
TOWN OF COLUMBIA

Annual Financial Statements

For the Year Ended June 30, 2019

TOWN OF COLUMBIA

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INDEPENDENT AUDITOR'S REPORT

To the Financial Planning and Allocation Commission of
The Town of Columbia, CT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Columbia, CT, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Columbia, CT's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Columbia, CT, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Columbia, CT's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements of the governmental activities, each major fund, and the aggregate remaining fund information from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and supplementary pension plan information on pages 4–11 and 45-48 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 Town of Columbia, CT's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act, and is also not a required part of the basic financial statements.

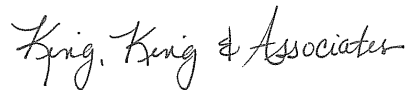
The combining and individual nonmajor fund financial statements and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of

the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2019, on our consideration of the Town of Columbia, CT'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 Town of Columbia, CT's internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, CT
December 8, 2019

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2019

As management of the Town of Columbia, CT, we offer readers of the Town of Columbia, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Columbia, CT for the fiscal year ended June 30, 2019.

Financial Highlights

- The assets of the Town of Columbia, CT exceeded its liabilities at the close of the most recent fiscal year by \$20,882,642 (*net position*). Of this amount, \$5,142,021 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position is \$358,728. \$106,263 is restricted for the Brand Memorial Trust, \$149,093 is restricted for Town Aid Road, \$4,203 is restricted for D.A.R.E. Education, \$2,627 is restricted for Historic Document Preservation, \$36,613 is restricted for Land Protection, \$928 is restricted for Education Grants, \$8,789 is restricted for Social Service's Needs, and \$50,212 is restricted for Small Cities Housing Rehabilitation. The remainder of the government's net position is invested in capital assets.
- As of the close of the current fiscal year, the Town of Columbia, CT's governmental funds reported combined ending fund balances of \$5,975,335, an increase of \$253,296 in comparison with the prior year. The increase is primarily attributable to the under-spending of the budgeted operating and capital expenditures as well as the higher than budgeted revenue received by the town in property tax collection, interest on short term investments, municipal aid for Education Cost Share and Special Education as well as town fees. Of this amount, \$3,706,211 is available in the Town's General Fund for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, assigned and unassigned fund balance for the General Fund was \$4,278,211 or 24% percent of total General Fund expenditures. This fund balance represents the Town's reserve for future capital projects, as all assets of the capital projects fund have been obligated to finance current projects.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Columbia, CT's basic financial statements. The Town of Columbia, CT's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The 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 Town of Columbia, CT's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Columbia, CT'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 Town of Columbia, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position has 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 result in future cash inflows (revenues) and outflows (expenditures.)

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Management's Discussion and Analysis
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Both of the government-wide financial statements present functions of the Town of Columbia, CT that are principally supported by tax revenues, grants and intergovernmental revenues (*governmental activities*). The governmental activities of the Town of Columbia, CT include general government, public safety, highways, sanitation, health and welfare, recreation, and education. The town does not report any funds that carry-on business-type activities.

The government-wide financial statements can be found on pages 13-14 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 Town of Columbia, CT, 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 Town of Columbia, CT can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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 Town of Columbia, CT maintains twenty-one (21) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The town also reports the Capital Improvement Fund as a major fund.

The Town of Columbia, CT adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-19 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Columbia, CT's own programs.

The basic fiduciary fund financial statements can be found on pages 20-21 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 22-45 of this report.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2019

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 Town of Columbia, CT, assets exceeded liabilities by \$20,882,642 at the close of the most recent fiscal year.

	2019	2018
Current and Other Assets	\$ 7,222,231	\$ 6,683,491
Capital Assets	15,857,331	15,440,554
Total Assets	\$ 23,079,562	\$ 22,124,045
Deferred Outflows of Resources	25,536	7,633
Other Liabilities	\$ 1,288,167	\$ 950,182
Long-Term Liabilities Outstanding	922,025	923,230
Total Liabilities	2,210,192	1,873,412
Deferred Inflows of Resources	12,264	13,612
Net Position:		
Net Investment in Capital Assets	15,381,893	14,974,374
Restricted	358,728	474,457
Unrestricted	5,142,021	4,795,823
Total Net Position	\$ 20,882,642	\$ 20,244,654

74% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in 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.

2% of the Town's net position is subject to external restrictions on how it may be used and is therefore presented as restricted net position.

The remainder of the Town's net position (24%) is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Columbia, CT is able to report that all categories of net position increased by \$637,988 during this fiscal year. This increase is primarily attributable to the under spending of the operating budget and capital expenditures, additional unbudgeted revenue and a higher-than-budgeted property tax collection rate.

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Management's Discussion and Analysis
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Revenues:	2019	2018
<i>General Revenues:</i>		
Property Taxes	\$ 14,302,272	\$ 14,163,071
Unrestricted Investment Income	151,166	107,935
Grants and Contributions	21,640	32,375
Other Income	20,286	15,930
Loss on Disposal	(2,661)	-
<i>Program Revenues:</i>		
Charges for Services	367,379	368,270
Operating Grants and Contributions	5,556,396	4,583,387
Capital Grants and Contributions	176	48,000
Total Revenues	20,416,654	19,318,968
Expenses:		
<i>Governmental Activities:</i>		
General Government	1,639,200	1,569,797
Health and Human Services	228,850	197,369
Public Safety	586,118	578,445
Public Works	1,326,768	1,200,576
Building and Development Services	182,078	184,849
Recreation	573,176	560,874
Education	15,220,726	14,865,015
Interest on Long-term Debt	21,750	29,000
Total Expenses	19,778,666	19,185,925
Change in Net Position	637,988	133,043
Beginning Net Position	20,244,654	20,111,611
Ending Net Position	\$ 20,882,642	\$ 20,244,654

Governmental activities. Governmental activities increased the Town of Columbia, CT's net position by \$637,988.

Key elements of the activities are as follows:

- Seventy percent (70%) of the revenues of the Town were derived from property taxes, followed by less than one percent (1%) from investment and other income, followed by less than one percent (1%) from grants and contributions, and then Twenty-nine percent (29%) from program revenues.

Major revenue factors included:

- The Town collected a surplus in the following budgeted revenue lines:
 - \$ 1,690 in Passport Fees
 - \$ 20,648 in Real Estate Conveyance Fees
 - \$ 1,636 in Town Clerk Fees
 - \$ 2,300 in Boating Fees
 - \$ 1,470 in Transfer Station Sticker Fees
 - \$ 8,750 in Transfer Station Sticker Fees

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Management's Discussion and Analysis
June 30, 2019

\$ 4,410 in Beach Use and Concession Fees
\$ 17,842 in Preschool Tuition
\$ 82,049 in Interest on Investments

The Town collected a surplus of \$282,139 in property taxes (current, outstanding, delinquent, interest, etc.).

- The State of Connecticut granted the Town \$34,500 more in the Education Equalization Grant (ECS aid to towns) than what was locally budgeted due to an adjustment for prior year. Also, the state awarded the Town an additional \$11,476 more in the Special Education Grant.

For Governmental Activities, 77% of the Town's expenses relate to education, 7% relates to public works, 3% relate to public safety and health and human services, and the remaining 13% relates to government, building and development services, recreation and other areas.

Major expense factors include:

- The following capital projects:
 - Town Road Resurfacing -- \$113,811
 - Rec Park Improvements -- \$55,474
 - John Deere Tractor Frame Replacements -- \$16,000
 - Emergency Fuel Supply Tank -- \$15,908
 - Transfer Station Fence Repair -- \$6,756
 - Exterior Upgrades to Town Maintenance Facility (Old CVFD) -- \$144,997
 - New Town Salt Shed 18/19 costs -- \$269,386
 - New Town Hall Roof -- \$42,050
 - Moor's Indian School exterior painting and lead abatement - \$45,665
 - Senior Center window replacements -- \$8,181
 - Hazardous Tree Removal -- \$45,528
 - Village Hill Bridge Repairs -- \$22,970
 - Purchase of Open Space land, including survey - \$113,150
 - CVFD Self Contained Breathing Apparatus -- \$16,807
 - HWP Cafetorium Storage Project completion -- \$20,333
 - HWP Server Upgrade completion -- \$28,182
- Increase in the Town's 2018-2019 debt service payments by \$54,913 from 2017-2018. The increase in debt is due to a four year loan obligations on LED lighting projects completed at Town Hall, the Senior Center as well as Porter School. Debt service payments on the General Obligation Bond will continue to reduce at a rate of \$7,250 each year until final payment in June 2021. The LED Lighting Loans will be paid off the fall of 2022.
- Decrease in the approved Town's allocation to the 2018-2019 Board of Education by \$283,736 from the final 2017-2018 Town's allocation. However, the Town needed to allocate an additional \$215,193 to the 2018-2019 Board of Education's town allocated budget in order to meet the State of Connecticut Minimum Budget Requirement. With the additional Town allocation, the 2018-2019 Board of Education had a net decrease of \$68,543 overall.
- As of June 30, 2019, the Columbia Board of Education has excess funds in its budget totaling \$363,349. Of those excess funds, \$75,000 was added to the Board of Education's Non-lapsing Account that was established in the 2015-2016 year and the balance of \$288,349 was returned to the Town's General Fund.

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Management's Discussion and Analysis
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- The Columbia Board of Education looked within the 2018-2019 budget and used funds from other expenditures lines to cover the under-budgeting in other lines: Salaries (\$56,115) for staff changes and staff leaves, Legal Services (\$9,728), Information Technology Services (\$33,250) for IT Security Assessment, Repair and Maintenance (\$153,593)for building projects such as duct cleaning, fire alarm panel, windows, fencing and painting, Electricity (\$51,124) for the cost of LED lighting project loan, Textbooks (\$88,253) for new math and language arts curriculum and Equipment (\$103,036) for new computer technology and furnishings for the school. The savings shown in various lines were used to cover the projected budget line deficits due to staff changes as well as changes in Regular Education and Special Education services and transportation. Also, with a projected excess in various lines, the Board of Education was able to purchase needed textbooks and curriculum material as well as classroom and technology equipment for both Regular Education and Special Education as noted above.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the Town of Columbia, CT's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Columbia, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Columbia, CT's governmental funds reported combined ending fund balances of \$5,975,335, an increase of \$253,296 in comparison with the prior year. Sixty-two (62%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Town of Columbia, CT. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was \$4,278,211. This represents an increase of \$398,685. The increase is due to the collection of revenue at a higher than budgeted rate on the Municipal Government side as well as a lower than anticipated spending by both the Municipal Government and the Columbia Board of Education.

.As 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 21% percent of total General Fund expenditures.

General Fund Budgetary Highlights

- The Operating Budget of the Municipal Government was under spent by \$203,299 excluding Contingency and Debt Service. In addition, the Municipal Government ending the year with \$0 in year end encumbrances for open expenditures to the 2018-2019 fiscal year.
- The Operating Budget of the Board of Education was spent in accordance with the adopted budget and was under spent by \$363,349. This surplus in funds includes the \$215,193 additional Town allocation made to be in compliance with the State of Connecticut Minimum Budget Requirement. A portion of the excess funds were returned to the Town's General Fund (\$288,349) and the balance was added to the Board of Education's Non-Lapsing Account (\$75,000). In addition to the funds returned to the Town, there were also \$157,794 in

TOWN OF COLUMBIA
 Management's Discussion and Analysis
 June 30, 2019

encumbrances at year end for the open projects and expenditures for Horace W. Porter School that applied to the 2018-2019 fiscal year.

- During the 2017-2018 Fiscal Year, \$71,299 was approved and transferred from Contingency to fund various lines in the Town's operating as well capital budget that needed additional funding that was brought to the Town's attention during the Fiscal Year: \$894 for new flagpole, \$13,850 for sidewalk and town building repairs, \$15,000 for engineering and design fees, \$21,500 for the new Salt Shed, \$6,205 for Compressor at the Firehouse and \$13,850 for an IT Security Assessment.
- With Town Meeting approvals in 2018-2019, the Town made one transfer from the General Fund to the Capital Reserve Fund: \$50,000 to establish in the Capital Reserve Fund an account to remove Hazardous Trees in the Town. The plan is to continue to fund this account in future needs.
- The Town collected taxes at a higher-than-budgeted collection rate.

Capital Asset and Debt Administration

Capital assets. The Town of Columbia, CT's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$15,857,331 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

	2019	2018
Land and Infrastructure	\$ 3,561,102	\$ 3,331,484
Construction in Progress	469,446	226,922
Buildings and Improvements	10,730,799	10,733,085
Vehicles	594,109	707,274
Machinery and equipment	501,875	441,789
Total	\$ 15,857,331	\$ 15,440,554

Additional information on the Town of Columbia, CT's capital assets can be found in Note 4 on page 31 of this report.

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

- Funding for Road Resurfacing - \$113,811.
- Funding for Recreation Park Renovation Project- \$139,526.
- Funding for new copier - \$5,998.
- Funding for new equipment for Public Works - \$46,995.
- Funding for capital improvements to Town Buildings - \$520,384.
- Funding for the final payment for the Szegda Property Development Rights - \$14,419.
- Funding for the Horace W. Porter Cafetorium Storage Project - \$20,333.
- Funding for Horace W. Porter School Server Upgrade - \$28,182.

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 Management's Discussion and Analysis
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- Funding for Hazardous Tree Removal (new capital account) - \$45,528.
- Funding for Village Hill Road Bridge Parapet Repair - \$22,970 .
- Funding for Open Space Purchase - \$113,150.
- Funding for CVFD Self Contained Breathing Apparatus - \$16,807.
- Funding for Flanders River Road Bridge Deck Repair - \$60,215 .
- Funding for CVFD Rescue Boat - \$19,990.
- Funding for CVFD Breathing Apparatus - \$9,375.

Long-term debt.

At the end of the current fiscal year the Town had a total outstanding note payable and bonded debt of \$475,438. Of this amount, 61% comprises debt backed by the full faith and credit of the government.

The Town's total debt increased \$38,729 or 3% during the current fiscal year. This increase is attributable to addition of the LED Lighting project loans on the Town Buildings and Horace Porter School as well as changes for the GASB 75 OPEB liability.

The Town of Columbia, CT has the following obligations:

	2019	2018
General Obligation Bonds	\$ 290,000	\$ 435,000
Note Payable	185,438	31,180
Other Post-Employment Benefits	540,372	509,881
Other Obligations	149,882	150,902
Total	\$ 1,165,692	\$ 1,126,963

Additional information on the Town of Columbia, CT's long-term debt can be found in Note 6 on pages 33-34 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, and has been the case in previous cycles, the State and the nation are in the midst of an economic uncertainty which has affected the amount of intergovernmental revenues that the Town will receive in fiscal year 2019-2020 and beyond. It is expected that revenues for fiscal year 2019-2020 will remain fairly static or decrease nominally.

- State and federal funding is expected to decrease or remain stable.
- There remains considerable uncertainty with respect to petroleum-based fuel costs as well as health insurance costs.

These factors were considered in preparing the Town of Columbia, CT's budget for the 2019-2020 Fiscal Year.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2019

Request for Information

This financial report is designed to provide a general overview of the Town of Columbia, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Town of Columbia, 323 Route 87, Columbia, CT 06237.

TOWN OF COLUMBIA

Statement of Net Position

June 30, 2019 and 2018

	Primary Government	
	Governmental Activities	
Assets	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 6,907,874	\$ 6,398,814
State and federal grants receivable	2,834	1,281
Property taxes receivable	170,112	187,247
Interest receivable	63,627	45,354
Other receivables	37,309	32,309
Prepaid expenses	40,475	18,486
Inventories	-	-
Total current assets	<u>7,222,231</u>	<u>6,683,491</u>
Noncurrent assets:		
Capital assets:		
Nondepreciable	2,503,784	2,147,610
Depreciable assets, net of depreciation	13,353,547	13,292,944
Total assets	<u>\$ 23,079,562</u>	<u>\$ 22,124,045</u>
Deferred Outflows of Resources		
Deferred Outflows - OPEB	25,536	7,633
Total Deferred Outflows of Resources	<u>25,536</u>	<u>7,633</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 323,767	\$ 68,501
Accrued expenses	698,725	634,186
Other payables	2,869	3,054
Deferred revenue	19,139	40,708
Notes and bonds payable	207,650	164,208
Long-term obligations	36,017	39,525
Total current liabilities	<u>1,288,167</u>	<u>950,182</u>
Non-current liabilities:		
Notes and bonds payable	267,788	301,972
Other long-term obligations	654,237	621,258
Total liabilities	<u>2,210,192</u>	<u>1,873,412</u>
Deferred Inflows of Resources		
Deferred Inflows - OPEB	12,264	13,612
Total Deferred Inflows of Resources	<u>12,264</u>	<u>13,612</u>
Net position		
Net investment in capital assets	15,381,893	14,974,374
Restricted for Brand memorial fund	106,263	198,710
Restricted for town aid road	149,093	180,935
Restricted	103,422	94,812
Unrestricted	5,141,971	4,795,823
Total net position	<u>\$ 20,882,642</u>	<u>\$ 20,244,654</u>

The notes to the financial statements are an integral part of this statement

TOWN OF COLUMBIA
Statement of Activities
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary government	
					Governmental Activities	
				2019	2018	
Primary government:						
Governmental activities						
General government	\$ 1,639,200	\$ 93,903	\$ 60,106	\$ -	\$ (1,485,191)	\$ (1,423,328)
Health and human services	228,850	7,092	4,996	-	(216,762)	(139,004)
Public safety	586,118	3,304	1,553	-	(581,261)	(572,560)
Public works	1,326,768	77,087	205,558	176	(1,043,947)	(914,012)
Building and development services	182,078	60,447	-	-	(121,631)	(127,997)
Recreation	573,176	72,704	7,712	-	(492,760)	(477,760)
Education	15,220,726	52,842	5,276,471	-	(9,891,413)	(10,502,607)
Interest on long-term debt	21,750	-	-	-	(21,750)	(29,000)
Total governmental activities	<u>19,778,666</u>	<u>367,379</u>	<u>5,556,396</u>	<u>176</u>	<u>(13,854,715)</u>	<u>(14,186,268)</u>
Total primary government	<u>\$ 19,778,666</u>	<u>\$ 367,379</u>	<u>\$ 5,556,396</u>	<u>\$ 176</u>	<u>(13,854,715)</u>	<u>(14,186,268)</u>
General revenues:						
Property taxes levied for general purposes					14,302,272	14,163,071
Grants not restricted to specific purpose					21,640	32,375
Unrestricted Investment income					151,166	107,935
Other Income					20,286	15,930
Loss on Disposal					(2,661)	-
Total general revenues					<u>14,492,703</u>	<u>14,319,311</u>
Change in net position					637,988	133,043
Net position - beginning, as restated					<u>20,244,654</u>	<u>20,111,611</u>
Net position - ending					<u>\$ 20,882,642</u>	<u>\$ 20,244,654</u>

The notes to the financial statements are an integral part of this statement

TOWN OF COLUMBIA
Balance Sheet
Governmental Funds
June 30, 2019
(With Comparative Totals for June 30, 2018)

	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Totals	
				2019	2018
Assets:					
Cash and cash equivalents	\$ 5,731,760	\$ 979,025	\$ 197,089	\$ 6,907,874	\$ 6,398,814
State and federal grants receivable	2,834	-	-	2,834	1,281
Other receivables	20,441	16,868	-	37,309	32,309
Interfund receivables	155	-	472,762	472,917	426,823
Property taxes receivable, net	170,112	-	-	170,112	187,247
Prepaid expenses	40,425	-	50	40,475	18,486
Total assets	\$ 5,965,727	\$ 995,893	\$ 669,901	\$ 7,631,521	\$ 7,064,960
Liabilities:					
Accounts payable	\$ 323,094	\$ -	\$ 673	\$ 323,767	\$ 68,501
Accrued expenses	698,551	-	174	698,725	634,186
Deferred revenue	13,915	-	5,224	19,139	40,708
Interfund payables	472,762	-	155	472,917	426,823
Due to State of CT	-	-	2,869	2,869	3,054
Total liabilities	1,508,322	-	9,095	1,517,417	1,173,272
Deferred Inflows of Resources:					
Deferred Taxes	138,769	-	-	138,769	169,649
Total Deferred Inflows of Resources	138,769	-	-	138,769	169,649
Fund Balances:					
Nonspendable:					
Board of Selectman-Prepaid expenses	18,087	-	-	18,087	8,312
Board of Education-Prepaid expenses	22,338	-	-	22,338	10,124
Restricted:					
D.A.R.E Education	-	-	4,253	4,253	4,223
Town Aid Road	-	-	149,093	149,093	180,935
Historic Document Preservation Fund	-	-	2,627	2,627	2,071
Land Protection Fund	-	-	36,613	36,613	30,384
Education Grants Fund	-	-	928	928	789
Social Services Needs Fund	-	-	8,789	8,789	8,990
Brand Memorial Fund	-	-	106,263	106,263	198,710
Small Cities Housing Rehabilitation	-	-	50,212	50,212	48,405
Committed (See Note 9)	-	963,686	302,028	1,265,714	1,342,247
Assigned:					
Subsequent Year's Budget	572,000	-	-	572,000	400,000
Reserve for Capital	-	32,207	-	32,207	7,323
Unassigned:	3,706,211	-	-	3,706,211	3,479,526
Total fund balances	4,318,636	995,893	660,806	5,975,335	5,722,039
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,965,727	\$ 995,893	\$ 669,901	\$ 7,631,521	\$ 7,064,960

The notes to the financial statements are an integral part of this statement

TOWN OF COLUMBIA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2019

Fund balances reported in governmental funds Balance Sheet.	\$ 5,975,335
Amounts reported for governmental activities in the government- wide Statement of Net Position are different because:	
The governmental fund Balance Sheet includes revenues that will only be available to pay current period liabilities. Adjustments are necessary to accrue receivables for all earned revenues.	
<i>Interest on taxes</i>	63,627
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
<i>Capital Assets</i>	29,951,053
<i>Accumulated Depreciation</i>	(14,093,722)
Deferred revenue for property taxes and grants are reported in the funds but accrued as revenue in the government-wide statements and added to net position.	
<i>Property Taxes</i>	138,769
Certain changes related to pensions are deferred and amortized over time.	
<i>Deferred Outflows - OPEB</i>	25,536
<i>Deferred Inflows - OPEB</i>	(12,264)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
<i>Accumulated Sick Time</i>	(78,881)
<i>Compensated Absences</i>	(71,001)
<i>General Obligation Bonds</i>	(290,000)
<i>Notes Payable</i>	(185,438)
<i>Other Postemployment Benefits</i>	<u>(540,372)</u>
Net position of governmental activities.	<u>\$ 20,882,642</u>

The notes to the financial statements are an integral part of this statement

TOWN OF COLUMBIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)

	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Totals	
				2019	2018
Revenues					
Taxes	\$ 14,314,879	\$ -	\$ -	\$ 14,314,879	\$ 14,393,052
Licenses, fees, and permits	316,920	-	50,459	367,379	368,270
Intergovernmental revenue	4,029,361	-	464,220	4,493,581	4,162,043
Contributions	-	-	10,282	10,282	12,734
Other revenues	17,822	-	2,464	20,286	15,930
Investment earnings	112,049	34,432	4,685	151,166	107,935
Total revenues	<u>18,791,031</u>	<u>34,432</u>	<u>532,110</u>	<u>19,357,573</u>	<u>19,059,964</u>
Expenditures					
Current:					
General government	1,462,687	-	119,814	1,582,501	1,432,870
Health and human services	215,001	-	10,562	225,563	197,077
Public safety	451,026	-	12,079	463,105	447,681
Public works	890,164	-	-	890,164	866,341
Building and development services	182,078	-	-	182,078	184,849
Recreation	517,260	-	27,019	544,279	539,846
Education	13,661,767	-	251,914	13,913,681	13,936,981
Debt service	166,750	-	-	166,750	174,000
Capital expenditures	-	1,136,156	-	1,136,156	762,498
Total expenditures	<u>17,546,733</u>	<u>1,136,156</u>	<u>421,388</u>	<u>19,104,277</u>	<u>18,542,143</u>
Excess/(deficiency) of revenues over expenditures	1,244,298	(1,101,724)	110,722	253,296	517,821
Other Financing sources/(Uses)					
Transfers in	13,022	970,166	103,880	1,087,068	1,194,302
Transfers out	(836,646)	-	(250,422)	(1,087,068)	(1,194,302)
Total other financing sources/(uses)	<u>(823,624)</u>	<u>970,166</u>	<u>(146,542)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	420,674	(131,558)	(35,820)	253,296	517,821
Fund balances - beginning	<u>3,897,962</u>	<u>1,127,451</u>	<u>696,626</u>	<u>5,722,039</u>	<u>5,204,218</u>
Fund balances - ending	<u>\$ 4,318,636</u>	<u>\$ 995,893</u>	<u>\$ 660,806</u>	<u>\$ 5,975,335</u>	<u>\$ 5,722,039</u>

The notes to financial statements are an integral part of this statement

TOWN OF COLUMBIA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds. \$ 253,296

**Amounts reported for governmental activities in the Statement of Activities
are different because:**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

<i>Capital expenditures</i>	1,243,380
<i>Depreciation expense</i>	(823,942)

In the statement of activities, only the loss on the disposal of capital assets is reported. Thus the change in net position differs from the change in fund balance by this loss (2,661)

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds. Accordingly, an adjustment is necessary to reconcile amounts reported as interest receivable in the government-wide Statement of Net Position and as deferred revenue in the fund Balance Sheet. (12,607)

Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repayments:

<i>General obligation bond principal payments</i>	145,000
<i>Notes payable</i>	77,186
<i>Post-closure landfill costs</i>	786
<i>Issuance of New LED Loan</i>	(231,444)

Certain benefits are expended in the funds when resources are used, but are expensed in the Statement of Activities when the liability is incurred.

<i>Accumulated Sick Time</i>	(4,241)
<i>Compensated Absences</i>	4,475
<i>Other Postemployment Benefits</i>	<u>(11,240)</u>

Change in net position of governmental activities. \$ 637,988

The notes to the financial statements are an integral part of this statement

TOWN OF COLUMBIA
 Budgetary Comparison Statement
 General Fund
 For the Year Ended June 30, 2019

	Budgeted amounts		Actual Amounts Budgetary Basis	Over (Under)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 14,032,740	\$ 14,032,740	\$ 14,314,879	\$ 282,139
Licenses, fees, and permits	122,500	122,500	137,327	14,827
Intergovernmental revenue	2,679,566	2,679,566	2,674,292	(5,274)
Charges for services	16,450	16,450	16,211	(239)
Other revenues	176,900	176,900	302,831	125,931
Transfers in	10,000	10,000	13,022	3,022
Appropriated from Surplus	400,000	740,193	-	(740,193)
Total revenues	<u>17,438,156</u>	<u>17,778,349</u>	<u>17,458,562</u>	<u>(319,787)</u>
Expenditures				
Current:				
General government	1,567,689	1,573,720	1,481,612	(92,108)
Health and human services	224,964	227,498	215,001	(12,497)
Public safety	466,246	469,546	451,026	(18,520)
Public works	901,653	922,193	892,150	(30,043)
Building and development services	212,654	212,654	182,078	(30,576)
Recreation	534,421	536,815	517,260	(19,555)
Education	12,610,633	12,825,826	12,462,477	(363,349)
Contingency	78,000	6,701	-	(6,701)
Fund Transfers	675,146	836,646	836,646	-
Debt service	166,750	166,750	166,750	-
Total expenditures	<u>17,438,156</u>	<u>17,778,349</u>	<u>17,205,000</u>	<u>(573,349)</u>
Surplus/(deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,562</u>	<u>\$ 253,562</u>

The notes to the financial statements are an integral part of this statement

TOWN OF COLUMBIA
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2019
(With Comparative Totals for June 30, 2018)

	Pension	Private-Purpose	Custodial	Totals	
	<u>Trust Fund</u>	<u>Trust Funds</u>	<u>Funds</u>	<u>2019</u>	<u>2018</u>
Assets					
Cash and cash equivalents	\$ -	\$ 13,273	\$ 13,343	\$ 26,616	\$ 25,226
Receivables	-	-	-	-	-
Investments	<u>1,345,191</u>	<u>-</u>	<u>-</u>	<u>1,345,191</u>	<u>1,315,147</u>
Total assets	<u>\$ 1,345,191</u>	<u>\$ 13,273</u>	<u>\$ 13,343</u>	<u>\$ 1,371,807</u>	<u>\$ 1,340,373</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities					
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position					
Restricted for Individuals and Organizations	-	-	13,343	13,343	11,311
Restricted for Pension Benefits	1,345,191	-	-	1,345,191	1,315,147
Held in trust for scholarships and other purposes	<u>-</u>	<u>13,273</u>	<u>-</u>	<u>13,273</u>	<u>13,915</u>
Total net position	<u>\$ 1,345,191</u>	<u>\$ 13,273</u>	<u>\$ -</u>	<u>\$ 1,371,807</u>	<u>\$ 1,340,373</u>

The notes to the financial statements are an integral part of this statement

TOWN OF COLUMBIA
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Years Ended June 30, 2019 and 2018

	Pension	Private-Purpose	Custodial	Totals	
	<u>Trust Fund</u>	<u>Trust Funds</u>	<u>Funds</u>	<u>2019</u>	<u>2018</u>
Additions					
Employer Contributions	\$ 96,509	\$ -	\$ -	\$ 96,509	\$ 94,213
Investment earnings	42,149	13	-	42,162	55,005
Miscellaneous	-	-	70,902	70,902	54,479
	<u>138,658</u>	<u>13</u>	<u>70,902</u>	<u>209,573</u>	<u>203,697</u>
Deductions					
Pension Distributions	108,381	-	-	108,381	183,143
Other expenses	233	-	-	233	158
Scholarships	-	655	-	655	455
Payments for Student Activities	-	-	68,870	68,870	51,893
	<u>108,614</u>	<u>655</u>	<u>68,870</u>	<u>178,139</u>	<u>235,649</u>
Change in net position	30,044	(642)	2,032	31,434	(31,952)
Net position - beginning, as restated	<u>1,315,147</u>	<u>13,915</u>	<u>11,311</u>	<u>1,340,373</u>	<u>1,372,325</u>
Net position - ending	<u>\$ 1,345,191</u>	<u>\$ 13,273</u>	<u>\$ 13,343</u>	<u>\$ 1,371,807</u>	<u>\$ 1,340,373</u>

The accompanying notes to the financial statements are an integral part of this statement

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Columbia, CT is a municipal corporation organized under state statutes in 1804. The Town operates under an elected Board of Selectmen, Financial Planning and Allocation Commission, and Town Meeting form of government. The Town provides the following services: general government administration, health and human services, public safety, public works, building and development, recreation, and education. Primary educational services are provided by the Horace W. Porter School, whose operations are presented in the Town's financial statements. Secondary educational services are provided by the Windham, Windham Technical, Bolton, EO Smith, and Lyman Memorial High Schools which are part of the Towns of Windham, Bolton, Mansfield, and Lebanon, respectively. The Town of Columbia, CT is charged for services based on a per-pupil rate determined by Towns of Windham, Bolton, Mansfield, and Lebanon. Students also have the option to attend magnet schools.

The Legislative authority of the Town is vested in the Town Meeting. The First Selectman is the chief executive officer and the Town Administrator is the chief administrative officer. Budget-making authority resides with the Financial Planning and Allocation Commission. The Financial Planning and Allocation Commission is responsible for revising the proposed budget and submitting the final budget to the Town Meeting. The Financial Planning and Allocation Commission is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

The accounting and reporting policies of the Town relating to the funds included in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The more significant accounting policies of the Town are described below.

The Town's combined financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Columbia, CT (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit's reporting entity for basic financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches.

The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of Columbia, CT. Based upon the foregoing criteria, the following organizations are not considered part of the Town and are excluded from the accompanying financial statements:

Columbia Library Association - The Columbia Library Association is a legally incorporated, separate and distinct entity from the Town. The Town provides a portion of the operating and capital budgets to the Library; however, the Town is not required to fund deficits nor does the Town participate in program budgets or managing operations. The Columbia Library Association Board of Directors determines how their funding is spent.

Columbia Volunteer Fire Department – The Columbia Volunteer Fire Department is a legally incorporated, separate and distinct entity from the Town. The Town provides a portion of the operating and capital budgets to the Department; however, the Town is not required to fund deficits nor does the Town participate in program budgets or managing operations. The Columbia Volunteer Fire Department Board of Directors determines how their funding is spent.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Exceptions to this general rule include: voluntary non-exchange transactions when all eligibility requirements have been met. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, and claims and judgments that are recorded only when payment is due.

Property taxes when levied, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

Major funds are determined exclusive of interfund transactions and balances. The government reports the following major governmental funds:

The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner.

TOWN OF COLUMBIA
Notes to the Financial Statements

The *Reserve for Capital and Non-Recurring Expenditures* is used to account for capital acquisition and improvements. This is a perpetual fund financed through annual budget appropriations and capital grants.

Additionally, the government reports the following fiduciary fund types:

Private-Purpose Trust Funds are used to account for resources legally held in trust for the benefit of individuals, private organizations, or other governments.

Custodial Funds account for monies held by the Town as custodian for student groups and scholarships.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash and Cash Equivalents - The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less.

Receivables and Payables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town's property taxes are levied each July 1, on the assessed value listed on the prior October 1 Grant List for all taxable property located in the Town. Taxes are due and payable in two installments on July 1 and January 1 for real property and personal property and on July 1 for motor vehicles. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through September 30 and are payable in one installment due January 1. The Town files liens against property if taxes, which are due July 1, remain unpaid on the following February 1.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year-end. There was no allowance for uncollectible accounts reported as of June 30, 2019 as all uncollectible taxes were moved to suspense.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Other trust funds may also invest in stocks, bonds, or other securities selected by the Trustee.

Fair Value of Financial Instruments

In accordance with ASC 820-10, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Investments are carried at fair value based on Level 1 observable inputs and are presented in Note 3.

Advances to and from other funds - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables and payables. Interfund payables and receivables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets - Capital assets, which include equipment, fixtures, and other long-lived assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (\$20,000 for land, infrastructure, buildings, and improvements) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized when projects are constructed.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

TOWN OF COLUMBIA
Notes to the Financial Statements

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	10-50
Vehicles	5-15
Equipment	3-25
Infrastructure	20

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, Deferred Taxes, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Long-term obligations - In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Long-term debt is recognized as a liability of a governmental fund when it is due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Fund equity and net position – In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

TOWN OF COLUMBIA
Notes to the Financial Statements

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including prepaid expenditures and permanent fund principal.

Restricted Fund Balance – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Finance and Town Meeting in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by formal action of the Board of Selectman or Board of Finance.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

Comparative data/reclassifications - Comparative total data for the prior year has been presented in the financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

Review for Subsequent Events

In preparing these financial statements, management has evaluated subsequent events through November 5, 2018, which represents the date that these statements were available to be issued.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information and Accounting

The Town of Columbia, CT follows these procedures in establishing the budgetary data reflected in the financial statements:

- A proposed operating budget is submitted for the fiscal year.
- Public hearings are conducted in the Town to obtain taxpayer comments.
- The budget is legally enacted through a town meeting. The operating budget includes proposed expenditures and the means of financing them.
- The Board of Selectmen may transfer funds between accounts within a given agency limited to a maximum of \$500. The Board may also make transfers within an agency up to \$10,000 with the approval of FIPAC

TOWN OF COLUMBIA
Notes to the Financial Statements

- A maximum of \$20,000 for the current fiscal year (not including the Board of Education) for any agency may be transferred with the approval of FIPAC. In the event that these amounts are to be exceeded or that approval cannot be obtained from FIPAC, the transfer must be approved by a Town Meeting.
- The Town may establish a contingency account of no more than 2 percent of the total budget. The Board of Selectmen, upon FIPAC approval, is authorized to transfer from the contingency account up to \$20,000 to any agency (excluding Board of Education). Additional appropriations and transfers in excess of \$20,000 must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- All noncontinuing appropriations lapse at year-end. Capital appropriations in the Reserve for Capital and Non-Recurring Expenditures fund do not lapse until completion of the applicable projects.
- Encumbrance accounting is used as an extension of formal budgetary integration in the General Fund.

Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. For budget basis reporting, encumbrances outstanding at year-end are reported as expenditures. For Government-wide and governmental fund statements, encumbered expenditures outstanding at year-end do not constitute expenditures or liabilities.

Budgetary/GAAP Reconciliation

The Town of Columbia, CT prepares its annual budget on a basis (budget basis), which differs in some respects from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the Town's method (budget basis) in the *Budgetary Comparison Statement - General Fund* to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are that property taxes are recorded as revenues when received (budget) rather than available (GAAP), certain interfund transfers are recorded as expenditures (budget) rather than operating transfers (GAAP) and that encumbered expenses are recorded in the year they are incurred for GAAP purposes and in the year they are appropriated for budget purposes. The budget as presented has been amended by the Financial Planning and Allocation Commission throughout the year. Adjustments necessary to reconcile the budget basis to GAAP basis are presented below:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>	<u>Change</u>
Balance, Budgetary Basis	\$ 17,458,562	\$ (17,205,000)	\$ -	\$ 253,562
Revenue adjustments for:				
CT Teacher's Retirement	1,309,168	-	-	1,309,168
Transfers In	(13,022)	-	13,022	-
Expenditure adjustments for:				
CT Teacher's Retirement	-	(1,309,168)	-	(1,309,168)
Encumbrances & Other Expenses	-	167,112	-	167,112
Transfers Out	-	836,646	(836,646)	-
Balance, GAAP Basis	<u>\$ 18,754,708</u>	<u>\$ (17,510,410)</u>	<u>\$ (823,624)</u>	<u>\$ 420,674</u>

On the budgetary basis, the expenditures include \$178,705 of encumbrances.

TOWN OF COLUMBIA
Notes to the Financial Statements

Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The Town purchases commercial insurance to cover most potential risks of loss. Neither the Town nor its insurers have settled any claim within the past year, which have exceeded the Town's insurance coverage. There were no significant changes in coverage from the prior year, and no settlements have exceeded insurance coverage in the last three years.

The Town belongs to the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool currently operating as a common risk management and insurance program for a comprehensive workers' compensation insurance program through its workers' compensation pool. The Town pays an annual premium to the pool for its coverage. The agreement for the formation of CIRMA provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event to an unlimited excess limit. The pooling agreement allows CIRMA to make additional assessments to make the pool self-sustaining. The Town cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming. CIRMA publishes its own financial report, which can be obtained from: CIRMA, 900 Chapel Street, New Haven, CT.

NOTE 3 – CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. The bank balance was \$2,689,286. Of the bank balance, Federal Depository Insurance Corporation insured \$604,416.

As of June 30, 2019, \$2,084,870 of the Town's bank balance of \$2,689,286 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	1,826,383
Uninsured and collateral held by pledging bank's Trust department not in the Town's name		258,487
Total	\$	2,084,870

Interest Rate Risk. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Below is a summary of the interest rate risk of investments:

		Investment Maturities	
		Less Than 1 yr.	1-5 yrs.
Cash Equivalents	\$	883,686	\$ -
Mutual Funds	165,209	N/A	N/A
Equities	296,296	N/A	N/A
Total Investments	\$	1,345,191	\$ -

TOWN OF COLUMBIA
Notes to the Financial Statements

Credit Risk. The Town has no investment policy that limits the investment choices further than the State Statutes listed above. The STIF Funds are Standard & Poor's AAAM rated investment pools of high-quality, short term money market instruments.

Custodial Credit Risk. This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town's investments are held in various trustee accounts in the Town's name. The Town's mutual funds are not subject to custodial credit risk, as the Town's investment is not directly exposed to custodial credit risk.

The following is a schedule of assets measured at Fair Value:

<u>Description</u>	June 30, 2019	<u>Fair Value Measurements Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 883,686	\$ 883,686	\$ -	\$ -
Mutual Funds	165,209	165,209	-	-
Equities	296,296	296,296	-	-
Total	<u>\$ 1,345,191</u>	<u>\$ 1,345,191</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 4 – CAPITAL ASSETS

The following is a summary of net changes in fixed assets at year-end:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in Progress	\$ 226,922	\$ 444,382	\$ 201,858	\$ 469,446
Land	1,920,688	113,650	-	2,034,338
Total capital assets, not being depreciated	<u>2,147,610</u>	<u>558,032</u>	<u>201,858</u>	<u>2,503,784</u>
Capital assets, being depreciated:				
Buildings & Improvements	20,744,878	552,168	6,900	21,290,146
Land Improvements	829,905	15,908	-	845,813
Infrastructure	1,464,855	182,653	-	1,647,508
Furniture & Fixtures	18,700	-	-	18,700
Vehicles	2,473,365	-	-	2,473,365
Machinery & Equipment	1,179,031	136,477	143,771	1,171,737
Total capital assets being depreciated	<u>26,710,734</u>	<u>887,206</u>	<u>150,671</u>	<u>27,447,269</u>
Less accumulated depreciation for:				
Buildings & Improvements	10,011,793	553,158	5,606	10,559,345
Land Improvements	357,431	27,388	-	384,819
Infrastructure	526,533	55,205	-	581,738
Furniture & Fixtures	18,700	-	-	18,700
Vehicles	1,766,091	113,165	-	1,879,256
Machinery & Equipment	737,242	75,026	142,404	669,864
Total accumulated depreciation	<u>13,417,790</u>	<u>823,942</u>	<u>148,010</u>	<u>14,093,722</u>
Total capital assets, being depreciated, net	<u>13,292,944</u>	<u>63,264</u>	<u>2,661</u>	<u>13,353,547</u>
Governmental activities capital assets, net	<u>\$ 15,440,554</u>	<u>\$ 621,296</u>	<u>\$ 204,519</u>	<u>\$ 15,857,331</u>

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

	<u>2019</u>	<u>2018</u>
Governmental Activities:		
General Government	\$ 146,996	\$ 140,762
Public Works	138,630	126,560
Public Safety	123,013	121,389
Recreation	24,897	21,027
Education	390,406	372,280
Total Depreciation Expense - Governmental Activities	<u>\$ 823,942</u>	<u>\$ 782,018</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

Construction Commitments

The Town has active construction projects as of June 30, 2019. The projects include bridge repairs, parking lot configuration, building storage project and building upgrades and/or improvements. At year-end, the Town's commitments are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Hop River Road Bridge	7,184	205,000
Hunt Road Culvert	7,474	375,000
Macht Road Culvert	2,811	75,000
Rec Park Road and Parking Lot Construction	16,424	140,000
Markell Property Purchase	2,000	-
Latham Hill Bridge	881	475,000
Softball Field	138,187	113,097
Fire Alarm Panel	14,700	41,000
Public Works Facility Upgrade	10,400	-
Salt Shed	269,386	27,418
	<u>\$ 469,447</u>	<u>\$ 1,451,515</u>

NOTE 5 – INTERFUND ACCOUNTS

At June 30, 2019, interfund balances were as follows:

<u>Due to:</u>	General <u>Fund</u>	Reserve for Capital and Nonrecurring <u>Expenditures</u>	Nonmajor <u>Funds</u>	<u>Total</u>	
				<u>2019</u>	<u>2018</u>
General Fund	\$ -	\$ -	\$ 155	\$ 155	\$ 7,798
Reserve for Capital and Nonrecurring Expenditures	-	-	-	-	-
Nonmajor Funds	<u>472,762</u>	-	-	<u>472,762</u>	<u>419,025</u>
	<u>\$ 472,762</u>	<u>\$ -</u>	<u>\$ 155</u>	<u>\$ 472,917</u>	<u>\$ 426,823</u>

Interfund balances are typically short-term balances in anticipation of cash transfers, except the Town Aid Road Fund, whose assets are wholly invested in the General Fund until needed.

Interfund Transfers for the year are summarized below:

<u>Transfers From and Purpose</u>	General <u>Fund</u>	Reserve for Capital Non-Recurring <u>Expenditures</u>	Nonmajor <u>Funds</u>	<u>Total</u>	
				<u>2019</u>	<u>2018</u>
<u>General Fund</u>					
<i>Budgeted expenditure to fund future projects</i>	\$ -	\$ 732,766	\$ 103,880	\$ 836,646	\$ 948,472
<u>Nonmajor Funds</u>					
<i>Transfer of Contributed Funds & Grant Funds</i>	<u>13,022</u>	<u>237,400</u>	-	<u>250,422</u>	<u>245,830</u>
	<u>\$ 13,022</u>	<u>\$ 970,166</u>	<u>\$ 103,880</u>	<u>\$ 1,087,068</u>	<u>\$ 1,194,302</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 6 – LONG-TERM OBLIGATIONS

Long-Term Obligation Activity

An amount of \$231,060 from the General Fund was utilized to finance current year debt service requirements. Of this amount, \$21,750 was related to interest expense.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the town. The funds were used for the acquisition and construction of major capital facilities. Notes payable are written promises to pay stated sums of money at future dates. The Town has entered into a note payable for the purchase of land. The General Fund has historically been used to liquidate other long-term liabilities.

As of June 30, 2019, the outstanding note payable and long-term bond obligations of the Town were as follows:

General obligation bond issue of \$2,950,000, dated 6/15/01, due 6/15/21; annual principal payments plus semi-annual interest payments at 4.0%-6.0%	\$ 290,000
Notes Payable for LED Lighting, approved in 2018, due 8/15/22; monthly principal payments with no interest	<u>185,438</u>
Total Long-Term Note and Bond Obligations	<u>\$ 475,438</u>

Changes in long-term obligations for the year ended June 30, 2019, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities:					
General Obligation Bonds	\$ 435,000	\$ -	\$ 145,000	\$ 290,000	\$ 145,000
Notes Payable	31,180	231,444	77,186	185,438	62,650
Post Closure Landfill Costs	786	-	786	-	-
OPEB Obligation	509,881	30,491	-	540,372	-
Compensated Absences	75,476	3,613	8,088	71,001	22,420
Accumulated Sick Time	74,640	4,241	-	78,881	13,597
	<u>\$ 1,126,963</u>	<u>\$269,789</u>	<u>\$ 231,060</u>	<u>\$ 1,165,692</u>	<u>\$ 243,667</u>

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2019 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2020	207,650	14,500
2021	207,650	7,250
2023	60,255	-
	<u>\$ 475,555</u>	<u>\$ 21,750</u>

Landfill Closure

State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site for thirty years after the closure date. The Town has recognized the remaining estimated postclosure care costs of \$786 in the Government-Wide financial statements. Current year expenditures of \$1,442 were recognized in the General Fund. Changes in the estimated total current cost of postclosure care may occur and should be reported in the periods in which the change is probable and reasonably estimable.

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expenditure and long-term liability for the government-wide statements.

No liability is recorded for non-vesting rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated to be taken as "terminal leave" prior to retirement.

Special Termination Benefits

Periodically, the Board of Education offers temporary retirement incentive packages to teachers that meet specific requirements. The Board may implement an early retirement incentive program for such duration and with such terms as the Board deems in the best interests of the district. The Board shall notify the Association by March 1 of year if it decides to offer an incentive

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The Town has established and administers the Town of Columbia Post-Retirement Medical Insurance Program. The program provides post-employment health care benefits for retired employees who were full-time employees. The benefit is available to Town Hall departments, teachers, administrators and certain other board of education retirees. Upon retirement, BOE, AFSME and Town retirees pay 100% of the cost of insurance. Under the Connecticut Teachers Retirement Board system, teachers and administrators are eligible at age 50 with 30 years of experience; age 55 with 25 years of experience; or 60 with 10 years of experience. Depending upon the plan selected these retirees would pay 100% of the cost. Town retirees on or after the age of 55 with 10 years of service can also pay 100% of the cost of insurance and be eligible on the plan until the Medicare age eligibility is met. Benefit provisions and funding requirements may be amended by the Board of Selectman. The Town is applying the requirements of GASB No.75 prospectively.

Funding Policy

The Town appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. Expenditures for premiums for post-employment health care benefits are recognized on the budgetary basis. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75.

TOWN OF COLUMBIA
Notes to the Financial Statements

Employees Covered by Benefit Terms

At June 30, 2019, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>96</u>
	<u><u>101</u></u>

Total OPEB Liability

The Town's total OPEB liability of \$509,881 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The plan does not have credible data on which to perform an experience study.

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods including the measurement, unless otherwise specified:

Interest	3.51% as of June 30, 2019, based on Bond Buyer 20-Bond Municipal Index effective as of June 30, 2019.
Rate of Compensation Increase	2.60%, including inflation
Mortality rates	Based on RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2017
Mortality Improvement	Projected to date of decrement using Scale MP-2017
Inflation	2.60%
Healthcare Cost Trend Rates	7.0% in 2017, reducing by .05% each year to an ultimate rate of 4.6% per year rate for 2022 and later.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 6/30/18	\$ 509,881
Changes for the Year:	
Service Costs	13,686
Interest	19,811
Changes in benefit Terms	-
Difference between expected and actual experience	2,098
Changes of Assumptions	18,408
Benefit payments	<u>(23,512)</u>
Net changes	<u>30,491</u>
Balance at 6/30/19	<u><u>\$ 540,372</u></u>

TOWN OF COLUMBIA
Notes to the Financial Statements

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following represents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.51%) or 1-percentage-point higher (4.51%) than the current discount rate:

	1% Decrease 2.51%	Discount Rate 3.51%	1% Increase 4.51%
Total OPEB Liability	491,364	540,372	596,544

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare costs trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	475,853	540,372	616,394

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the recognized OPEB expense is \$29,376. As of June 30, 2019, deferred outflows and inflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,786	-
Changes of assumptions	16,750	\$ (12,264)
	\$ 25,536	\$ (12,264)

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

Year Ending June 30:	
2019	\$ 1,255
2020	1,255
2021	1,255
2022	1,255
2023	1,255
Thereafter	6,997

Connecticut Teachers' Retirement System - OPEB

Plan Description - Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System—a cost sharing multiemployer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut. Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the system. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

Contributions - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$36,323.

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.75%
Real Wage Growth	0.50%
Wage Inflation	3.25%

TOWN OF COLUMBIA
Notes to the Financial Statements

Salary increases	3.25-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.87%
Prior Measurement Date	3.56%

The projected fiduciary net position is projected to be depleted in 2019.

Single equivalent interest rate

Measurement Date	3.87%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.56%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Pre-Medicare	5.95% for 2018 decreasing to an ultimate Rate of 4.75% by 2025
Medicare	5.00% for 2018 decreasing to an ultimate Rate of 4.75% by 2028

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.27%	2.74%
Price inflation		2.75%	

TOWN OF COLUMBIA
Notes to the Financial Statements

Expected rate of return (Rounded nearest 0.25%) 3.00%

Discount Rate

- The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.
- For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.95%	5.95%	6.95%
Ultimate Healthcare Cost Trend Rate	3.75%	4.75%	5.75%
Total OPEB Liability	\$ 2,526,488	\$ 2,707,919	\$ 3,290,122

Sensitivity of the Net OPEB Liability to Changes in Discount Rates

The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB liability	\$ 3,214,300	\$ 2,707,919	\$ 2,301,731

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2018 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the

TOWN OF COLUMBIA
Notes to the Financial Statements

State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>2,707,919</u>
Total	\$	<u>2,707,919</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2018, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of \$36,323 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$899,568 for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State

NOTE 8 – PENSION PLANS

Connecticut State Teacher's Retirement System

Plan Description - Teachers, principals, superintendents, and supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System- a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the TRB Board. CTRB issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions - The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement - : Retirement benefits for the employees are calculated as 2% of the average annual salary times during the years credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement - Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement - : Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for non service-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions - Per Connecticut General Studies Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved

TOWN OF COLUMBIA
Notes to the Financial Statements

and amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees: Participants are required to contribute 6% (7% effective January 1, 2018) of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2019 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$351,635. Covered payroll for the town for the year ended June 30, 2019 was approximately \$4,537,221.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town	\$	13,545,762
Total	\$	<u>13,545,762</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2019 the Town has no proportionate share of the net pension liability. For the year ended June 30, 2019, the Town recognized benefits expense and contribution revenue of \$1,309,168 in the governmental funds for on-behalf amounts for the benefits provided by the state. In the Government-wide financial statements, the town recognized \$1,520,272 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015. The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	8.00 Percent

TOWN OF COLUMBIA
Notes to the Financial Statements

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from age 50 to 80, projected to the year 2020 using the BB improvement scale.

Future Cost-of-Living increases for members who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.00%	5.80%
Developed Non-U.S. Equities	18.00%	6.60%
Emerging Markets (Non-U.S.)	9.00%	8.30%
Core Fixed Income	7.00%	1.30%
Inflation Linked Bond Fund	3.00%	1.00%
Emerging Market Bond	5.00%	3.70%
High Yield Bonds	5.00%	3.90%
Real Estate	7.00%	5.10%
Private Equity	11.00%	7.60%
Alternative Investments	8.00%	4.10%
Cash	<u>6.00%</u>	0.40%
Total	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The Town's proportionate share of the net pension liability is \$0, and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Board of Education Non-Certified Retirement

All non-certified Board of Education employees who have completed one year of service are eligible to participate in an employer matching contribution 403(b) tax sheltered annuity plan. During the fiscal year ended 2013 the plan was amended to also include Administrative employees. The Board of Education makes a 6% contribution for non-certified and administrative employees, based on the employee's date of eligibility. Employer contributions for the current year totaled \$40,637.

Town Employees

Money Purchase Plan

The Town maintains a single-employer defined-contribution money purchase plan that covers part and full-time employees of the Town who fulfill specified requirements. The plan is administered and amended by the Town of Columbia. Current participants total 25 employees.

The plan covers all employees, nonunion and union, who have completed one month of service and work 1,000 hours or more per year. Normal retirement age is at 65. The Town contributes 7% of an eligible employee's pay. All employees become 100% vested immediately after entering.

Employer contributions for the fiscal year ended June 30, 2019 totaled \$88,810. The contribution is calculated on *compensation* paid for the calendar year, as reportable on Form W-2. The plan allows for amendment by the Town as employer. Assets of the fund are invested as directed by plan participants in mutual funds. The employer pays the costs of plan administration. Employees are not required to make contributions to this plan.

Section 457 Plan

The Town adopted and administers a deferred compensation pension plan (Town of Columbia 457(b) Plan) to provide benefits at retirement to employees of the Town. The plan is eligible to employees that are permanent, non-seasonal, non-temporary, non-interim, and scheduled to work 1,000 hours per Fiscal Year or more. An exception exists for those employees that are allowed to participate in the Plan pursuant to terms of a collective bargaining agreement between the Town of Columbia and an employee union. An exception also exists for all non-union employees actively enrolled in the Plan prior to July 1, 2011. At June 30, 2011, there were 35 plan members. A provision has been included to allow pre-tax employee contributions up to 100% of compensation, subject to IRS dollar limits of \$18,000 for 2018-2019. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$6,000 in 2018-2019. Income accumulates tax-free until distribution from the plan. The Town's required 3% contribution was \$36,499. Contributions are placed into individual participant accounts, where the funds are invested in mutual funds at the employees' discretion. Each participant has ownership of his or her respective accounts. Plan provisions and contribution requirements are established and may be amended by the Town.

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 9 – FUND BALANCE ASSIGNMENTS

The components of committed fund balance for the governmental funds at June 30, 2019 are as follows:

Fund balances:	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Total	2018
Committed to:				
Reserve for Capital	\$ 963,686	\$ -	\$ 963,686	\$ 1,120,128
Dog Fund	-	6,861	6,861	7,049
Cafeteria Fund	-	-	-	110
Land Acquisition Fund	-	2,896	2,896	2,831
Szegda Farm	-	6,428	6,428	4,696
Senior Center Fund	-	3,209	3,209	3,066
Compensated Absences Reserve	-	23,049	23,049	22,990
Memorial Fund	-	792	792	792
Recreation Fields Rental Fund	-	12,860	12,860	10,562
Recreation Activities Fund	-	30,225	30,225	29,315
Agricultural Fund	-	708	708	708
Education Non Lapsing Fund	-	215,000	215,000	140,000
Total Committed	<u>\$ 963,686</u>	<u>\$ 302,028</u>	<u>\$ 1,265,714</u>	<u>\$ 1,342,247</u>

NOTE 10 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

The Town early adopted GASB Statement No. 84 - *Fiduciary Activities* - This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment funds, (3) private-purpose funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

NOTE 11 – GASB PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 87 – *Leases* - This statement improves the accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

TOWN OF COLUMBIA
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Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

TOWN OF COLUMBIA
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability and Schedule of Contributions
 June 30, 2019

Schedule of Proportionate Share of Net Pension Liability

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension associated with Town	13,545,762	13,636,722	14,386,846	11,682,199	10,797,852
Total	<u>\$13,545,762</u>	<u>\$13,636,722</u>	<u>\$14,386,846</u>	<u>\$11,682,199</u>	<u>\$ 10,797,852</u>
Town's covered payroll	<u>\$ 4,537,221</u>	<u>\$ 4,371,611</u>	<u>\$ 5,077,981</u>	<u>\$ 4,059,834</u>	<u>\$ 3,989,917</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.56%</u>

See accountant's report.

TOWN OF COLUMBIA
 State Teacher's Retirement System
 Note to Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability
 Year-ended June 30, 2019

Change of benefit terms	None
Actuarial Assumptions	The total pension liability was determined by an actuarial valuation as of June 30, 2018
Actuarial Cost Method	Entry Age
Amortization Period	Level percent of salary, closed
Remaining Amortization Period	17.6 years
Asset Valuation Method	4 year smoothed market
Inflation	2.75%
Salary Increases	3.25%-6.50% average, including inflation
Investment Rate of Return	8.00%, net of pension plan investment expense, including inflation

TOWN OF COLUMBIA
 State Teacher's Retirement System
 Proportionate Share of Net OPEB Liability
 June 30, 2019

Schedule of Proportionate Share of Net OPEB Liability

	2019	2018
Town's percentage of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	2,707,919	3,509,924
Total	\$ 2,707,919	\$ 3,509,924
Town's covered-employee payroll	\$ 4,537,221	\$ 4,371,611
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

Notes to Schedule

Changes in Benefit Terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two-year waiting period for re-enrollment in a System-sponsored Plan for those who cancel their coverage or choose not to enroll after the effective date.
Changes of Assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to reflect the anticipated return on cash and other high quality short-term fixed income investments.</p> <p>The discount rate was increased from 3.56% to 3.87% to reflect the change in the Municipal Bond Index Rate.</p> <p>Changes were also made to the assumed per capita health care claim costs, the assumed age related percentage increases in expected annual per capita health care claim costs, long-term health care cost trend rates, the percentage of retired members who are not currently participating in the Plan but are expected to elect coverage in the future, the percentage of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan, the post-disability mortality table, which was updated to extend the period of projected mortality improvements from 2017 to 2020, and the percentage of deferred vested members who will become ineligible for future health care benefits.</p>
Actuarial Cost Method	Entry age
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	30 years, open
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, net of investment related expense

See accountant's report.

TOWN OF COLUMBIA
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Costs	\$ 13,686	\$ 13,776
Interest	19,811	18,441
Difference between expected and actual experience	2,098	8,389
Change in benefit terms	-	-
Change in assumptions	18,408	(14,960)
Benefit payments, including refunds of contributions	<u>(23,512)</u>	<u>(33,886)</u>
Net change in total OPEB liability	30,491	(8,240)
Total OPEB liability, beginning	<u>509,881</u>	<u>518,121</u>
Total OPEB liability, ending (a)	<u>\$ 540,372</u>	<u>\$ 509,881</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ -	\$ -
Contributions - members	-	-
Net investment income	-	-
Benefit payments (based on expected)	-	-
Administrative Expenses	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-
Total fiduciary net position, beginning	<u>-</u>	<u>-</u>
Total fiduciary net position, ending (b)	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 540,372</u>	<u>\$ 509,881</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered-employee payroll	\$ 6,398,900	\$ 6,236,700
Net OPEB liability as a percentage of covered-employee payroll	8.44%	8.18%

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2019

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Actual</u>	<u>Over</u> <u>(Under)</u>
Revenues				
Taxes				
Property Taxes	\$ 13,905,340	\$ 13,905,340	\$ 14,204,278	\$ 298,938
Property Taxes - Prior Years	76,000	76,000	56,228	(19,772)
Interest and Lien Fees	51,400	51,400	54,373	2,973
Total Taxes	<u>14,032,740</u>	<u>14,032,740</u>	<u>14,314,879</u>	<u>282,139</u>
Licenses, Fees, and Permits				
Real Estate Conveyance Fees	42,000	42,000	62,648	20,648
Building, Machine, and Septic Fees	55,000	55,000	54,427	(573)
Zoning Permit Fees	1,500	1,500	1,835	335
Recording Fees	22,000	22,000	16,737	(5,263)
Pistol Permit Fees	2,000	2,000	1,680	(320)
Total Licenses, Fees, and Permits	<u>122,500</u>	<u>122,500</u>	<u>137,327</u>	<u>14,827</u>
Intergovernmental Revenue				
Homeland Security Grant	1,500	1,500	1,553	53
Education Equalization Grant	2,409,369	2,409,369	2,443,869	34,500
Special Education Grant	150,000	150,000	161,476	11,476
School Construction Bond Payment	6,940	6,940	-	(6,940)
Disabled Persons Tax Grant	500	500	606	106
Veterans Relief	2,000	2,000	2,933	933
PILOT - State Property	3,666	3,666	3,666	-
PILOT - Pequot	4,857	4,857	4,857	-
Municipal Projects/Stabilization Grant	55,156	55,156	55,156	-
STEAP Reimbursement	-	-	176	176
LOCIP	45,578	45,578	-	(45,578)
Total Intergovernmental Revenues	<u>2,679,566</u>	<u>2,679,566</u>	<u>2,674,292</u>	<u>(5,274)</u>
Charges for Services				
Notary Fees	300	300	355	55
Photocopy Fees	5,000	5,000	4,981	(19)
Planning and Zoning Commission Fees	2,000	2,000	1,035	(965)
Zoning Board of Appeals Fees	1,500	1,500	1,600	100
Inland/Wetland Fees	3,000	3,000	1,550	(1,450)
Town Clerk Fees	3,500	3,500	5,136	1,636
Senior Center Van Services	1,150	1,150	1,554	404
Total Charges for Services	<u>\$ 16,450</u>	<u>\$ 16,450</u>	<u>\$ 16,211</u>	<u>\$ (239)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2019

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Other Revenues				
Interest on Investments	\$ 30,000	\$ 30,000	\$ 112,049	\$ 82,049
Passport Fees	1,200	1,200	2,890	1,690
Facilities Rental	2,000	2,000	1,850	(150)
Boating Fees	500	500	2,800	2,300
Beach Use and Concession Fees	30,000	30,000	34,410	4,410
Transfer Station Fees	25,000	25,000	26,470	1,470
Transfer Station Sticker Fees	35,000	35,000	43,750	8,750
Preschool	35,000	35,000	52,842	17,842
State Fees- Land Use Dept	200	200	220	20
Telephone Access Grant	8,000	8,000	9,578	1,578
Miscellaneous	8,000	8,000	13,147	5,147
Court Fines	2,000	2,000	2,825	825
Total Other Revenues	<u>176,900</u>	<u>176,900</u>	<u>302,831</u>	<u>125,931</u>
Other Sources				
Transfers In:				
Recreation	10,000	10,000	13,022	3,022
Appropriated from Surplus	400,000	740,193	-	(740,193)
Total Other Sources	<u>410,000</u>	<u>750,193</u>	<u>13,022</u>	<u>(737,171)</u>
Total Revenues	<u>17,438,156</u>	<u>17,778,349</u>	<u>17,458,562</u>	<u>(319,787)</u>
Expenditures				
General Government				
Town Meeting	2,225	3,225	3,106	(119)
Executive and Administrative	830,717	820,426	783,295	(37,131)
Information Technology	50,250	64,100	60,369	(3,731)
Old Firehouse Building	3,200	4,475	3,433	(1,042)
Chapel on The Green	3,800	3,181	3,166	(15)
Meeting House	5,600	4,459	4,008	(451)
Judicial and Legal	65,000	65,000	50,038	(14,962)
Registration and Election	32,955	32,955	21,189	(11,766)
Assessment	129,668	133,093	128,685	(4,408)
Tax Collection	95,399	95,399	91,264	(4,135)
Public Records	112,799	112,799	107,258	(5,541)
Financial and Planning Allocation	19,350	19,382	18,671	(711)
Finance Department	215,986	214,486	206,768	(7,718)
Tax Review Services	740	740	362	(378)
Total General Government	<u>\$ 1,567,689</u>	<u>\$ 1,573,720</u>	<u>\$ 1,481,612</u>	<u>\$ (92,108)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2019

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Health and Human Services				
Health Care and Inspection	\$ 28,850	\$ 28,850	\$ 28,849	\$ (1)
Social Services	9,150	9,150	8,484	(666)
Drug and Alcohol Abuse Prevention	1,372	1,372	-	(1,372)
Elderly Services	52,666	52,666	44,103	(8,563)
Senior Center	88,750	91,284	89,389	(1,895)
Youth Services	44,176	44,176	44,176	-
Total Health and Human Services	<u>224,964</u>	<u>227,498</u>	<u>215,001</u>	<u>(12,497)</u>
Public Safety				
Police Protection	176,500	176,500	168,194	(8,306)
Fire Fighting and Emergency Services	227,550	230,850	228,913	(1,937)
Fire Prevention Services	27,631	27,631	23,776	(3,855)
Emergency Director	3,419	3,419	2,928	(491)
Lake Management Services	31,146	31,146	27,215	(3,931)
Total Public Safety	<u>466,246</u>	<u>469,546</u>	<u>451,026</u>	<u>(18,520)</u>
Public Works				
Public Works	707,122	725,202	699,883	(25,319)
Waste Disposal	181,031	184,131	182,302	(1,829)
Street Lighting	13,500	12,860	9,965	(2,895)
Total Public Works	<u>901,653</u>	<u>922,193</u>	<u>892,150</u>	<u>(30,043)</u>
Building and Development Services				
Planning and Zoning Commission	86,359	86,359	70,366	(15,993)
Inland/Wetland Commission	20,158	20,158	16,804	(3,354)
Building Services	38,525	38,525	35,304	(3,221)
Conservation Commission	1,180	1,180	249	(931)
Zoning Appeals Services	380	380	-	(380)
Building Appeal Services	200	200	-	(200)
Land Use Department	65,852	65,852	59,355	(6,497)
Total Buildings and Development	<u>212,654</u>	<u>212,654</u>	<u>182,078</u>	<u>(30,576)</u>
Recreation				
Public Celebrations	5,700	8,094	7,831	(263)
Library Services	399,265	399,265	399,265	-
Lake Management Advisory	18,850	18,850	6,784	(12,066)
Beach Services	41,009	41,009	35,703	(5,306)
Recreation Area Operations	9,496	9,496	8,358	(1,138)
Recreation	60,101	60,101	59,319	(782)
Total Recreation	<u>534,421</u>	<u>536,815</u>	<u>517,260</u>	<u>(19,555)</u>
Total General Government Expenditures	<u>\$ 3,907,627</u>	<u>\$ 3,942,426</u>	<u>\$ 3,739,127</u>	<u>\$ (203,299)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2019

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Education				
Certified Salaries	\$ 4,239,077	\$ 4,253,005	\$ 4,253,005	\$ -
Non-Certified Salaries	891,637	933,824	933,824	-
Anthem Blue Cross/Blue Shield	1,152,305	1,103,974	1,103,974	-
Life Insurance	6,200	6,200	6,200	-
Social Security	61,000	61,029	61,029	-
Medicare	72,000	72,301	72,301	-
Unemployment	5,000	2,886	2,886	-
Workers' Compensation	75,000	71,695	71,695	-
Other Benefit Fund	47,600	46,558	46,558	-
Board of Education Services	25,000	34,728	34,728	-
Instructional Improvement/Pupil Services	11,179	5,168	5,168	-
Professional/Technical Services	164,438	137,549	137,549	-
Technical Services	153,990	234,369	234,369	-
Water/Sewage	6,500	15,460	15,460	-
Sanitary Refuse	9,000	7,805	7,805	-
Snow Plowing	24,000	22,500	22,500	-
Repairs/Maintenance	153,375	291,889	291,889	-
Rentals	26,680	26,740	26,740	-
Student Transportation	810,279	745,576	745,576	-
Property Insurance	45,125	50,273	50,273	-
Telephone	9,900	10,295	10,295	-
Postage	4,000	3,692	3,692	-
Advertising	-	270	270	-
Tuition	4,166,337	4,040,380	3,677,031	(363,349)
Travel	4,810	3,455	3,455	-
Supplies	110,966	88,197	88,197	-
Maintenance and Custodial Supplies	17,000	20,735	20,735	-
Electricity	90,000	141,124	141,124	-
Propane Gas	5,000	3,015	3,015	-
Heating Oil	57,780	61,288	61,288	-
Diesel	41,610	30,319	30,319	-
Software	40,907	33,866	33,866	-
Textbooks/Ancillary Materials	23,820	112,073	112,073	-
Library Books	3,300	3,340	3,340	-
Periodicals/Magazines	7,705	5,449	5,449	-
Equipment	28,873	131,909	131,909	-
Dues/Fees	19,240	12,890	12,890	-
Total Board of Education Expenditures	\$ 12,610,633	\$ 12,825,826	\$ 12,462,477	(363,349)

See accountant's report.

TOWN OF COLUMBIA
 Schedule of Revenues and Expenditures - Budget and Actual
 General Fund
 For the Year Ended June 30, 2019

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Miscellaneous				
Debt Service	\$ 166,750	\$ 166,750	\$ 166,750	\$ -
Contingency	78,000	6,701	-	(6,701)
Interfund Transfers	<u>675,146</u>	<u>836,646</u>	<u>836,646</u>	-
Total Miscellaneous	<u>919,896</u>	<u>1,010,097</u>	<u>1,003,396</u>	<u>(6,701)</u>
Total Expenditures	<u>17,438,156</u>	<u>17,778,349</u>	<u>17,205,000</u>	<u>(573,349)</u>
Surplus/(Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,562</u>	<u>\$ 253,562</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2019

	Special Revenue Funds						
	Dog Fund	Cafeteria Fund	D.A.R.E. Education	Town Aid Road Fund	Open Space Acquisition	Historic Document Preservation Fund	Szegda Farm
Assets							
Cash and cash equivalents	\$ 9,904	\$ -	\$ 4,831	\$ -	\$ 2,896	\$ -	\$ -
State and federal grants receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Interfund receivables	-	-	-	149,093	-	2,627	6,428
Prepaid Expense	-	-	50	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 9,904</u>	<u>\$ -</u>	<u>\$ 4,881</u>	<u>\$ 149,093</u>	<u>\$ 2,896</u>	<u>\$ 2,627</u>	<u>\$ 6,428</u>
Liabilities and fund balances							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ 473	\$ -	\$ -	\$ -	\$ -
Accrued expenses	174	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Interfund payables	-	-	155	-	-	-	-
Due to State of CT	2,869	-	-	-	-	-	-
Total liabilities	<u>3,043</u>	<u>-</u>	<u>628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	4,253	149,093	-	2,627	-
Committed	6,861	-	-	-	2,896	-	6,428
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>6,861</u>	<u>-</u>	<u>4,253</u>	<u>149,093</u>	<u>2,896</u>	<u>2,627</u>	<u>6,428</u>
Total liabilities and fund balances	<u>\$ 9,904</u>	<u>\$ -</u>	<u>\$ 4,881</u>	<u>\$ 149,093</u>	<u>\$ 2,896</u>	<u>\$ 2,627</u>	<u>\$ 6,428</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2019

	Special Revenue Funds					
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Compensated Absences Reserve Fund	Memorial Fund	Recreation Fields Rental Fund
Assets						
Cash and cash equivalents	\$ 100	\$ -	\$ 928	\$ -	\$ -	\$ 13,060
State and federal grants receivable	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Interfund receivables	3,109	36,613	-	23,049	792	-
Prepaid Expense	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 3,209</u>	<u>\$ 36,613</u>	<u>\$ 928</u>	<u>\$ 23,049</u>	<u>\$ 792</u>	<u>\$ 13,060</u>
Liabilities and fund balances						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
Accrued expenses	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-
Due to State of CT	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	36,613	928	-	-	-
Committed	3,209	-	-	23,049	792	12,860
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>3,209</u>	<u>36,613</u>	<u>928</u>	<u>23,049</u>	<u>792</u>	<u>12,860</u>
Total liabilities and fund balances	<u>\$ 3,209</u>	<u>\$ 36,613</u>	<u>\$ 928</u>	<u>\$ 23,049</u>	<u>\$ 792</u>	<u>\$ 13,060</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2019

	Special Revenue Funds						<u>Total</u>
	<u>Recreation Activities Fund</u>	<u>Social Services Needs Fund</u>	<u>Agricultural Fund</u>	<u>Brand Memorial Trust</u>	<u>Education Non Lapsing Fund</u>	<u>Small Cities Housing Rehabilitation</u>	
Assets							
Cash and cash equivalents	\$ 106	\$ 8,789	\$ -	\$ 106,263	\$ -	\$ 50,212	\$ 197,089
State and federal grants receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Interfund receivables	35,343	-	708	-	215,000	-	472,762
Prepaid Expense	-	-	-	-	-	-	50
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 35,449</u>	<u>\$ 8,789</u>	<u>\$ 708</u>	<u>\$ 106,263</u>	<u>\$ 215,000</u>	<u>\$ 50,212</u>	<u>\$ 669,901</u>
Liabilities and fund balances							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 673
Accrued expenses	-	-	-	-	-	-	174
Unearned revenue	5,224	-	-	-	-	-	5,224
Interfund payables	-	-	-	-	-	-	155
Due to State of CT	-	-	-	-	-	-	2,869
Total liabilities	<u>5,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,095</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	8,789	-	106,263	-	50,212	358,778
Committed	30,225	-	708	-	215,000	-	302,028
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>30,225</u>	<u>8,789</u>	<u>708</u>	<u>106,263</u>	<u>215,000</u>	<u>50,212</u>	<u>660,806</u>
Total liabilities and fund balances	<u>\$ 35,449</u>	<u>\$ 8,789</u>	<u>\$ 708</u>	<u>\$ 106,263</u>	<u>\$ 215,000</u>	<u>\$ 50,212</u>	<u>\$ 669,901</u>

See accountant's report.

TOWN OF COLUMBIA

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2019

	Special Revenue Funds						
	Dog Fund	Cafeteria Fund	D.A.R.E. Education	Town Aid Road Fund	Open Space Acquisition	Historic Document Preservation Fund	Szedga Farm
Revenues							
Licenses, fees, and permits	\$ 1,624	\$ -	\$ -	\$ -	\$ -	\$ 1,156	\$ -
Intergovernmental	-	-	2,876	205,558	-	4,500	-
Contributions	-	-	-	-	-	-	450
Other revenues	-	-	-	-	-	-	-
Investment earnings	267	-	-	-	65	-	-
Total revenues	<u>1,891</u>	<u>-</u>	<u>2,876</u>	<u>205,558</u>	<u>65</u>	<u>5,656</u>	<u>450</u>
Expenditures							
Current							
General government	-	-	-	-	-	5,100	7,598
Health and human services	-	-	2,846	-	-	-	-
Public safety	12,079	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Education	-	110	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Total expenditures	<u>12,079</u>	<u>110</u>	<u>2,846</u>	<u>-</u>	<u>-</u>	<u>5,100</u>	<u>7,598</u>
Excess (deficiency) of revenues over expenditures	(10,188)	(110)	30	205,558	65	556	(7,148)
Other financing sources (Uses)							
Transfers in	10,000	-	-	-	-	-	8,880
Transfers out	-	-	-	(237,400)	-	-	-
Total other financing sources	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>(237,400)</u>	<u>-</u>	<u>-</u>	<u>8,880</u>
Net change in fund balances	(188)	(110)	30	(31,842)	65	556	1,732
Fund balances - beginning	<u>7,049</u>	<u>110</u>	<u>4,223</u>	<u>180,935</u>	<u>2,831</u>	<u>2,071</u>	<u>4,696</u>
Fund balances - ending	<u>\$ 6,861</u>	<u>\$ -</u>	<u>\$ 4,253</u>	<u>\$ 149,093</u>	<u>\$ 2,896</u>	<u>\$ 2,627</u>	<u>\$ 6,428</u>

See accountant's report.

TOWN OF COLUMBIA

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2019

	Special Revenue Funds					
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Compensated Absences Reserve Fund	Memorial Fund	Recreation Fields Rental Fund
Revenues						
Licenses, fees, and permits	\$ 5,538	\$ 6,867	\$ -	\$ -	\$ -	\$ 2,794
Intergovernmental	-	-	251,286	-	-	-
Contributions	70	-	-	-	-	-
Other revenues	-	-	657	-	-	-
Investment earnings	-	-	-	-	-	263
Total revenues	<u>5,608</u>	<u>6,867</u>	<u>251,943</u>	<u>-</u>	<u>-</u>	<u>3,057</u>
Expenditures						
Current						
General government	-	638	-	9,941	-	-
Health and human services	5,465	-	-	-	-	-
Public safety	-	-	-	-	-	-
Recreation	-	-	-	-	-	759
Education	-	-	251,804	-	-	-
Capital expenditures	-	-	-	-	-	-
Total expenditures	<u>5,465</u>	<u>638</u>	<u>251,804</u>	<u>9,941</u>	<u>-</u>	<u>759</u>
Excess (deficiency) of revenues over expenditures	143	6,229	139	(9,941)	-	2,298
Other financing sources (Uses)						
Transfers in	-	-	-	10,000	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	143	6,229	139	59	-	2,298
Fund balances - beginning	<u>3,066</u>	<u>30,384</u>	<u>789</u>	<u>22,990</u>	<u>792</u>	<u>10,562</u>
Fund balances - ending	<u>\$ 3,209</u>	<u>\$ 36,613</u>	<u>\$ 928</u>	<u>\$ 23,049</u>	<u>\$ 792</u>	<u>\$ 12,860</u>

See accountant's report.

TOWN OF COLUMBIA

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2019

	Special Revenue Funds						Total
	Recreation Activities <u>Fund</u>	Social Services Needs <u>Funds</u>	Agricultural <u>Fund</u>	Brand Memorial Trust	Education Non Lapsing <u>Fund</u>	Small Cities Housing Rehabilitation	
Revenues							
Licenses, fees, and permits	\$ 32,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,459
Intergovernmental	-	-	-	-	-	-	464,220
Contributions	7,712	2,050	-	-	-	-	10,282
Other revenues	-	-	-	-	-	1,807	2,464
Investment earnings	-	-	-	4,090	-	-	4,685
Total revenues	<u>40,192</u>	<u>2,050</u>	<u>-</u>	<u>4,090</u>	<u>-</u>	<u>1,807</u>	<u>532,110</u>
Expenditures							
Current							
General government	-	-	-	96,537	-	-	119,814
Health and human services	-	2,251	-	-	-	-	10,562
Public safety	-	-	-	-	-	-	12,079
Recreation	26,260	-	-	-	-	-	27,019
Education	-	-	-	-	-	-	251,914
Capital expenditures	-	-	-	-	-	-	-
Total expenditures	<u>26,260</u>	<u>2,251</u>	<u>-</u>	<u>96,537</u>	<u>-</u>	<u>-</u>	<u>421,388</u>
Excess (deficiency) of revenues over expenditures	13,932	(201)	-	(92,447)	-	1,807	110,722
Other financing sources (Uses)							
Transfers in	-	-	-	-	75,000	-	103,880
Transfers out	(13,022)	-	-	-	-	-	(250,422)
Total other financing sources	<u>(13,022)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>(146,542)</u>
Net change in fund balances	910	(201)	-	(92,447)	75,000	1,807	(35,820)
Fund balances - beginning	<u>29,315</u>	<u>8,990</u>	<u>708</u>	<u>198,710</u>	<u>140,000</u>	<u>48,405</u>	<u>696,626</u>
Fund balances - ending	<u>\$ 30,225</u>	<u>\$ 8,789</u>	<u>\$ 708</u>	<u>\$ 106,263</u>	<u>\$ 215,000</u>	<u>\$ 50,212</u>	<u>\$ 660,806</u>

See accountant's report.

TOWN OF COLUMBIA
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2019

	Private-Purpose Trust Funds					Custodial Funds	
	Kathy Mattesich Memorial Fund	Dennis Harvey Memorial Fund	Scholarship Funds	Cemetery Funds	School Trust Fund	Student Activity Funds	Total
Assets							
Cash and cash equivalents	\$ 3,300	\$ 1,572	\$ 7,074	\$ 930	\$ 397	\$ 13,343	\$ 26,616
Total assets	<u>\$ 3,300</u>	<u>\$ 1,572</u>	<u>\$ 7,074</u>	<u>\$ 930</u>	<u>\$ 397</u>	<u>\$ 13,343</u>	<u>\$ 26,616</u>
Deferred Outflows of Resources	-	-	-	-	-	-	-
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	-	-	-	-	-	-	-
Net position							
Restricted for Individuals and Organization	-	-	-	-	-	13,343	13,343
Held in trust for scholarships and other purposes	3,300	1,572	7,074	930	397	-	13,273
Total net position	<u>\$ 3,300</u>	<u>\$ 1,572</u>	<u>\$ 7,074</u>	<u>\$ 930</u>	<u>\$ 397</u>	<u>\$ -</u>	<u>\$ 26,616</u>

See accountant's report.

TOWN OF COLUMBIA
 Fiduciary Funds - Private-Purpose Trust Funds
 Combining Statement of Change in Fiduciary Net Position
 For the Year Ended June 30, 2019

	Private-Purpose Trust Funds					Custodial Funds	
	Kathy Mattesich Memorial Fund	Dennis Harvey Memorial Fund	Scholarship Funds	Cemetery Funds	School Trust Fund	Student Activity Funds	Total
Additions							
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,902	\$ 70,902
Investment earnings	3	1	8	-	1	-	13
Total additions	<u>3</u>	<u>1</u>	<u>8</u>	<u>-</u>	<u>1</u>	<u>70,902</u>	<u>70,915</u>
Deductions							
Other Expenses	-	-	-	-	-	-	-
Payments for Student Activities	-	-	-	-	-	68,870	68,870
Scholarships	200	200	255	-	-	-	655
Total deductions	<u>200</u>	<u>200</u>	<u>255</u>	<u>-</u>	<u>-</u>	<u>68,870</u>	<u>69,525</u>
Other financing sources (Uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(197)	(199)	(247)	-	1	2,032	1,390
Net position - beginning, as restated	<u>3,497</u>	<u>1,771</u>	<u>7,321</u>	<u>930</u>	<u>396</u>	<u>11,311</u>	<u>25,226</u>
Net position - ending	<u>\$ 3,300</u>	<u>\$ 1,572</u>	<u>\$ 7,074</u>	<u>\$ 930</u>	<u>\$ 397</u>	<u>\$ 13,343</u>	<u>\$ 26,616</u>

See accountant's report.

TOWN OF COLUMBIA
 Schedule of Property Taxes Levied, Collected, and Outstanding
 For The Year Ended June 30, 2019

	Outstanding <u>July 1, 2018</u>	Current <u>Levy</u>	Lawful Corrections		Collectible <u>Taxes</u>	Receipt of <u>Taxes</u>	Receipt of Interest and Liens	Total <u>Receipts</u>	Transfers to <u>Suspense</u>	Outstanding <u>June 30, 2019</u>
			<u>Additions</u>	<u>Deductions</u>						
List of <u>10/1:</u>										
2017		\$ 14,364,902	\$ 23,425	\$ 35,155	\$ 14,353,172	\$ 14,182,969	\$ 32,586	\$ 14,215,555	\$ 91	\$ 170,112
2016	105,884	-	2,064	13,314	94,634	34,738	11,434	46,172	90	59,806
2015	30,163	-	90	335	29,918	5,266	4,224	9,490	170	24,482
2014	16,857	-	18	-	16,875	792	3,527	4,319	9,224	6,859
2013	8,805	-	-	-	8,805	130	485	615	2,382	6,293
2012	5,323	-	-	-	5,323	-	927	927	-	5,323
2011	3,571	-	-	-	3,571	471	22	493	-	3,100
2010	2,675	-	-	-	2,675	-	-	-	-	2,675
2009	3,000	-	-	-	3,000	-	-	-	-	3,000
2008	3,000	-	-	-	3,000	-	-	-	-	3,000
2007	2,308	-	-	-	2,308	-	-	-	-	2,308
2006	5,659	-	-	-	5,659	-	-	-	-	5,659
	\$ 187,245	\$ -	\$ 2,172	\$ 13,649	\$ 175,768	14,224,366	53,205	14,277,571	\$ 11,957	\$ 292,617
<i>Net Grand List- October 1, 2017: \$493,527,772</i>						Suspense collections	1,086	1,169	2,255	
<i>Tax Rate: 29.33 mills</i>						Total collections	\$ 14,225,452	\$ 54,374	\$ 14,279,826	

See accountant's report.

TOWN OF COLUMBIA
Ten Largest Taxpayers
For the Year Ended June 30, 2019

<u>Name</u>	<u>Assessed Value</u>	<u>Net Taxable Grand List*</u>
Connecticut Light and Power Co	\$ 15,366,860	3.16%
Columbia Manufacturing Inc	2,892,220	0.59%
DNB LLC	2,293,100	0.47%
Storage Pros Columbia LLC	1,964,600	0.40%
EA Patton Company	1,548,320	0.32%
Tourgate Realty Inc	1,410,200	0.29%
Angelides, Michael J & Susan H	1,232,600	0.25%
OSWA LLC	1,145,900	0.24%
Wile, Andrew S	1,057,900	0.22%
Englert, Alice M Trustee	1,040,500	0.21%

* - Based on Net Taxable Grand List 10/1/17: \$486,828,912
Source: Assessor's Office, Town of Columbia

TOWN OF COLUMBIA
Schedule of Debt Limitation
June 30, 2019

Total Tax Collections (Prior Year) - including interest and lien fees
Received by Treasurer \$ 14,035,834

Reimbursement for revenue loss on:

Tax relief for elderly (Prior Year) -
Base \$ 14,035,834

Debt limitation:	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
2 1/4 times base	\$ 31,580,627	\$ -	\$ -	\$ -
4 1/2 times base	-	63,161,253	-	-
3 3/4 times base	-	-	52,634,378	-
3 1/4 times base	-	-	-	45,616,461
Total debt limitation	<u>31,580,627</u>	<u>63,161,253</u>	<u>52,634,378</u>	<u>45,616,461</u>

Indebtedness:

Bonds payable:	<u>226,101</u>	<u>63,899</u>	<u>-</u>	<u>-</u>
Total Indebtedness	<u>226,101</u>	<u>63,899</u>	<u>-</u>	<u>-</u>

Debt limitation in excess of
outstanding and authorized debt \$ 31,354,526 \$ 63,097,354 \$ 52,634,378 \$ 45,616,461

NOTE:

In no case should this total indebtedness exceed
seven times the base \$14,035,834 or \$98,250,838

TOWN OF COLUMBIA
 Schedule of Debt Disclosures
 For the Year Ended June 30, 2019

Ratio of debt to the equalized net grand list

		<u>Equalized Net Grand List</u>		<u>Ratio</u>
Direct debt	\$ 290,000	\$ 693,045,686	(1)	0.042%
Direct debt, net	290,000	693,045,686	(1)	0.042%

Amount of debt to per capita

		<u>2019 Population</u>		<u>Per Capita</u>
Direct debt	\$ 290,000	5,418	(1)	\$ 54
Direct debt, net	290,000	5,418	(1)	54

Note on bond principal and interest payments

There were no payment delinquencies or defaults during the current year

(1) Obtained from State of Connecticut Office of Policy & Management 2013-2017 Municipal Fiscal Indicators

TOWN OF COLUMBIA
 Budgetary Comparison Schedule
 Reserve for Capital and Non-Recurring Expenditures
 For the Year Ended June 30, 2019

	Budget Appropriations July 1, 2018	18/19 Adopted Appropriations	18/19 Adopted Cancellations	Mid-Year Approp., Adjs. and Transfers	Adjusted Appropriations	Current Year Expenditures	Balance Appropriated June 30, 2019
Reserved for active projects:							
Road Resurfacing	\$ 113,397	\$ 237,400	\$ -	\$ -	\$ 350,797	\$ 236,986	\$ 113,811
Hennequin Road Drainage	67,880	25,000	-	-	92,880	-	92,880
Erdoni Road Drainage	15,074	-	-	-	15,074	-	15,074
Town Land Acquisition	3,396	(3,396)	-	-	-	-	-
Preliminary Design & Cost Estimates	2,400	-	-	15,000	17,400	10,286	7,114
Rec Area Improvement Fund	-	195,000	-	-	195,000	55,474	139,526
Four Year Revaluation	39,044	50,000	-	-	89,044	-	89,044
Town-wide Network/ IT	6,489	7,000	-	-	13,489	5,998	7,491
DPW Capital Equipment	86,903	(8,000)	-	-	78,903	31,908	46,995
DPW Transfer Station Equipment	9,622	8,000	-	-	17,622	6,756	10,866
DPW Cap Improv - Buildings	346,768	166,500	-	21,500	534,768	520,384	14,384
R. Szegda Development Rights	14,419	-	-	-	14,419	14,419	-
Bridge On Hop River Road	-	21,000	-	-	21,000	-	21,000
HWP Floor Replacement/Repair	5,711	-	-	-	5,711	-	5,711
HWP Window Replacement/Repair	12,496	-	-	-	12,496	-	12,496
Bridge on Latham Hill	-	15,000	-	-	15,000	-	15,000
HWP Ceiling Tile Replacement	12,500	-	-	-	12,500	-	12,500
HWP Cafe Bleacher/Storage	33,749	-	-	-	33,749	20,333	13,416
HWP Painting	4,920	-	-	-	4,920	-	4,920
HWP VOIP & Server Upgrade	28,182	-	-	-	28,182	28,182	-
Emergency Generator	-	30,000	-	-	30,000	-	30,000
Hazardous Tree Removal/Trim	-	-	-	50,000	50,000	45,528	4,472
Pucker St Bridge / Rose Bridge Road	4,894	-	-	-	4,894	176	4,718
Senior Center Furnishings	1,089	5,000	-	-	6,089	4,800	1,289
Village Hill Road Bridge	25,599	-	-	-	25,599	22,970	2,629
Senior Transportation Van	5,289	(5,289)	-	-	-	-	-
CVFD Capital Projects	16,806	150,000	-	-	166,806	16,807	149,999
Total Reserve for Active Projects	<u>856,627</u>	<u>893,215</u>	<u>-</u>	<u>86,500</u>	<u>1,836,342</u>	<u>1,021,007</u>	<u>815,335</u>
Designated for Future Projects:							
Land Acquisition	263,501	-	-	-	263,501	115,150	148,351
Total Designated for Future Projects	<u>263,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,501</u>	<u>115,150</u>	<u>148,351</u>
Total Capital and Non-Recurring	<u>\$ 1,120,128</u>	<u>\$ 893,215</u>	<u>\$ -</u>	<u>\$ 86,500</u>	<u>\$ 2,099,843</u>	<u>\$ 1,136,157</u>	<u>\$ 963,686</u>

See accountant's report.

Compliance
Reports and
Supplementary
Schedules

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

Independent Auditor's Report

To the Financial Planning and Allocation Commission of
The Town of Columbia, CT

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Columbia, CT, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Columbia, CT's basic financial statements, and have issued our report thereon dated December 8, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Columbia, CT'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Columbia, CT's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Columbia, CT'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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.

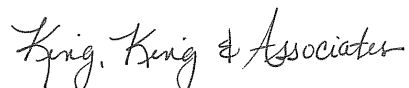
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Town of Columbia, CT'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 result of that testing, and not to provide an opinion on the effectiveness of the Town of Columbia, CT'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 Town of Columbia, CT's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



King, King & Associates, CPAs
Winsted, CT
December 8, 201*

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT

Independent Auditor's Report

To the Financial Planning and Allocation Commission of
The Town of Columbia, CT

Report on Compliance for Each Major State Program

We have audited the Town of Columbia, CT's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Columbia, CT's major state programs for the year ended June 30, 2019. The Town of Columbia, CT's major state programs are identified in the summary of auditors' 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 state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Columbia, CT's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act 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 state program occurred. An audit includes examining, on a test basis, evidence about the Town of Columbia, CT'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 state program. However, our audit does not provide a legal determination of the Town of Columbia, CT's compliance.

Opinion on Each Major State Program

In our opinion, the Town of Columbia, CT, 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 state programs for the year ended June 30, 2019.

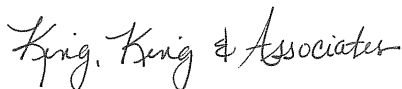
Report on Internal Control over Compliance

Management of the Town of Columbia, CT, 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 Town of Columbia, CT's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, 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 Town of Columbia, CT'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 state 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 state 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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 the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.



King, King & Associates, CPAs
Winsted, CT
December 8, 2019

Town of Columbia
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2019

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program Identification Number</u>	<u>Expenditures</u>
State Dept. of Education		
Adult Education	11000-SDE64370-17030	\$ 2,222
Talent Development	11000-SDE64370-12552	455
Magnet Schools	11000-SDE64370-17057	2,000
Youth Service Bureau	11000-SDE64370-17052	14,000
Youth Service Bureau Enhancement	11000-SDE64370-16201	3,038
Judicial Department		
Public Acts	34001-JUD95162-40001	2,825
Connecticut State Library		
Historic Preservation	12060-CSL66094-35150	4,500
Office of Policy and Management		
State Owned Property	11000-OPM20600-17004	3,666
Veteran's Exemptions	11000-OPM20600-17024	2,933
Tax Relief for Disabled	11000-OPM20600-17011	606
Municipal Grants-in-aid	12052-OPM20600-43587	26,763
Neglected Cemetery Account	12060-OPM20600-35570	625
Department of Transportation		
Small Town Economic Assistance Program	12052-DOT57131-40532	176
Town Aid Road	12052-DOT57131-43455	237,400
Total State Financial Assistance before exempt programs		<u>\$ 301,209</u>
EXEMPT PROGRAMS		
Office of Policy and Management		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	\$ 4,857
Municipal Stabilization Grant	11000-OPM20600-17104	28,393
Department of Education		
Education Cost Sharing	11000-SDE64000-17041	2,443,869
Excess Cost Student Based and Equity	11000-SDE64000-17047	161,476
Total Exempt Programs		<u>2,638,595</u>
Total State Financial Assistance		<u>\$ 2,939,804</u>

See notes to schedule.

TOWN OF COLUMBIA, CT
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2019

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Columbia, CT under programs of the State of Connecticut for the fiscal year ended June 30, 2018. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including education, historic preservation, construction, and maintenance of public roads.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Columbia, CT conform to accounting principles generally accepted in the United States of America as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The fund financial statements contained in the Town of Columbia, CT's annual audit report are prepared on the modified accrual basis of accounting. Under this method revenues are recognized when they become measurable and available while expenditures are generally recognized when the related fund liability is incurred.

The government-wide financial statements are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned while expenses are recorded when a liability is incurred.

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations of the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

TOWN OF COLUMBIA, CT
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

I. SUMMARY OF AUDIT RESULTS

Financial Statements

We audited the financial statements of the Town of Columbia, CT as of and for the year ended June 30, 2018 and issued our unmodified report thereon dated December 8, 2019.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes ✓ No
- Significant deficiency(ies) identified? _____ Yes ✓ None Reported

Noncompliance material to financial statements noted? _____ Yes ✓ No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ Yes ✓ No
- Significant deficiency(ies) identified? _____ Yes ✓ None Reported

We have issued an unmodified opinion relating to compliance for major State programs.

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ Yes ✓ No

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core - CT Number</u>	<u>Expenditures</u>
Department of Transportation		
Town Aid Road	12052-DOT57131-43455	237,400
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 100,000</u>

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated December 8, 2019, on internal control over financial reporting and on compliance and other matters based on our audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no significant deficiencies.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- No findings or questioned costs are reported relating to State Financial Assistance Programs.