
TOWN OF COLUMBIA

Annual Financial Statements

For the Year Ended June 30, 2020

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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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 4–12 and 46-49 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.

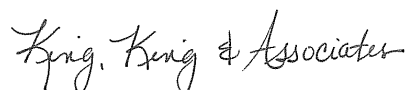
The combining and individual nonmajor fund financial statements and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 18, 2020, 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 18, 2020

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2020

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, 2020.

Financial Highlights

- The assets of the Town of Columbia, CT exceeded its liabilities at the close of the most recent fiscal year by \$21,856,472 (*net position*). Of this amount, \$6,420,820 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position is \$236,447. \$11,743 is restricted for the Brand Memorial Trust, \$98,198 is restricted for Town Aid Road, \$4,384 is restricted for D.A.R.E. Education, \$5,682 is restricted for Historic Document Preservation, \$45,114 is restricted for Land Protection, \$318 is restricted for Education Grants, \$18,988 is restricted for Social Service's Needs, and \$52,020 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 \$7,158,959, an increase of \$1,183,624 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, and municipal aid for Education Cost Share as well as various town fees. Of this amount, \$4,326,779 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 \$4,767,821 or 27% 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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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 Eighteen (18) 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, 2020

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 \$21,856,472 at the close of the most recent fiscal year.

Summary Statement of Net Position
June 30

	2020	2019
Current and Other Assets	\$ 8,279,476	\$ 7,222,231
Capital Assets	15,466,993	15,857,331
Total Assets	<u>\$ 23,746,469</u>	<u>\$ 23,079,562</u>
Deferred Outflows of Resources	<u>66,917</u>	<u>25,536</u>
Other Liabilities	\$ 1,163,703	\$ 1,288,167
Long-Term Liabilities Outstanding	1,837,652	922,025
Total Liabilities	<u>3,001,355</u>	<u>2,210,192</u>
Deferred Inflows of Resources	<u>119,262</u>	<u>12,264</u>
Net Position:		
Net Investment in Capital Assets	15,199,205	15,381,893
Restricted	236,447	358,728
Unrestricted	6,420,820	5,142,021
Total Net Position	<u>\$ 21,856,472</u>	<u>\$ 20,882,642</u>

70% 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.

1% 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 (29%) 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 \$973,830 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.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2020

Summary Statement of Changes in Net Position
Years Ended June 30

Revenues:	2020	2019
<i>General Revenues:</i>		
Property Taxes	\$ 14,575,449	\$ 14,302,272
Unrestricted Investment Income	107,537	151,166
Grants and Contributions	21,796	21,640
Other Income	23,779	20,286
Loss on Disposal	-	(2,661)
<i>Program Revenues:</i>		
Charges for Services	344,908	367,379
Operating Grants and Contributions	4,956,897	5,556,396
Capital Grants and Contributions	243,637	176
Total Revenues	20,274,003	20,416,654
Expenses:		
<i>Governmental Activities:</i>		
General Government	1,744,448	1,639,200
Health and Human Services	242,396	228,850
Public Safety	590,535	586,118
Public Works	1,408,999	1,326,768
Building and Development Services	182,921	182,078
Recreation	594,601	573,176
Education	14,521,773	15,220,726
Interest on Long-term Debt	14,500	21,750
Total Expenses	\$ 19,300,173	\$ 19,778,666
Change in Net Position	973,830	637,988
Beginning Net Position	20,882,642	20,244,654
Ending Net Position	\$ 21,856,472	\$ 20,882,642

Governmental activities. Governmental activities increased the Town of Columbia, CT's net position by \$973,830

Key elements of the activities are as follows:

- Seventy percent (72%) 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 (27%) from program revenues.

Major revenue factors included:

- The Town collected a surplus in the following budgeted revenue lines:
 - \$ 8,232 in Real Estate Conveyance Fees
 - \$ 4,013 in Town Clerk Fees
 - \$ 2,350 in Boating Fees

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2020

\$ 2,306 in Transfer Station Sticker Fees
\$ 8,161 in Building, Mechanics & Septic Permits
\$ 9,881 in Miscellaneous Revenue
\$ 11,592 in Interest on Investments

- The Town collected a surplus of \$396,720 in property taxes (current, outstanding, delinquent, interest, etc.).
- The Town also received a Local Capital Improvement Plan (LoCIP) Reimbursement from the state as budgeted in the amount of \$235,931 for the Public Works Salt Shed Replacement Project.
- The State of Connecticut granted the Town \$108,303 more in the Education Equalization Grant (ECS aid to towns) than what was locally budgeted due to a state adjustment once the state finalized the grant. Also, the state awarded the Town \$53,933 less in the Special Education Grant due to a decrease in Special Education costs in the Columbia School District.
- The Columbia Board of Education was denied a \$57,371 reimbursable grant for a School Security Project by the State. The project was fully budgeted in capital during the 2019-2020 budget process. The project was completed in full during the fiscal year without any additional funding being needed from the General Fund.

For Governmental Activities, 75% of the Town's expenses relate to education, 7% relates to public works, 4% relate to public safety and health and human services, and the remaining 14% relates to government, building and development services, recreation and other areas.

Major expense factors include:

- The following capital projects:
 - Town Road Resurfacing -- \$260,164
 - Rec Park Improvements -- \$111,925
 - Technology Equipment -- \$5,459
 - Town Maintenance Facility (Old CVFD) facility upgrades -- \$22,535
 - New Town Salt Shed 19/20 costs to complete project -- \$12,427
 - Hazardous Tree Removal -- \$92,456
 - Purchase of Open Space property -- \$45,000
 - HWP Replacement Flooring -- \$6,252
 - HWP Security Project -- \$116,521
 - HWP Ceiling Tile Replacement -- \$11,241
 - HWP Painting Project -- \$9,920
 - HWP Generator Project 19/20 deposit --\$23,111
- Debt service includes four-year loan obligations on LED lighting projects completed in 2018-2019 at Town Hall (\$3,392.52 per year), the Senior Center (\$1,396.32 per year) as well as Horace W. Porter School (\$57,861 per year). The LED Lighting Loans will be paid off the fall of 2022. The Debt service payments on the General Obligation Bond continued to reduce at a rate of \$7,250 per year until final payment in June 2021. The 2019-2020 General Obligation Bond payments totaled \$159,500.
- The Town's Operating budget had surplus funds of \$330,117 that were returned to the General Fund at year end. Various departments had savings in their budget lines; such as, Group Health insurance, salary lines (both regular and overtime lines), legal and contingency. Another savings to the Town budget was the FEMA and State of Connecticut reimbursement for costs incurred to items needed to mitigate the COVID 19 outbreak
- Net Decrease in the approved Town's allocation to the 2019-2020 Board of Education by \$89,000 from the final 2018-2019 Town's allocation (which included an additional 2018-2019

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2020

Town allocation of \$215,193 approved to meet the State's Minimum Budget Requirement last year).

- As of June 30, 2020, the Columbia Board of Education had excess funds in its budget totaling \$640,653. Of those excess funds, \$85,000 was added to the Board of Education's Non-lapsing Account that was established in the 2015-2016 year and the balance of \$555,653 was returned to the Town's General Fund. The Board of Education had unspent funds in a variety lines due to the COVID 19 closure that began in March 2020 and went through the end of the school year. The closure mainly impacted the tuition and the transportation lines.
- The Columbia Board of Education looked within the 2019-2020 budget and used funds from other expenditures lines to cover the under-budgeting in other lines such as Salaries (\$18,610) for staff changes and staff leaves, Legal (\$16,788), and Electricity (\$7,960). The savings shown in various lines were also used to cover the projected budget line deficits due to staff changes as well as changes in Regular Education and Special Education services. Also, with a projected excess in various lines, the Board of Education was able to purchase needed textbooks and curriculum material as well as fund various building projects, a facility truck, classroom furniture and equipment. Another savings that added to the Board of Education budget surplus was the FEMA and the State of Connecticut reimbursements for the mitigation costs incurred for the COVID 19 outbreak as well as renegotiation of the transportation costs during the COVID 19 closure.
- For the 2019-2020 year, the state had proposed that Town's make a municipal payment towards the State of Connecticut Teachers Retirement fund. The Town budgeted a projected cost of \$39,708. The state did not approve this mandate in 2019-2020 and the funds were returned to the General Fund as unspent funding.

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 \$7,158,959 an increase of \$1,183,624 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 \$4,767,821. This represents an increase of \$489,610. 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. Also, both the Municipal Government and the Columbia Board of Education received Coronavirus Relief Funding from FEMA and the State of Connecticut totaling over \$73,188 to cover COVID mitigation costs during March to June 2020.

TOWN OF COLUMBIA
 Management's Discussion and Analysis
 June 30, 2020

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 \$290,409 excluding Contingency and Debt Service. In addition, the Municipal Government ended the year with \$23,937 in year end encumbrances for open expenditures to the 2019-2020 fiscal year.
- The Operating Budget of the Board of Education was spent in accordance with the adopted budget and was under spent by \$640,653. A portion of the excess funds were returned to the Town's General Fund (\$555,653) and the balance was added to the Board of Education's Non-Lapsing Account (\$85,000). In addition to the funds returned to the Town, there were also \$179,616 in encumbrances at year end for the open projects and expenditures for Horace W. Porter School that applied to the 2019-2020 fiscal year.
- The Town budgeted \$39,708 in 2019-2020 toward funding a state mandated municipal payment to the State's Teacher Retirement fund. The state did not move forward with this mandate in 2019-2020. These funds were returned to the General Fund as unspent.
- During the 2019-2020 Fiscal Year, \$56,669 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: \$9,000 to town portion of digital sign at Horace W. Porter School, \$16,000 for Senior Van Services for salaries and transportation costs, \$26,669 for Town Hall campus walkways and \$5,000 to cover COVID 19 costs that were pending eligibility for FEMA and State reimbursement. After these transfers, \$21,331 was returned to the General Fund.
- With Town Meeting approvals in 2019-2020, the Town was able to transfer \$260,000 from the General Fund to the Capital Reserve Fund: \$10,000 to complete the Salt Shed replacement, \$75,000 for continuing Hazardous Trees removal in Town and \$175,000 for a partial funding of the Columbia Volunteer Fire Department Rescue Truck Replacement.
- 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, 2020, amounts to \$15,466,993 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

	2020	2019
Land and Infrastructure	\$ 3,723,778	\$ 3,561,102
Construction in Progress	184,816	469,446
Buildings and Improvements	10,546,029	10,730,799
Vehicles	480,944	594,109
Machinery and equipment	531,426	501,875
Total	\$ 15,466,993	\$ 15,857,331

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

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Management's Discussion and Analysis
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Major capital asset events during the current fiscal year included the following:

- Funding for Road Resurfacing - \$214,200.
- Funding to fully fund Hennequin Road Drainage Project - \$17,000.
- Funding for Box Culvert Replacement on Hunt Road - \$175,000.
- Funding for Preliminary Design & Cost Estimates on Capital Projects - \$10,000.
- Funding for Recreation Park Renovation Project- \$120,300.
- Funding for Town Revaluation - \$20,000.
- Funding for new equipment for Public Works - \$126,500.
- Funding for Transfer Station Equipment - \$10,000.
- Funding for capital improvements to Town Buildings & Facilities (including Town Meeting approvals to fund two projects) - \$125,669.
- Funding for the Bridge on Hop River Road Replacement (town portion) - \$46,000.
- Funding for continuous Hazardous Tree Removal (including Town Meeting approval for two General Fund Transfers) - \$100,000
- Funding for Replacement of the CVFD Rescue Truck (19/20 appropriation plus a Town Meeting approval for additional General Fund appropriation) - \$325,000.
- Funding for the Horace W. Porter Floor Replacement - \$5,000.
- Funding for Horace W. Porter School Security Project - \$125,510.
- Funding for Horace W. Porter Painting Projects - \$5,000.
- Funding for Horace W. Porter Emergency Generator Replacement - \$40,000.

Long-term debt.

At the end of the current fiscal year the Town had a total outstanding note payable and bonded debt of \$267,788. Of this amount, 54% comprises debt backed by the full faith and credit of the government.

The Town's total debt decreased \$243,434 or 21% during the current fiscal year. This overall decrease is attributable to payments made on the Town's one General Obligation Bond as well as the monthly payments of the LED Lighting project loans on the Town Buildings and Horace Porter School. There was also a decrease in the GASB 75 Other Post Employee Benefit (OPEB) liability calculated by the Town's actuarial firm. To offset the decrease as described above, there was also an increase in the accumulated employee sick and vacation that is anticipated to be payable in the upcoming fiscal year.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2020

The Town of Columbia, CT has the following obligations:

	<u>2020</u>	<u>2019</u>
General Obligation Bonds	\$ 145,000	\$ 290,000
Note Payable	122,788	185,438
Other Post-Employment Benefits	473,876	540,372
Other Obligations	180,594	149,882
Total	<u>\$ 922,258</u>	<u>\$ 1,165,692</u>

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 2020-2021 and beyond. It is expected that revenues for fiscal year 2020-2021 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 2020-2021 Fiscal Year.

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, 2020 and 2019

	Primary Government	
	Governmental Activities	
Assets	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 7,879,884	\$ 6,907,874
State and federal grants receivable	8,926	2,834
Property taxes receivable	169,726	170,112
Interest receivable	79,475	63,627
Other receivables	93,399	37,309
Prepaid expenses	48,066	40,475
Total current assets	<u>8,279,476</u>	<u>7,222,231</u>
Noncurrent assets:		
Capital assets:		
Nondepreciable	2,266,154	2,503,784
Depreciable assets, net of depreciation	13,200,839	13,353,547
Total assets	<u>\$ 23,746,469</u>	<u>\$ 23,079,562</u>
Deferred Outflows of Resources		
Deferred Outflows - OPEB	66,917	25,536
Total Deferred Outflows of Resources	<u>66,917</u>	<u>25,536</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 184,672	\$ 323,767
Accrued expenses	712,434	698,725
Other payables	2,510	2,869
Deferred revenue	15,778	19,139
Notes and bonds payable	207,650	207,650
Long-term obligations	40,659	36,017
Total current liabilities	<u>1,163,703</u>	<u>1,288,167</u>
Non-current liabilities:		
Notes and bonds payable	60,138	267,788
Other long-term obligations	613,811	654,237
Total liabilities	<u>1,837,652</u>	<u>2,210,192</u>
Deferred Inflows of Resources		
Deferred Inflows - OPEB	119,262	12,264
Total Deferred Inflows of Resources	<u>119,262</u>	<u>12,264</u>
Net position		
Net investment in capital assets	15,199,205	15,381,893
Restricted for Brand memorial fund	11,743	106,263
Restricted for town aid road	98,198	149,093
Restricted	126,506	103,422
Unrestricted	6,420,820	5,141,971
Total net position	<u>\$ 21,856,472</u>	<u>\$ 20,882,642</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, 2020
(With Comparative Totals for June 30, 2019)

					Net (expense) revenue and changes in net position	
	<u>Expenses</u>	<u>Program revenues</u>			<u>Primary government</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Governmental Activities</u>
					<u>2020</u>	<u>2019</u>
Functions/programs						
Primary government:						
Governmental activities						
General government	\$ 1,744,448	\$ 95,383	\$ 61,086	\$ -	\$ (1,587,979)	\$ (1,485,191)
Health and human services	242,396	5,463	21,462	-	(215,471)	(216,762)
Public safety	590,535	2,819	1,899	-	(585,817)	(581,261)
Public works	1,408,999	75,130	205,305	235,931	(892,633)	(1,043,947)
Building and development services	182,921	67,796	-	7,706	(107,419)	(121,631)
Recreation	594,601	60,916	5,481	-	(528,204)	(492,760)
Education	14,521,773	37,401	4,661,664	-	(9,822,708)	(9,891,413)
Interest on long-term debt	14,500	-	-	-	(14,500)	(21,750)
Total governmental activities	<u>19,300,173</u>	<u>344,908</u>	<u>4,956,897</u>	<u>243,637</u>	<u>(13,754,731)</u>	<u>(13,854,715)</u>
Total primary government	<u>\$ 19,300,173</u>	<u>\$ 344,908</u>	<u>\$ 4,956,897</u>	<u>\$ 243,637</u>	<u>(13,754,731)</u>	<u>(13,854,715)</u>
General revenues:						
Property taxes levied for general purposes					14,575,449	14,302,272
Grants not restricted to specific purpose					21,796	21,640
Unrestricted Investment income					107,537	151,166
Other Income					23,779	20,286
Loss on Disposal					-	(2,661)
Total general revenues					<u>14,728,561</u>	<u>14,492,703</u>
Change in net position					973,830	637,988
Net position - beginning					20,882,642	20,244,654
Net position - ending					<u>\$ 21,856,472</u>	<u>\$ 20,882,642</u>

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

TOWN OF COLUMBIA
Balance Sheet
Governmental Funds
June 30, 2020
(With Comparative Totals for June 30, 2019)

	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Totals	
				2020	2019
Assets:					
Cash and cash equivalents	\$ 6,065,436	\$ 1,697,838	\$ 116,610	\$ 7,879,884	\$ 6,907,874
State and federal grants receivable	8,700	-	226	8,926	2,834
Other receivables	93,399	-	-	93,399	37,309
Interfund receivables	226	-	204,990	205,216	472,917
Property taxes receivable, net	169,726	-	-	169,726	170,112
Prepaid expenses	48,016	-	50	48,066	40,475
Total assets	\$ 6,385,503	\$ 1,697,838	\$ 321,876	\$ 8,405,217	\$ 7,631,521
Liabilities:					
Accounts payable	\$ 183,100	\$ -	\$ 1,572	\$ 184,672	\$ 323,767
Accrued expenses	712,149	-	285	712,434	698,725
Deferred revenue	10,730	-	5,048	15,778	19,139
Interfund payables	204,990	-	226	205,216	472,917
Due to State of CT	-	-	2,510	2,510	2,869
Total liabilities	1,110,969	-	9,641	1,120,610	1,517,417
Deferred Inflows of Resources:					
Deferred Taxes	125,648	-	-	125,648	138,769
Total Deferred Inflows of Resources	125,648	-	-	125,648	138,769
Fund Balances:					
Nonspendable:					
Board of Selectman-Prepaid expenses	18,087	-	-	18,087	18,087
Board of Education-Prepaid expenses	29,929	-	-	29,929	22,338
Restricted:					
D.A.R.E Education	-	-	4,384	4,384	4,253
Town Aid Road	-	-	98,198	98,198	149,093
Historic Document Preservation Fund	-	-	5,682	5,682	2,627
Land Protection Fund	-	-	45,114	45,114	36,613
Education Grants Fund	-	-	318	318	928
Social Services Needs Fund	-	-	18,988	18,988	8,789
Brand Memorial Fund	-	-	11,743	11,743	106,263
Small Cities Housing Rehabilitation	-	-	52,020	52,020	50,212
Committed (See Note 9)	333,049	1,687,929	75,788	2,096,766	1,265,714
Assigned:					
Subsequent Year's Budget	441,042	-	-	441,042	572,000
Reserve for Capital	-	9,909	-	9,909	32,207
Unassigned:	4,326,779	-	-	4,326,779	3,706,211
Total fund balances	5,148,886	1,697,838	312,235	7,158,959	5,975,335
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,385,503	\$ 1,697,838	\$ 321,876	\$ 8,405,217	\$ 7,631,521

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, 2020

Fund balances reported in governmental funds Balance Sheet. \$ 7,158,959

**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.

Interest on taxes 79,475

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

Capital Assets 30,423,791

Accumulated Depreciation (14,956,798)

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.

Property Taxes 125,648

Certain changes related to pensions are deferred and amortized over time.

Deferred Outflows - OPEB 66,917

Deferred Inflows - OPEB (119,262)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

Accumulated Sick Time (84,930)

Compensated Absences (95,664)

General Obligation Bonds (145,000)

Notes Payable (122,788)

Other Postemployment Benefits (473,876)

Net position of governmental activities. \$ 21,856,472

TOWN OF COLUMBIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020
(With Comparative Totals for June 30, 2019)

	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Totals	
				2020	2019
Revenues					
Taxes	\$ 14,572,722	\$ -	\$ -	\$ 14,572,722	\$ 14,314,879
Licenses, fees, and permits	299,121	-	45,787	344,908	367,379
Intergovernmental revenue	4,155,869	-	443,257	4,599,126	4,493,581
Contributions	-	-	32,203	32,203	10,282
Other revenues	21,971	-	1,808	23,779	20,286
Investment earnings	86,592	19,976	969	107,537	151,166
Total revenues	<u>19,136,275</u>	<u>19,976</u>	<u>524,024</u>	<u>19,680,275</u>	<u>19,357,573</u>
Expenditures					
Current:					
General government	1,471,529	-	103,138	1,574,667	1,582,501
Health and human services	232,576	-	11,216	243,792	225,563
Public safety	458,398	-	8,985	467,383	463,105
Public works	906,421	-	-	906,421	890,164
Building and development services	182,921	-	-	182,921	182,078
Recreation	537,784	-	31,995	569,779	544,279
Education	13,440,482	-	230,186	13,670,668	13,913,681
Debt service	159,500	-	-	159,500	166,750
Capital expenditures	-	721,520	-	721,520	1,136,156
Total expenditures	<u>17,389,611</u>	<u>721,520</u>	<u>385,520</u>	<u>18,496,651</u>	<u>19,104,277</u>
Excess/(deficiency) of revenues over expenditures	1,746,664	(701,544)	138,504	1,183,624	253,296
Other Financing sources/(Uses)					
Transfers in	8,726	1,403,489	15,900	1,428,115	1,087,068
Transfers out	(1,163,189)	-	(264,926)	(1,428,115)	(1,087,068)
Total other financing sources/(uses)	<u>(1,154,463)</u>	<u>1,403,489</u>	<u>(249,026)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	592,201	701,945	(110,522)	1,183,624	253,296
Fund balances - beginning	<u>4,556,685</u>	<u>995,893</u>	<u>422,757</u>	<u>5,975,335</u>	<u>5,722,039</u>
Fund balances - ending	<u>\$ 5,148,886</u>	<u>\$ 1,697,838</u>	<u>\$ 312,235</u>	<u>\$ 7,158,959</u>	<u>\$ 5,975,335</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, 2020

Net change in fund balances - total governmental funds. \$ 1,183,624

**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>	472,738
<i>Depreciation expense</i>	(863,076)

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.

2,727

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>	62,650

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>	(6,049)
<i>Compensated Absences</i>	(24,663)
<i>Other Postemployment Benefits</i>	<u>879</u>

Change in net position of governmental activities. \$ 973,830

TOWN OF COLUMBIA
 Budgetary Comparison Statement
 General Fund
 For the Year Ended June 30, 2020

	Budgeted amounts		Actual Amounts	Over
	Original	Final	Budgetary Basis	(Under)
Revenues				
Taxes	\$ 14,176,002	\$ 14,176,002	\$ 14,572,722	\$ 396,720
Licenses, fees, and permits	124,500	124,500	141,242	16,742
Intergovernmental revenue	2,778,113	2,778,113	2,780,374	2,261
Charges for services	16,975	16,975	23,019	6,044
Other revenues	231,700	231,700	252,788	21,088
Transfers in	10,000	10,000	8,726	(1,274)
Appropriated from Surplus	595,000	940,000	-	(940,000)
Total revenues	17,932,290	18,277,290	17,778,871	(498,419)
Expenditures				
Current:				
General government	1,607,958	1,617,320	1,457,604	(159,716)
Health and human services	231,815	247,815	234,226	(13,589)
Public safety	475,641	472,096	461,918	(10,178)
Public works	957,888	956,388	914,027	(42,361)
Building and development services	215,942	216,080	182,921	(33,159)
Recreation	542,492	552,037	541,959	(10,078)
Education	12,776,534	12,776,534	12,096,174	(680,360)
Contingency	78,000	21,331	-	(21,331)
Fund Transfers	886,520	1,258,189	1,258,189	-
Debt service	159,500	159,500	159,500	-
Total expenditures	17,932,290	18,277,290	17,306,518	(970,772)
Surplus/(deficiency) of revenues over expenditures	\$ -	\$ -	\$ 472,353	\$ 472,353

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, 2020
(With Comparative Totals for June 30, 2019)

	Pension	Private-Purpose	Custodial	Totals	
	<u>Trust Fund</u>	<u>Trust Funds</u>	<u>Funds</u>	<u>2020</u>	<u>2019</u>
Assets					
Cash and cash equivalents	\$ -	\$ 12,648	\$ 16,090	\$ 28,738	\$ 26,616
Receivables	-	-	-	-	-
Investments	<u>1,404,676</u>	<u>-</u>	<u>-</u>	<u>1,404,676</u>	<u>1,345,191</u>
Total assets	<u>\$ 1,404,676</u>	<u>\$ 12,648</u>	<u>\$ 16,090</u>	<u>\$ 1,433,414</u>	<u>\$ 1,371,807</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	-	-	16,090	16,090	13,343
Restricted for Pension Benefits	1,404,676	-	-	1,404,676	1,345,191
Held in trust for scholarships and other purposes	<u>-</u>	<u>12,648</u>	<u>-</u>	<u>12,648</u>	<u>13,273</u>
Total net position	<u>\$ 1,404,676</u>	<u>\$ 12,648</u>	<u>\$ 16,090</u>	<u>\$ 1,433,414</u>	<u>\$ 1,371,807</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, 2020 and 2019

	Pension	Private-Purpose	Custodial	Totals	
	<u>Trust Fund</u>	<u>Trust Funds</u>	<u>Funds</u>	<u>2020</u>	<u>2019</u>
Additions					
Employer Contributions	\$ 137,373	\$ -	\$ -	\$ 137,373	\$ 96,509
Investment earnings	48,100	17	-	48,117	42,162
Miscellaneous	-	-	27,234	27,234	70,902
	<u>185,473</u>	<u>17</u>	<u>27,234</u>	<u>212,724</u>	<u>209,573</u>
Deductions					
Pension Distributions	120,549	-	-	120,549	108,381
Other expenses	5,439	-	-	5,439	233
Scholarships	-	642	-	642	655
Payments for Student Activities	-	-	24,487	24,487	68,870
	<u>125,988</u>	<u>642</u>	<u>24,487</u>	<u>151,117</u>	<u>178,139</u>
Change in net position	59,485	(625)	2,747	61,607	31,434
Net position - beginning	<u>1,345,191</u>	<u>13,273</u>	<u>13,343</u>	<u>1,371,807</u>	<u>1,340,373</u>
Net position - ending	<u>\$ 1,404,676</u>	<u>\$ 12,648</u>	<u>\$ 16,090</u>	<u>\$ 1,433,414</u>	<u>\$ 1,371,807</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 Bolton, and EO Smith High Schools which are part of the Towns of Bolton, and Mansfield, respectively. The Town of Columbia, CT is charged for services based on a per-pupil rate determined by Towns of Bolton, and Mansfield. Students also have the option to attend Windham Technical or 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:

Saxton B. Little Free Library - The Saxton B. Little Free Library 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 Saxton B. Little Free Library Board of Directors determines how their funding is spent.

TOWN OF COLUMBIA
Notes to the Financial Statements

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, 2020 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 December 18, 2020, 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	\$ 17,778,871	\$ (17,306,518)	\$ -	\$ 472,353
Revenue adjustments for:				
CT Teacher's Retirement	1,366,130	-	-	1,366,130
Transfers In	(8,726)	-	8,726	-
Expenditure adjustments for:				
CT Teacher's Retirement	-	(1,366,130)	-	(1,366,130)
Encumbrances & Other Expenses	-	24,848	-	24,848
Transfers Out	-	1,258,189	(1,258,189)	-
Perspective Difference	-	-	95,000	95,000
Balance, GAAP Basis	<u>\$ 19,136,275</u>	<u>\$ (17,389,611)</u>	<u>\$ (1,154,463)</u>	<u>\$ 592,201</u>

On the budgetary basis, the expenditures include \$203,553 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 \$4,348,467. Of the bank balance, Federal Depository Insurance Corporation insured \$614,076.

As of June 30, 2020, \$3,734,391 of the Town's bank balance of \$4,348,467 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	3,310,951
Uninsured and collateral held by pledging bank's Trust department not in the Town's name		423,439
Total	\$	3,734,390

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.
Mutual Funds	\$	472,846	N/A
Equities		931,830	N/A
Total Investments	\$	1,404,676	\$ -

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, 2020	<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)
Mutual Funds	\$ 472,846	\$ 472,846	-	-
Equities	931,830	931,830	-	-
Total	<u>\$ 1,404,676</u>	<u>\$ 1,404,676</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	\$ 469,446	\$ 114,087	\$ 424,273	\$ 159,260
Land	2,034,338	47,000	-	2,081,338
Deposit in Truck	-	25,556	-	25,556
Total capital assets, not being depreciated	<u>2,503,784</u>	<u>186,643</u>	<u>424,273</u>	<u>2,266,154</u>
Capital assets, being depreciated:				
Buildings & Improvements	21,290,146	393,869	-	21,684,015
Land Improvements	845,813	199,311	-	1,045,124
Infrastructure	1,647,508	667	-	1,648,175
Furniture & Fixtures	18,700	-	-	18,700
Vehicles	2,473,365	-	-	2,473,365
Machinery & Equipment	1,171,737	116,521	-	1,288,258
Total capital assets being depreciated	<u>27,447,269</u>	<u>710,368</u>	<u>-</u>	<u>28,157,637</u>
Less accumulated depreciation for:				
Buildings & Improvements	10,559,345	578,641	-	11,137,986
Land Improvements	384,819	29,801	-	414,620
Infrastructure	581,738	54,501	-	636,239
Furniture & Fixtures	18,700	-	-	18,700
Vehicles	1,879,256	113,165	-	1,992,421
Machinery & Equipment	669,864	86,968	-	756,832
Total accumulated depreciation	<u>14,093,722</u>	<u>863,076</u>	<u>-</u>	<u>14,956,798</u>
Total capital assets, being depreciated, net	<u>13,353,547</u>	<u>(152,708)</u>	<u>-</u>	<u>13,200,839</u>
Governmental activities capital assets, net	<u>\$ 15,857,331</u>	<u>\$ 33,935</u>	<u>\$ 424,273</u>	<u>\$ 15,466,993</u>

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

	<u>2020</u>	<u>2019</u>
Governmental Activities:		
General Government	\$ 149,278	\$ 146,996
Public Works	149,540	138,630
Public Safety	123,152	123,013
Recreation	26,485	24,987
Education	414,621	390,406
Total Depreciation Expense - Governmental Activities	<u>\$ 863,076</u>	<u>\$ 824,032</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

Construction Commitments

The Town has active construction projects as of June 30, 2020. The projects include road drainage, bridge repairs, culvert replacements, road construction, parking lot, recreation park upgrades and facility upgrades and /or improvements.. At year-end, the Town's commitments are as follows:

	<u>Spent to Date</u>	<u>Commitment</u>
Hennequin Road Drainage Project	-	109,881
Hop River Road Bridge	7,184	205,000
Hunt Road Culvert	10,090	525,000
Macht Road Culvert	2,811	75,000
Rec Park Road and Parking Lot Construction	32,861	78,266
Playground Equipment Rec Park	28,890	10,000
Rec park Tennis & Basketball Court Upgrades	13,490	72,232
Latham Hill Bridge	881	450,000
Rec Park Maintenance Garage	712	250,000
Rec Park Concession Stand/Restroom Facility	-	310,000
Old CVFD Maintenance Garage	2,674	59,000
HWP Emergency Generator	23,111	46,889
Public Works Facility Upgrade	10,400	-
Security Cameras	26,156	-
	<u>\$ 159,260</u>	<u>\$ 2,191,268</u>

NOTE 5 – INTERFUND ACCOUNTS

At June 30, 2020, interfund balances were as follows:

<u>Due to:</u>	<u>Due from:</u>				<u>Total</u>	
	<u>General Fund</u>	<u>Reserve for Capital and Nonrecurring Expenditures</u>	<u>Nonmajor Funds</u>	<u>2020</u>	<u>2019</u>	
General Fund	\$ -	\$ -	\$ 226	\$ 226		\$ 155
Reserve for Capital and Nonrecurring Expenditures	-	-	-	-		-
Nonmajor Funds	204,990	-	-	204,990		472,762
	<u>\$ 204,990</u>	<u>\$ -</u>	<u>\$ 226</u>	<u>\$ 205,216</u>		<u>\$ 472,917</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>	<u>Transfers To Reserve for Capital</u>			<u>Total</u>	
	<u>General Fund</u>	<u>Non-Recurring Expenditures</u>	<u>Nonmajor Funds</u>	<u>2020</u>	<u>2019</u>
<u>General Fund</u>					
<i>Budgeted expenditure to fund future projects</i>	\$ -	\$ 1,147,289	\$ 15,900	\$ 1,163,189	\$ 836,646
<u>Nonmajor Funds</u>					
<i>Transfer of Contributed Funds & Grant Funds</i>	8,726	256,200	-	264,926	250,422
	<u>\$ 8,726</u>	<u>\$ 1,403,489</u>	<u>\$ 15,900</u>	<u>\$ 1,428,115</u>	<u>\$ 1,087,068</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 6 – LONG-TERM OBLIGATIONS

Long-Term Obligation Activity

An amount of \$274,146 from the General Fund was utilized to finance current year debt service requirements. Of this amount, \$14,500 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, 2020, 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%	\$ 145,000
Notes Payable for LED Lighting, approved in 2018, due 8/15/22; monthly principal payments with no interest	<u>122,788</u>
Total Long-Term Note and Bond Obligations	<u>\$ 267,788</u>

Changes in long-term obligations for the year ended June 30, 2020, 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	\$ 290,000	\$ -	\$ 145,000	\$ 145,000	\$ 145,000
Notes Payable	185,438	-	62,650	122,788	62,650
OPEB Obligation	540,372	-	66,496	473,876	-
Compensated Absences	71,001	24,663	-	95,664	24,721
Accumulated Sick Time	78,881	6,049	-	84,930	15,938
	<u>\$ 1,165,692</u>	<u>\$ 30,712</u>	<u>\$ 274,146</u>	<u>\$ 922,258</u>	<u>\$ 248,309</u>

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2020 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2021	207,650	7,250
2022	<u>60,255</u>	<u>-</u>
	<u>\$ 267,905</u>	<u>\$ 7,250</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. Current year expenditures of \$1,135 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, 2020, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>97</u>
	<u><u>100</u></u>

Total OPEB Liability

The Town's total OPEB liability of \$473,876 was measured as of June 30, 2020, 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	2.21% as of June 30, 2020, based on Bond Buyer 20-Bond Municipal Index effective as of June 30, 2020.
Rate of Compensation Increase	2.60%, including inflation
Mortality rates	Based on Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for Teachers and General Employees, projected to the valuation date with a scale MP-2019.
Mortality Improvement	Projected to date of decrement using Scale MP-2019
Inflation	2.60%
Healthcare Cost Trend Rates	6.5%, 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 6/30/19	\$ 540,372
Changes for the Year:	
Service Costs	15,262
Interest	18,974
Changes in benefit Terms	-
Difference between expected and actual experience	(118,378)
Changes of Assumptions	48,057
Benefit payments	<u>(30,411)</u>
Net changes	<u>(66,496)</u>
Balance at 6/30/20	<u><u>\$ 473,876</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 (2.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	436,340	473,876	515,521

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	424,274	473,876	531,507

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

For the fiscal year ended June 30, 2020, the recognized OPEB expense is \$24,103. As of June 30, 2020, 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	\$ 7,841	(108,346)
Changes of assumptions	59,076	\$ (10,916)
	\$ 66,917	\$ (119,262)

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

<u>Year Ending June 30:</u>	
2021	\$ (4,704)
2022	(4,704)
2023	(4,704)
2024	(4,704)
2025	(4,704)
Thereafter	(28,825)

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.

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 \$36,344.

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, 2019 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.5%
Real Wage Growth	0.75%
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	3.50%
Prior Measurement Date	3.87%

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

Single equivalent interest rate

Measurement Date	3.50%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.87%, 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%	0.41%	2.31%
Price inflation		2.50%	

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 3.50%. 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	\$ 2,327,480	\$ 2,739,791	\$ 3,416,696

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 (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability	\$ 3,329,360	\$ 2,739,919	\$ 2,367,312

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>2,739,791</u>
Total	\$	<u>2,739,791</u>

The net OPEB liability was measured as of June 30, 2019 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, 2020, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$36,344 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized (\$200,489) 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, 2020 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$357,760. Covered payroll for the town for the year ended June 30, 2020 was approximately \$4,616,261.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, 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	\$	17,567,758
Total	\$	<u>17,567,758</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2020 the Town has no proportionate share of the net pension liability. For the year ended June 30, 2020, the Town recognized benefits expense and contribution revenue of \$1,329,786 in the governmental funds for on-behalf amounts for the benefits provided by the state. In the Government-wide financial statements, the town recognized \$2,157,620 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, 2019 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, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50%
Salary increases, including inflation	3.25-6.50%
Long-term investment rate of return, net of pension investment expense, including inflation.	6.90%

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>Expected Return</u>	<u>Target Allocation</u>	<u>Standard Deviation</u>
Public Equity - US Equity	8.10%	20.00%	17.00%
Public Equity - International Developed Equity	8.50%	11.00%	19.00%
Public Equity - Emerging Markets Equity	10.40%	9.00%	24.00%
Fixed Income - Core Fixed Income	4.60%	16.00%	7.00%
Fixed Income - Inflation Linked Bonds	3.60%	5.00%	7.00%
Fixed Income - High Yield	6.50%	6.00%	11.00%
Fixed Income - Emerging Market Debt	5.20%	5.00%	11.00%
Private Equity	9.80%	10.00%	23.00%
Real Estate	7.00%	10.00%	15.00%
Alternative Investments - Real Assets	8.20%	4.00%	17.00%
Alternative Investments - Hedge Funds	5.40%	3.00%	7.00%
Liquidity Fund	2.90%	1.00%	1.00%

The geometric rates of expected return shown in the above table are nominal returns net of investment expenses.

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 are eligible to participate in an employer matching contribution 403(b) tax sheltered annuity plan upon date of hire. 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 \$50,790.

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, 2020 totaled \$89,295. 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, 2020, 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 \$19,500 for 2019-2020. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$6,000 in 2019-2020. Income accumulates tax-free until distribution from the plan. The Town's required 3% contribution was \$35,306. 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, 2020 are as follows:

Fund balances:	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Total	2019
Committed to:					
Reserve for Capital	\$ -	\$ 1,687,929	\$ -	\$ 1,687,929	\$ 963,686
Dog Fund	-	-	9,478	9,478	6,861
Land Acquisition Fund	-	-	10,663	10,663	2,896
Szegda Farm	-	-	11,317	11,317	6,428
Senior Center Fund	-	-	6,423	6,423	3,209
Compensated Absences Reserve	33,049	-	-	33,049	23,049
Memorial Fund	-	-	792	792	792
Recreation Fields Rental Fund	-	-	6,347	6,347	12,860
Recreation Activities Fund	-	-	30,060	30,060	30,225
Agricultural Fund	-	-	708	708	708
Education Non Lapsing Fund	300,000	-	-	300,000	215,000
Total Committed	<u>\$ 333,049</u>	<u>\$ 1,687,929</u>	<u>\$ 75,788</u>	<u>\$ 2,096,766</u>	<u>\$ 1,265,714</u>

NOTE 11 – RISKS & UNCERTAINTIES

The World Health Organization declared the coronavirus outbreak (“COVID-19”) a pandemic. The impact of COVID-19 could negatively affect the Town’s operations, vendors, and/or taxpayer base. The extent to which the COVID-19 impacts the Town’s financial position will depend upon future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or its impact, among others.

NOTE 12 – 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. 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 June 15, 2021.

TOWN OF COLUMBIA
Notes to the Financial Statements

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, 2020.

Compliance
Reports and
Supplementary
Schedules

TOWN OF COLUMBIA
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability and Schedule of Contributions
 June 30, 2020

Schedule of Proportionate Share of Net Pension Liability

	<u>2020</u>	<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%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension associated with Town	17,567,758	13,545,762	13,636,722	14,386,846	11,682,199	10,797,852
Total	<u>\$ 17,567,758</u>	<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>\$ 4,616,261</u>	<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.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	<u>52.00%</u>	<u>57.69%</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, 2020

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, 2020

Schedule of Proportionate Share of Net OPEB Liability

	2020	2019	2018
Town's percentage of the net OPEB liability	0.00%	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	2,739,791	2,707,919	3,509,924
Total	\$ 2,739,791	\$ 2,707,919	\$ 3,509,924
Town's covered-employee payroll	\$ 4,616,261	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%

Notes to Schedule

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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Costs	\$ 15,262	\$ 13,686	\$ 13,776
Interest	18,974	19,811	18,441
Difference between expected and actual experience	(118,378)	2,098	8,389
Change in benefit terms	-	-	-
Change in assumptions	48,057	18,408	(14,960)
Benefit payments, including refunds of contributions	<u>(30,411)</u>	<u>(23,512)</u>	<u>(33,886)</u>
Net change in total OPEB liability	(66,496)	30,491	(8,240)
Total OPEB liability, beginning	<u>540,372</u>	<u>509,881</u>	<u>518,121</u>
Total OPEB liability, ending (a)	<u>\$ 473,876</u>	<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>	<u>-</u>
Net change in plan fiduciary net position	-	-	-
Total fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Total fiduciary net position, ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 473,876</u>	<u>\$ 540,372</u>	<u>\$ 509,881</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 6,056,154	\$ 6,398,900	\$ 6,236,700
Net OPEB liability as a percentage of covered-employee payroll	7.82%	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, 2020

	<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	\$ 14,048,602	\$ 14,048,602	\$ 14,368,246	\$ 319,644
Property Taxes - Prior Years	76,000	76,000	129,186	53,186
Interest and Lien Fees	<u>51,400</u>	<u>51,400</u>	75,290	<u>23,890</u>
Total Taxes	<u>14,176,002</u>	<u>14,176,002</u>	<u>14,572,722</u>	<u>396,720</u>
 Licenses, Fees, and Permits				
Real Estate Conveyance Fees	50,000	50,000	58,232	8,232
Building, Machine, and Septic Fees	50,000	50,000	58,161	8,161
Zoning Permit Fees	1,500	1,500	2,155	655
Recording Fees	21,000	21,000	21,294	294
Pistol Permit Fees	<u>2,000</u>	<u>2,000</u>	1,400	<u>(600)</u>
Total Licenses, Fees, and Permits	<u>124,500</u>	<u>124,500</u>	<u>141,242</u>	<u>16,742</u>
 Intergovernmental Revenue				
Homeland Security Grant	1,530	1,530	1,899	369
Education Equalization Grant	2,270,587	2,270,587	2,378,890	108,303
Special Education Grant	150,000	150,000	96,067	(53,933)
School Security Project	57,371	57,371	-	(57,371)
Disabled Persons Tax Grant	-	-	535	535
Veterans Relief	-	-	3,373	3,373
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	-
LOCIP	<u>234,946</u>	<u>234,946</u>	235,931	<u>985</u>
Total Intergovernmental Revenues	<u>2,778,113</u>	<u>2,778,113</u>	<u>2,780,374</u>	<u>2,261</u>
 Charges for Services				
Notary Fees	325	325	235	(90)
Photocopy Fees	5,000	5,000	5,126	126
Planning and Zoning Commission Fees	2,000	2,000	4,475	2,475
Zoning Board of Appeals Fees	1,500	1,500	-	(1,500)
Inland/Wetland Fees	3,000	3,000	3,005	5
Town Clerk Fees	4,000	4,000	8,013	4,013
Senior Center Van Services	<u>1,150</u>	<u>1,150</u>	2,165	<u>1,015</u>
Total Charges for Services	<u>\$ 16,975</u>	<u>\$ 16,975</u>	<u>\$ 23,019</u>	<u>\$ 6,044</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2020

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Other Revenues				
Interest on Investments	\$ 75,000	\$ 75,000	\$ 86,592	\$ 11,592
Passport Fees	2,000	2,000	1,330	(670)
Facilities Rental	2,000	2,000	1,400	(600)
Boating Fees	500	500	2,850	2,350
Beach Use and Concession Fees	30,000	30,000	29,359	(641)
Transfer Station Fees	26,000	26,000	28,306	2,306
Transfer Station Sticker Fees	38,000	38,000	35,300	(2,700)
Preschool	40,000	40,000	37,401	(2,599)
State Fees- Land Use Dept	200	200	314	114
Telephone Access Grant	8,000	8,000	9,365	1,365
Miscellaneous	8,000	8,000	17,881	9,881
Court Fines	<u>2,000</u>	<u>2,000</u>	<u>2,690</u>	<u>690</u>
Total Other Revenues	<u>231,700</u>	<u>231,700</u>	<u>252,788</u>	<u>21,088</u>
Other Sources				
Transfers In:				
Recreation	10,000	10,000	8,726	(1,274)
Appropriated from Surplus	<u>595,000</u>	<u>940,000</u>	<u>-</u>	<u>(940,000)</u>
Total Other Sources	<u>605,000</u>	<u>950,000</u>	<u>8,726</u>	<u>(941,274)</u>
Total Revenues	<u>17,932,290</u>	<u>18,277,290</u>	<u>17,778,871</u>	<u>(498,419)</u>
Expenditures				
General Government				
Town Meeting	2,725	2,725	2,155	(570)
Executive and Administrative	846,223	841,585	780,986	(60,599)
Information Technology	50,750	67,750	62,008	(5,742)
Old Firehouse Building	3,306	3,306	1,290	(2,016)
Chapel on The Green	4,300	4,300	2,945	(1,355)
Meeting House	4,680	4,680	3,713	(967)
Judicial and Legal	65,000	65,000	31,497	(33,503)
Registration and Election	35,571	35,571	14,664	(20,907)
Assessment	138,246	136,641	123,064	(13,577)
Tax Collection	94,339	92,944	88,274	(4,670)
Public Records	115,449	115,449	109,241	(6,208)
Financial and Planning Allocation	24,875	24,875	24,726	(149)
Finance Department	221,754	221,754	212,991	(8,763)
Tax Review Services	<u>740</u>	<u>740</u>	<u>50</u>	<u>(690)</u>
Total General Government	<u>\$ 1,607,958</u>	<u>\$ 1,617,320</u>	<u>\$ 1,457,604</u>	<u>\$ (159,716)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2020

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Health and Human Services				
Health Care and Inspection	\$ 29,370	\$ 29,370	\$ 29,366	\$ (4)
Social Services	8,950	8,950	6,727	(2,223)
Elderly Services	55,068	71,068	65,330	(5,738)
Senior Center	92,926	92,926	92,802	(124)
Youth Services	45,501	45,501	40,001	(5,500)
Total Health and Human Services	<u>231,815</u>	<u>247,815</u>	<u>234,226</u>	<u>(13,589)</u>
Public Safety				
Police Protection	184,500	183,984	180,172	(3,812)
Fire Fighting and Emergency Services	230,050	230,050	228,410	(1,640)
Fire Prevention Services	27,130	27,130	24,002	(3,128)
Emergency Director	3,485	4,001	3,656	(345)
Lake Management Services	30,476	26,931	25,678	(1,253)
Total Public Safety	<u>475,641</u>	<u>472,096</u>	<u>461,918</u>	<u>(10,178)</u>
Public Works				
Public Works	740,117	739,117	709,992	(29,125)
Waste Disposal	204,271	205,271	193,871	(11,400)
Street Lighting	13,500	12,000	10,164	(1,836)
Total Public Works	<u>957,888</u>	<u>956,388</u>	<u>914,027</u>	<u>(42,361)</u>
Building and Development Services				
Planning and Zoning Commission	88,816	88,816	70,947	(17,869)
Inland/Wetland Commission	20,675	20,675	18,684	(1,991)
Building Services	38,137	38,137	36,609	(1,528)
Conservation Commission	1,180	1,180	570	(610)
Building Appeal Services	200	338	337	(1)
Land Use Department	66,934	66,934	55,774	(11,160)
Total Buildings and Development	<u>215,942</u>	<u>216,080</u>	<u>182,921</u>	<u>(33,159)</u>
Recreation				
Public Celebrations	7,700	12,200	5,680	(6,520)
Library Services	399,265	399,265	399,265	-
Lake Management Advisory	13,150	13,150	12,867	(283)
Beach Services	41,299	41,299	39,003	(2,296)
Recreation Area Operations	11,206	11,036	10,632	(404)
Recreation	69,872	75,087	74,512	(575)
Total Recreation	<u>542,492</u>	<u>552,037</u>	<u>541,959</u>	<u>(10,078)</u>
Total General Government Expenditures	<u>\$ 4,031,736</u>	<u>\$ 4,061,736</u>	<u>\$ 3,792,655</u>	<u>\$ (269,081)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2020

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Education				
Certified Salaries	\$ 4,533,928	\$ 4,460,350	\$ 4,460,350	\$ -
Non-Certified Salaries	1,004,938	1,023,548	1,023,548	-
Anthem Blue Cross/Blue Shield	1,100,964	1,042,328	1,042,328	-
Life Insurance	6,500	6,274	6,274	-
Social Security	72,000	71,527	71,527	-
Medicare	82,000	76,763	76,763	-
Unemployment	5,000	2,879	2,879	-
Workers' Compensation	75,000	74,801	74,801	-
Other Benefit Fund	93,629	56,630	56,630	-
Board of Education Services	30,000	46,788	46,788	-
Instructional Improvement/Pupil Services	16,782	7,210	7,198	(12)
Professional/Technical Services	170,593	92,102	92,102	-
Technical Services	185,875	174,605	174,605	-
Water/Sewage	6,500	10,054	10,054	-
Sanitary Refuse	9,200	8,241	8,241	-
Snow Plowing	24,000	24,000	24,000	-
Repairs/Maintenance	41,705	163,391	163,391	-
Rentals	33,300	25,514	25,514	-
Student Transportation	819,490	814,487	603,865	(210,622)
Property Insurance	52,200	51,797	51,797	-
Telephone	9,900	7,511	7,511	-
Postage	6,000	4,292	4,292	-
Tuition	3,881,494	3,881,494	3,451,476	(430,018)
Travel	5,900	1,599	1,599	-
Supplies	112,107	105,532	105,532	-
Maintenance and Custodial Supplies	18,000	18,853	18,853	-
Electricity	105,000	112,960	112,960	-
Propane Gas	5,000	5,268	5,268	-
Heating Oil	61,000	61,618	61,618	-
Diesel	44,000	31,049	31,049	-
Software	18,761	38,841	38,841	-
Textbooks/Ancillary Materials	19,878	99,043	99,043	-
Library Books	3,500	2,740	2,740	-
Periodicals/Magazines	7,920	4,700	4,700	-
Equipment	56,893	118,400	118,400	-
Dues/Fees	17,869	9,637	9,637	-
State Mandated TRB Municipal Contribution	39,708	39,708	-	(39,708)
Total Board of Education Expenditures	\$ 12,776,534	\$ 12,776,534	\$ 12,096,174	(680,360)

See accountant's report.

TOWN OF COLUMBIA
 Schedule of Revenues and Expenditures - Budget and Actual
 General Fund
 For the Year Ended June 30, 2020

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Miscellaneous				
Debt Service	\$ 159,500	\$ 159,500	\$ 159,500	\$ -
Contingency	78,000	21,331	-	(21,331)
Interfund Transfers	<u>886,520</u>	<u>1,258,189</u>	<u>1,258,189</u>	<u>-</u>
Total Miscellaneous	<u>1,124,020</u>	<u>1,439,020</u>	<u>1,417,689</u>	<u>(21,331)</u>
Total Expenditures	<u>17,932,290</u>	<u>18,277,290</u>	<u>17,306,518</u>	<u>(970,772)</u>
Surplus/(Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472,353</u>	<u>\$ 472,353</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2020

	Special Revenue Funds					
	<u>Dog Fund</u>	<u>D.A.R.E. Education</u>	<u>Town Aid Road Fund</u>	<u>Open Space Acquisition</u>	<u>Historic Document Preservation Fund</u>	<u>Szegda Farm</u>
Assets						
Cash and cash equivalents	\$ 10,418	\$ 5,281	\$ -	\$ 10,663	\$ -	\$ -
State and federal grants receivable	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Interfund receivables	1,855	-	98,198	-	5,682	11,317
Prepaid Expense	-	50	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 12,273</u>	<u>\$ 5,331</u>	<u>\$ 98,198</u>	<u>\$ 10,663</u>	<u>\$ 5,682</u>	<u>\$ 11,317</u>
Liabilities and fund balances						
Liabilities:						
Accounts Payable	\$ -	\$ 947	\$ -	\$ -	\$ -	\$ -
Accrued expenses	285	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-
Due to State of CT	2,510	-	-	-	-	-
Total liabilities	<u>2,795</u>	<u>947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	4,384	98,198	-	5,682	-
Committed	9,478	-	-	10,663	-	11,317
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>9,478</u>	<u>4,384</u>	<u>98,198</u>	<u>10,663</u>	<u>5,682</u>	<u>11,317</u>
Total liabilities and fund balances	<u>\$ 12,273</u>	<u>\$ 5,331</u>	<u>\$ 98,198</u>	<u>\$ 10,663</u>	<u>\$ 5,682</u>	<u>\$ 11,317</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2020

	Special Revenue Funds				
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Memorial Fund	Recreation Fields Rental Fund
Assets					
Cash and cash equivalents	\$ 100	\$ -	\$ 365	\$ -	\$ 6,347
State and federal grants receivable	-	-	226	-	-
Other receivables	-	-	-	-	-
Interfund receivables	6,323	45,114	-	792	-
Prepaid Expense	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 6,423</u>	<u>\$ 45,114</u>	<u>\$ 591</u>	<u>\$ 792</u>	<u>\$ 6,347</u>
Liabilities and fund balances					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Unearned revenue	-	-	47	-	-
Interfund payables	-	-	226	-	-
Due to State of CT	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>273</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	45,114	318	-	-
Committed	6,423	-	-	792	6,347
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>6,423</u>	<u>45,114</u>	<u>318</u>	<u>792</u>	<u>6,347</u>
Total liabilities and fund balances	<u>\$ 6,423</u>	<u>\$ 45,114</u>	<u>\$ 591</u>	<u>\$ 792</u>	<u>\$ 6,347</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2020

	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>Small Cities Housing Rehabilitation</u>	
Assets						
Cash and cash equivalents	\$ 60	\$ 19,613	\$ -	\$ 11,743	\$ 52,020	\$ 116,610
State and federal grants receivable	-	-	-	-	-	226
Other receivables	-	-	-	-	-	-
Interfund receivables	35,001	-	708	-	-	204,990
Prepaid Expense	-	-	-	-	-	50
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 35,061</u>	<u>\$ 19,613</u>	<u>\$ 708</u>	<u>\$ 11,743</u>	<u>\$ 52,020</u>	<u>\$ 321,876</u>
Liabilities and fund balances						
Liabilities:						
Accounts Payable	\$ -	\$ 625	\$ -	\$ -	\$ -	\$ 1,572
Accrued expenses	-	-	-	-	-	285
Unearned revenue	5,001	-	-	-	-	5,048
Interfund payables	-	-	-	-	-	226
Due to State of CT	-	-	-	-	-	2,510
Total liabilities	<u>5,001</u>	<u>625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,641</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	18,988	-	11,743	52,020	236,447
Committed	30,060	-	708	-	-	75,788
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>30,060</u>	<u>18,988</u>	<u>708</u>	<u>11,743</u>	<u>52,020</u>	<u>312,235</u>
Total liabilities and fund balances	<u>\$ 35,061</u>	<u>\$ 19,613</u>	<u>\$ 708</u>	<u>\$ 11,743</u>	<u>\$ 52,020</u>	<u>\$ 321,876</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, 2020

	Special Revenue Funds					
	<u>Dog Fund</u>	<u>D.A.R.E. Education</u>	<u>Town Aid Road Fund</u>	<u>Open Space Acquisition</u>	<u>Historic Document Preservation Fund</u>	<u>Szedga Farm</u>
Revenues						
Licenses, fees, and permits	\$ 1,419	\$ -	\$ -	\$ -	\$ 1,153	\$ -
Intergovernmental	-	2,876	205,305	-	5,500	-
Contributions	-	-	-	7,706	-	430
Other revenues	-	-	-	-	-	-
Investment earnings	183	-	-	61	-	-
Total revenues	<u>1,602</u>	<u>2,876</u>	<u>205,305</u>	<u>7,767</u>	<u>6,653</u>	<u>430</u>
Expenditures						
Current						
General government	-	-	-	-	3,598	1,441
Health and human services	-	2,745	-	-	-	-
Public safety	8,985	-	-	-	-	-
Recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-
Total expenditures	<u>8,985</u>	<u>2,745</u>	<u>-</u>	<u>-</u>	<u>3,598</u>	<u>1,441</u>
Excess (deficiency) of revenues over expenditures	(7,383)	131	205,305	7,767	3,055	(1,011)
Other financing sources (Uses)						
Transfers in	10,000	-	-	-	-	5,900
Transfers out	-	-	(256,200)	-	-	-
Total other financing sources	<u>10,000</u>	<u>-</u>	<u>(256,200)</u>	<u>-</u>	<u>-</u>	<u>5,900</u>
Net change in fund balances	2,617	131	(50,895)	7,767	3,055	4,889
Fund balances - beginning	<u>6,861</u>	<u>4,253</u>	<u>149,093</u>	<u>2,896</u>	<u>2,627</u>	<u>6,428</u>
Fund balances - ending	<u>\$ 9,478</u>	<u>\$ 4,384</u>	<u>\$ 98,198</u>	<u>\$ 10,663</u>	<u>\$ 5,682</u>	<u>\$ 11,317</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, 2020

	Special Revenue Funds				
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Memorial Fund	Recreation Fields Rental Fund
Revenues					
Licenses, fees, and permits	\$ 3,298	\$ 11,524	\$ -	\$ -	\$ 2,025
Intergovernmental	-	-	229,576	-	-
Contributions	-	-	-	-	-
Other revenues	-	-	-	-	-
Investment earnings	-	-	-	-	169
Total revenues	<u>3,298</u>	<u>11,524</u>	<u>229,576</u>	<u>-</u>	<u>2,194</u>
Expenditures					
Current					
General government	-	3,023	-	-	-
Health and human services	84	-	-	-	-
Public safety	-	-	-	-	-
Recreation	-	-	-	-	8,707
Education	-	-	230,186	-	-
Capital expenditures	-	-	-	-	-
Total expenditures	<u>84</u>	<u>3,023</u>	<u>230,186</u>	<u>-</u>	<u>8,707</u>
Excess (deficiency) of revenues over expenditures	3,214	8,501	(610)	-	(6,513)
Other financing sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,214	8,501	(610)	-	(6,513)
Fund balances - beginning	<u>3,209</u>	<u>36,613</u>	<u>928</u>	<u>792</u>	<u>12,860</u>
Fund balances - ending	<u>\$ 6,423</u>	<u>\$ 45,114</u>	<u>\$ 318</u>	<u>\$ 792</u>	<u>\$ 6,347</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, 2020

	Special Revenue Funds					<u>Total</u>
	Recreation Activities <u>Fund</u>	Social Services Needs <u>Funds</u>	Agricultural <u>Fund</u>	Brand Memorial <u>Trust</u>	Small Cities Housing Rehabilitation	
Revenues						
Licenses, fees, and permits	\$ 26,368	\$ -	\$ -	\$ -	\$ -	\$ 45,787
Intergovernmental	-	-	-	-	-	443,257
Contributions	5,481	18,586	-	-	-	32,203
Other revenues	-	-	-	-	1,808	1,808
Investment earnings	-	-	-	556	-	969
Total revenues	<u>31,849</u>	<u>18,586</u>	<u>-</u>	<u>556</u>	<u>1,808</u>	<u>524,024</u>
Expenditures						
Current						
General government	-	-	-	95,076	-	103,138
Health and human services	-	8,387	-	-	-	11,216
Public safety	-	-	-	-	-	8,985
Recreation	23,288	-	-	-	-	31,995
Education	-	-	-	-	-	230,186
Capital expenditures	-	-	-	-	-	-
Total expenditures	<u>23,288</u>	<u>8,387</u>	<u>-</u>	<u>95,076</u>	<u>-</u>	<u>385,520</u>
Excess (deficiency) of revenues over expenditures	8,561	10,199	-	(94,520)	1,808	138,504
Other financing sources (Uses)						
Transfers in	-	-	-	-	-	15,900
Transfers out	(8,726)	-	-	-	-	(264,926)
Total other financing sources	<u>(8,726)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(249,026)</u>
Net change in fund balances	(165)	10,199	-	(94,520)	1,808	(110,522)
Fund balances - beginning	<u>30,225</u>	<u>8,789</u>	<u>708</u>	<u>106,263</u>	<u>50,212</u>	<u>422,757</u>
Fund balances - ending	<u>\$ 30,060</u>	<u>\$ 18,988</u>	<u>\$ 708</u>	<u>\$ 11,743</u>	<u>\$ 52,020</u>	<u>\$ 312,235</u>

See accountant's report.

TOWN OF COLUMBIA
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2020

	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	\$ 3,105	\$ 1,375	\$ 6,841	\$ 930	\$ 397	\$ 16,090	\$ 28,738
Total assets	<u>\$ 3,105</u>	<u>\$ 1,375</u>	<u>\$ 6,841</u>	<u>\$ 930</u>	<u>\$ 397</u>	<u>\$ 16,090</u>	<u>\$ 28,738</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	-	-	-	-	-	16,090	16,090
Held in trust for scholarships and other purposes	3,105	1,375	6,841	930	397	-	12,648
Total net position	<u>\$ 3,105</u>	<u>\$ 1,375</u>	<u>\$ 6,841</u>	<u>\$ 930</u>	<u>\$ 397</u>	<u>\$ 16,090</u>	<u>\$ 28,738</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, 2020

	Private-Purpose Trust Funds				Custodial Funds		Total
	Kathy Mattesich Memorial Fund	Dennis Harvey Memorial Fund	Scholarship Funds	Cemetery Funds	School Trust Fund	Student Activity Funds	
Additions							
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,234	\$ 27,234
Investment earnings	5	3	9	-	-	-	17
Total additions	<u>5</u>	<u>3</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>27,234</u>	<u>27,251</u>
Deductions							
Other Expenses	-	-	-	-	-	-	-
Payments for Student Activities	-	-	-	-	-	24,487	24,487
Scholarships	200	200	242	-	-	-	642
Total deductions	<u>200</u>	<u>200</u>	<u>242</u>	<u>-</u>	<u>-</u>	<u>24,487</u>	<u>25,129</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	(195)	(197)	(233)	-	-	2,747	2,122
Net position - beginning, as restated	<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>
Net position - ending	<u>\$ 3,105</u>	<u>\$ 1,375</u>	<u>\$ 6,841</u>	<u>\$ 930</u>	<u>\$ 397</u>	<u>\$ 16,090</u>	<u>\$ 28,738</u>

See accountant's report.

TOWN OF COLUMBIA
 Schedule of Property Taxes Levied, Collected, and Outstanding
 For The Year Ended June 30, 2020

	Outstanding	Current	Lawful Corrections		Collectible	Receipt	Receipt	Total	Transfers	Outstanding
	<u>July 1, 2019</u>	<u>Levy</u>	<u>Additions</u>	<u>Deductions</u>	<u>Taxes</u>	<u>of Taxes</u>	<u>of Interest and Liens</u>	<u>Receipts</u>	<u>to Suspense</u>	<u>June 30, 2020</u>
List of 10/1:										
2017		\$ 14,621,055	\$ 19,416	\$ 102,408	\$ 14,538,063	\$ 14,368,245	\$ 39,196	\$ 14,407,441	\$ 91	\$ 169,727
2017	170,112	-	595	6,631	164,076	78,616	18,188	96,804	-	85,460
2016	59,806	-	144	116	59,834	30,041	12,508	42,549	-	29,793
2015	24,482	-	78	-	24,560	7,261	3,416	10,677	7,746	9,553
2014	6,859	-	-	-	6,859	-	-	-	318	6,541
2013	6,293	-	-	-	6,293	-	-	-	-	6,293
2012	5,323	-	-	-	5,323	-	1,400	1,400	-	5,323
2011	3,100	-	-	-	3,100	-	-	-	-	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
	\$ 292,617	\$ -	\$ 222	\$ 116	\$ 122,611	14,484,163	74,708	14,558,871	\$ 8,155	\$ 332,432
<i>Net Grand List- October 1, 2018: \$494,414,461</i>						Suspense collections	534	583	1,117	
<i>Tax Rate: 29.33 mills</i>						Total collections	\$ 14,484,697	\$ 75,291	\$ 14,559,988	

See accountant's report.

TOWN OF COLUMBIA
 Ten Largest Taxpayers
 For the Year Ended June 30, 2020

<u>Name</u>	<u>Assessed Value</u>	<u>Net Taxable Grand List*</u>
Connecticut Light and Power Co	\$ 18,719,100	3.79%
Columbia Manufacturing Inc	2,985,470	0.60%
DNB LLC	2,293,100	0.46%
Storage Pros Columbia LLC	1,964,600	0.40%
Tourgate Realty Inc	1,410,200	0.29%
EA Patton Company	1,363,960	0.28%
Angelides, Michael J & Susan H	1,345,900	0.27%
OSWA LLC	1,145,900	0.23%
Englert, Alice M Trustee	1,040,500	0.21%
Cornerstone of Columbia LLC	994,800	0.20%

* - Based on Net Taxable Grand List 10/1/18: \$494,414,461
 Source: Assessor's Office, Town of Columbia

See accountant's report.

TOWN OF COLUMBIA
Schedule of Debt Limitation
June 30, 2020

Total Tax Collections (Prior Year) - including interest and lien fees
Received by Treasurer \$ 14,215,555

Reimbursement for revenue loss on:

Tax relief for elderly (Prior Year) -
Base \$ 14,215,555

Debt limitation:	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
2 1/4 times base	\$ 31,984,999	\$ -	\$ -	\$ -
4 1/2 times base	-	63,969,998	-	-
3 3/4 times base	-	-	53,308,331	-
3 1/4 times base	-	-	-	46,200,554
Total debt limitation	<u>31,984,999</u>	<u>63,969,998</u>	<u>53,308,331</u>	<u>46,200,554</u>

Indebtedness:

Bonds payable:	<u>113,051</u>	<u>31,949</u>	<u>-</u>	<u>-</u>
Total Indebtedness	<u>113,051</u>	<u>31,949</u>	<u>-</u>	<u>-</u>

Debt limitation in excess of
outstanding and authorized debt \$ 31,871,948 \$ 63,938,049 \$ 53,308,331 \$ 46,200,554

NOTE:

In no case should this total indebtedness exceed
seven times the base \$14,215,555 or \$99,508,885

TOWN OF COLUMBIA
 Schedule of Debt Disclosures
 For the Year Ended June 30, 2020

Ratio of debt to the equalized net grand list

		<u>Equalized Net Grand List</u>		<u>Ratio</u>
Direct debt	\$ 145,000	\$ 742,444,902	(1)	0.020%
Direct debt, net	145,000	742,444,902	(1)	0.020%

Amount of debt to per capita

		<u>2019 Population</u>		<u>Per Capita</u>
Direct debt	\$ 145,000	5,385	(1)	\$ 27
Direct debt, net	145,000	5,385	(1)	27

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 2014-2018 Municipal Fiscal Indicators

TOWN OF COLUMBIA
 Budgetary Comparison Schedule
 Reserve for Capital and Non-Recurring Expenditures
 For the Year Ended June 30, 2020

	Budget Appropriations July 1, 2019	19/20 Adopted Appropriations	19/20 Adopted Cancellations	Mid-Year Approp., Adjs. and Transfers	Adjusted Appropriations	Current Year Expenditures	Balance Appropriated June 30, 2020
Reserved for active projects:							
Road Resurfacing	\$ 113,811	\$ 214,200	\$ -	\$ -	\$ 328,011	\$ 260,164	\$ 67,847
Box Culvert Replacement/Repair	-	175,000	-	-	175,000	2,616	172,384
Hennequin Road Drainage	92,880	17,000	-	-	109,880	-	109,880
Erdoni Road Drainage	15,074	(10,000)	-	-	5,074	-	5,074
Preliminary Design & Cost Estimates	7,114	10,000	-	-	17,114	-	17,114
Rec Area Improvement Fund	139,526	120,300	-	-	259,826	111,925	147,901
Four Year Revaluation	89,044	20,000	-	-	109,044	-	109,044
Town-Wide Network/ IT	7,491	-	-	-	7,491	5,459	2,032
DPW Capital Equipment	46,995	126,500	-	-	173,495	1,226	172,269
DPW Transfer Station Equipment	10,865	10,000	-	-	20,865	-	20,865
DPW Cap Improv - Buildings	14,384	89,000	-	36,669	140,053	34,962	105,091
Bridge On Hop River Road	21,000	46,000	-	-	67,000	-	67,000
HWP Floor Replacement/Repair	5,711	5,000	-	-	10,711	6,252	4,459
HWP Security Project	125,510	-	-	-	125,510	116,521	8,989
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	11,241	1,259
HWP Cafe Bleacher/Storage	13,416	(13,416)	-	-	-	-	-
HWP Painting	4,920	5,000	-	-	9,920	9,920	-
Emergency Generator	30,000	40,000	-	-	70,000	23,111	46,889
Hazardous Tree Removal/Trim	4,473	25,000	-	75,000	104,473	92,456	12,017
Pucker St Bridge / Rose Bridge Road	4,718	-	-	-	4,718	-	4,718
Senior Center Furnishings	1,289	4,000	-	-	5,289	-	5,289
Village Hill Road Bridge	2,629	-	-	-	2,629	667	1,962
CVFD Capital Projects	149,999	150,000	-	175,000	474,999	-	474,999
Total Reserve for Active Projects	<u>940,845</u>	<u>1,033,584</u>	<u>-</u>	<u>286,669</u>	<u>2,261,098</u>	<u>676,520</u>	<u>1,584,578</u>
Designated for Future Projects:							
Land Acquisition	148,351	-	-	-	148,351	45,000	103,351
Total Designated for Future Projects	<u>148,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,351</u>	<u>45,000</u>	<u>103,351</u>
Total Capital and Non-Recurring	<u>\$ 1,089,196</u>	<u>\$ 1,033,584</u>	<u>\$ -</u>	<u>\$ 286,669</u>	<u>\$ 2,409,449</u>	<u>\$ 721,520</u>	<u>\$ 1,687,929</u>

See accountant's report.

**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, 2020, 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 18, 2020.

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 18, 2020

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, 2020. 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, 2020.

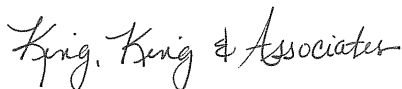
Report on Internal Control over Compliance

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 18, 2020

Town of Columbia
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2020

<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	\$ 2,524
Talent Development	11000-SDE64370-12552	386
Magnet School Transportation	11000-SDE64370-17057	2,000
Youth Service Bureau	11000-SDE64370-17052	14,000
Youth Service Bureau Enhancement	11000-SDE64370-16201	5,713
Judicial Department		
Public Acts	34001-JUD95162-40001	2,330
Connecticut State Library		
Historic Preservation	12060-CSL66094-35150	5,500
Office of Policy and Management		
State Owned Property	11000-OPM20600-17004	3,666
Veteran's Exemptions	11000-OPM20600-17024	3,373
Tax Relief for Disabled	11000-OPM20600-17011	535
Municipal Grants-in-aid	12052-OPM20600-43587	26,763
Local Capital Improvement	12050-OPM20600-40254	235,931
Department of Transportation		
Town Aid Road	12052-DOT57131-43455	128,100
Town Aid Road	13033-DOT57131-43459	128,100
Total State Financial Assistance before exempt programs		<u>\$ 558,921</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	2,378,890
Excess Cost Student Based and Equity	11000-SDE64000-17047	96,067
Total Exempt Programs		<u>2,508,207</u>
Total State Financial Assistance		<u>\$ 3,067,128</u>

See notes to schedule.

TOWN OF COLUMBIA, CT
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2020

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, 2020. 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, 2020

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, 2020 and issued our unmodified report thereon dated December 18, 2020.

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	128,100
Town Aid Road	13033-DOT57131-43459	128,100
Office of Policy and Management		
Local Capital Improvement	12050-OPM20600-40254	235,931
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 18, 2020, 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.