,489,682	$ 62,618,840	$ 68,130,226	$ 76,581,867	$ 73,914,701	$ 77,278,532	$ 76,839,582	$ 78,411,510	$ 81,311,817	$ 82,787,104
Total business activities net expense	6,982,820	8,518,028	8,146,918	8,027,689	5,835,678	4,897,769	6,960,310	7,232,805	7,321,763	6,632,767
Total business activites operating transfer	(1,079,473)	(1,092,576)	(1,217,867)	(1,321,801)	(1,446,941)	(1,655,354)	(1,752,128)	(1,765,084)	(1,832,459)	(1,948,656)
Total business activities change in net position	$ 5,903,347	$ 7,425,452	$ 6,929,051	$ 6,705,888	$ 4,388,737	$ 3,242,415	$ 5,208,182	$ 5,467,721	$ 5,489,304	$ 4,684,111

* Development Services was newly formed during FY 2012-13 and consolidated departments of Grants & Planning, Engineering & Code Administration

CITY OF COLUMBIA, TENNESSEE
Financial Trends Information
Fund Balances, Governmental Funds, Last Ten Fiscal Years

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable*	$ 247,190	$ 223,052	$ 212,051	$ 200,867	$ 213,867					
Restricted*	83,284	83,284	83,284	83,284	82,914					
Assigned*	1,422,828	1,930,050	1,155,315	1,636,307	1,186,880					
Unassigned*	17,438,706	15,034,542	13,188,126	11,255,363	9,998,552					
Reserved						$ 247,332	$ 190,592	$ 212,794	$ 81,440	$ 77,101
Unreserved	-	-	-	-	-	10,996,560	11,306,820	9,455,357	9,095,012	7,622,157
Total General Fund	$ 19,192,008	$ 17,270,928	$14,638,776	$13,175,821	$11,482,213	$11,243,892	$ 11,497,412	$ 9,668,151	$9,176,452	$ 7,699,258
All Other Governmental Funds										
Nonspendable*	$ 15,198	$ 16,075	$ 13,076	$ 12,367	$ 11,729	-	-	-	-	-
Restricted*	2,441,488	3,127,243	3,334,702	2,758,822	5,551,052	-	-	-	-	-
Committed*	900,455	89,725	99,949	1,111,863	1,367,333	-	-	-	-	-
Reserved						$ 10,319	$ 13,188			
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	2,632,965	2,413,763	$ 2,490,575	$2,562,628	$ 2,439,495
Capital projects fund	-	-	-	-	-	3,082,240	3,456,433	1,253,219	1,024,843	531,352
Debt service fund	-	-	-	-	-	450,580	526,257	561,873	36,605	31,419
Total all other governmental funds	$ 3,357,141	$ 3,233,043	$ 3,447,727	$ 3,883,052	$ 6,930,114	$ 6,176,104	$ 6,409,641	$ 4,305,667	$3,624,076	$ 3,002,266

* Fund balance categories were classified for FY 2010-11 in accordance with GASB Statement No. 54

CITY OF COLUMBIA, TENNESSEE
Financial Trends Information
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	$ 15,495,077	$ 16,786,936	$ 17,754,328	$ 19,422,391	$ 18,835,615	$ 18,876,861	$ 19,496,729	$ 19,788,849	$ 21,252,380	$ 21,993,026
Licenses and permits	354,516	435,127	450,680	370,546	265,686	241,646	288,182	228,144	307,459	318,425
Fines and forfeitures	755,531	683,492	611,997	614,549	635,872	579,422	393,953	384,976	403,800	403,575
Intergovernmental revenues	4,320,325	4,301,869	4,641,210	4,058,936	4,128,552	5,979,367	8,152,663	5,732,333	6,179,248	6,767,528
Charges for services	2,950,059	2,995,268	3,064,195	2,977,248	3,036,867	3,054,642	3,037,021	3,107,876	3,345,627	3,384,995
Interest	276,136	437,591	463,280	194,239	137,743	117,228	106,968	74,573	76,814	85,607
Other	317,090	321,135	325,974	328,863	438,402	487,941	374,534	644,775	317,242	359,346
Total Revenues	24,468,734	25,961,418	27,311,664	27,966,772	27,478,737	29,337,107	31,850,050	29,961,526	31,882,570	33,312,502
Other financing sources:										
Bond/loan proceeds, local government contributions and net operating transfers in	3,582,046	5,140,887	2,724,188	5,477,784	14,023,104	6,044,105	3,139,805	3,060,888	3,017,863	5,160,224
Total other financing sources	3,582,046	5,140,887	2,724,188	5,477,784	14,023,104	6,044,105	3,139,805	3,060,888	3,017,863	5,160,224
Total Revenues and Other financing sources	28,050,780	31,102,305	30,035,852	33,444,556	41,501,841	35,381,212	34,989,855	33,022,414	34,900,433	38,472,726
Expenditures:										
Current										
General government	$ 4,074,063	$ 4,181,479	$ 4,856,855	$ 4,689,113	$ 4,875,613	$ 4,958,414	$ 5,323,864	$ 4,625,245	$ 4,634,131	$ 4,881,980
Public works	5,523,973	5,767,726	6,196,098	6,440,589	5,974,456	6,060,204	6,950,954	5,723,053	5,927,370	6,813,430
Development Services*	-	-	-	-	-	-	-	1,139,255	1,085,107	1,083,598
Public safety	10,948,332	11,350,774	11,821,934	12,235,370	12,538,868	12,241,100	12,853,445	13,727,529	14,114,370	14,618,819
Parks and recreation	1,290,129	1,374,854	1,393,057	1,370,344	1,346,057	1,470,703	1,665,371	1,629,482	1,731,306	1,741,159
Community support/other	390,642	278,976	317,157	386,724	408,818	299,810	321,552	1,145,997	279,886	276,352
Capital outlay	2,456,590	3,574,819	2,574,153	1,843,536	8,689,405	5,793,722	6,619,281	1,500,756	2,326,574	4,469,594
Debt service										
Interest	49,339	113,024	99,675	116,417	175,639	391,396	435,416	410,868	386,788	390,732
Principal	800,434	959,842	772,657	705,131	586,311	673,272	785,749	796,796	812,029	840,317
Total Expenditures	25,533,502	27,601,494	28,031,586	27,787,224	34,595,167	31,888,621	34,955,632	30,698,981	31,297,561	35,115,981

* Development Services was newly formed during FY 2012-13 and consolidated departments of Grants & Planning, Engineering & Code Administration

CITY OF COLUMBIA, TENNESSEE

Financial Trend Information
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years (continued)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing uses:										
Net transfers out	1,528,992	1,401,807	1,389,199	1,724,097	5,117,929	2,500,261	1,387,677	1,295,804	1,185,404	1,311,568
Total other financing uses	1,528,992	1,401,807	1,389,199	1,724,097	5,117,929	2,500,261	1,387,677	1,295,804	1,185,404	1,311,568
Total Expenditures and Other financing uses	27,062,494	29,003,301	29,420,785	29,511,321	39,713,096	34,388,882	36,343,309	31,994,785	32,482,965	36,427,549
Net change in fund balances	$ 988,286	$ 2,099,004	$ 615,067	$ 3,933,235	$ 1,788,745	$ 992,330	$ (1,353,454)	$ 1,027,629	$ 2,417,468	$ 2,045,177
Debt services as a percentage of non-capital expenditures	3.68%	4.47%	3.43%	3.17%	2.94%	4.08%	4.31%	4.14%	4.14%	4.02%

CITY OF COLUMBIA, TENNESSEE
Revenue Capacity Information
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Years

Fiscal Year		Estimated Actual Value: Real Property	Estimated Actual Value: Personal Property	Estimated Actual Value: Total	Assessed Value*	Taxable Assessed Value as a Percentage of Actual Taxable Value	Total Direct Rate***
2006		1,521,423,900	182,355,424	1,703,779,324	517,179,422	30.35 %	0.99
2007	**	1,792,041,200	224,601,660	2,016,642,860	621,884,257	30.84 %	0.99
2008		1,848,515,700	247,234,180	2,095,749,880	647,228,298	30.88 %	1.08
2009		1,898,354,500	267,925,753	2,166,280,253	667,722,663	30.82 %	1.38
2010		1,926,195,700	257,762,152	2,183,957,852	671,653,368	30.75 %	1.38
2011	**	2,000,562,600	246,101,449	2,246,664,049	695,446,952	30.95 %	1.31
2012		2,005,200,600	261,860,874	2,267,061,474	703,465,079	31.03 %	1.31
2013		2,015,025,200	234,735,371	2,249,760,571	695,103,805	30.90 %	1.31
2014		2,293,376,980	272,880,280	2,566,257,260	710,987,445	27.71 %	1.44
2015	**	2,008,179,900	270,076,101	2,278,256,001	705,435,248	30.96 %	1.44

* Assessed value information does not include public utility assessments. Totals for exemptions are not available.

** Maury County property reappraisal became effective in the 2006-07, 2010-11 and 2014-15 fiscal years.

*** Per $1,000 of assessed value

CITY OF COLUMBIA, TENNESSEE
Revenue Capacity Information
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years

Fiscal Year	Direct Rate City **	Overlapping Rate*** Maury County**	Combined Totals
2006	0.99	2.89	3.88
2007 *	0.99	2.50	3.49
2008	1.08	2.50	3.58
2009	1.38	2.50	3.88
2010	1.38	2.65	4.03
2011 *	1.31	2.597	3.907
2012	1.31	2.597	3.907
2013	1.31	2.597	3.907
2014	1.44	2.597	4.037
2015 *	1.44	2.62	4.06

* Property reappraisals became effective in the 2006-07, 2010-11 and 2014-15 fiscal years. Accordingly, a new tax rate was determined and certified by the State Board of Equalization. The tax rate adopted by the City exceeded the certified rate in 2006-07 by .13. In 2010-11, the rate was reduced by .07, and in 2014-15, the reappraisal rate was 1.4673 but was reduced by Council below the certified rate by .0273.

** Per $100 of assessed valuation

***Overlapping rates are those of Maury County government that apply to property owners within the City of Columbia.

CITY OF COLUMBIA, TENNESSEE
Revenue Capacity Information
Principal Property Taxpayers, Current Year and Nine Years Ago

Taxpayer	2014 Taxable Assessed Value	2014 Rank	2014 Percentage of Total City Taxable Assessed Value	2005 Taxable Assessed Value	2005 Rank	2005 Percentage of Total City Taxable Assessed Value
	Tax Year 2014			Tax Year 2005		
Public Utilities:						
Atmos Energy Corporation	$ 8,986,656		1.3 %	$ 4,504,097		0.9 %
Bell South Telecommunications	$ 6,395,803		0.9	$ 7,988,914		1.5
United Cities Gas Company	***		***	****		****
Columbia Power System	***		***	****		****
Columbia Water System	***		***	****		****
Other real and personal property:						
TN Farmers Assurance Co.	$29,566,066	1	4.2	$ 12,590,093	1	2.4
TN Farmers Life Ins. Co.	$23,707,365	2	3.4	$ 10,128,824	2	1.9
Wal-Mart Real Estate	$6,687,280	3	0.9	$ 4,887,120	5	0.9
Tn Farm Bureau Fed Inc.	$5,847,960	4	0.8	$ 5,112,539	4	1.0
TRH Health Insurance	$4,281,208	5	0.6	$ -		-
First Farmers & Merchants	$4,126,296	6	0.6	—		—
Lakes of Columbia	$4,106,500	7	0.6	—		—
Community First Bank	$3,302,251	9	0.5	—		—
Burchell Properties	$3,385,345	8	0.5	—		—
James Campbel Medical	$2,973,320	10	0.4	—		—
Chattanooga Medical Invest	—		—	$ 4,328,200	6	0.8
HCRI Tennessee Properties	—		—	$ 3,368,560	7	0.6
Lowe's Home Centers Inc.	—		—	$ 3,114,640	8	0.6
Southern Healthcare	—		—			-
TN Farmers Life Reassurance	—		—	$ 5,877,450	3	1.1
H/S Columbia LLC	—		—	$ 2,980,000	9	0.6
Great Atlantic Mgmt	—		—	$ 2,580,040	10	0.5
Total	$ 103,366,050		14.7 %	$ 67,460,477		12.9 %

*Source - 2005 & 2014 City Tax Book

**Total Assessment Value as of

January 1, 2014..... $ 705,435,248 January 1, 2005..... $ 522,624,634

Property taxes are levied as of November 1 on property values assessed as of January 1 that same year.

***2014 - No Assessed Value Listed for these taxpayers. The following amounts were paid in lieu of taxes: Columbia Electric System $1,245,855.70, Columbia Water System $171,086.40, and Atmos Gas $672,765.69.

**** 2005 - No Assessed Value Listed for these taxpayers. The following amounts were paid in lieu of taxes: Columbia Electric System $747,099.36, Columbia Water System $62,474.20, and Atmos Gas $578,616.43.

CITY OF COLUMBIA, TENNESSEE
Revenue Capacity Information
Property Tax Levies and Collections, Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	$ 5,291,350	$ 5,111,379	96.60 %	$ 173,959	$ 5,285,338	99.89 %
2007	$ 6,328,030	$ 6,073,926	95.98 %	$ 249,889	$ 6,323,815	99.93 %
2008	$ 7,180,390	$ 6,820,770	94.99 %	$ 353,913	$ 7,174,683	99.92 %
2009	$ 9,448,868	$ 8,977,665	95.01 %	$ 459,432	$ 9,437,097	99.88 %
2010	$ 9,494,977	$ 8,862,861	93.34 %	$ 618,694	$ 9,481,555	99.86 %
2011	$ 9,362,916	$ 8,678,894	92.69 %	$ 665,581	$ 9,344,475	99.80 %
2012	$ 9,458,740	$ 8,784,361	92.87 %	$ 662,278	$ 9,446,639	99.87 %
2013	$ 9,348,680	$ 8,877,273	94.96 %	$ 462,519	$ 9,339,792	99.90 %
2014	$ 10,513,084	$ 9,980,984	94.94 %	$ 386,488	$ 10,367,472	98.61 %
2015	$ 10,466,717	$ 9,977,660	95.33 %	$ -	$ 9,977,660	95.33 %

Note: Taxes are levies each November 1 on the assessed value as of the prior January 1. Taxes are due in one payment on November 1 and are delinquent on December 16 each tax year.

CITY OF COLUMBIA, TENNESSEE
Revenue Capacity Information
Local Sales Tax Revenue by Industry, Principal Employers, Fiscal Years 2005 and 2014

	Fiscal Year 2006				Fiscal Year 2015			
Sector	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
1 Retail Trade	720	63.60%	10,326,986	82.61%	594	59.82%	11,362,237	79.72%
2 Services	250	22.08%	1,145,203	9.16%	221	22.26%	1,246,301	8.74%
3 Manufacturing	58	5.12%	425,602	3.40%	48	4.83%	432,296	3.03%
4 Wholesale Trade	58	5.12%	387,824	3.10%	46	4.63%	610,578	4.28%
5 Construction	12	1.06%	22,882	0.18%	13	1.31%	26,481	0.19%
6 Finance Insurance Real Estate	9	0.80%	6,222	0.05%	13	1.31%	9,614	0.07%
7 Transportation and Utilites	8	0.71%	143,565	1.15%	10	1.01%	373,783	2.62%
8 Agriculture	4	0.35%	21,952	0.18%	6	0.60%	5,011	0.04%
Other, Non Classified	13	1.15%	20,783	0.17%	42	4.23%	185,915	1.30%
Total	1,132	100.00%	$ 12,501,019	100.00%	993	100.00%	$ 14,252,216	100.00%

Source: Tennessee Department of Revenue, Research Division.

Notes:

1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by merchants during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.
3. Changes in local telecommunications sourcing rules in 2003 reduced the number of taxpayers reporting in the Transportation and Utilities sector.
4. Does not include Columbia 's share of county clerk or out-of-state taxpayer amounts.

CITY OF COLUMBIA, TENNESSEE
Revenue Capacity Information
Taxable Sales by Category, Last Ten Calendar Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Category										
1 Apparel Stores	11,111,449	13,853,112	13,091,395	11,582,949	9,481,658	8,830,959	9,030,905	9,022,636	9,641,247	15,089,964
2 General Merchandise Stores	121,619,194	124,330,814	127,058,120	122,924,685	115,745,275	111,282,746	111,907,020	113,416,794	111,607,346	108,905,005
3 Food Stores	69,481,773	70,752,252	73,190,385	75,100,820	72,685,856	72,039,546	75,218,930	82,668,430	88,400,843	91,562,235
4 Eating and Drinking Places	48,787,777	72,735,915	79,205,310	76,307,824	69,748,154	68,850,544	71,908,961	75,123,928	76,545,372	80,615,459
5 Furniture Stores	16,704,619	24,544,691	25,856,983	25,173,791	20,130,483	17,715,730	17,587,609	17,150,377	17,533,343	13,552,554
6 Building Materials	56,163,954	62,939,099	59,722,643	51,488,323	43,188,678	42,201,430	40,881,322	43,429,117	46,049,173	51,930,626
7 MV Dealers and Service Stations	49,281,132	55,580,595	61,779,591	60,515,932	58,224,536	59,696,243	59,796,691	63,191,945	66,897,295	70,120,463
8 Other Retail	52,738,784	55,343,049	53,051,810	51,734,777	49,424,664	48,874,375	52,964,188	54,795,726	57,405,838	58,926,291
9 All Other Outlets	92,411,721	99,705,830	96,768,103	94,039,141	91,020,202	93,723,453	94,371,266	96,569,822	98,414,318	125,969,772
Total	518,300,403	579,785,357	589,724,340	568,868,242	529,649,506	523,215,026	533,666,892	555,368,775	572,494,775	616,672,369
Columbia Direct Sales Tax Rate	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%

Source: Tennessee Department of Revenue, Research Division.

Notes:
1. Figures subject to revision due to amended taxpayer returns.
2. Figures represent local sales tax collected by merchants during the period, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.
3. Does not include Columbia 's share of county clerk or out-of-state taxpayer amounts.

CITY OF COLUMBIA, TENNESSEE
Revenue Capacity Information
Direct and Overlapping Sales Tax Rates, Last Ten Fiscal Years

Fiscal Year	City Direct Rate*
2006	2.25%
2007	2.25%
2008	2.25%
2009	2.25%
2010	2.25%
2011	2.25%
2012	2.25%
2013	2.25%
2014	2.25%
2015	2.25%

* Maury County retains half of the 2.25% City sales tax as funding for the school system.

CITY OF COLUMBIA, TENNESSEE
Revenue Capacity Information
Schedule of Electric Rates (Unaudited), Last 10 Fiscal Years

COLUMBIA POWER SYSTEM

	2015	2014	2013	2012	2011	2010	2009	2008****	2007****	2006
RESIDENTIAL RATE										
Customer charge per month	$ 12.76	$ 12.76	$ 12.76	$ 12.76	$ 12.76	$ 9.65	$ 9.65	$ 9.65	$ 9.41	$ 9.41
Energy charge per kWh per month	0.07022	0.06837	0.0668	0.06481	0.06309	0.08238	0.07642	0.07423	0.06816	0.07098
GENERAL POWER RATE***										
PART A (DEMAND 0 - 5,000 kW)										
1. Up to 50 kW and/or 15,000 kWh										
Customer charge per month	$ 18.65	$ 18.65	$ 18.65	$ 18.65	$ 18.65	$ 18.65	$ 18.65	$ 18.65	$ 18.18	$ 18.18
Energy charge per kWh per month	0.08237	0.080895	0.07927	0.07731	0.07546	0.09451	0.08774	0.08526	0.07835	0.08155
2. From 51 kW to 1,000 kW and/or more than 15,000 kWh										
Customer charge per month	$ 34.19	$ 34.19	$ 34.19	$ 34.19	$ 34.19	$ 34.19	$ 34.19	$ 34.19	$ 33.32	$ 33.32
Demand charge:										
First 50 kW per month	-	-	-	-	-	-	-	-	-	-
Next 950 kW per month*	$ 13.30	$ 13.02	$ 12.76	$ 12.76	$ 12.46	$ 14.05	$ 13.13	$ 12.79	$ 11.83	$ 12.26
Energy charge:										
First 15,000 kWh per month	0.08577	0.08401	0.08233	0.08037	0.07852	0.09757	0.09080	0.08832	0.08133	0.08453
Additional kWh per month	0.03983	0.03896	0.03812	0.03619	0.03529	0.04946	0.04564	0.04424	0.04044	0.04225
3. Demand greater than 1,000 kW										
Customer charge per month	$ 130.54	$ 130.54	$ 130.54	$ 130.54	$ 130.54	$ 130.54	$ 130.54	$ 130.54	$ 127.23	$ 127.23
Demand charge:										
First 1,000 kW per month*	$ 12.84	$ 12.84	$ 12.58	$ 12.58	$ 12.98	$ 14.49	$ 13.51	$ 13.15	$ 12.13	$ 12.59
Additional kW per month*	$ 11.57	$ 11.55	$ 11.29	$ 11.29	$ 10.99	$ 15.35	$ 14.20	$ 13.78	$ 12.62	$ 13.17
Energy charge:										
All kWh per month	0.04284	0.04279	0.04188	0.03995	0.03897	0.05057	0.04675	0.04535	0.04152	0.04333
PART B (DEMAND 5,001 - 15,000 kW)**										
Customer charge per month	$ 1,850.00	$ 1,850.00	$ 1,850.00	$ 1,850.00	$ 1,850.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00
Demand charge:										
Per kW per month*	$ 22.70	$ 22.16	$ 21.63	$ 21.63	$ 21.03	$ 15.40	$ 14.21	$ 13.78	$ 12.95	$ 13.51
Energy charge:										
All kWh per month	0.0268	0.02614	0.02549	0.02549	0.02476					
First 620 kWh per kW per month						0.04132	0.03791	0.03667	0.03427	0.03588
Additional kWh per month						0.03372	0.03094	0.02796	0.02796	0.02928
PART C (DEMAND 15,001 - 25,000 kW)**										
Customer charge per month	$ 1,850.00	$ 1,850.00	$ 1,850.00	$ 1,850.00	$ 1,850.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00
Demand charge:										
Per kW per month*	$ 22.19	$ 21.65	$ 21.12	$ 21.12	$ 20.52	$ 14.89	$ 13.70	$ 12.44	$ 12.44	$ 13.00
Energy charge:										
All kWh per month	0.02693	0.02627	0.02562	0.02562	0.02488					
First 620 kWh per kW per month						0.04132	0.03791	0.03427	0.03427	0.03588
Additional kWh per month						0.03372	0.03094	0.02796	0.02796	0.02928
PART D (DEMAND > 25,001 kW)**										
Customer charge per month	$ 1,850.00	$ 1,850.00	$ 1,850.00	$ 1,850.00	$ 1,850.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00	$ 1,500.00
Demand charge:										
Per kW per month*	$ 25.84	$ 25.20	$ 24.58	$ 24.58	$ 23.87	$ 18.24	$ 16.77	$ 15.19	$ 15.19	$ 15.89
Energy charge:										
Per kW per month	0.01949	0.01902	0.01856	0.01856	0.01803	0.03314	0.03040	0.02747	0.02747	0.02877
OUTDOOR LIGHTING										
Street, Parks, and Athletic Fields										
Customer charge	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50
Each kWh	0.04528	0.04348	0.04274	0.04075	0.03997	0.05926	0.05534	0.05115	0.05115	0.05301
Plus investment charge										
Security Lighting										
Energy charge:										
All kWh	0.04528	0.04348	0.04274	0.04075	0.03997	0.05926	0.05534	0.05115	0.05115	0.05301

* Establishes minimum bill requirements

** Minimum bill or contract demand minimum is applicable, facilities rental and reactive demand charges.

*** Seasonal customers add $.0133 (1.33 cents) to first 15,000 kWh and $4.00 per kW to billed demand charges.

**** Base rates shown. Rates will adjust quarterly for TVA Fuel Cost Adjustment.

Note: Electric rates require approval by the Tennessee Valley Authority.

CITY OF COLUMBIA, TENNESSEE
Revenue Capacity Information
Schedule of Primary Power System Revenue by Payor Type (Unaudited), Current Year and 9 Years Ago

COLUMBIA POWER SYSTEM

	Fiscal Year 2015			Fiscal Year 2006		
Customer Type	Gross Revenue		%	Customer Type	Gross Revenue		%
Residential	$	32,622,370	52.4%	Residential	$	22,346,798	49.7%
Commercial		7,276,140	11.7%	Commercial		5,474,890	12.2%
Industrial		21,264,278	34.2%	Industrial		16,374,515	36.4%
Street and athletic		671,633	1.1%	Street and athletic		448,215	1.0%
Outdoor Lighting		385,172	0.6%	Outdoor Lighting		326,873	0.7%
Total energy sales before bad debt expense	$	62,219,593	100.00%	Total energy sales before bad debt expense	$	44,971,291	100.00%

CITY OF COLUMBIA, TENNESSEE
Debt Capacity Information
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

			Governmental Activities		Business-type Activities			
Fiscal Year	Population*	Per Capita Income	General Obligation Bonds**	Notes	Revenue Bonded Debt***	Total Primary Government	Percentage of Personal Income [a]	Per Capita [a]
2006	34,058	29,174	1,198,787	695,319	41,844,332	43,738,438	0.07 %	$ 1,284.22
2007	34,229	30,168	3,103,676	476,683	44,923,569	48,503,928	0.06 %	$ 1,417.05
2008	34,400	29,797	2,827,208	104,446	42,150,209	45,081,863	0.07 %	$ 1,310.52
2009	34,572	31,251	4,554,264	71,315	55,731,845	60,357,424	0.05 %	$ 1,745.85
2010	34,681	30,401	10,877,970	670,331	52,047,125	63,595,426	0.05 %	$ 1,833.73
2011	34,854	30,414	10,442,174	2,320,550	48,195,909	60,958,633	0.05 %	$ 1,748.95
2012	34,788	31,704	10,001,378	1,974,799	61,907,619	73,883,796	0.04 %	$ 2,123.83
2013	35,000	32,688	9,560,582	1,618,005	56,082,697	67,261,284	0.05 %	$ 1,921.75
2014	35,550	33,464	9,114,786	1,251,074	53,581,185	63,947,045	0.05 %	$ 1,798.79
2015	36,430	33,464	8,658,990	2,765,757	50,461,504	61,886,251	0.05 %	$ 1,698.77

* Based on 2000 and 2010 Censuses and estimated annual growth

** Presented net of original issuance discounts and premiums

*** Includes Revenue and Revenue & Tax Bonds, net of original issuance discounts and premiums and loss on refunding

[a] See Schedule 19 for personal income and population data. These ratios are calculated using personal income data from the prior calendar year and estimated population at June 30th fiscal year end.

CITY OF COLUMBIA, TENNESSEE
Debt Capacity Information
Ratio of General Bonded Debt Outstanding, Last Ten Fiscal Years

Fiscal Year	Population*	Actual Value of Taxable Property**	General Bonded Debt ***	Percent of General Obligation Debt to Actual Value	Net Bonded Debt Per Capita
2006	34,058	1,703,779,324	1,894,106	0.11 %	55.61
2007	34,228	2,016,642,860	3,580,351	0.18 %	104.60
2008	34,399	2,095,749,880	2,931,654	0.14 %	85.22
2009	34,571	2,166,280,253	4,625,579	0.21 %	133.80
2010	34,681	2,183,957,852	11,548,301	0.53 %	332.99
2011	34,854	2,246,664,049	12,762,724	0.57 %	366.17
2012	34,788	2,267,061,474	11,976,177	0.53 %	344.26
2013	35,000	2,249,760,571	11,178,587	0.50 %	319.39
2014	35,550	2,566,257,260	10,365,860	0.40 %	291.59
2015	36,430	2,278,256,001	11,424,747	0.50 %	313.61

* Based on City Plannng Department estimate. 2010 based upon 2010 Census.
** Property value information does not include public utility assessments.
*** General bonded debt, net of original issuance discounts and premiums

CITY OF COLUMBIA, TENNESSEE
Debt Capacity Information
Direct and Overlapping Governmental Activities Debt

Jurisdiction	Net Bonded Debt Outstanding *	Percentage Applicable to City		Estimated Share of Overlapping Debt
Direct:				
City of Columbia	$11,424,747	100.00%		$11,424,747
Overlapping:				
Maury County	103,768,633	42.47%	**	44,066,735
Total	$ 115,193,380			$ 55,491,482

* Excluding general obligation bonds financed by special assessments and proprietary funds.

**Based upon appraised value of property in 2014 in:

County	$1,700,309,424
City	$ 722,059,087

CITY OF COLUMBIA, TENNESSEE
Debt Capacity Information
Legal Debt Margin Information, Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed value	$ 517,179,422	$ 621,884,257	$ 647,228,298	$ 667,722,663	$ 671,653,368	$ 695,446,952	$ 703,465,079	$ 695,103,805	$ 710,987,445	$ 705,435,248
General obligation bonds	1,894,106	3,580,769	2,931,654	4,658,409	11,530,331	12,745,550	11,959,799	11,163,005	10,351,074	11,410,757
Debt as a percent of assessed value	0.37%	0.58%	0.45%	0.70%	1.72%	1.83%	1.70%	1.61%	1.46%	1.62%

Note: The City has no legal debt limit

CITY OF COLUMBIA, TENNESSEE
Debt Capacity Information
Pledged-Revenue Coverage, Last Ten Fiscal Years

SEWER SYSTEM

Fiscal Year	Gross Revenues*	Operating Expense**	Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Times Coverage
2006	8,291,596	4,058,103	4,233,493	1,526,680	703,765	2,230,445	1.90
2007	8,306,302	4,060,081	4,246,221	1,593,794	729,346	2,323,140	1.83
2008	7,596,817	4,114,108	3,482,709	1,279,000	665,381	1,944,381	1.79
2009	6,740,732	4,529,195	2,211,537	1,338,000	674,457	2,012,457	1.10
2010	6,420,146	4,365,429	2,054,717	1,613,000	683,103	2,296,103	0.89
2011	6,264,193	4,582,987	1,681,206	1,675,000	638,130	2,313,130	0.73
2012	8,729,748	4,590,079	4,139,669	1,745,000	809,230	2,554,230	1.62
2013	9,093,908	4,601,797	4,492,111	2,082,000	831,823	2,913,823	1.54
2014	9,240,288	4,937,434	4,302,854	1,175,000	759,705	1,934,705	2.22
2015	9,150,036	5,576,707	3,573,329	1,215,000	722,978	1,937,978	1.84

* Includes nonoperating revenues, excludes capital contributions
**Net of depreciation and amortization

POWER SYSTEM

Fiscal Year	Gross Revenues*	Operating Expense**	Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Times Coverage
2006	50,147,034	43,743,477	6,403,557	540,000	662,902	1,202,902	5.32
2007	53,892,077	46,654,153	7,237,924	580,000	800,388	1,380,388	5.24
2008***	61,859,262	54,589,486	7,269,776	795,000	780,784	1,575,784	4.61
2009***	66,490,788	58,473,747	8,017,041	1,025,000	753,526	1,778,526	4.51
2010	64,334,844	56,125,014	8,209,830	1,070,000	1,017,307	2,087,307	3.93
2011	67,469,514	59,195,879	8,273,635	1,105,000	977,769	2,082,769	3.97
2012	65,536,546	57,760,097	7,776,449	1,095,000	935,050	2,030,050	3.83
2013	66,362,113 #	58,918,258	7,443,855	1,135,000	890,660	2,025,660	3.67
2014	68,732,856 #	60,631,566	8,101,290	940,000	771,953	1,711,953	4.73
2015	69,420,558 #	61,787,608	7,632,950	970,000	736,646	1,706,646	4.47

* Includes interest income. FY 2004-10 is net of bad debt expense.
** Net of depreciation and amortization
***Gross revenues and operating expenses were restated for fiscal years 2008 and 2009

WATER SYSTEM

Fiscal Year	Gross Revenues*	Operating Expense**	Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Times Coverage
2006	5,915,701	3,813,777	2,101,924	540,000	316,365	856,365	2.45
2007	6,504,094	4,098,176	2,405,918	725,000	291,625	1,016,625	2.37
2008	7,106,250	4,295,664	2,810,586	775,000	488,325	1,263,325	2.22
2009	7,820,525	4,696,962	3,123,563	1,010,000	444,750	1,454,750	2.15
2010	8,260,424	4,554,383	3,706,041	1,070,000	598,318	1,668,318	2.22
2011	8,079,453	4,809,060	3,270,393	1,130,000	542,287	1,672,287	1.96
2012	8,781,564	4,846,308	3,935,256	1,185,000	484,456	1,669,456	2.36
2013	9,879,539	5,127,695	4,751,844	1,245,000	870,191	2,115,191	2.25
2014	10,315,304	5,184,543	5,130,761	950,000	768,638	1,718,638	2.99
2015	10,503,582	5,211,028	5,292,554	975,000	737,488	1,712,488	3.09

***Gross revenues and operating expenses were restated for fiscal years 2008 and 2009
**Net of depreciation and amortization

CITY OF COLUMBIA, TENNESSEE
Demographic and Economic Information
Demographic and Economic Statistics, Last Ten Years

Fiscal Year	Population[A]	Personal Income[B]	Per Capita Income[C]	Unemployment Rate [D]
2005	33,888	974,754	28,764	3.60%
2006	34,058	993,608	29,174	5.40%
2007	34,228	1,032,590	30,168	8.60%
2008	34,399	1,024,987	29,797	7.80%
2009	34,571	1,080,378	31,251	17.30%
2010	34,681	1,054,337	30,401	14.00%
2011	34,854	1,060,050	30,414	12.70%
2012	34,788	1,102,919	31,704	8.90%
2013	35,000	1,144,080	32,688	9.20%
2014	35,500	1,187,972	33,464	7.60%
2015	36,430	1,219,094	33,464	5.10%

Sources:

A Based on 2000 and 2010 Censuses and estimated annual growth

B Computed using population multiplied by per capita income (shown in thousands)

C Source - U.S. Department of Commerce - Bureau of Economic Analysis (as of end of previous calendar year), rate reflected is for Maury County (2013 is most recent rate available).

D Source - Tennessee Department of Employment Security. Represents Maury County as a whole.

CITY OF COLUMBIA, TENNESSEE
Demographic and Economic Information
Principal Employers, Current Year and Nine Years Ago

	2015			2005		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Maury Regional Hospital	2,023	1	14.53%	2,100	1	14.51%
Maury County School System	1,580	2	11.35%	1,549	2	10.70%
Tennessee Farm Bureau & Affiliates	760	3	5.46%	700	3	4.84%
City of Columbia	378	4	2.71%	370	5	2.56%
First Farmers & Merchants Natl Bank	266	5	1.91%	200	7	1.38%
Maury County Government	266	6	1.91%	408	4	2.82%
NHC Healthcare	255	7	1.83%			
Columbia State Community College	250	8	1.80%	250	6	1.73%
Kings Daughter's School	180	9	1.29%			
Wal Mart	150	10		160	8	1.11%
Cracker Barrel				124	9	0.86%
Kasbar Industries				115	10	0.79%
Total	6108		43.86%	5976		41.30%
	Total Employment * 13,925			Total Employment ** 14,470		

Source: Number of employees provided by Maury County Economic Development, total employment numbers from U.S. Department of Labor, Bureau of Labor Statistics

* number employed within City of Columbia as of June 30, 2015
**number employed within City of Columbia as of June 30, 2005

CITY OF COLUMBIA, TENNESSEE
Operating Information
Full-time-Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years

	Full-time-Equivalent Employees as of June 30									
Function/Program	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
General government										
City Manager	3	3	3	3	4	4	3	3	3	3
Management Information Systems	4	4	4	4	4	4	4	4	4	4
Emergency Management	1	1	1	1	1	1	1	1	1	1
Finance	4	4	4	4	4	4	4	4	4	4
City Recorder	8	8	8	8	9	9	9	9	9	9
Personnel	3	3	3	3	3	3	3	3	3	3
Planning	0	0	0	4	4	4	4	5	5	5
Police										
Sworn Officers	88	88	88	88	88	88	84	84	84	84
Civilians	12	12	12	12	12	12	12	12	11	11
Fire										
Firefighters and officers	86	86	86	86	86	86	86	86	86	86
Non-Suppression personnel	5	5	5	5	5	5	5	5	5	5
Sanitation	30	30	30	30	30	30	30	30	30	30
Public works										
Engineering	0	0	0	6	6	6	6	12	12	11
Code Administration	0	0	0	7	7	7	7	0	0	0
Development Services*	16	16	16	0	0	0	0	0	0	0
Public Works-Streets	44	44	44	44	44	44	44	43	43	43
Parks and recreation	23	23	23	23	22	22	22	22	22	22
Wastewater	51	51	51	51	51	51	54	54	55	55
Total	378	378	378	379	380	380	378	377	377	376

Source: City of Columbia Personnel Department (authorized positions)

* The Development Services department was formed during FY 2012-13 and consolidated Grants & Planning, Engineering and Code Administration activities.

City of Columbia, Tennessee
Operating Information
Operating Indicators by Function/Program, Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Calls for service (including traffic stops)	45,076	46,534	48,419	49,878	53,629	50,241	46,359	46,812	47,627	43,252
Custodial arrests	1,842	2,525	1,557	3,054	3,520	3,155	3,173	2,852	3,237	2,865
Traffic violations	6,367	6,651	7,017	6,841	6,958	5,014	3,601	3,390	3,601	2,234
Fire Department										
Emergency responses	2,147	2,445	2,877	2,903	2,855	3,193	3,579	3,856	4,095	4,104
Fires extinguished	221	224	132	200	153	169	162	163	135	144
Inspections	1,409	991	1,643	1,927	2,347	2,003	2,427	2,178	1,420	1,201
Sanitation										
Refuse collected (tons per day)	75	80	79	75	76	79	80	85	78	76
Other Public Works										
Streets resurfacing (miles)	< 1	< 1	< 1	5	<1	<1	8.8	<1	<1	11.8
Sidewalks replaced/constructed (blocks)	8	7	9	5	2	2	0	2	3	4
Parks & Recreation										
Athletic permits issued	7	9	12	9	9	14	14	15	14	14
Community center /ball field admissions	*	*	104,368	63,011	70,042	80,042	85,237	87,237	90,237	98,224
Facility rentals	224	209	348	470	469	1,264	1,232	1,450	1,154	1,157
Sewage										
Average daily sewage treatment (thousands of gallons)	4,606	3,575	3,646	4,456	4,828	4,433	4,002	5,268	5,890	6,408

Sources: Various city departments

* Information not available from department

City of Columbia, Tennessee
Operating Information
Capital Assets Statistics by Function Program, Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Substations	4	4	4	4	3	3	3	3	3	2
Fire Stations	5	5	5	5	5	5	5	5	5	5
Transfer station	0	0	0	0	0	0	0	0	0	0
Other Public Works										
Streets (miles)	200	200	200	200	200	200	200	200	200	210
Street lights	5,759	5,787	5,831	5,831	5,833	5,833	5,841	5,843	5,846	5,850
Traffic signals (signalized intersections)	44	44	43	43	43	43	43	43	44	45
Parks & Recreation										
Acreage	360	360	360	360	360	360	360	360	360	360
Playgrounds	8	8	9	9	9	9	9	9	9	9
Baseball/softball diamonds	14	14	14	14	19	19	15	15	16	16
Soccer/football fields	24	24	24	24	26	26	26	26	26	26
Community centers	4	4	4	4	4	4	4	4	4	4
Sewage										
Sanitary sewers (miles)	253	260	263	268	269	269	304	304	304	304
Storm sewers (miles)										
Treatment capacity (thousands of gallons)	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000

Sources: Various city departments

* Information not available from department

CITY OF COLUMBIA, TENNESSEE

Schedule of Insurance and Fidelity Bond-Unaudited

June 30, 2015

Insurance Coverage (excluding Columbia Power & Water Systems):

Type of Coverage	Coverage	Limits of Liability
Workers' Compensation	Benefits	Statutory
General Liability and Law Enforcement Liability	Bodily injury	$300,000/$700,000
	Property Damage	$100,000
Comprehensive Automobile Liability	Automobiles - Except bus	$300,000
	- Bodily injury	$700,000
	- Property damage	$100,000
Non-tort liability	Bodily injury & property damage	$1,000,000
Public Official liability	Each loss	$1,000,000
Contractor's Equipment	Non-road licensed equipment	$1,977,540
Auto Physical Damage	Fire Department Vehicles	$4,209,865
	Police Department	$1,038,325
	Sanitation	$2,166,000
	Street Department	$801,125
	Wastewater	$887,525
	Parks & Recreation	$50,175
	Development Services	$44,700
Data Processing Equipment	City Hall and other locations	$765,333
Building and Contents, including Boiler and Machinery	Blanket property coverage	$92,609,517
Fidelity and Other Bonds	Employee dishonesty blanket bond	$150,000
	Theft, disappearance, etc.	$150,000
	Computer fraud	$150,000
	Forgery and Alteration	$150,000
	Surety bond-TN Dept of Highways	$3,000

CITY OF COLUMBIA, TENNESSEE

Schedule of Utility Rates in Effect - Unaudited

June 30, 2015

POWER SYSTEM

RESIDENTIAL RATE	
Customer charge per month	$12.76
Energy charge per KWH per month	.07022
GENERAL POWER RATE***	
PART A (DEMAND 0-5,000KW)	
1. Up to 50 KW and/or 15,000 KWH	
Customer charge per month	$18.65
Energy charge per KWH per month	.08237
2. Between 50 KW and 1,000 KW and/or more than 15,000 KWH	
Customer charge per month	$34.19
Demand charge:	
Next 950 KW per month*	$13.30
Energy Charge:	
First 15,000 KWH per month	.08577
Additional KWH per month	.03983
3. Demand greater than 1,000 KW	
Customer charge per month	$130.54
Demand charge:	
First 1,000 KW per month*	$12.84
Additional KW per month	$11.57
Energy charge:	
All KWH per month	.04284
PART B (DEMAND 5,001 - 15,000 KW)**	
Customer charge per month	$1,850.00
Demand charge:	
Per KW per month*	$22.70
Energy charge:	
All KWH per month	.02268
PART C (DEMAND 15,001 - 25,000 KW)**	
Customer charge per month	$1,850.00
Demand charge:	
Per KW per month*	$22.19
Energy charge:	
All KWH per month	.02693
PART D (DEMAND GREATER THAN 25,000 KW)**	
Customer charge per month	$1,850.00
Demand charge:	
Per KW per month*	$25.84
Energy charge:	
Per KW per month	.01949

(Continued on next page)

CITY OF COLUMBIA, TENNESSEE

Schedule of Utility Rates in Effect - Unaudited (Continued)

June 30, 2015

POWER SYSTEM (CONTINUED)

OUTDOOR LIGHTING:	
STREET, PARKS, AND ATHLETIC FIELDS	
Customer charge	$2.50
All KWH	.04528
Plus investment charge	
SECURITY LIGHTING	
Energy charge:	
All KWH	.04528

*Establishes minimum bill requirements

**Minimum bill or contract demand minimum is applicable, facilities rental and reactive demand charges.

***Seasonal customers add .01333 (1.33 cents) to first 15,000 KWH and $4.00 to billed demand charges.

Base rates above will be adjusted quarterly for TVA Fuel Cost Adjustments.

BROADBAND

Standard Cable Rates:	
Analog	$23.50
Expanded Basis	41.50
Digital:	
Digital Gateway	77.00
Premium service	16.50
Internet*	
Residential:	
PowerNet 20.0	41.00
PowerNet 50.0	50.00
Commercial:	
Power Business 10.0/Business Elite Service	$50.00
Power Business 25.0	$70.00
Power Business 50.0	$125.00

Number of Customers at June 30, 2015 - by service:

Cable:			
Basic	4,434	Internet:	
Basic Expanded Basic	3,815	Residential	3,595
Digital	1,385	Commercial	264
Premium	512	Other	53
Phone	1,333		

CITY OF COLUMBIA, TENNESSEE

Schedule of Utility Rates in Effect - Unaudited (Continued)

June 30, 2015

WATER SYSTEM

	Inside City Limits	Outside City Limits
Minimum bill/Customer charge		
Residential	$9.50	$14.00
Commercial	13.00	18.00
Industrial	59.00	59.00
Private fire protection	7.66	7.66
Fire Hydrants	9.19	9.19
Residential, Commercial, and Industrial Rates:		
0-5,000 gallons	$ 2.40	$ 3.15
5001-50,000 gallons	2.70	3.50
50,001-500,000 gallons	2.70	3.50
500,001-1,000,000 gallons	2.70	3.50
Over 1,000,000 gallons	2.70	3.50
Multi-Unit Charge:		
Residential	$4.00	4.00
Commercial	5.50	5.50

Amortization charge: An additional charge of five cents per 1,000 gallons water used is applicable to the above rates to defray the City's share of the water supply benefits provided by the Tennessee Duck River Development Agency.

COLUMBIA SEWER SYSTEM

	Inside City Limits	Outside City Limits	Number of Customers at Year End	
Minimum bill/Customer Charge	$14.99	$24.00	Residential	12,046
			Commercial	1,719
Charge per unit	$4.90/1000 gallons	$4.90/1000 gallons	Apartments	3,070
			Industrial	11
				16,846

AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
American Water Works Association
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Click to access definition
Click to add a comment

Water Audit Report for: Columbia Power and Water Systems
Reporting Year: 2015 | 7/2014 - 6/2015

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

<---------- Enter grading in column 'E' and 'J' ---------->

Master Meter and Supply Error Adjustments

WATER SUPPLIED

						Pcnt:	Value:	
Volume from own sources:	10	2,933.983	MG/Yr	9				MG/Yr
Water imported:	n/a	0.000	MG/Yr					MG/Yr
Water exported:	n/a	0.000	MG/Yr					MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 2,933.983 MG/Yr

AUTHORIZED CONSUMPTION

Click here: for help using option buttons below

				Pcnt:	Value:	
Billed metered:	10	2,478.633	MG/Yr			
Billed unmetered:	n/a		MG/Yr			
Unbilled metered:	n/a		MG/Yr			
Unbilled unmetered:	10	24.823	MG/Yr		24.823	MG/Yr

Use buttons to select percentage of water supplied OR value

AUTHORIZED CONSUMPTION: 2,503.456 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) 430.527 MG/Yr

Apparent Losses

				Pcnt:	Value:	
Unauthorized consumption:		7.335	MG/Yr	0.25%		MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	9	0.000	MG/Yr			MG/Yr
Systematic data handling errors:		6.197	MG/Yr	0.25%		MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 13.532 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 416.995 MG/Yr

WATER LOSSES: 430.527 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 455.350 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	7	536.0	miles
Number of active AND inactive service connections:	9	21,000	
Service connection density:		39	conn./mile main

Are customer meters typically located at the curbstop or property line? Yes

Average length of customer service line: (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure:	5	55.0	psi

COST DATA

Total annual cost of operating water system:	10	$5,080,579	$/Year	
Customer retail unit cost (applied to Apparent Losses):	8	$4.00	$/1000 gallons (US)	
Variable production cost (applied to Real Losses):	6	$0.00	$/Million gallons	☐ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 87 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Variable production cost (applied to Real Losses)
2: Unauthorized consumption
3: Systematic data handling errors

AWWA Free Water Audit Software:
System Attributes and Performance Indicators

WAS v5.0
American Water Works Association
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Water Audit Report for: Columbia Power and Water Systems
Reporting Year: 2015 | 7/2014 - 6/2015

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 87 out of 100 ***

System Attributes:

	Apparent Losses:	13.532	MG/Yr
+	Real Losses:	416.995	MG/Yr
=	**Water Losses:**	**430.527**	MG/Yr
?	Unavoidable Annual Real Losses (UARL):	121.45	MG/Yr
	Annual cost of Apparent Losses:	$54,122	
	Annual cost of Real Losses:	$0	Valued at **Variable Production Cost**

Return to Reporting Worksheet to change this assumpiton

Performance Indicators:

Financial:	Non-revenue water as percent by volume of Water Supplied:	15.5%	
	Non-revenue water as percent by cost of operating system:	1.1%	Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	1.77	gallons/connection/day
	Real Losses per service connection per day:	54.40	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	0.99	gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	417.00	million gallons/year
?	Infrastructure Leakage Index (ILI) [CARL/UARL]:	3.43	

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDIT STANDARDS*

Honorable Mayor and City Council
City of Columbia, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 26, 2015. Other auditors audited the financial statements of the Power System and Water System Funds, as described in our report on the City Columbia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors

Internal Control Over Financial Reporting

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

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

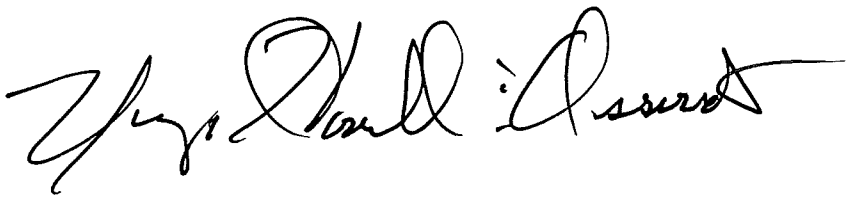
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



October 26, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Honorable Mayor and City Council
City of Columbia, Tennessee

Report on Compliance for Each Major Federal Program

We have audited the City of Columbia, Tennessee's (the City) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits* of *States, LocalGovernments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Columbia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Honorable Mayor and City Council
City of Columbia, Tennessee

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

October 26, 2015

City of Columbia, Tennessee

Schedule of Findings and Questioned Costs

June 30, 2015

Summary of Auditor's Results

1. The June 30, 2015 Auditor's Report on the Financial Statements was unqualified.

2. There were no significant deficiencies in internal control disclosed by the audit of the financial statements.

3. The audit did not disclose any noncompliance which is material to the financial statements.

4. No significant deficiencies in the internal control over major programs were disclosed by the audit.

5. The June 30, 2015 report on compliance for major programs of the City expresses an unqualified opinion on all major federal programs.

6. No audit findings required to be reported under §.510a were noted.

7. Program tested as major program - U.S. Department of Transportation, CFDA # 20.205 .

8. Type A programs have been distinguished as those programs with expenditures greater than $300,000.

9. The City of Columbia, Tennessee was not considered to be a low risk auditee.

Findings Related to the Financial Statements Which are Required to be Reported in Accordance with Government Auditing.

None reported.

Prior Year Findings or Questioned Costs.

None reported.

Findings or Questioned Costs Related to Major Federal Programs.

None reported.