
TOWN OF COLUMBIA

Annual Financial Statements

For the Year Ended June 30, 2021

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, 2021, 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, 2021, 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.

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 47-50 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 January 19, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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
January 19, 2022

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2021

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, 2021.

Financial Highlights

- The assets of the Town of Columbia, CT exceeded its liabilities at the close of the most recent fiscal year by \$22,154,335 (*net position*). Of this amount, \$6,180,573 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position is \$215,180. \$11,753 is restricted for the Brand Memorial Trust, \$39,930 is restricted for Town Aid Road, \$1,652 is restricted for D.A.R.E. Education, \$5,704 is restricted for Historic Document Preservation, \$66,497 is restricted for Land Protection, \$271 is restricted for Education Grants, \$17,605 is restricted for Social Service's Needs, \$17,940 is restricted for Student Activities, and \$53,828 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 \$6,801,313, a decrease of \$373,736 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 and government services despite an overall decrease in budgeted municipal aid. Of this amount, \$4,513,531 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 \$5,071,891 or 28% 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.)

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

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Columbia, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Columbia, CT can be divided into two categories: governmental funds and fiduciary funds.

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

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

The Town of Columbia, CT maintains Twenty (20) 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 22-46 of this report.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2021

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 \$22,154,335 at the close of the most recent fiscal year.

Summary Statement of Net Position
June 30

	2021	2020
Current and Other Assets	\$ 8,885,818	\$ 8,295,566
Capital Assets	15,837,912	15,466,993
Total Assets	<u>\$ 24,723,730</u>	<u>\$ 23,762,559</u>
Deferred Outflows of Resources	<u>110,746</u>	<u>66,917</u>
Other Liabilities	\$ 1,935,941	\$ 1,163,703
Long-Term Liabilities Outstanding	636,318	673,949
Total Liabilities	<u>2,572,259</u>	<u>1,837,652</u>
Deferred Inflows of Resources	<u>107,882</u>	<u>119,262</u>
Net Position:		
Net Investment in Capital Assets	15,758,582	15,199,205
Restricted	215,180	252,537
Unrestricted	6,180,573	6,420,820
Total Net Position	<u>\$ 22,154,335</u>	<u>\$ 21,872,562</u>

72% 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 (27%) 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 \$281,773 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, 2021

Summary Statement of Changes in Net Position
Years Ended June 30

Revenues:	2021	2020
<i>General Revenues:</i>		
Property Taxes	\$ 14,910,227	\$ 14,575,449
Unrestricted Investment Income	6,166	107,537
Grants and Contributions	22,521	21,796
Other Income	14,874	23,779
Loss on Disposal	-	-
<i>Program Revenues:</i>		
Charges for Services	481,464	344,908
Operating Grants and Contributions	5,810,031	4,956,897
Capital Grants and Contributions	13,412	243,637
Total Revenues	21,258,695	20,274,003
Expenses:		
<i>Governmental Activities:</i>		
General Government	1,751,268	1,744,448
Health and Human Services	312,075	242,396
Public Safety	601,558	590,535
Public Works	1,248,401	1,408,999
Building and Development Services	350,097	182,921
Recreation	639,501	594,601
Education	16,066,772	14,521,773
Interest on Long-term Debt	7,250	14,500
Total Expenses	\$ 20,976,922	\$ 19,300,173
Change in Net Position	281,773	973,830
Beginning Net Position	21,872,562	20,898,732
Ending Net Position	\$ 22,154,335	\$ 21,872,562

Governmental activities. Governmental activities increased the Town of Columbia, CT's net position by \$281,773

Key elements of the activities are as follows:

- Seventy percent (70%) of the revenues of the Town were derived from property taxes, followed by less than one percent (1%) from investment and other income, followed by less than one percent (1%) from grants and contributions, and then Twenty-eight percent (28%) from program revenues.

Major revenue factors included:

- The Town collected a surplus in the following budgeted revenue lines:
 - \$ 3,600 in Pistol Permit Fees
 - \$ 52,879 in Real Estate Conveyance Fees
 - \$ 12,362 in Recording Fees
 - \$ 2,831 in Photocopy Fees

TOWN OF COLUMBIA
Management's Discussion and Analysis
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\$ 2,921 in Town Clerk Fees
\$ 1,175 in Boating Fees
\$ 8,448 in Transfer Station Fees
\$ 4,205 in Transfer Station Sticker Fees
\$ 3,035 in Zoning Permit Fees
\$ 67,917 in Building, Mechanics & Septic Permits
\$ 8,552 in Town Beach Use Fees
\$ 3,900 in Miscellaneous Revenue

- The Town had a net revenue surplus of \$385,529 which added to the Town's General Fund. Of this amount, the Town collected a surplus of \$492,430 in property taxes (current, outstanding, delinquent, interest, etc.).
- The State of Connecticut awarded the Town \$56,482 less 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 \$76,552 less in the Special Education Grant due to a decrease in projected Special Education costs in the Columbia School District for the 2020-2021 School Year.
- The Town is showing a \$24,222 deficit in the Preschool Tuition line. With the Covid pandemic, the preschool schedule was modified to shorter hours which resulted in less tuition being charged to families.
- The Town also had a deficit of \$80,649 in the Interest on Investment line. The interest rate on investments dropped significantly once the Covid pandemic impacted all markets. The FY 20-21 budget had already been set before this line could be modified to a truer projected interest revenue.

For Governmental Activities, 77% of the Town's expenses relate to education, 6% relates to public works, 4% relate to public safety and health and human services, and the remaining 13% relates to government, building and development services, recreation and other areas.

Major expense factors include:

- The following capital projects:
 - Town Road Resurfacing -- \$229,007
 - Hunt Road Box Culver Replacement Engineering Costs - \$24,039
 - Town Land Acquisition -- \$25,500
 - Rec Park Improvements -- \$187,563
 - Town Assessor Software Conversion -- \$8,000
 - Town Revaluation -- \$9,454
 - Public Works Vehicles & Equipment -- \$247,572
 - Town Facilities Building Improvements -- \$61,783
 - Hazardous Tree Removal -- \$110,292
 - HWP Generator Project -- \$46,223
 - CVFD Rescue Truck/Pumper Replacement 90% Deposit -- \$637,525
- 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 Town's two LED Lighting Loans will be paid off by January 2022. The Board of Education's LED Lighting Loan will be paid off by September 2022. The Debt service payments on the General Obligation Bond was paid off in June 2021. The Town has no other General Obligation Bonds that the Town has as a liability.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2021

- The Town's Operating budget had surplus funds of \$321,676 that were returned to the General Fund at year end. Various departments had savings in their budget lines; such as, group health insurance and employee benefits, 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 for items purchased to mitigate the COVID 19 outbreak.
- Net Decrease in the approved Town's allocation to the 2020-2021 Board of Education by \$20,283 from the final 2019-2020 Town's allocation.
- As of June 30, 2021, the Columbia Board of Education had excess funds in its budget totaling \$288,916. The full amount of the year-end excess was returned to the Town of Columbia's General Fund. There was not an appropriation to the Board of Education's Non-Lapsing Account as of June 30, 2021. Currently, that fund has \$300,000 available for any Board of Education unanticipated costs. After the year-end budget line transfers, the Board of Education showed excess funding in the following budget lines: Employee Benefits, Technical Contracted Services as well as Regular Education and Special Education Transportation and Tuition lines.
- The Columbia Board of Education looked within the 2020-2021 budget and used funds from other expenditures lines to cover the under-budgeting in other lines due to changes in the planned budget. 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, and school 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.

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.

ted on the Schedule 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 \$6,801,313 a decrease of \$373,736 in comparison with the prior year. Sixty-six (66%) 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 \$5,071,891. This represents an increase of \$304,070. 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 which kept the COVID mitigation costs from impacting the 2020-2021 budget and allowed the budget to be maintain for the expenditures that were budgeted.

TOWN OF COLUMBIA
 Management's Discussion and Analysis
 June 30, 2021

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 25% percent of total General Fund expenditures.

General Fund Budgetary Highlights

- The Operating Budget of the Municipal Government (Including Contingency) was underspent by \$321,676. In addition, the Municipal Government ended the year with \$10,868 in year end encumbrances for open expenditures to the 2020-2021 fiscal year.
- The Operating Budget of the Board of Education was spent in accordance with the adopted budget and was under spent by \$288,916. All of the excess funds were returned to the Town's General Fund and no funds were added to the Board of Education's Non-Lapsing Account which currently has a balance of \$300,000. In addition to the funds returned to the Town, there were also \$111,510 in encumbrances at year end for the open projects and expenditures for Horace W. Porter School that applied to the 2020-2021 school year.
- During the 2020-2021 Fiscal Year, \$49,961 was approved and transferred from Contingency to fund various lines in the Town's operating as well in the capital budget that needed additional funding that was brought to the Town's attention during the Fiscal Year: \$1,060 to purchase a table for outdoor meetings, \$10,825 to cover the costs of a new department, \$9,300 for Inland Wetland salaries, \$6,550 to paint interior of Senior Center, \$1,218 for a Tax Collector Legal notice \$1,500 for a land appraisal for Town purchase, \$8,000 to Columbia Volunteer Fire Department for equipment purchase, \$6,650 to complete the Town Hall Walkway Project and \$4,858 for Boat Mooring Inspection and Repairs. After these transfers, \$28,039 was returned to the General Fund.
- With Town Meeting approvals in 2020-2021, the Town was able to transfer \$189,000 from the General Fund to the Capital Reserve Fund: \$24,000 for a Town Land Purchase and \$165,000 for a continued funding of the Columbia Volunteer Fire Department Rescue Truck Replacement.

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, 2021, amounts to \$15,837,912 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

	2021	2020
Land and Infrastructure	\$ 3,914,299	\$ 3,723,778
Construction in Progress	724,148	184,816
Buildings and Improvements	10,052,844	10,546,029
Vehicles	642,707	480,944
Machinery and equipment	503,914	531,426
Total	\$ 15,837,912	\$ 15,466,993

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
June 30, 2021

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

- Funding for Road Resurfacing - \$263,500
- Funding for Box Culvert Replacement on Hunt Road - \$100,000.
- Funding for Town Land Purchase (approved by Town Meeting) - \$24,000.
- Funding for Recreation Park Renovation Project- \$100,000.
- Funding for Town Revaluation - \$20,000.
- Funding for new vehicle and equipment for Public Works - \$109,500.
- Funding for capital improvements to Town Buildings & Facilities - \$35,000.
- Funding for the Bridge on Hop River Road Replacement (town portion) - \$46,000.
- Funding for continuous Hazardous Tree Removal - \$100,000.
- Funding for Senior Center Equipment - \$4,500.
- Funding for Replacement of the CVFD Rescue Truck (additional appropriation approved by Town Meeting) - \$165,000.
- Funding for the Horace W. Porter Floor Replacement - \$5,000.
- Funding for Horace W. Porter School Ceiling Tile Replacements - \$5,000.
- Funding for Horace W. Porter Painting Projects - \$10,000.
- Funding for Horace W. Porter Track Upgrades - \$10,000.

Long-term debt.

At the end of the current fiscal year the Town had a total outstanding note payable of \$60,138.

The Town's total debt decreased \$173,230 or 19% during the current fiscal year. This overall decrease is attributable to the final payments made on the Town's one General Obligation Bond as well as the continuing monthly payments of the LED Lighting project loans on the Town Buildings and Horace Porter School. As of June 30, 2021, the Town of Columbia has paid the General Obligation Bond in full. The LED Lighting project loans should be paid off by the fall of 2022. To offset the decrease as described above, the Town also started a 4-year lease on a Town vehicle which should be paid off in July 2023. There was also an increase in the GASB 75 Other Post Employee Benefit (OPEB) liability calculated by the Town's actuarial firm as well as 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
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The Town of Columbia, CT has the following obligations:

	<u>2021</u>	<u>2020</u>
General Obligation Bonds	\$ -	\$ 145,000
Note Payable	60,138	122,788
Other Post-Employment Benefits	478,509	473,876
Capital Lease	19,192	-
Other Obligations	191,189	180,594
Total	<u>\$ 749,028</u>	<u>\$ 922,258</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 2021-2022 and beyond. It is expected that revenues for fiscal year 2021-2022 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 2021-2022 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, 2021

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 8,483,230
State and federal grants receivable	10,606
Property taxes receivable	271,730
Interest receivable	63,262
Other receivables	13,814
Prepaid expenses	43,176
Total current assets	<u>8,885,818</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	2,830,986
Depreciable assets, net of depreciation	<u>13,006,926</u>
Total assets	<u>\$ 24,723,730</u>
Deferred Outflows of Resources	
Deferred Outflows - OPEB	<u>110,746</u>
Total Deferred Outflows of Resources	<u>110,746</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 196,971
Accrued expenses	795,008
Other payables	3,094
Unearned revenue	828,158
Notes and bonds payable	60,138
Long-term obligations	<u>52,572</u>
Total current liabilities	<u>1,935,941</u>
Non-current liabilities:	
Other long-term obligations	<u>636,318</u>
Total liabilities	<u>2,572,259</u>
Deferred Inflows of Resources	
Deferred Inflows - OPEB	<u>107,882</u>
Total Deferred Inflows of Resources	<u>107,882</u>
Net position	
Net investment in capital assets	15,758,582
Restricted for Brand memorial fund	11,753
Restricted for town aid road	39,930
Restricted	163,497
Unrestricted	<u>6,180,573</u>
Total net position	<u>\$ 22,154,335</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, 2021

Functions/programs	Program revenues				Net (expense) revenue and changes in net position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary government Governmental Activities</u>
Primary government:					
Governmental activities					
General government	\$ 1,751,268	\$ 153,261	\$ 61,142	\$ -	\$ (1,536,865)
Health and human services	312,075	1,740	27,614	-	(282,721)
Public safety	601,558	7,447	1,725	-	(592,386)
Public works	1,248,401	100,036	205,232	-	(943,133)
Building and development services	350,097	132,292	-	13,412	(204,393)
Recreation	639,501	58,910	2,012	-	(578,579)
Education	16,066,772	27,778	5,512,306	-	(10,526,688)
Interest on long-term debt	<u>7,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,250)</u>
Total governmental activities	<u>20,976,922</u>	<u>481,464</u>	<u>5,810,031</u>	<u>13,412</u>	<u>(14,672,015)</u>
Total primary government	<u>\$ 20,976,922</u>	<u>\$ 481,464</u>	<u>\$ 5,810,031</u>	<u>\$ 13,412</u>	<u>(14,672,015)</u>
General revenues:					
					14,910,227
					22,521
					6,166
					<u>14,874</u>
					<u>14,953,788</u>
					281,773
					<u>21,872,562</u>
					<u>\$ 22,154,335</u>

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

TOWN OF COLUMBIA

Balance Sheet Governmental Funds June 30, 2021

	General Fund	Reserve for Capital and Non-Recurring Expenditures	American Relief Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 6,469,682	\$ 1,073,531	\$ 795,961	\$ 144,056	\$ 8,483,230
State and federal grants receivable	10,606	-	-	-	10,606
Other receivables	13,814	-	-	-	13,814
Interfund receivables	-	-	-	162,226	162,226
Property taxes receivable, net	271,730	-	-	-	271,730
Interest Receivable	63,262	-	-	-	63,262
Prepaid expenses	43,176	-	-	-	43,176
Total assets	<u>\$ 6,872,270</u>	<u>\$ 1,073,531</u>	<u>\$ 795,961</u>	<u>\$ 306,282</u>	<u>\$ 9,048,044</u>
Liabilities:					
Accounts payable	\$ 196,871	\$ -	\$ -	\$ 100	\$ 196,971
Accrued expenses	794,716	-	-	292	795,008
Unearned revenue	28,479	-	795,961	3,718	828,158
Interfund payables	162,226	-	-	-	162,226
Due to State of CT	-	-	-	3,094	3,094
Total liabilities	<u>1,182,292</u>	<u>-</u>	<u>795,961</u>	<u>7,204</u>	<u>1,985,457</u>
Deferred Inflows of Resources:					
Deferred Taxes and Interest	<u>261,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,274</u>
Total Deferred Inflows of Resources	<u>261,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,274</u>
Fund Balances:					
Nonspendable:					
Board of Selectman-Prepaid expenses	28,158	-	-	-	28,158
Board of Education-Prepaid expenses	15,018	-	-	-	15,018
Restricted:					
D.A.R.E Education	-	-	-	1,652	1,652
Town Aid Road	-	-	-	39,930	39,930
Historic Document Preservation Fund	-	-	-	5,704	5,704
Land Protection Fund	-	-	-	66,497	66,497
Education Grants Fund	-	-	-	271	271
Social Services Needs Fund	-	-	-	17,605	17,605
Student Activities Fund	-	-	-	17,940	17,940
Brand Memorial Fund	-	-	-	11,753	11,753
Small Cities Housing Rehabilitation	-	-	-	53,828	53,828
Committed (See Note 9)	313,637	1,089,283	-	83,898	1,486,818
Assigned:					
Subsequent Year's Budget	558,360	-	-	-	558,360
Reserve for Capital	-	(15,752)	-	-	(15,752)
Unassigned:	<u>4,513,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,513,531</u>
Total fund balances	<u>5,428,704</u>	<u>1,073,531</u>	<u>-</u>	<u>299,078</u>	<u>6,801,313</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,872,270</u>	<u>\$ 1,073,531</u>	<u>\$ 795,961</u>	<u>\$ 306,282</u>	<u>\$ 9,048,044</u>

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, 2021

Fund balances reported in governmental funds Balance Sheet.	\$ 6,801,313
Amounts reported for governmental activities in the government- wide Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
<i>Capital Assets</i>	31,645,726
<i>Accumulated Depreciation</i>	(15,807,814)
Deferred revenue for property taxes, interest and grants are reported in the funds but accrued as revenue in the government-wide statements and added to net position.	
<i>Property Taxes and Interest</i>	261,274
Certain changes related to pensions are deferred and amortized over time.	
<i>Deferred Outflows - OPEB</i>	110,746
<i>Deferred Inflows - OPEB</i>	(107,882)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
<i>Accumulated Sick Time</i>	(85,731)
<i>Compensated Absences</i>	(105,458)
<i>Notes Payable</i>	(60,138)
<i>Capital Lease Payable</i>	(19,192)
<i>Other Postemployment Benefits</i>	<u>(478,509)</u>
Net position of governmental activities.	<u>\$ 22,154,335</u>

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

TOWN OF COLUMBIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Reserve for Capital and Non-Recurring Expenditures	American Relief Fund	Nonmajor Governmental Funds	Total
Revenues					
Taxes	\$ 14,854,076	\$ -	\$ -	\$ -	\$ 14,854,076
Licenses, fees, and permits	442,488	-	-	38,976	481,464
Intergovernmental revenue	3,634,699	-	-	559,538	4,194,237
Contributions	-	-	-	48,504	48,504
Other revenues	13,066	-	-	1,808	14,874
Investment earnings	4,353	1,771	-	42	6,166
Total revenues	<u>18,948,682</u>	<u>1,771</u>	<u>-</u>	<u>648,868</u>	<u>19,599,321</u>
Expenditures					
Current:					
General government	1,606,228	-	-	11,892	1,618,120
Health and human services	283,963	-	-	32,872	316,835
Public safety	466,714	-	-	12,530	479,244
Public works	782,553	-	-	-	782,553
Building and development services	350,097	-	-	-	350,097
Recreation	572,081	-	-	11,714	583,795
Education	13,742,873	-	-	351,983	14,094,856
Debt service	152,250	-	-	-	152,250
Capital expenditures	26,371	1,595,307	-	-	1,621,678
Total expenditures	<u>17,983,130</u>	<u>1,595,307</u>	<u>-</u>	<u>420,991</u>	<u>19,999,428</u>
Excess/(deficiency) of revenues over expenditures	965,552	(1,593,536)	-	227,877	(400,107)
Other Financing sources/(Uses)					
Capital lease proceeds	26,371	-	-	-	26,371
Transfers in	7,624	969,229	-	14,000	990,853
Transfers out	(719,729)	-	-	(271,124)	(990,853)
Total other financing sources/(uses)	<u>(685,734)</u>	<u>969,229</u>	<u>-</u>	<u>(257,124)</u>	<u>26,371</u>
Net change in fund balances	279,818	(624,307)	-	(29,247)	(373,736)
Fund balances - beginning	<u>5,148,886</u>	<u>1,697,838</u>	<u>-</u>	<u>328,325</u>	<u>7,175,049</u>
Fund balances - ending	<u>\$ 5,428,704</u>	<u>\$ 1,073,531</u>	<u>\$ -</u>	<u>\$ 299,078</u>	<u>\$ 6,801,313</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, 2021

Net change in fund balances - total governmental funds. \$ (373,736)

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

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

<i>Capital expenditures</i>	1,242,310
<i>Depreciation expense</i>	(871,391)

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.

56,151

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
<i>Issuance of long-term debt - capital leases</i>	(26,371)

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>	(801)
<i>Compensated Absences</i>	(9,794)
<i>Capital Lease Payable</i>	7,179
<i>Other Postemployment Benefits</i>	<u>50,576</u>

Change in net position of governmental activities. \$ 281,773

TOWN OF COLUMBIA
 Budgetary Comparison Statement
 General Fund
 For the Year Ended June 30, 2021

	Budgeted amounts		Actual Amounts Budgetary Basis	Over (Under)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 14,347,318	\$ 14,347,318	\$ 14,854,076	\$ 506,758
Licenses, fees, and permits	126,500	126,500	266,293	139,793
Intergovernmental revenue	2,546,436	2,546,436	2,377,624	(168,812)
Charges for services	17,850	17,850	24,942	7,092
Other revenues	261,200	261,200	178,605	(82,595)
Transfers in	10,000	10,000	7,624	(2,376)
Appropriated from Surplus	441,042	630,042	-	(630,042)
Total revenues	<u>17,750,346</u>	<u>17,939,346</u>	<u>17,709,164</u>	<u>(230,182)</u>
Expenditures				
Current:				
General government	1,689,489	1,681,338	1,573,141	(108,197)
Health and human services	302,679	302,752	282,313	(20,439)
Public safety	465,581	478,970	464,386	(14,584)
Public works	1,022,503	890,638	780,532	(110,106)
Building and development services	213,404	372,144	350,877	(21,267)
Recreation	577,318	586,943	567,906	(19,037)
Education	12,716,543	12,716,543	12,427,626	(288,917)
Contingency	78,000	28,039	-	(28,039)
Fund Transfers	532,579	729,729	729,729	-
Debt service	152,250	152,250	152,250	-
Total expenditures	<u>17,750,346</u>	<u>17,939,346</u>	<u>17,328,760</u>	<u>(610,586)</u>
Surplus/(deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,404</u>	<u>\$ 380,404</u>

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

TOWN OF COLUMBIA
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2021

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Funds</u>
Assets		
Cash and cash equivalents	\$ -	\$ 12,019
Receivables	-	-
Investments	<u>1,296,493</u>	<u>-</u>
Total assets	<u>\$ 1,296,493</u>	<u>\$ 12,019</u>
 Deferred Outflows of Resources		
	<u>-</u>	<u>-</u>
 Liabilities		
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>
 Deferred Inflows of Resources		
	<u>-</u>	<u>-</u>
 Net position		
Restricted for Pension Benefits	1,296,493	-
Held in trust for scholarships and other purposes	<u>-</u>	<u>12,019</u>
Total net position	<u>\$ 1,296,493</u>	<u>\$ 12,019</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, 2021

	<u>Pension Trust Fund</u>	<u>Private-Purpose Trust Funds</u>
Additions		
Employer Contributions	\$ 77,033	\$ -
Investment earnings	193,965	-
	<u>270,998</u>	<u>-</u>
Deductions		
Pension Distributions	367,139	-
Other expenses	12,042	-
Scholarships	-	629
	<u>379,181</u>	<u>629</u>
Change in net position	(108,183)	(629)
Net position - beginning	<u>1,404,676</u>	<u>12,648</u>
Net position - ending	<u>\$ 1,296,493</u>	<u>\$ 12,019</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.

The *American Relief Fund* is used to account for and report financial resources related to the federal American Rescue Plan Act grant.

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.

The *Pension Trust Fund* is used to account for the activities of the Town's defined contribution plan which accumulates resources for pension benefit payments to qualified employees.

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, 2021 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 GASB Statement No. 72, 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 reports the deferred charge on refunding in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Town also reports Deferred OPEB expense in this category. Deferred OPEB expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

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 Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, within the government-wide statement of net position the Town reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its OPEB plan. These amounts are deferred and included in OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, special assessments, school building grants, and other receivables. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become 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.

TOWN OF COLUMBIA
Notes to the Financial Statements

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 of 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.

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.

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
- 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:

TOWN OF COLUMBIA
Notes to the Financial Statements

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>	<u>Change</u>
Balance, Budgetary Basis	\$ 17,709,164	\$ (17,328,760)	\$ -	\$ 380,404
Revenue adjustments for:				
CT Teacher's Retirement	1,247,142	-	-	1,247,142
Transfers In	(7,624)	-	7,624	-
Expenditure adjustments for:				
CT Teacher's Retirement	-	(1,247,142)	-	(1,247,142)
Encumbrances & Other Expenses	-	(81,174)	-	(81,174)
Transfers Out	-	729,729	(729,729)	-
Perspective Difference	-	(55,783)	36,371	(19,412)
Balance, GAAP Basis	<u>\$ 18,948,682</u>	<u>\$ (17,983,130)</u>	<u>\$ (685,734)</u>	<u>\$ 279,818</u>

On the budgetary basis, the expenditures include \$122,379 of encumbrances.

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 \$6,213,330. Of the bank balance, Federal Depository Insurance Corporation insured \$614,109.

As of June 30, 2021, \$5,599,221 of the Town's bank balance of \$6,213,330 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,989,299
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	<u>609,922</u>
Total	<u>\$ 5,599,221</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

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	\$ 360,731	N/A	N/A
Equities	935,762	N/A	N/A
Total Investments	\$ 1,296,493	\$ -	\$ -

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, <u>2021</u>	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
Mutual Funds	\$ 360,731	\$ 360,731	-	-
Equities	935,762	935,762	-	-
Total	\$ 1,296,493	\$ 1,296,493	\$ -	\$ -

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	\$ 159,260	\$ 682,797	\$ 117,909	\$ 724,148
Land	2,081,338	25,500	-	2,106,838
Deposit in Truck	25,556	-	25,556	-
Total capital assets, not being depreciated	<u>2,266,154</u>	<u>708,297</u>	<u>143,465</u>	<u>2,830,986</u>
Capital assets, being depreciated:				
Buildings & Improvements	21,684,015	90,532	-	21,774,547
Land Improvements	1,045,124	259,195	-	1,304,319
Infrastructure	1,648,175	-	-	1,648,175
Furniture & Fixtures	18,700	-	-	18,700
Vehicles	2,473,365	269,863	-	2,743,228
Machinery & Equipment	1,288,258	57,888	20,375	1,325,771
Total capital assets being depreciated	<u>28,157,637</u>	<u>677,478</u>	<u>20,375</u>	<u>28,814,740</u>
Less accumulated depreciation for:				
Buildings & Improvements	11,137,986	583,717	-	11,721,703
Land Improvements	414,620	38,553	-	453,173
Infrastructure	636,239	55,621	-	691,860
Furniture & Fixtures	18,700	-	-	18,700
Vehicles	1,992,421	108,100	-	2,100,521
Machinery & Equipment	756,832	85,400	20,375	821,857
Total accumulated depreciation	<u>14,956,798</u>	<u>871,391</u>	<u>20,375</u>	<u>15,807,814</u>
Total capital assets, being depreciated, net	<u>13,200,839</u>	<u>(193,913)</u>	<u>-</u>	<u>13,006,926</u>
Governmental activities capital assets, net	<u>\$ 15,466,993</u>	<u>\$ 514,384</u>	<u>\$ 143,465</u>	<u>\$ 15,837,912</u>

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

	<u>2021</u>	<u>2020</u>
Governmental Activities:		
General Government	\$ 145,794	\$ 149,278
Public Works	142,455	149,540
Public Safety	122,313	123,152
Recreation	36,405	26,485
Education	424,424	414,621
Total Depreciation Expense - Governmental Activities	<u>\$ 871,391</u>	<u>\$ 863,076</u>

Construction Commitments

The Town has active construction projects as of June 30, 2021. The projects include road drainage, bridge repairs, culvert replacements, road construction, land purchases, CFVD Truck replacement, recreation park upgrades and facility upgrades and /or improvements. At year-end, the Town's commitments are as follows:

TOWN OF COLUMBIA
Notes to the Financial Statements

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Hennequin Road Drainage Project	-	49,627
Hop River Road Bridge	7,184	217,764
Hunt Road Culvert	34,129	616,255
Macht Road Culvert	2,811	75,000
Rec Park Pavillion	3,700	225,000
CFVD Rescue/Pumper Truck	637,525	92,467
D. Ramm Property-Survey Costs	2,350	47,500
Latham Hill Bridge	881	450,000
Rec Park Maintenance Garage	8,038	75,000
HWP All Weather Track	1,931	43,069
Old CVFD Maintenance Garage	4,300	10,800
HWP Storage Shed	4,300	4,348
Public Works Facility Upgrade	10,400	-
Porter Parking Lot	6,600	-
	<u>\$ 724,149</u>	<u>\$ 1,906,830</u>

NOTE 5 – INTERFUND ACCOUNTS

At June 30, 2021, interfund balances were as follows:

	<u>Due from:</u>		
<u>Due to:</u>	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
General Fund	\$ -	\$ -	\$ -
Reserve for Capital and Nonrecurring Expenditures	-	-	-
Nonmajor Funds	162,226	-	162,226
	<u>\$ 162,226</u>	<u>\$ -</u>	<u>\$ 162,226</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 To</u>			
<u>Transfers From and Purpose</u>	<u>General Fund</u>	<u>Reserve for Capital Non-Recurring Expenditures</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>General Fund</u>				
<i>Budgeted expenditure to fund future projects</i>	\$ -	\$ 705,729	\$ 14,000	\$ 719,729
<u>Nonmajor Funds</u>				
<i>Transfer of Contributed Funds & Grant Funds</i>	7,624	263,500	-	271,124
	<u>\$ 7,624</u>	<u>\$ 969,229</u>	<u>\$ 14,000</u>	<u>\$ 990,853</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 6 – LONG-TERM OBLIGATIONS

Long-Term Obligation Activity

An amount of \$207,650 from the General Fund was utilized to finance current year debt service requirements. Of this amount, \$7,250 was related to interest expense.

Notes payable are written promises to pay stated sums of money at future dates. The General Fund has historically been used to liquidate other long-term liabilities.

As of June 30, 2021, the outstanding note payable of the Town was as follows:

Notes Payable for LED Lighting, approved in 2018, due 8/15/22; monthly principal payments with no interest	<u>\$ 60,138</u>
Total Long-Term Note	<u>\$ 60,138</u>

Changes in long-term obligations for the year ended June 30, 2021, 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	\$ 145,000	\$ -	\$ 145,000	\$ -	\$ -
Notes Payable	122,788	-	62,650	60,138	60,138
Capital Lease	-	26,371	7,179	19,192	6,029
OPEB Obligation	473,876	4,633	-	478,509	-
Compensated Absences	95,664	9,794	-	105,458	24,721
Accumulated Sick Time	84,930	801	-	85,731	15,938
	<u>\$ 922,258</u>	<u>\$ 41,599</u>	<u>\$ 214,829</u>	<u>\$ 749,028</u>	<u>\$ 106,826</u>

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2021 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2022	<u>60,138</u>	<u>-</u>
	<u>\$ 60,138</u>	<u>\$ -</u>

Capital Leases

The Town has entered into a lease agreement as lessee for financing the acquisition of a senior center van. This lease agreement qualifies as capital leases for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Assets:	
Equipment	\$ 26,371
Less accumulated depreciation	<u>(2,637)</u>
Total	<u>\$ 23,734</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

	Governmental Activities
Year ending June 30:	
2022	\$ 7,179
2023	7,179
2024	7,178
Less amount representing interest	(2,344)
Total	\$ 19,192

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 \$1,363 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.

TOWN OF COLUMBIA
Notes to the Financial Statements

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.

Employees Covered by Benefit Terms

At June 30, 2021, 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 \$478,509 was measured as of June 30, 2021, 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 July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods including the measurement, unless otherwise specified:

Interest	2.16% as of June 30, 2021, based on Bond Buyer 20-Bond Municipal Index effective as of June 30, 2021.
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 .02% each year to an ultimate rate of 4.6% per year rate for 2029 and later.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 6/30/20	\$ 473,876
Changes for the Year:	
Service Costs	16,225
Interest	9,988
Changes in benefit Terms	-
Difference between expected and actual experience	53,264
Changes of Assumptions	1,917
Benefit payments	<u>(76,761)</u>
Net changes	<u>4,633</u>
Balance at 6/30/21	<u><u>\$ 478,509</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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB Liability	518,895	478,509	441,878

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	425,182	478,509	540,730

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

For the fiscal year ended June 30, 2021, the recognized OPEB expense is \$14,156. As of June 30, 2021, 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	\$ 55,646	(98,314)
Changes of assumptions	55,100	\$ (9,568)
	\$ 110,746	\$ (107,882)

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>	
2022	\$ (28)
2023	(28)
2024	(28)
2025	(28)
2026	(28)
Thereafter	3,004

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 \$29,389.

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, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.5%
Real Wage Growth	0.50%
Wage Inflation	3.00%

TOWN OF COLUMBIA
Notes to the Financial Statements

Salary increases	3.00-6.50%, 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	2.21%
Prior Measurement Date	3.50%

The projected fiduciary net position is projected to be depleted in 2021

Single equivalent interest rate

Measurement Date	2.21%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.50%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Medicare	Medicare 5.125% for 2020 decreasing to an ultimate Rate of 4.50% by 2023
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Mortality rates were based on the PubT-2010 healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

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%	-0.42%	1.78%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		2.00%	

TOWN OF COLUMBIA
Notes to the Financial Statements

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. 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, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 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 3.00%.
- 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.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2021 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	4.125%	5.125%	6.125%
Ultimate Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Total OPEB Liability	\$ 2,312,467	\$ 2,831,668	\$ 3,546,468

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 (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$ 3,455,760	\$ 2,831,668	\$ 2,343,742

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2021 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>2,831,668</u>
Total	<u>\$ 2,831,668</u>

The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2021, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$29,389 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized (\$130,802) 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 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2021 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$359,013. Covered payroll for the town for the year ended June 30, 2021 was approximately \$4,632,428.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, 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	\$	18,985,363
Total	\$	<u>18,985,363</u>

The net pension liability was measured as of June 30, 2020, 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, 2021 the Town has no proportionate share of the net pension liability. For the year ended June 30, 2021, the Town recognized benefits expense and contribution revenue of \$1,217,753 in the governmental funds for on-behalf amounts for the benefits provided by the state. In the Government-wide financial statements, the town recognized \$2,719,563 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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019. The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50%
Salary increases, including inflation	3.00-6.50%
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 PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.00%	5.60%
Developed Market Intl. Stock Fund	11.00%	6.00%
Emerging Market Intl. Stock Fund	9.00%	7.90%
Core Fixed Income Fund	16.00%	2.10%
Inflation Linked Bond Fund	5.00%	1.10%
Emerging Market Debt Fund	5.00%	2.70%
High Yield Bond Fund	6.00%	4.00%
Real Estate Fund	10.00%	4.50%
Private Equity	10.00%	7.30%
Alternative Investments	7.00%	2.90%
Liquidity Fund	1.00%	0.40%

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 6.90%. 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 \$59,925.

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 28 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, 2021 totaled \$97,229. 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, 2021, there were 27 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 2020-2021. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$6,500 in 2020-2021. Income accumulates tax-free until distribution from the plan. The Town's required 3% contribution was \$38,811. 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, 2021 are as follows:

Fund balances:	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Total
Committed to:				
Reserve for Capital	\$ -	\$ 1,089,283	\$ -	\$ 1,089,283
Dog Fund	-	-	8,809	8,809
Land Acquisition Fund	-	-	24,089	24,089
Szegda Farm	-	-	10,977	10,977
Senior Center Fund	-	-	5,280	5,280
Compensated Absences Reserve	13,637	-	-	13,637
Memorial Fund	-	-	792	792
Recreation Fields Rental Fund	-	-	4,463	4,463
Recreation Activities Fund	-	-	28,780	28,780
Agricultural Fund	-	-	708	708
Education Non Lapsing Fund	300,000	-	-	300,000
Total Committed	<u>\$ 313,637</u>	<u>\$ 1,089,283</u>	<u>\$ 83,898</u>	<u>\$ 1,486,818</u>

NOTE 11 – GASB PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE

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

GASB Statement No. 87 – Leases - This statement improves the accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. 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 1, 2021.

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 July 1, 2021.

GASB Statement No. 91 – Conduit Debt Obligations – The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with

TOWN OF COLUMBIA
Notes to the Financial Statements

conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 92 – *Omnibus 2020* – The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and the requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates* – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements in paragraphs 13 and 14 of this statement are effective for the Town's reporting period beginning July 1, 2021.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 12 – ADOPTION OF NEW ACCOUNTING STANDARD

During the fiscal year ended June 30, 2021, the Town adopted GASB Statement No. 84 – *Fiduciary Activities*. The effects of adopting this standard are below:

	<u>Governmental Funds</u>
Fund Balance as previously reported at June 30, 2020	\$ 7,158,959
To reclassify funds as a result of the implementation of GASB 84	<u>16,090</u>
Fund Balance as restated at July 1, 2020	<u><u>\$ 7,175,049</u></u>

	<u>Custodial Funds</u>
Net position as previously reported at June 30, 2020	\$ 16,090
To reclassify funds as a result of the implementation of GASB 84	<u>(16,090)</u>
Net position as restated at July 1, 2020	<u><u>\$ -</u></u>

TOWN OF COLUMBIA
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability and Schedule of Contributions
 June 30, 2021

Schedule of Proportionate Share of Net Pension Liability

	<u>2021</u>	<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%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension associated with Town	18,985,363	17,567,758	13,545,762	13,636,722	14,386,846	11,682,199	10,797,852
Total	\$ 18,985,363	\$ 17,567,758	\$ 13,545,762	\$ 13,636,722	\$ 14,386,846	\$ 11,682,199	\$ 10,797,852
Town's covered payroll	\$ 4,632,428	\$ 4,616,261	\$ 4,537,221	\$ 4,371,611	\$ 5,077,981	\$ 4,059,834	\$ 3,989,917
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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.56%

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, 2021

Change of benefit terms	None
Actuarial Assumptions	The total pension liability was determined by an actuarial valuation as of June 30, 2020
Actuarial Cost Method	Entry Age
Amortization Period	Level percent of salary, closed
Remaining Amortization Period	30 years
Asset Valuation Method	4 year smoothed market
Inflation	2.50%
Salary Increases	3.00%-6.50% average, including inflation
Investment Rate of Return	6.90%, net of pension plan investment expense, including inflation

TOWN OF COLUMBIA
 State Teacher's Retirement System
 Proportionate Share of Net OPEB Liability
 June 30, 2021

Schedule of Proportionate Share of Net OPEB Liability

	2021	2020	2019	2018
Town's percentage of the net OPEB liability	0.00%	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	2,831,668	2,739,791	2,707,919	3,509,924
Total	\$ 2,831,668	\$ 2,739,791	\$ 2,707,919	\$ 3,509,924
Town's covered-employee payroll	\$ 4,632,428	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.50%	2.08%	1.49%	1.79%

Notes to Schedule

Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over a closed period
Amortization Period	30 years
Asset Valuation Method	Market value of assets
Investment Rate of Return	3.00%, net of investment related expense including price inflation
Price Inflation	2.50%

See accountant's report.

TOWN OF COLUMBIA
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2021

	2021	2020	2019	2018
Total OPEB Liability				
Service Costs	\$ 16,225	\$ 15,262	\$ 13,686	\$ 13,776
Interest	9,988	18,974	19,811	18,441
Difference between expected and actual experience	53,264	(118,378)	2,098	8,389
Change in benefit terms	-	-	-	-
Change in assumptions	1,917	48,057	18,408	(14,960)
Benefit payments, including refunds of contributions	<u>(76,761)</u>	<u>(30,411)</u>	<u>(23,512)</u>	<u>(33,886)</u>
Net change in total OPEB liability	4,633	(66,496)	30,491	(8,240)
Total OPEB liability, beginning	<u>473,876</u>	<u>540,372</u>	<u>509,881</u>	<u>518,121</u>
Total OPEB liability, ending (a)	<u>\$ 478,509</u>	<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>	<u>-</u>
Net change in plan fiduciary net position	-	-	-	-
Total fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fiduciary net position, ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability, ending (a) - (b)	<u>\$ 478,509</u>	<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%	0.00%
Covered-employee payroll	\$ 6,201,500	\$ 6,056,154	\$ 6,398,900	\$ 6,236,700
Net OPEB liability as a percentage of covered-employee payroll	7.72%	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, 2021

	<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	\$ 14,219,918	\$ 14,219,918	\$ 14,524,676	\$ 304,758
Property Taxes - Prior Years	76,000	76,000	210,838	134,838
Interest and Lien Fees	<u>51,400</u>	<u>51,400</u>	118,562	<u>67,162</u>
Total Taxes	<u>14,347,318</u>	<u>14,347,318</u>	14,854,076	<u>506,758</u>
 Licenses, Fees, and Permits				
Real Estate Conveyance Fees	50,000	50,000	102,879	52,879
Building, Machine, and Septic Fees	52,000	52,000	119,917	67,917
Zoning Permit Fees	1,500	1,500	4,535	3,035
Recording Fees	21,000	21,000	33,362	12,362
Pistol Permit Fees	<u>2,000</u>	<u>2,000</u>	5,600	<u>3,600</u>
Total Licenses, Fees, and Permits	<u>126,500</u>	<u>126,500</u>	266,293	<u>139,793</u>
 Intergovernmental Revenue				
Homeland Security Grant	2,500	2,500	1,725	(775)
Education Equalization Grant	2,316,189	2,316,189	2,259,707	(56,482)
Special Education Grant	125,000	125,000	48,448	(76,552)
Disabled Persons Tax Grant	-	-	545	545
Veterans Relief	-	-	3,520	3,520
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>39,068</u>	<u>39,068</u>	-	<u>(39,068)</u>
Total Intergovernmental Revenues	<u>2,546,436</u>	<u>2,546,436</u>	2,377,624	<u>(168,812)</u>
 Charges for Services				
Notary Fees	350	350	305	(45)
Photocopy Fees	5,000	5,000	7,636	2,636
Planning and Zoning Commission Fees	2,000	2,000	2,700	700
Zoning Board of Appeals Fees	1,500	1,500	975	(525)
Inland/Wetland Fees	3,000	3,000	4,165	1,165
Town Clerk Fees	4,500	4,500	7,421	2,921
Senior Center Van Services	<u>1,500</u>	<u>1,500</u>	1,740	<u>240</u>
Total Charges for Services	<u>\$ 17,850</u>	<u>\$ 17,850</u>	\$ 24,942	<u>\$ 7,092</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Other Revenues				
Interest on Investments	\$ 85,000	\$ 85,000	\$ 4,353	\$ (80,647)
Passport Fees	2,500	2,500	70	(2,430)
Facilities Rental	2,000	2,000	200	(1,800)
Boating Fees	2,500	2,500	3,675	1,175
Beach Use and Concession Fees	32,000	32,000	40,552	8,552
Transfer Station Fees	26,000	26,000	34,448	8,448
Transfer Station Sticker Fees	40,000	40,000	44,205	4,205
Preschool	52,000	52,000	27,778	(24,222)
State Fees- Land Use Dept	200	200	525	325
Telephone Access Grant	8,000	8,000	9,933	1,933
Miscellaneous	8,000	8,000	11,901	3,901
Court Fines	3,000	3,000	965	(2,035)
Total Other Revenues	<u>261,200</u>	<u>261,200</u>	<u>178,605</u>	<u>(82,595)</u>
Other Sources				
Transfers In:				
Recreation	10,000	10,000	7,624	(2,376)
Appropriated from Surplus	441,042	630,042	-	(630,042)
Total Other Sources	<u>451,042</u>	<u>640,042</u>	<u>7,624</u>	<u>(632,418)</u>
Total Revenues	<u>17,750,346</u>	<u>17,939,346</u>	<u>17,709,164</u>	<u>(230,182)</u>
Expenditures				
General Government				
Town Meeting	2,787	2,787	1,838	(949)
Executive and Administrative	914,325	911,731	888,179	(23,552)
Information Technology	69,106	69,106	51,947	(17,159)
Old Firehouse Building	3,340	3,850	2,906	(944)
Chapel on The Green	3,000	2,490	1,661	(829)
Meeting House	4,182	4,182	3,913	(269)
Judicial and Legal	55,000	47,794	25,904	(21,890)
Registration and Election	33,342	33,342	28,106	(5,236)
Assessment	146,096	146,096	137,119	(8,977)
Tax Collection	88,161	89,810	79,047	(10,763)
Public Records	118,272	118,272	112,327	(5,945)
Financial and Planning Allocation	22,850	22,850	22,291	(559)
Finance Department	228,088	228,088	217,759	(10,329)
Tax Review Services	940	940	144	(796)
Total General Government	<u>\$ 1,689,489</u>	<u>\$ 1,681,338</u>	<u>\$ 1,573,141</u>	<u>\$ (108,197)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Health and Human Services				
Health Care and Inspection	\$ 30,614	\$ 30,614	\$ 30,614	\$ -
Social Services	25,400	25,000	22,622	(2,378)
Elderly Services	100,761	101,234	90,095	(11,139)
Senior Center	98,128	98,128	91,206	(6,922)
Youth Services	47,776	47,776	47,776	-
Total Health and Human Services	<u>302,679</u>	<u>302,752</u>	<u>282,313</u>	<u>(20,439)</u>
Public Safety				
Police Protection	180,654	179,815	172,486	(7,329)
Fire Fighting and Emergency Services	231,050	239,050	236,427	(2,623)
Fire Prevention Services	27,695	27,695	24,632	(3,063)
Emergency Director	4,558	4,558	3,137	(1,421)
Lake Management Services	21,624	27,852	27,704	(148)
Total Public Safety	<u>465,581</u>	<u>478,970</u>	<u>464,386</u>	<u>(14,584)</u>
Public Works				
Public Works	785,008	653,143	560,538	(92,605)
Waste Disposal	223,995	223,995	210,396	(13,599)
Street Lighting	13,500	13,500	9,598	(3,902)
Total Public Works	<u>1,022,503</u>	<u>890,638</u>	<u>780,532</u>	<u>(110,106)</u>
Building and Development Services				
Planning and Zoning Commission	86,189	86,189	75,863	(10,326)
Inland/Wetland Commission	20,081	29,381	26,555	(2,826)
Building Services	39,325	188,765	185,341	(3,424)
Conservation Commission	1,255	1,255	160	(1,095)
Building Appeal Services	500	500	-	(500)
Land Use Department	66,054	66,054	62,958	(3,096)
Total Buildings and Development	<u>213,404</u>	<u>372,144</u>	<u>350,877</u>	<u>(21,267)</u>
Recreation				
Public Celebrations	7,700	7,700	7,495	(205)
Library Services	411,553	411,553	411,553	-
Lake Management Advisory	20,650	27,856	22,268	(5,588)
Beach Services	42,753	41,333	33,544	(7,789)
Recreation Area Operations	10,906	13,906	11,958	(1,948)
Recreation	83,756	84,595	81,088	(3,507)
Total Recreation	<u>577,318</u>	<u>586,943</u>	<u>567,906</u>	<u>(19,037)</u>
Total General Government Expenditures	<u>\$ 4,270,974</u>	<u>\$ 4,312,785</u>	<u>\$ 4,019,155</u>	<u>\$ (293,630)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Education				
Certified Salaries	\$ 4,622,057	\$ 4,469,336	\$ 4,469,336	\$ -
Non-Certified Salaries	1,047,110	1,129,466	1,129,466	-
Anthem Blue Cross/Blue Shield	1,266,128	1,234,448	1,189,858	(44,590)
Life Insurance	7,800	7,256	7,256	-
Social Security	72,500	77,708	77,708	-
Medicare	83,000	78,636	78,636	-
Unemployment	21,874	11,147	11,147	-
Workers' Compensation	75,000	74,520	74,520	-
Other Benefit Fund	94,531	59,925	59,925	-
Board of Education Services	36,000	29,228	29,228	-
Instructional Improvement/Pupil Services	6,382	378	378	-
Professional/Technical Services	148,246	119,113	119,113	-
Technical Services	251,766	247,525	230,233	(17,292)
Water/Sewage	6,500	2,354	2,354	-
Sanitary Refuse	9,500	8,753	8,753	-
Snow Plowing	24,750	24,000	24,000	-
Repairs/Maintenance	47,345	113,072	113,072	-
Rentals	33,500	22,144	22,144	-
Student Transportation	732,862	732,862	631,927	(100,935)
Property Insurance	53,200	58,402	58,337	(65)
Telephone	8,000	8,879	8,879	-
Postage	6,000	4,719	4,719	-
Tuition	3,630,987	3,630,987	3,504,962	(126,025)
Travel	5,495	353	353	-
Supplies	104,066	88,792	88,782	(10)
Maintenance and Custodial Supplies	20,000	17,668	17,668	-
Electricity	105,000	111,981	111,981	-
Propane Gas	5,000	1,597	1,597	-
Heating Oil	61,000	68,064	68,064	-
Diesel	44,000	24,635	24,635	-
Software	26,672	49,734	49,734	-
Textbooks/Ancillary Materials	9,969	28,791	28,791	-
Library Books	3,800	4,801	4,801	-
Periodicals/Magazines	5,809	3,221	3,221	-
Equipment	23,078	162,364	162,364	-
Dues/Fees	17,616	9,684	9,684	-
State Mandated TRB Municipal Contribution	-	-	-	-
Total Board of Education Expenditures	\$ 12,716,543	\$ 12,716,543	\$ 12,427,626	(288,917)

See accountant's report.

TOWN OF COLUMBIA
 Schedule of Revenues and Expenditures - Budget and Actual
 General Fund
 For the Year Ended June 30, 2021

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Miscellaneous				
Debt Service	\$ 152,250	\$ 152,250	\$ 152,250	\$ -
Contingency	78,000	28,039	-	(28,039)
Interfund Transfers	<u>532,579</u>	<u>729,729</u>	<u>729,729</u>	<u>-</u>
Total Miscellaneous	<u>762,829</u>	<u>910,018</u>	<u>881,979</u>	<u>(28,039)</u>
Total Expenditures	<u>17,750,346</u>	<u>17,939,346</u>	<u>17,328,760</u>	<u>(610,586)</u>
Surplus/(Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,404</u>	<u>\$ 380,404</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2021

	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	\$ 12,195	\$ 1,652	\$ -	\$ 24,089	\$ -	\$ -
State and federal grants receivable	-	-	-	-	-	-
Interfund receivables	-	-	39,930	-	5,704	10,977
Total assets	<u>\$ 12,195</u>	<u>\$ 1,652</u>	<u>\$ 39,930</u>	<u>\$ 24,089</u>	<u>\$ 5,704</u>	<u>\$ 10,977</u>
Liabilities and fund balances						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	292	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-
Due to State of CT	3,094	-	-	-	-	-
Total liabilities	<u>3,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	1,652	39,930	-	5,704	-
Committed	8,809	-	-	24,089	-	10,977
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>8,809</u>	<u>1,652</u>	<u>39,930</u>	<u>24,089</u>	<u>5,704</u>	<u>10,977</u>
Total liabilities and fund balances	<u>\$ 12,195</u>	<u>\$ 1,652</u>	<u>\$ 39,930</u>	<u>\$ 24,089</u>	<u>\$ 5,704</u>	<u>\$ 10,977</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2021

	Special Revenue Funds				
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Memorial Fund	Recreation Fields Rental Fund
Assets					
Cash and cash equivalents	\$ 100	\$ -	\$ 271	\$ -	\$ 4,563
State and federal grants receivable	-	-	-	-	-
Interfund receivables	5,180	66,497	-	792	-
Total assets	<u>\$ 5,280</u>	<u>\$ 66,497</u>	<u>\$ 271</u>	<u>\$ 792</u>	<u>\$ 4,563</u>
Liabilities and fund balances					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 100
Accrued expenses	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Interfund payables	-	-	-	-	-
Due to State of CT	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	66,497	271	-	-
Committed	5,280	-	-	792	4,463
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>5,280</u>	<u>66,497</u>	<u>271</u>	<u>792</u>	<u>4,463</u>
Total liabilities and fund balances	<u>\$ 5,280</u>	<u>\$ 66,497</u>	<u>\$ 271</u>	<u>\$ 792</u>	<u>\$ 4,563</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2021

	Special Revenue Funds						<u>Total</u>
	<u>Recreation Activities Fund</u>	<u>Social Services Needs Fund</u>	<u>Agricultural Fund</u>	<u>Student Activities Fund</u>	<u>Brand Memorial Trust</u>	<u>Small Cities Housing Rehabilitation</u>	
Assets							
Cash and cash equivalents	\$ 60	\$ 17,605	\$ -	\$ 17,940	\$ 11,753	\$ 53,828	\$ 144,056
State and federal grants receivable	-	-	-	-	-	-	-
Interfund receivables	32,438	-	708	-	-	-	162,226
Total assets	<u>\$ 32,498</u>	<u>\$ 17,605</u>	<u>\$ 708</u>	<u>\$ 17,940</u>	<u>\$ 11,753</u>	<u>\$ 53,828</u>	<u>\$ 306,282</u>
Liabilities and fund balances							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
Accrued expenses	-	-	-	-	-	-	292
Unearned revenue	3,718	-	-	-	-	-	3,718
Interfund payables	-	-	-	-	-	-	-
Due to State of CT	-	-	-	-	-	-	3,094
Total liabilities	<u>3,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,204</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	17,605	-	17,940	11,753	53,828	215,180
Committed	28,780	-	708	-	-	-	83,898
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>28,780</u>	<u>17,605</u>	<u>708</u>	<u>17,940</u>	<u>11,753</u>	<u>53,828</u>	<u>299,078</u>
Total liabilities and fund balances	<u>\$ 32,498</u>	<u>\$ 17,605</u>	<u>\$ 708</u>	<u>\$ 17,940</u>	<u>\$ 11,753</u>	<u>\$ 53,828</u>	<u>\$ 306,282</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, 2021

	Special Revenue Funds					
	Dog Fund	D.A.R.E. Education	Town Aid Road Fund	Open Space Acquisition	Historic Document Preservation Fund	Szedga Farm
Revenues						
Licenses, fees, and permits	\$ 1,847	\$ -	\$ -	\$ -	\$ 1,588	\$ -
Intergovernmental	-	2,876	205,232	-	5,500	-
Contributions	-	-	-	13,412	-	486
Other revenues	-	-	-	-	-	-
Investment earnings	14	-	-	14	-	-
Total revenues	<u>1,861</u>	<u>2,876</u>	<u>205,232</u>	<u>13,426</u>	<u>7,088</u>	<u>486</u>
Expenditures						
Current						
General government	-	-	-	-	7,066	4,826
Health and human services	-	5,608	-	-	-	-
Public safety	12,530	-	-	-	-	-
Recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-
Total expenditures	<u>12,530</u>	<u>5,608</u>	<u>-</u>	<u>-</u>	<u>7,066</u>	<u>4,826</u>
Excess (deficiency) of revenues over expenditures	(10,669)	(2,732)	205,232	13,426	22	(4,340)
Other financing sources (Uses)						
Transfers in	10,000	-	-	-	-	4,000
Transfers out	-	-	(263,500)	-	-	-
Total other financing sources	<u>10,000</u>	<u>-</u>	<u>(263,500)</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Net change in fund balances	(669)	(2,732)	(58,268)	13,426	22	(340)
Fund balances - beginning, as restated	<u>9,478</u>	<u>4,384</u>	<u>98,198</u>	<u>10,663</u>	<u>5,682</u>	<u>11,317</u>
Fund balances - ending	<u>\$ 8,809</u>	<u>\$ 1,652</u>	<u>\$ 39,930</u>	<u>\$ 24,089</u>	<u>\$ 5,704</u>	<u>\$ 10,977</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, 2021

	Special Revenue Funds				
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Memorial Fund	Recreation Fields Rental Fund
Revenues					
Licenses, fees, and permits	\$ -	\$ 21,383	\$ -	\$ -	\$ 2,105
Intergovernmental	-	-	345,930	-	-
Contributions	-	-	-	-	-
Other revenues	-	-	-	-	-
Investment earnings	-	-	-	-	4
Total revenues	<u>-</u>	<u>21,383</u>	<u>345,930</u>	<u>-</u>	<u>2,109</u>
Expenditures					
Current					
General government	-	-	-	-	-
Health and human services	1,143	-	-	-	-
Public safety	-	-	-	-	-
Recreation	-	-	-	-	3,993
Education	-	-	345,977	-	-
Capital expenditures	-	-	-	-	-
Total expenditures	<u>1,143</u>	<u>-</u>	<u>345,977</u>	<u>-</u>	<u>3,993</u>
Excess (deficiency) of revenues over expenditures	(1,143)	21,383	(47)	-	(1,884)
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	(1,143)	21,383	(47)	-	(1,884)
Fund balances - beginning, as restated	<u>6,423</u>	<u>45,114</u>	<u>318</u>	<u>792</u>	<u>6,347</u>
Fund balances - ending	<u>\$ 5,280</u>	<u>\$ 66,497</u>	<u>\$ 271</u>	<u>\$ 792</u>	<u>\$ 4,463</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, 2021

	Special Revenue Funds						Total
	Recreation Activities Fund	Social Services Needs Funds	Agricultural Fund	Student Activities Fund	Brand Memorial Trust	Small Cities Housing Rehabilitation	
Revenues							
Licenses, fees, and permits	\$ 12,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,976
Intergovernmental	-	-	-	-	-	-	559,538
Contributions	2,012	24,738	-	7,856	-	-	48,504
Other revenues	-	-	-	-	-	1,808	1,808
Investment earnings	-	-	-	-	10	-	42
Total revenues	<u>14,065</u>	<u>24,738</u>	<u>-</u>	<u>7,856</u>	<u>10</u>	<u>1,808</u>	<u>648,868</u>
Expenditures							
Current							
General government	-	-	-	-	-	-	11,892
Health and human services	-	26,121	-	-	-	-	32,872
Public safety	-	-	-	-	-	-	12,530
Recreation	7,721	-	-	-	-	-	11,714
Education	-	-	-	6,006	-	-	351,983
Capital expenditures	-	-	-	-	-	-	-
Total expenditures	<u>7,721</u>	<u>26,121</u>	<u>-</u>	<u>6,006</u>	<u>-</u>	<u>-</u>	<u>420,991</u>
Excess (deficiency) of revenues over expenditures	6,344	(1,383)	-	1,850	10	1,808	227,877
Other financing sources (Uses)							
Transfers in	-	-	-	-	-	-	14,000
Transfers out	(7,624)	-	-	-	-	-	(271,124)
Total other financing sources	<u>(7,624)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(257,124)</u>
Net change in fund balances	(1,280)	(1,383)	-	1,850	10	1,808	(29,247)
Fund balances - beginning, as restated	<u>30,060</u>	<u>18,988</u>	<u>708</u>	<u>16,090</u>	<u>11,743</u>	<u>52,020</u>	<u>328,325</u>
Fund balances - ending	<u>\$ 28,780</u>	<u>\$ 17,605</u>	<u>\$ 708</u>	<u>\$ 17,940</u>	<u>\$ 11,753</u>	<u>\$ 53,828</u>	<u>\$ 299,078</u>

See accountant's report.

TOWN OF COLUMBIA
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2021

	Private-Purpose Trust Funds					<u>Total</u>
	Kathy Mattesich Memorial <u>Fund</u>	Dennis Harvey Memorial <u>Fund</u>	Scholarship <u>Funds</u>	Cemetery <u>Funds</u>	School Trust <u>Fund</u>	
Assets						
Cash and cash equivalents	<u>\$ 2,905</u>	<u>\$ 1,175</u>	<u>\$ 6,612</u>	<u>\$ 930</u>	<u>\$ 397</u>	<u>\$ 12,019</u>
Total assets	<u>\$ 2,905</u>	<u>\$ 1,175</u>	<u>\$ 6,612</u>	<u>\$ 930</u>	<u>\$ 397</u>	<u>\$ 12,019</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities						
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position						
Restricted for Individuals and Organization	-	-	-	-	-	-
Held in trust for scholarships and other purposes	<u>2,905</u>	<u>1,175</u>	<u>6,612</u>	<u>930</u>	<u>397</u>	<u>12,019</u>
Total net position	<u>\$ 2,905</u>	<u>\$ 1,175</u>	<u>\$ 6,612</u>	<u>\$ 930</u>	<u>\$ 397</u>	<u>\$ 12,019</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, 2021

	Private-Purpose Trust Funds					Total
	Kathy Mattesich Memorial <u>Fund</u>	Dennis Harvey Memorial <u>Fund</u>	Scholarship Funds <u>Funds</u>	Cemetery Funds <u>Funds</u>	School Trust <u>Fund</u>	
Additions						
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-	-
Total additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deductions						
Other Expenses	-	-	-	-	-	-
Payments for Student Activities	-	-	-	-	-	-
Scholarships	<u>200</u>	<u>200</u>	<u>229</u>	<u>-</u>	<u>-</u>	<u>629</u>
Total deductions	<u>200</u>	<u>200</u>	<u>229</u>	<u>-</u>	<u>-</u>	<u>629</u>
Other financing sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(200)	(200)	(229)	-	-	(629)
Net position - beginning, as restated	<u>3,105</u>	<u>1,375</u>	<u>6,841</u>	<u>930</u>	<u>397</u>	<u>12,648</u>
Net position - ending	<u>\$ 2,905</u>	<u>\$ 1,175</u>	<u>\$ 6,612</u>	<u>\$ 930</u>	<u>\$ 397</u>	<u>\$ 12,019</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Property Taxes Levied, Collected, and Outstanding
For The Year Ended June 30, 2021

	Outstanding July 1, 2020	Current Levy	Lawful Corrections		Collectible Taxes	Receipt of Taxes	Receipt of Interest and Liens	Total Receipts	Transfers to Suspense	Outstanding June 30, 2021
			Additions	Deductions						
List of										
<u>10/1:</u>										
2019		\$ 14,709,668	\$ 13,407	\$ 53,314	\$ 14,669,761	\$ 14,524,676	\$ 39,483	\$ 14,564,159	\$ 91	\$ 144,994
2018	169,726	-	-	1,660	168,066	117,340	25,194	142,534	-	50,726
2017	85,460	-	126	-	85,586	58,764	26,064	84,828	-	26,822
2016	29,793	-	-	333	29,460	7,240	3,009	10,249	10,496	11,724
2015	9,553	-	96	-	9,649	2,622	2,029	4,651	494	6,533
2014	6,541	-	-	-	6,541	2,323	2,324	4,647	-	4,218
2013	6,293	-	-	-	6,293	2,323	2,742	5,065	-	3,970
2012	5,323	-	-	-	5,323	2,323	834	3,157	-	3,000
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	2,309	-	-	-	2,309	-	-	-	-	2,309
2006	5,659	-	-	-	5,659	-	-	-	-	5,659
	\$ 332,432	\$ -	\$ 222	\$ 333	\$ 162,595	14,717,611	101,679	14,819,290	\$ 11,081	\$ 271,730

Net Grand List- October 1, 2019: \$497,948,453

Tax Rate: 29.33 mills

Suspense collections	7,733	2,555	10,288
Total collections	\$ 14,725,344	\$ 104,234	\$ 14,829,578

See accountant's report.

TOWN OF COLUMBIA
 Ten Largest Taxpayers
 For the Year Ended June 30, 2021

<u>Name</u>	<u>Assessed Value</u>	<u>Net Taxable Grand List*</u>
Connecticut Light and Power Co	\$ 19,377,170	3.92%
Columbia Manufacturing Inc	3,476,470	0.70%
DNB LLC	2,065,400	0.42%
Storage Pros Columbia LLC	1,976,100	0.40%
EA Patton Company	1,560,200	0.32%
Tourgate Realty Inc	1,410,200	0.29%
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 10/1/19: \$497,948,453
 Source: Assessor's Office, Town of Columbia

TOWN OF COLUMBIA
Schedule of Debt Limitation
June 30, 2021

Total Tax Collections (Prior Year) - including interest and lien fees
Received by Treasurer \$ 14,559,988

Reimbursement for revenue loss on:

Tax relief for elderly (Prior Year) -
Base \$ 14,559,988

Debt limitation:	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
2 1/4 times base	\$ 32,759,973	\$ -	\$ -	\$ -
4 1/2 times base	-	65,519,946	-	-
3 3/4 times base	-	-	54,599,955	-
3 1/4 times base	-	-	-	47,319,961
Total debt limitation	<u>32,759,973</u>	<u>65,519,946</u>	<u>54,599,955</u>	<u>47,319,961</u>

Indebtedness:

	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Indebtedness	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Debt limitation in excess of
outstanding and authorized debt \$ 32,759,973 \$ 65,519,946 \$ 54,599,955 \$ 47,319,961

NOTE:

In no case should this total indebtedness exceed
seven times the base \$14,559,988 or \$101,919,916

TOWN OF COLUMBIA
Schedule of Debt Disclosures
For the Year Ended June 30, 2021

Ratio of debt to the equalized net grand list

			<u>Equalized Net Grand List</u>		<u>Ratio</u>
Direct debt	\$	-	\$ 792,834,395	(1)	0.000%
Direct debt, net		-	792,834,395	(1)	0.000%

Amount of debt to per capita

			<u>2020 Population</u>		<u>Per Capita</u>
Direct debt	\$	-	5,379	(1)	\$ -
Direct debt, net		-	5,379	(1)	-

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 2015-2019 Municipal Fiscal Indicators

TOWN OF COLUMBIA
 Budgetary Comparison Schedule
 Reserve for Capital and Non-Recurring Expenditures
 For the Year Ended June 30, 2021

	Budget Appropriations July 1, 2020	20/21 Adopted Appropriations	20/21 Adopted Cancellations	Mid-Year Approp., Adjs. and Transfers	Adjusted Appropriations	Current Year Expenditures	Balance Appropriated June 30, 2021
Reserved for active projects:							
Road Resurfacing	\$ 67,847	\$ 263,500	\$ -	\$ -	\$ 331,347	\$ 229,007	\$ 102,340
Box Culvert Replacement/Repair	172,384	100,000	-	-	272,384	24,039	248,345
Town land Acquisition	-	-	-	25,500	25,500	25,500	-
Hennequin Road Drainage	109,880	-	-	-	109,880	254	109,626
Erdoni Road Drainage	5,074	-	-	-	5,074	-	5,074
Preliminary Design & Cost Estimates	17,114	-	-	-	17,114	-	17,114
Rec Area Improvement Fund	147,901	100,000	-	-	247,901	187,563	60,338
Four Year Revaluation	109,044	20,000	-	-	129,044	17,454	111,590
Town-Wide Network/ IT	2,032	-	-	-	2,032	-	2,032
DPW Capital Equipment	172,269	109,500	-	-	281,769	247,572	34,197
DPW Transfer Station Equipment	20,865	-	-	-	20,865	-	20,865
DPW Cap Improv - Buildings	105,091	35,000	-	6,650	146,741	61,783	84,958
Bridge On Hop River Road	67,000	46,000	-	-	113,000	-	113,000
HWP Floor Replacement/Repair	4,459	5,000	-	-	9,459	-	9,459
HWP Security Project	8,989	(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	1,259	5,000	-	-	6,259	-	6,259
HWP Painting	-	10,000	-	-	10,000	-	10,000
Emergency Generator	46,889	-	-	-	46,889	46,223	666
HWP All-Weather Track	-	10,000	-	-	10,000	1,931	8,069
Hazardous Tree Removal/Trim	12,017	100,000	-	-	112,017	110,292	1,725
Pucker St Bridge / Rose Bridge Road	4,718	-	-	-	4,718	-	4,718
Senior Center Furnishings	5,289	4,500	-	-	9,789	3,815	5,974
Village Hill Road Bridge	1,962	-	-	-	1,962	-	1,962
CVFD Capital Projects	474,999	-	-	165,000	639,999	637,524	2,475
Total Reserve for Active Projects	<u>1,584,578</u>	<u>799,511</u>	<u>-</u>	<u>197,150</u>	<u>2,581,239</u>	<u>1,592,957</u>	<u>988,282</u>
Designated for Future Projects:							
Land Acquisition	<u>103,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,351</u>	<u>2,350</u>	<u>101,001</u>
Total Designated for Future Projects	<u>103,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,351</u>	<u>2,350</u>	<u>101,001</u>
Total Capital and Non-Recurring	<u>\$ 1,687,929</u>	<u>\$ 799,511</u>	<u>\$ -</u>	<u>\$ 197,150</u>	<u>\$ 2,684,590</u>	<u>\$ 1,595,307</u>	<u>\$ 1,089,283</u>

See accountant's report.

Compliance
Reports and
Supplementary
Schedules

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

To the 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, 2021, 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 January 19, 2022.

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
January 19, 2022

**INDEPENDENT AUDITORS' 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**

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, 2021. 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, 2021.

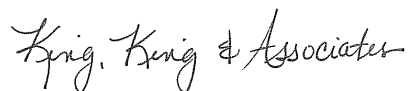
Report on Internal Control over Compliance

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
January 19, 2022

Town of Columbia
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2021

<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	\$ 2,451
Talent Development	11000-SDE64370-12552	430
Department of Children and Families		
Youth Service Bureau	11000-DCF91141-17052	14,189
Youth Service Bureau Enhancement	11000-DCF91141-17107	5,668
Department of Energy and Environmental Protection		
Recreation and Natural Heritage Trust	17161-DEP43153-43656	1,666
Judicial Department		
Public Acts	34001-JUD95162-40001	1,110
Connecticut State Library		
Historic Preservation	12060-CSL66094-35150	5,500
Office of Policy and Management		
State Owned Property	11000-OPM20600-17005	3,666
Veteran's Exemptions	11000-OPM20600-17024	3,520
Tax Relief for Disabled	11000-OPM20600-17011	545
Municipal Grants-in-aid	12052-OPM20600-43587	26,763
Department of Transportation		
Town Aid Road-Municipal	12052-DOT57131-43455	114,504
Town Aid Road-STO	13033-DOT57131-43459	114,504
Total State Financial Assistance before exempt programs		<u>\$ 294,516</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	2,259,707
Excess Cost Student Based and Equity	11000-SDE64000-17047	48,448
Total Exempt Programs		<u>2,341,405</u>
Total State Financial Assistance		<u>\$ 2,635,921</u>

See notes to schedule.

TOWN OF COLUMBIA, CT
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2021

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, 2021. 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, 2021

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, 2021 and issued our unmodified report thereon dated January 19, 2022.

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-Municipal	12052-DOT57131-43455	114,504
Town Aid Road-STO	13033-DOT57131-43459	114,504

Dollar threshold used to distinguish between type A and type B programs \$ 100,000

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated January 19, 2022, 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.