

TOWN OF COLUMBIA
Audited Financial Statements
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June 30, 2017

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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, 2017, 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, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Columbia, CT's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 10, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements of the governmental activities, each major fund, and the aggregate remaining fund information from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 4–11 and 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

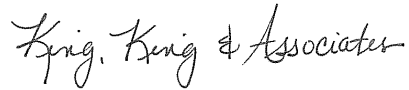
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Columbia, CT's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of the Town of Columbia, CT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Columbia, CT's internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, CT
December 28, 2017

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2017

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, 2017.

Financial Highlights

- The assets of the Town of Columbia, CT exceeded its liabilities at the close of the most recent fiscal year by \$20,350,903 (*net position*). Of this amount, \$4,784,505 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position is \$490,630. \$198,115 is restricted for the Brand Memorial Trust, \$204,898 is restricted for Town Aid Road, \$4,081 is restricted for D.A.R.E. Education, \$1,542 is restricted for Historic Document Preservation, \$26,011 is restricted for Land Protection, \$1,038 is restricted for Education Grants, \$8,348 is restricted for Social Service's Needs, and \$46,597 is restricted for Small Cities Housing Rehabilitation. The remainder of the government's net position is invested in capital assets.
- As of the close of the current fiscal year, the Town of Columbia, CT's governmental funds reported combined ending fund balances of \$5,204,218, a decrease of \$219,111 in comparison with the prior year. The decrease is primarily attributable to the under-spending of the budgeted operating expenditures as well as the higher than budgeted revenue received by the town in property tax collection, state grant revenues and town fees. Of this amount, \$3,322,169 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 \$3,794,169 or 22% 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 is 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
June 30, 2017

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 12-13 of this report.

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

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

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

The Town of Columbia, CT maintains twenty-one (21) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The town also reports the Capital Improvement Fund as a major fund.

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

The basic governmental fund financial statements can be found on pages 14-18 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 19-20 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 21-39 of this report.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2017

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Columbia, CT, assets exceeded liabilities by \$20,350,903 at the close of the most recent fiscal year.

	2017	2016
Current and Other Assets	\$ 6,418,376	\$ 6,904,803
Capital Assets	15,690,066	15,709,370
Total Assets	<u>\$ 22,108,442</u>	<u>\$ 22,614,173</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Other Liabilities	\$ 903,368	\$ 1,317,173
Long-Term Liabilities Outstanding	854,171	1,013,526
Total Liabilities	<u>1,757,539</u>	<u>2,330,699</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Position:		
Net Investment in Capital Assets	15,075,768	14,910,193
Restricted	490,630	455,930
Unrestricted	4,784,505	4,917,351
Total Net Position	<u><u>\$ 20,350,903</u></u>	<u><u>\$ 20,283,474</u></u>

74% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

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

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

At the end of the current fiscal year, the Town of Columbia, CT is able to report that all categories of net position increased by \$67,429 during this fiscal year. This increase is primarily attributable to the under spending of the operating budget expenditures, additional unbudgeted revenue and a higher-than-budgeted property tax collection rate.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2017

Revenues:	2017	2016
<i>General Revenues:</i>		
Property Taxes	\$ 13,268,538	\$ 12,867,585
Unrestricted Investment Income	42,487	20,242
Grants and Contributions	69,655	69,905
Other Income	66,483	35,047
Loss on Disposal	(2,743)	-
<i>Program Revenues:</i>		
Charges for Services	399,312	451,700
Operating Grants and Contributions	5,012,694	4,504,920
Capital Grants and Contributions	209,495	670,125
Total Revenues	19,065,921	18,619,524
Expenses:		
<i>Governmental Activities:</i>		
General Government	1,624,953	1,504,305
Health and Human Services	178,673	171,438
Public Safety	556,427	519,640
Public Works	1,162,576	1,236,451
Building and Development Services	188,769	201,351
Recreation	539,263	527,830
Education	14,711,581	14,076,606
Interest on Long-term Debt	36,250	43,500
Total Expenses	18,998,492	18,281,121
Change in Net Position	67,429	338,403
Beginning Net Position	20,283,474	19,945,071
Ending Net Position	\$ 20,350,903	\$ 20,283,474

Governmental activities. Governmental activities increased the Town of Columbia, CT's net position by \$67,429.

Key elements of the activities are as follows:

- Sixty-nine percent (69%) 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 Thirty percent (30%) from program revenues.

Major revenue factors included:

- The Town received the following grant funds, which were an unbudgeted source of revenue for FY 2016-2017:

STEAP Library Expansion Phase II Reimbursement	\$ 31,695
STEAP Grant-Pucker St Bridge	\$ 9,083
State Library Grant	\$ 125,966
- The Town collected a surplus in the following budgeted revenue lines:

\$ 445 in Zoning Permit Fees

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- \$ 2,470 in Pistol Permit Fees
- \$ 6,125 in Real Estate Conveyance Fees
- \$ 14,292 in Bldg. Mech. Septic Permit Fees
- \$ 895 in Court Fines
- \$ 11,509 in Beach Use and Concession Fees
- \$ 694 in Photocopy Fees
- \$ 16,640 in Transfer Station Sticker Fees
- \$ 30,963 in Interest on Investments
- \$ 4,732 in Miscellaneous Revenue

- The Town collected a surplus of \$238,379 in property taxes (current, outstanding, delinquent, interest, etc.).
- The State of Connecticut granted the Town \$11,230 less in the Education Equalization Grant (ECS aid to towns) and \$33,285 less in school transportation expenses than what was locally budgeted.

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 Land Acquisition -- \$86,605
 - Road Resurfacing -- \$190,099
 - DPW Capital Equipment -- \$79,507
 - DPW Capital Improvements to Town Buildings -- \$43,966
 - Szedga Farm Development Rights -- \$39,879
 - CVFD Equipment -- \$23,828
 - Replace Playscape -- \$100,000
 - Library Phase 3 -- \$309,099
 - HWP Café Bleacher/Storage -- \$23,632
 - HWP Potable water Booster Pump-- \$18,074
- Decrease in the Town's 2016-2017 debt service payments by \$7,250 from 2015-2016. Debt service payments will continue to reduce each year until final payment in June 2021.
- Increase in the Town's allocation to the 2016-2017 Board of Education by \$243,331 from the final 2015-2016 Town's allocation where the town allocated an additional \$400,000 in that year to cover a projected deficit in the Board of Education budget.
- As of June 30, 2017, the Columbia Board of Education has excess funds in its budget totaling \$51,271. Those funds were returned to the Town's General fund and were not added to the Board of Education's Non-lapsing Account that was established in the 2015-2016 year.
- The Columbia Board of Education looked within the 2016-2017 budget and used funds from other expenditures lines to cover the under-budgeting in other lines: Non-Certified Salaries (\$80,423), Substitute salaries (\$91,319), Repairs and Maintenance (\$26,829), Regular Education Tuition (\$66,554) and Equipment (\$20,403). The savings shown in various lines were used to cover the projected budget deficit due to unanticipated staff leaves, unanticipated building projects and increases in the tuition line due to additional students who entered the district at the high school level. Also, with a projected excess in various lines, the Board of Education was also able to purchase needed equipment for the classrooms and for technology.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2017

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town of Columbia, CT's governmental funds reported combined ending fund balances of \$5,204,218, a decrease of \$219,111 in comparison with the prior year. Sixty-four (64%) 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 \$3,794,169. This represents an increase of \$221,370. The increase is due to the collection of revenue at a higher than budgeted rate on the Municipal Government side as well as a lower than anticipated spending by both the Municipal Government and the Columbia Board of Education.

.As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19% percent of total General Fund expenditures.

General Fund Budgetary Highlights

- The Operating Budget of the Municipal Government was under spent by \$210,011 excluding Contingency and Debt Service. In addition, the Municipal Government ending the year with \$5,146 in year end encumbrances for open expenditures to the 2016-2017 fiscal year.
- The Operating Budget of the Board of Education was spent in accordance with the adopted budget and was under spent by \$51,271. The excess funds were returned to the Town's General Fund and were not added to the Board of Education's Non-Lapsing Account. In addition to the funds returned to the Town, there were also \$34,990 in encumbrances at year end for any open projects and expenditures for Horace W. Porter School that applied to the 2016-2017 fiscal year.
- During the 2016-2017 Fiscal Year, \$41,848 was approved and transferred from Contingency to fund various lines in the Town's operating budget that needed additional funding that was brought to the Town's attention during the Fiscal Year including but not limited to \$28,093 for staff 2016-2017 salaries, \$5,917 for additional costs above budget for the Library Expansion Project, and \$7,838 for Public Works and Facilities Repair and Maintenance items at the library.
- With Town Meeting approvals in 2016-2017, the Town transferred \$90,000 from the General Fund to cover the cost of a town land acquisition next to the Transfer Station as well as to transfer \$15,000 to the Capital Reserves Fund to cover the cost to repair the Columbia Volunteer Fire Department driveway and also purchase a new dishwasher at the Beckish Senior Center. An additional \$5,917 was approved in 2016-2017 to be transferred to the Capital Reserves Fund to cover additional cost above budget for the Library Expansion Project. In addition, Town Meetings approved a transfer within the Capital Reserve Fund to

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2017

cover the cost of a potable water booster pump replacement at Horace Porter School as well as fund a new Capital Project account named Preliminary Design & Cost Estimates.

- The Town collected taxes at a higher-than-budgeted collection rate.

Capital Asset and Debt Administration

Capital assets. The Town of Columbia, CT's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$15,690,066 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

	2017	2016
Land and Infrastructure	\$ 3,214,328	\$ 3,123,749
Construction in Progress	221,833	1,074,297
Buildings and Improvements	11,128,782	10,384,564
Vehicles	673,418	773,260
Machinery and equipment	451,705	353,500
Total	\$ 15,690,066	\$ 15,709,370

Additional information on the Town of Columbia, CT's capital assets can be found in Note 4 on page 30 of this report.

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

- Funding for Road Resurfacing - \$190,099
- Funding for Town Land Acquisition - \$86,605
- Preliminary Design & Cost Estimates for Future Capital Projects - \$21,400
- Preliminary Work for Beach Improvements - \$5,997
- Funding for Revaluation - \$32,368
- Funding for new equipment for Public Works - \$79,507.
- Funding for capital improvements to Town Buildings - \$43,966.
- Funding for the continuing payments for the Szegda Property Development Rights - \$39,879.
- Funding for Replacement of Playscapes at Recreation Park and Horace W. Porter School - \$100,000
- Funding for the Horace W. Porter Storage Project - \$23,632
- Funding for Horace W. Porter School Water Potable Booster Pump - \$18,074
- Funding for CVFD SCBA Replacement - \$23,828.
- Funding for the Library Expansion Project - \$309,099.

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Management's Discussion and Analysis
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Long-term debt.

At the end of the current fiscal year the Town had a total outstanding note payable and bonded debt of \$614,298. Of this amount, 91% comprises debt backed by the full faith and credit of the government.

The Town's total debt decreased \$159,591 or 13% during the current fiscal year. This decrease is attributable to the payment of the annual bond principal.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$89,968,417, which is significantly in excess of the Town's outstanding general obligation debt.

The Town of Columbia, CT has the following obligations:

	<u>2017</u>	<u>2016</u>
General Obligation Bonds	\$ 580,000	\$ 725,000
Note Payable	34,298	74,177
Other Post-Employment Benefits	285,400	260,900
Other Obligations	<u>154,819</u>	<u>154,031</u>
Total	<u>\$ 1,054,517</u>	<u>\$ 1,214,108</u>

Additional information on the Town of Columbia, CT's long-term debt can be found in Note 6 on pages 32-33 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 2016-2017 and beyond. It is expected that revenues for fiscal year 2016-2017 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.

These factors were considered in preparing the Town of Columbia, CT's budget for the 2017-2018 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, 2017 and 2016

	Primary Government	
	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,816,290	\$ 5,207,563
State and federal grants receivable	25,447	1,271,856
Property taxes receivable	401,862	257,656
Interest receivable	89,301	49,743
Other receivables	10,459	6,853
Prepaid expenses	18,154	37,306
Inventories	7,249	7,674
Total current assets	<u>6,368,762</u>	<u>6,838,651</u>
Noncurrent assets:		
State and federal grants receivable	49,614	66,152
Capital assets:		
Nondepreciable	2,047,186	2,813,045
Depreciable assets, net of depreciation	<u>13,642,880</u>	<u>12,896,325</u>
Total assets	<u>\$ 22,108,442</u>	<u>\$ 22,614,173</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 93,174	\$ 457,726
Accrued expenses	585,153	628,460
Other payables	3,147	3,402
Deferred revenue	21,548	27,003
Notes and bonds payable	-	164,879
Long-term obligations	<u>200,346</u>	<u>35,703</u>
Total current liabilities	<u>903,368</u>	<u>1,317,173</u>
Non-current liabilities:		
Notes and bonds payable	449,419	634,298
Other long-term obligations	<u>404,752</u>	<u>379,228</u>
Total liabilities	<u>1,757,539</u>	<u>2,330,699</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net position		
Net investment in capital assets	15,075,768	14,910,193
Restricted for Brand memorial trust	198,115	218,244
Restricted for town aid road	204,898	204,945
Restricted	87,617	32,741
Unrestricted	<u>4,784,505</u>	<u>4,917,351</u>
Total net position	<u>\$ 20,350,903</u>	<u>\$ 20,283,474</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, 2017
(With Comparative Totals for June 30, 2016)

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>	Primary government	
					<u>2017</u>	<u>2016</u>
Primary government:						
Governmental activities						
General government	\$ 1,624,953	\$ 80,664	\$ 115,761	\$ -	\$ (1,428,528)	\$ (1,406,453)
Health and human services	178,673	1,732	6,816	-	(170,125)	(164,599)
Public safety	556,427	6,797	1,533	-	(548,097)	(508,397)
Public works	1,162,576	76,022	232,226	40,778	(813,550)	(736,083)
Building and development services	188,769	79,752	-	-	(109,017)	(111,368)
Recreation	539,263	78,049	5,547	-	(455,667)	(448,588)
Education	14,711,581	76,296	4,650,811	168,717	(9,815,757)	(9,235,388)
Interest on long-term debt	36,250	-	-	-	(36,250)	(43,500)
Total governmental activities	<u>18,998,492</u>	<u>399,312</u>	<u>5,012,694</u>	<u>209,495</u>	<u>(13,376,991)</u>	<u>(12,654,376)</u>
Total primary government	<u>\$ 18,998,492</u>	<u>\$ 399,312</u>	<u>\$ 5,012,694</u>	<u>\$ 209,495</u>	<u>(13,376,991)</u>	<u>(12,654,376)</u>
General revenues:						
Property taxes levied for general purposes					13,268,538	12,867,585
Grants not restricted to specific purpose					69,655	69,905
Unrestricted Investment income					42,487	20,242
Other Income					66,483	35,047
Loss on Disposal					(2,743)	-
Total general revenues					<u>13,444,420</u>	<u>12,992,779</u>
Change in net position					67,429	338,403
Net position - beginning					<u>20,283,474</u>	<u>19,945,071</u>
Net position - ending					<u>\$20,350,903</u>	<u>\$20,283,474</u>

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

TOWN OF COLUMBIA
 Balance Sheet
 Governmental Funds
 June 30, 2017
 (With Comparative Totals for June 30, 2016)

	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Totals	
				2017	2016
Assets:					
Cash and cash equivalents	\$ 4,815,391	\$ 718,021	\$ 282,878	\$ 5,816,290	\$ 5,207,563
State and federal grants receivable	1,659	-	7,250	8,909	1,255,318
Other receivables	10,454	-	5	10,459	6,853
Interfund receivables	5	-	396,223	396,228	381,141
Property taxes receivable, net	401,862	-	-	401,862	257,656
Prepaid expenses	17,898	-	256	18,154	37,306
Inventories	-	-	7,249	7,249	7,674
Total assets	<u>\$ 5,247,269</u>	<u>\$ 718,021</u>	<u>\$ 693,861</u>	<u>\$ 6,659,151</u>	<u>\$ 7,153,511</u>
Liabilities:					
Accounts payable	\$ 92,249	\$ -	\$ 925	\$ 93,174	\$ 457,726
Accrued expenses	576,452	-	8,701	585,153	628,460
Deferred revenue	14,595	-	6,953	21,548	27,003
Interfund payables	396,223	-	5	396,228	381,141
Due to State of CT	-	-	3,147	3,147	3,402
Total liabilities	<u>1,079,519</u>	<u>-</u>	<u>19,731</u>	<u>1,099,250</u>	<u>1,497,732</u>
Deferred Inflows of Resources:					
Deferred Taxes	355,683	-	-	355,683	232,450
Total Deferred Inflows of Resources	<u>355,683</u>	<u>-</u>	<u>-</u>	<u>355,683</u>	<u>232,450</u>
Fund Balances:					
Nonspendable:					
Inventories	-	-	7,249	7,249	7,674
Board of Selectman-Prepaid expenses	11,931	-	-	11,931	16,570
Board of Education-Prepaid expenses	5,967	-	-	5,967	20,586
D.A.R.E Education	-	-	50	50	50
Recreation Activities Fund	-	-	41	41	100
Restricted:					
D.A.R.E Education	-	-	4,081	4,081	4,081
Town Aid Road	-	-	204,898	204,898	204,945
Historic Document Preservation Fund	-	-	1,542	1,542	827
Land Protection Fund	-	-	26,011	26,011	16,213
Education Grants Fund	-	-	1,038	1,038	2,056
Social Services Needs Fund	-	-	8,348	8,348	7,005
Brand Memorial Trust	-	-	198,115	198,115	218,244
STIF-Nutmeg Network	-	-	-	-	528
Small Cities Housing Rehabilitation	-	-	46,597	46,597	2,031
Committed (See Note 9)	-	711,990	176,160	888,150	1,342,745
Assigned:					
Subsequent Year's Budget	472,000	-	-	472,000	400,000
Reserve for Capital	-	6,031	-	6,031	6,875
Unassigned:	3,322,169	-	-	3,322,169	3,172,799
Total fund balances	<u>3,812,067</u>	<u>718,021</u>	<u>674,130</u>	<u>5,204,218</u>	<u>5,423,329</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,247,269</u>	<u>\$ 718,021</u>	<u>\$ 693,861</u>	<u>\$ 6,659,151</u>	<u>\$ 7,153,511</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, 2017

Fund balances reported in governmental funds Balance Sheet. \$ 5,204,218

**Amounts reported for governmental activities in the government- wide
Statement of Net Position are different because:**

The governmental fund Balance Sheet includes revenues that will only be available to pay current period liabilities. Adjustments are necessary to accrue receivables for all earned revenues.

<i>Grants</i>	66,152
<i>Interest on taxes</i>	89,301

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

<i>Capital Assets</i>	28,341,223
<i>Depreciation</i>	(12,651,157)

Deferred revenue for property taxes and grants are reported in the funds but accrued as revenue in the government-wide statements and added to net position.

<i>Property Taxes</i>	355,683
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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>	(70,343)
<i>Compensated Absences</i>	(82,248)
<i>General Obligation Bonds</i>	(580,000)
<i>Notes Payable</i>	(34,298)
<i>Post-Closure Landfill Costs</i>	(2,228)
<i>Other Postemployment Benefits</i>	<u>(285,400)</u>

Net position of governmental activities. \$ 20,350,903

TOWN OF COLUMBIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017
(With Comparative Totals for June 30, 2016)

	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Totals	
				2017	2016
Revenues					
Taxes	\$ 13,105,747	\$ -	\$ -	\$ 13,105,747	\$ 12,871,153
Licenses, fees, and permits	296,766	-	102,546	399,312	451,700
Intergovernmental revenue	4,206,672	-	465,339	4,672,011	5,311,834
Contributions	-	-	9,972	9,972	5,480
Other revenues	20,277	-	46,206	66,483	35,047
Investment earnings	33,963	7,216	1,308	42,487	20,242
Total revenues	<u>17,663,425</u>	<u>7,216</u>	<u>625,371</u>	<u>18,296,012</u>	<u>18,695,456</u>
Expenditures					
Current:					
General government	1,405,639	-	30,650	1,436,289	1,340,676
Health and human services	167,805	-	4,674	172,479	171,438
Public safety	401,632	-	11,494	413,126	393,921
Public works	839,788	-	-	839,788	819,950
Building and development services	188,769	-	-	188,769	201,351
Recreation	485,734	-	33,622	519,356	508,674
Education	13,464,827	-	298,317	13,763,144	13,753,733
Debt service	181,250	-	-	181,250	188,500
Capital expenditures	-	1,000,922	-	1,000,922	1,724,415
Total expenditures	<u>17,135,444</u>	<u>1,000,922</u>	<u>378,757</u>	<u>18,515,123</u>	<u>19,102,658</u>
Excess/(deficiency) of revenues over expenditures	527,981	(993,706)	246,614	(219,111)	(407,202)
Other Financing sources/(Uses)					
Transfers in	11,044	532,423	10,000	553,467	1,358,690
Transfers out	(336,913)	-	(216,554)	(553,467)	(1,358,690)
Total other financing sources/(uses)	<u>(325,869)</u>	<u>532,423</u>	<u>(206,554)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	202,112	(461,283)	40,060	(219,111)	(407,202)
Fund balances - beginning	<u>3,609,955</u>	<u>1,179,304</u>	<u>634,070</u>	<u>5,423,329</u>	<u>5,830,531</u>
Fund balances - ending	<u>\$ 3,812,067</u>	<u>\$ 718,021</u>	<u>\$ 674,130</u>	<u>\$ 5,204,218</u>	<u>\$ 5,423,329</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, 2017

Net change in fund balances - total governmental funds. \$ (219,111)

**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>	733,703
<i>Depreciation expense</i>	(750,264)

In the statement of activities, only the loss on the disposal of capital assets is reported. Thus the change in net position differs from the change in fund balance by this loss (2,743)

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. 162,791

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>	39,879
<i>Post-closure landfill costs</i>	1,717

Some grants provide current financial resources to governmental funds, but reduce grant receivables in the Statement of Net Position. This is the amount of current economic resources reclassified as a balance sheet adjustment. (16,538)

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>	(1,434)
<i>Compensated Absences</i>	(1,071)
<i>Other Postemployment Benefits</i>	<u>(24,500)</u>

Change in net position of governmental activities. \$ 67,429

TOWN OF COLUMBIA
 Budgetary Comparison Statement
 General Fund
 For the Year Ended June 30, 2017

	Budgeted amounts		Actual Amounts Budgetary Basis	Over (Under)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 12,867,368	\$ 12,867,368	\$ 13,105,747	\$ 238,379
Licenses, fees, and permits	124,200	124,200	143,383	19,183
Intergovernmental revenue	3,169,648	3,169,648	3,208,127	38,479
Charges for services	15,800	15,800	19,388	3,588
Other revenues	142,750	142,750	201,491	58,741
Transfers in	31,256	31,256	11,044	(20,212)
Appropriated from Surplus	400,000	490,000	-	(490,000)
Total revenues	<u>16,751,022</u>	<u>16,841,022</u>	<u>16,689,180</u>	<u>(151,842)</u>
Expenditures				
Current:				
General government	1,502,115	1,506,546	1,402,233	(104,313)
Health and human services	193,708	178,615	170,165	(8,450)
Public safety	415,396	424,775	401,632	(23,143)
Public works	863,404	877,602	842,364	(35,238)
Building and development services	205,087	213,577	188,769	(24,808)
Recreation	500,269	499,795	485,734	(14,061)
Education	12,565,797	12,565,797	12,514,528	(51,269)
Contingency	98,000	56,152	-	(56,152)
Fund Transfers	225,996	336,913	336,913	-
Debt service	181,250	181,250	181,250	-
Total expenditures	<u>16,751,022</u>	<u>16,841,022</u>	<u>16,523,588</u>	<u>(317,434)</u>
Surplus/(deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,592</u>	<u>\$ (469,276)</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, 2017
(With Comparative Totals for June 30, 2016)

	Pension <u>Trust Fund</u>	Private-Purpose <u>Trust Funds</u>	Agency <u>Funds</u>	<u>Totals</u>	
				<u>2017</u>	<u>2016</u>
Assets					
Cash and cash equivalents	\$ -	\$ 14,110	\$ 68,208	\$ 82,318	\$ 129,281
Investments	<u>1,349,490</u>	<u>-</u>	<u>-</u>	<u>1,349,490</u>	<u>1,210,169</u>
Total assets	<u>\$ 1,349,490</u>	<u>\$ 14,110</u>	<u>\$ 68,208</u>	<u>\$1,431,808</u>	<u>\$1,339,450</u>
Deferred Outflows of Resources					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Fiduciary deposits	<u>-</u>	<u>-</u>	<u>68,208</u>	<u>68,208</u>	<u>72,292</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>68,208</u>	<u>68,208</u>	<u>72,292</u>
Deferred Inflows of Resources					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position					
Restricted for Pension Benefits	1,349,490	-	-	1,349,490	1,210,169
Held in trust for scholarships and other purposes	<u>-</u>	<u>14,110</u>	<u>-</u>	<u>14,110</u>	<u>56,989</u>
Total net position	<u>\$ 1,349,490</u>	<u>\$ 14,110</u>	<u>\$ -</u>	<u>\$1,363,600</u>	<u>\$1,267,158</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, 2017 and 2016

	Pension	Private-Purpose	Totals	
	<u>Trust Fund</u>	<u>Trust Funds</u>	<u>2017</u>	<u>2016</u>
Additions				
Contributions	\$ 92,819	\$ 725	\$ 93,544	\$ 88,489
Investment earnings	66,879	447	67,326	17,780
	<u>159,698</u>	<u>1,172</u>	<u>160,870</u>	<u>106,269</u>
Deductions				
Pension Distributions	20,243	-	20,243	72,178
Other expenses	134	42,817	42,951	1,951
Scholarships	-	1,234	1,234	1,155
	<u>20,377</u>	<u>44,051</u>	<u>64,428</u>	<u>75,284</u>
Change in net position	139,321	(42,879)	96,442	30,985
Net position - beginning	<u>1,210,169</u>	<u>56,989</u>	<u>1,267,158</u>	<u>1,236,173</u>
Net position - ending	<u>\$ 1,349,490</u>	<u>\$ 14,110</u>	<u>\$ 1,363,600</u>	<u>\$ 1,267,158</u>

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

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

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

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

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

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

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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

Additionally, the government reports the following fiduciary fund types:

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

Agency Funds account for monies held as a custodian for outside groups and agencies.

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, 2017 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.

TOWN OF COLUMBIA
Notes to the Financial Statements

Fair Value of Financial Instruments

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

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

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

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

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

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

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

Inventories - All materials and supplies are recorded as expenditures in the year purchased, except for the School Cafeteria which records ending food supplies at cost.

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

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

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

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

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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

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

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

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

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

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

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

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

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

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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

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

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

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

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

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

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

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

Review for Subsequent Events

In preparing these financial statements, management has evaluated subsequent events through December 28, 2017, which represents the date that these statements were available to be issued.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information and Accounting

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

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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

Encumbrances

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

Budgetary/GAAP Reconciliation

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>	<u>Change</u>
Balance, Budgetary Basis	\$ 16,689,180	\$ (16,523,588)	\$ -	\$ 165,592
Revenue adjustments for:				
CT Teacher's Retirement	985,289	-	-	985,289
Transfers In	(11,044)	-	11,044	-
Expenditure adjustments for:				
CT Teacher's Retirement	-	(985,289)	-	(985,289)
Encumbrances & Other Expenses	-	36,520	-	36,520
Transfers Out	-	336,913	(336,913)	-
Balance, GAAP Basis	<u>\$ 17,663,425</u>	<u>\$ (17,135,444)</u>	<u>\$ (325,869)</u>	<u>\$ 202,112</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

On the budgetary basis, the expenditures include \$40,136 of encumbrances.

Excess of Expenditures over Appropriations

No departments exceeded budget appropriations for the year ended June 30, 2017.

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

The deposits of public funds are controlled by the Connecticut General Statutes. The following is a summary of cash and cash equivalents at June 30, 2017 and 2016:

	Total	
	2017	2016
Demand Accounts	\$ 1,220,817	\$ 1,142,801
Total Deposits	1,220,817	1,142,801
Short Term Investment Fund	4,672,365	4,194,043
Total Cash Equivalents	4,672,365	4,194,043
Total Cash and Cash Equivalents	\$ 5,893,182	\$ 5,336,844

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. At year-end, the Town's carrying amount of deposits was \$1,220,817 and the bank balance was \$1,450,362. Of the bank balance, Federal Depository Insurance Corporation insured \$490,316.

TOWN OF COLUMBIA
Notes to the Financial Statements

As of June 30, 2017, \$960,046 of the Town's bank balance of \$1,450,362 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 839,041
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	121,005
Total	\$ 960,046

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

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

		Investment Maturities	
		Less Than 1 yr.	1-5 yrs.
Cash Equivalents	\$ 969,439	\$ 969,439	\$ -
Bond Funds	1,356	N/A	N/A
Mutual Funds	127,257	N/A	N/A
Equities	251,438	N/A	N/A
Total Investments	\$ 1,349,490	\$ 969,439	\$ -

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, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 969,439	\$ 969,439	\$ -	\$ -
Bond Funds	1,356	1,356	-	-
Mutual Funds	127,257	127,257	-	-
Equities	251,438	251,438	-	-
Total	\$ 1,349,490	\$ 1,349,490	\$ -	\$ -

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	\$ 1,074,297	\$ 56,654	\$ 909,118	\$ 221,833
Land	1,834,083	86,605	-	1,920,688
Total capital assets, not being depreciated	<u>2,908,380</u>	<u>143,259</u>	<u>909,118</u>	<u>2,142,521</u>
Capital assets, being depreciated:				
Buildings & Improvements	19,333,608	1,267,867	-	20,601,475
Land Improvements	635,188	79,133	15,000	699,321
Infrastructure	1,404,641	-	-	1,404,641
Furniture & Fixtures	18,700	-	-	18,700
Vehicles	2,332,228	-	-	2,332,228
Machinery	1,019,696	152,563	29,922	1,142,337
Total capital assets being depreciated	<u>24,744,061</u>	<u>1,499,563</u>	<u>44,922</u>	<u>26,198,702</u>
Less accumulated depreciation for:				
Buildings & Improvements	8,949,044	523,649	-	9,472,693
Land Improvements	324,208	22,227	12,257	334,178
Infrastructure	425,955	50,189	-	476,144
Furniture & Fixtures	18,700	-	-	18,700
Vehicles	1,558,968	99,842	-	1,658,810
Machinery	666,196	54,358	29,922	690,632
Total accumulated depreciation	<u>11,943,071</u>	<u>750,265</u>	<u>42,179</u>	<u>12,651,157</u>
Total capital assets, being depreciated, net	<u>12,800,990</u>	<u>749,298</u>	<u>2,743</u>	<u>13,547,545</u>
Governmental activities capital assets, net	<u>\$ 15,709,370</u>	<u>\$ 892,557</u>	<u>\$ 911,861</u>	<u>\$ 15,690,066</u>

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

	<u>2017</u>	<u>2016</u>
Governmental Activities:		
General Government	\$ 122,133	\$ 98,954
Public Works	121,310	117,216
Public Safety	119,473	125,719
Recreation	19,907	19,156
Education	<u>367,442</u>	<u>355,076</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 750,265</u>	<u>\$ 716,121</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

Construction Commitments

The Town has active construction projects as of June 30, 2017. The projects include bridge repairs, parking lot configuration, building storage project and building upgrades and/or improvements. At year-end, the Town's commitments are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Hop River Road Bridge	7,184	220,000
Beach Area Improvements	13,630	111,369
Pucker Street Bridge	155,106	4,894
Latham Hill Bridge	881	75,000
Porter Parking Lot	5,400	-
HWP Café Bleacher/Storage Project	23,632	46,368
Public Works Facility Upgrade	10,400	-
Old CVFD Firehouse	5,600	87,100
	<u>\$ 221,833</u>	<u>\$ 544,731</u>

NOTE 5 – INTERFUND ACCOUNTS

At June 30, 2017, interfund balances were as follows:

<u>Due to:</u>	<u>Due from:</u>			<u>Total</u>	
	<u>General Fund</u>	<u>Reserve for Capital and Nonrecurring Expenditures</u>	<u>Nonmajor Funds</u>	<u>2017</u>	<u>2016</u>
General Fund	\$ -	\$ -	\$ 5	\$ 5	\$ -
Reserve for Capital and Nonrecurring Expenditures	-	-	-	-	-
Nonmajor Funds	396,223	-	-	396,223	381,141
	<u>\$ 396,223</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 396,228</u>	<u>\$ 381,141</u>

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

Interfund Transfers for the year are summarized below:

<u>Transfers From and Purpose</u>	<u>Reserve for Capital</u>			<u>Total</u>	
	<u>General Fund</u>	<u>Non-Recurring Expenditures</u>	<u>Nonmajor Funds</u>	<u>2017</u>	<u>2016</u>
<u>General Fund</u>					
<i>Budgeted expenditure to fund future projects</i>	\$ -	\$ 326,913	\$ 10,000	\$ 336,913	\$ 1,109,346
<u>Nonmajor Funds</u>					
<i>Transfer of Contributed Funds & Grant Funds</i>	11,044	205,510	-	216,554	249,344
	<u>\$ 11,044</u>	<u>\$ 532,423</u>	<u>\$ 10,000</u>	<u>\$ 553,467</u>	<u>\$ 1,358,690</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 6 – LONG-TERM OBLIGATIONS

Long-Term Obligation Activity

An amount of \$190,384 from the General Fund was utilized to finance current year debt service requirements. Of this amount, \$36,250 was related to interest expense.

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

As of June 30, 2017, the outstanding note payable and long-term bond obligations of the Town were as follows:

General obligation bond issue of \$2,950,000, dated 6/15/01, due 6/15/21; annual principal payments plus semi-annual interest payments at 4.0%-6.0%	\$ 580,000
Note Payable stated at \$198,790, approved in 2013, due 1/15/22; annual principal payments with no interest	<u>34,298</u>
Total Long-Term Note and Bond Obligations	<u>\$ 614,298</u>

Changes in long-term obligations for the year ended June 30, 2017, 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	\$ 725,000	\$ -	\$ 145,000	\$ 580,000	\$ 145,000
Note Payable	74,177	-	39,879	34,298	19,879
Post Closure Landfill Costs	3,945	-	1,717	2,228	1,717
OPEB Obligation	260,900	24,500	-	285,400	-
Compensated Absences	81,177	1,071	-	82,248	19,041
Accumulated Sick Time	68,909	1,434	-	70,343	14,709
	<u>\$ 1,214,108</u>	<u>\$ 27,005</u>	<u>\$ 186,596</u>	<u>\$ 1,054,517</u>	<u>\$ 200,346</u>

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2017 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2018	164,879	29,000
2019	159,419	21,750
2020	145,000	14,500
2021	145,000	7,250
	<u>\$ 614,298</u>	<u>\$ 72,500</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

Landfill Closure

State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site for thirty years after the closure date. The Town has recognized the remaining estimated postclosure care costs of \$2,467 in the Government-Wide financial statements. Current year expenditures of \$1,717 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. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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. A teacher that meets the criterion must apply to the Superintendent for consideration. The Board of Education reserves the rights to limit the number of applications accepted and to reject applications.

Starting with the current certified staff contract effective July 1, 2011, certified teachers who notify the superintendent of their retirement by February 1 of last year of service shall receive \$50 for every accrued unused sick leave day as long as the teacher has maintained a minimum of 150 days accrued sick leave days and has not drawn from the sick leave bank in the last year of service. The maximum payout is limited to 173 school days. The liability is not accrued as the number of retirements are not known.

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS

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.45 prospectively. The plan currently includes 101 active employees, 4 retirees, and 2 spouses of a retirees as of June 30, 2017.

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.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB (other post employment benefit) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of not to exceed thirty years. The following table presents the components of the Town's annual OPEB cost for the year, the amount contributed to the plan (an implicit contribution), and changes in the Town's net OPEB obligation.

	<u>July 1, 2016</u>
Annual required contribution (ARC)	\$ 54,300
Interest on Net OPEB obligation	9,800
Adjustment to ARC	<u>(14,100)</u>
Annual OPEB cost (expenses)	50,000
Contributions made	<u>25,500</u>
Increase in net OPEB obligation	24,500
Net OPEB obligation-beginning of year	<u>260,900</u>
Net OPEB obligation-end of year	<u>\$ 285,400</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three fiscal years is as follows:

Fiscal Year	Annual	Percentage of	Net OPEB
<u>Ended</u>	<u>OPEB Cost</u>	<u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Obligation</u>
2015	57,700	40.0%	237,400
2016	49,900	53.0%	260,900
2017	50,000	51.0%	285,400

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation includes, for example, assumptions about future employment, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, will present, in time, multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in

TOWN OF COLUMBIA
Notes to the Financial Statements

actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations

In the July 1, 2015 actuarial valuation, the Entry Age Normal Actuarial Cost Method as a level percentage of pay was applied. The actuarial assumptions included a 3.75 percent discount rate. The valuation assumed an annual healthcare cost trend rate of eight percent for 2015, decreasing .05% per year, to an ultimate rate of 5% for 2021. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The UAAL is being amortized each year over a constant 30-year period, as a level dollar amount.

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, or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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 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

TOWN OF COLUMBIA
Notes to the Financial Statements

Employees:

Each teacher is required to contribute 6.00% of salary for the pension benefit.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, 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	\$	14,386,846
Total	\$	<u>14,386,846</u>

The net pension liability was measured as of June 30, 2016, 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, 2017 the Town has no proportionate share of the net pension liability. For the year ended June 30, 2017, the Town recognized benefits expense and contribution revenue of \$985,289 in the governmental funds for on-behalf amounts for the benefits provided by the state. In the Government-wide financial statements, the town recognized \$1,568,937 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010.

Future Cost-of-Living increases for members who retire prior to September 1, 1992 are assumed to receive an annual cost-of-living adjustment of 2%.

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

TOWN OF COLUMBIA
Notes to the Financial Statements

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. Equities	21.00%	5.8%
Developed non-U.S. Equities	18.00%	6.6%
Emerging Markets (non-U.S.)	9.00%	8.3%
Core Fixed Income	7.00%	1.3%
Inflation linked Bond Funds	3.00%	1.0%
Emerging Market Bond	5.00%	3.7%
High-yield Bonds	5.00%	3.9%
Real Estate	7.00%	5.1%
Private Equity	11.00%	7.6%
Alternative Investments	8.00%	4.1%
Liquidity Fund	<u>6.00%</u>	0.4%
Total	<u>100%</u>	

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

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

Board of Education Non-Certified Retirement

All non-certified Board of Education employees who have completed one year of service are eligible to participate in an employer matching contribution 403(b) tax sheltered annuity plan. During the fiscal year ended 2013 the plan was amended to also include Administrative employees. The Board of Education makes a 6% contribution for non-certified and administrative employees, based on the employee's date of eligibility. Employer contributions for the current year totaled \$33,412.

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 22 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.

TOWN OF COLUMBIA
Notes to the Financial Statements

Employer contributions for the fiscal year ended June 30, 2017 totaled \$79,921. The contribution is calculated on compensation paid for the calendar year, as reportable on Form W-2. The 2017 covered payroll is \$1,141,722. 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, 2017, there were 35 plan members. A provision has been included to allow pre-tax employee contributions up to 100% of compensation, subject to IRS dollar limits of \$18,000 for 2016-2017. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$6,000 in 2016-2017. Income accumulates tax-free until distribution from the plan. The Town's required 3% contribution was \$33,438. Employee contributions for 2016-2017 totaled \$81,583. 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.

NOTE 9 – FUND BALANCE ASSIGNMENTS

The components of committed fund balance for the governmental funds at June 30, 2017 are as follows:

Fund balances:	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Total	2016
Committed to:				
Reserve for Capital	\$ 711,990	\$ -	\$ 711,990	\$ 1,172,429
Dog Fund	-	7,217	7,217	6,771
Cafeteria Fund	-	1,976	1,976	337
Land Acquisition Fund	-	2,792	2,792	2,775
Szegda Farm	-	1,697	1,697	1,651
Senior Center Fund	-	2,856	2,856	3,484
Compensated Absences Reserve	-	19,079	19,079	19,079
Memorial Fund	-	792	792	792
Recreation Fields Rental Fund	-	7,136	7,136	5,438
Recreation Activities Fund	-	31,912	31,912	29,281
Agricultural Fund	-	708	708	708
Education Non Lapsing Fund	-	100,000	100,000	100,000
Total Committed	<u>\$ 711,990</u>	<u>\$ 176,165</u>	<u>\$ 888,155</u>	<u>\$ 1,342,745</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 10 – GASB PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- GASB Statement 75 – *Accounting and Financial Reporting for Postemployment Benefits (OPEB) Other than Pensions* – This Statement establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements (thereby jointly referred to as trusts) and applies to all governments whose employees are provided with OPEB. The requirements of this Statement are effective for fiscal years beginning after June 15, 2017.
- GASB No. Statement 82 – *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73* – This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of Payments made by employers to satisfy employee (plan member) contribution requirements. The pronouncement is effective for fiscal years beginning after June 15, 2016.
- GASB Statement No. 83 – *Certain Asset Retirement Obligations* – this Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations. The pronouncement is effective for fiscal years beginning after June 15, 2018.
- GASB Statement No. 84 – *Fiduciary Activities* – establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The pronouncement is effective for fiscal years beginning after December 15, 2018.
- GASB Statement No. 85 – *Omnibus 2017* – This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement an application, and postemployment benefits (pensions and other postemployment benefits other than pensions - OPEB). The pronouncement is effective for fiscal years beginning after June 15, 2017.

TOWN OF COLUMBIA
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability and Schedule of Contributions
 June 30, 2017

Schedule of Proportionate Share of Net Pension Liability

	<u>2017</u>	<u>2016</u>
Town's proportion of the net pension liability	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	<u>14,386,846</u>	<u>11,682,199</u>
Total	<u>\$14,386,846</u>	<u>\$ 11,682,199</u>
Town's covered-employee payroll	<u>\$ 5,077,981</u>	<u>\$ 4,059,834</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered -employee payroll.	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>	<u>0.00%</u>

See accountant's report.

TOWN OF COLUMBIA
 State Teacher's Retirement System
 Note to Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability
 Year-ended June 30, 2017

Change of benefit terms	None
Changes of assumptions	In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted more closely to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.
Actuarial Cost Method	Entry Age
Amortization Period	Level percent of salary, closed
Remaining Amortization Period	22.4 years
Asset Valuation Method	4 year smoothed market
Inflation	3.00%
Salary Increases	3.75%-7.00% average, including inflation
Investment Rate of Return	8.50%, net of pension plan investment expense, including inflation

TOWN OF COLUMBIA
Schedule of Funding Progress
June 30, 2017

TOWN OF COLUMBIA POST-EMPLOYMENT HEALTH INSURANCE BENEFITS

Actuarial Valuation Date	(1) Actuarial Value of Assets Available For Benefits	(2) Actuarial Accrued Liability- Aggregate Actuarial Cost Method	(3) Funded Ratio <u>(1) / (2)</u>	(4) Unfunded Actuarial Accrued Liability <u>(2) - (1)</u>	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll <u>(4) / (5)</u>
July 1, 2015	\$ -	\$ 568,600	0.0%	\$ 568,600	\$5,911,700	9.6%
July 1, 2012	\$ -	\$ 615,600	0.0%	\$ 615,600	\$5,925,600	10.4%
* July 1, 2009	\$ -	\$ 682,500	0.0%	\$ 682,500	\$6,310,300	10.8%

* Implementation of GASB 45

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Revenues				
Taxes				
Property Taxes	\$ 12,740,268	\$ 12,740,268	\$ 12,964,997	\$ 224,729
Property Taxes - Prior Years	76,000	76,000	83,432	7,432
Interest and Lien Fees	51,100	51,100	57,318	6,218
Total Taxes	<u>12,867,368</u>	<u>12,867,368</u>	<u>13,105,747</u>	<u>238,379</u>
Licenses, Fees, and Permits				
Real Estate Conveyance Fees	40,000	40,000	46,125	6,125
Building, Machine, and Septic Fees	55,000	55,000	69,292	14,292
Zoning Permit Fees	1,700	1,700	2,145	445
Recording Fees	25,000	25,000	20,851	(4,149)
Pistol Permit Fees	2,500	2,500	4,970	2,470
Total Licenses, Fees, and Permits	<u>124,200</u>	<u>124,200</u>	<u>143,383</u>	<u>19,183</u>
Intergovernmental Revenue				
Homeland Security Grant	2,500	2,500	1,533	(967)
Education Equalization Grant	2,563,727	2,563,727	2,552,497	(11,230)
Special Education Grant	300,000	300,000	285,716	(14,284)
School Transportation Grant	33,285	33,285	-	(33,285)
School Construction Bond Payment	7,200	7,200	7,199	(1)
Circuit Breaker Elderly Tax Relief	32,000	32,000	33,500	1,500
Disabled Persons Tax Grant	800	800	603	(197)
Veterans Relief	2,700	2,700	2,368	(332)
PILOT - State Property	168	168	167	(1)
PILOT - Pequot	19,813	19,813	19,761	(52)
State Shared Revenue	26,763	26,763	26,763	-
Library Expansion Phase II Reimbursment	-	-	125,966	125,966
Municipal Revenue Sharing	140,999	140,999	111,276	(29,723)
STEAP	-	-	40,778	40,778
LOCIP	39,693	39,693	-	(39,693)
Total Intergovernmental Revenues	<u>3,169,648</u>	<u>3,169,648</u>	<u>3,208,127</u>	<u>38,479</u>
Charges for Services				
Notary Fees	300	300	269	(31)
Photocopy Fees	5,300	5,300	5,994	694
Planning and Zoning Commission Fees	2,500	2,500	925	(1,575)
Zoning Board of Appeals Fees	1,500	1,500	3,875	2,375
Inland/Wetland Fees	3,000	3,000	3,515	515
Town Clerk Fees	3,200	3,200	4,810	1,610
Total Charges for Services	<u>\$ 15,800</u>	<u>\$ 15,800</u>	<u>\$ 19,388</u>	<u>\$ 3,588</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Other Revenues				
Interest on Investments	\$ 3,000	\$ 3,000	\$ 33,963	\$ 30,963
Passport Fees	1,200	1,200	1,900	700
Facilities Rental	2,000	2,000	2,650	650
Boat Mooring Fees	500	500	1,000	500
Beach Use and Concession Fees	22,000	22,000	33,509	11,509
Transfer Station Fees	25,000	25,000	24,584	(416)
Transfer Station Sticker Fees	25,000	25,000	41,640	16,640
Preschool	38,000	38,000	31,176	(6,824)
State Fees- Land Use Dept	200	200	186	(14)
Bid and Spec. Fees	700	700	-	(700)
Senior Center Van Services	1,150	1,150	-	(1,150)
Telephone Access Grant	12,000	12,000	13,256	1,256
Miscellaneous	10,000	10,000	14,732	4,732
Court Fines	2,000	2,000	2,895	895
Total Other Revenues	<u>142,750</u>	<u>142,750</u>	<u>201,491</u>	<u>58,741</u>
Other Sources				
Transfers In:				
Mary B Yeomans Trust	21,256	21,256	-	(21,256)
Recreation	10,000	10,000	11,044	1,044
Appropriated from Surplus	400,000	490,000	-	(490,000)
Total Other Sources	<u>431,256</u>	<u>521,256</u>	<u>11,044</u>	<u>(510,212)</u>
Total Revenues	<u>16,751,022</u>	<u>16,841,022</u>	<u>16,689,180</u>	<u>(151,842)</u>
Expenditures				
General Government				
Town Meeting	2,225	2,833	2,833	-
Executive and Administrative	806,072	799,880	756,671	(43,209)
Information Technology	25,077	28,077	26,025	(2,052)
Old Firehouse Building	1,915	3,265	2,387	(878)
Chapel on The Green	1,350	2,550	2,340	(210)
Meeting House	3,090	3,465	2,740	(725)
Judicial and Legal	65,000	65,000	55,324	(9,676)
Registration and Election	34,764	35,202	23,888	(11,314)
Assessment	136,807	138,516	122,523	(15,993)
Tax Collection	90,704	91,965	88,412	(3,553)
Public Records	105,233	106,771	98,600	(8,171)
Financial and Planning Allocation	20,325	20,325	19,723	(602)
Finance Department	208,853	207,997	200,529	(7,468)
Tax Review Services	700	700	238	(462)
Total General Government	<u>\$ 1,502,115</u>	<u>\$ 1,506,546</u>	<u>\$ 1,402,233</u>	<u>\$ (104,313)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2017

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Health and Human Services				
Health Care and Inspection	\$ 28,440	\$ 28,450	\$ 28,450	\$ -
Social Services	9,150	9,450	9,192	(258)
Drug and Alcohol Abuse Prevention	1,372	1,372	1,372	-
Elderly Services	36,555	20,180	14,917	(5,263)
Senior Center	76,551	77,523	76,571	(952)
Youth Services	41,640	41,640	39,663	(1,977)
Total Health and Human Services	<u>193,708</u>	<u>178,615</u>	<u>170,165</u>	<u>(8,450)</u>
Public Safety				
Police Protection	151,000	151,000	135,225	(15,775)
Fire Fighting and Emergency Services	225,341	225,341	221,813	(3,528)
Fire Prevention Services	25,587	25,702	23,950	(1,752)
Emergency Director	3,303	3,357	3,115	(242)
Lake Management Services	10,165	19,375	17,529	(1,846)
Total Public Safety	<u>415,396</u>	<u>424,775</u>	<u>401,632</u>	<u>(23,143)</u>
Public Works				
Public Works	670,253	685,573	668,331	(17,242)
Waste Disposal	180,151	179,304	162,803	(16,501)
Street Lighting	13,000	12,725	11,230	(1,495)
Total Public Works	<u>863,404</u>	<u>877,602</u>	<u>842,364</u>	<u>(35,238)</u>
Building and Development Services				
Planning and Zoning Commission	73,551	80,027	66,081	(13,946)
Inland/Wetland Commission	20,284	20,214	18,482	(1,732)
Building Services	38,285	38,285	37,309	(976)
Conservation Commission	1,630	1,630	185	(1,445)
Zoning Appeals Services	2,130	4,055	3,650	(405)
Building Appeal Services	140	140	-	(140)
Land Use Department	69,067	69,226	63,062	(6,164)
Total Buildings and Development	<u>205,087</u>	<u>213,577</u>	<u>188,769</u>	<u>(24,808)</u>
Recreation				
Public Celebrations	5,700	5,700	5,122	(578)
Library Services	381,690	383,671	383,670	(1)
Lake Management Advisory	5,250	5,250	3,078	(2,172)
Beach Services	39,496	40,438	34,185	(6,253)
Recreation Area Operations	5,496	5,496	3,587	(1,909)
Recreation	62,637	59,240	56,092	(3,148)
Total Recreation	<u>500,269</u>	<u>499,795</u>	<u>485,734</u>	<u>(14,061)</u>
Total General Government Expenditures	<u>\$ 3,679,979</u>	<u>\$ 3,700,910</u>	<u>\$ 3,490,897</u>	<u>\$ (210,013)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2017

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Education				
Certified Salaries	\$ 4,294,223	\$ 4,187,108	\$ 4,165,833	\$ (21,275)
Non-Certified Salaries	782,490	912,148	912,148	-
Anthem Blue Cross/Blue Shield	1,067,644	991,267	985,024	(6,243)
Life Insurance	6,925	6,925	6,184	(741)
Social Security	48,000	62,165	62,165	-
Medicare	63,000	68,707	68,707	-
Unemployment	26,600	26,600	23,425	(3,175)
Workers' Compensation	61,425	62,500	62,500	-
Other Benefit Fund	46,927	40,134	38,445	(1,689)
Professional Services	8,000	4,573	-	(4,573)
Board of Education Services	20,000	24,868	24,868	-
Instructional Improvement/Pupil Services	5,913	11,264	11,264	-
Professional/Technical Services	158,617	121,293	121,293	-
Technical Services	94,723	104,986	104,986	-
Water/Sewage	6,422	7,104	7,104	-
Sanitary Refuse	8,980	7,329	7,190	(139)
Snow Plowing	24,000	21,600	21,600	-
Repairs/Maintenance	36,095	62,924	62,924	-
Rentals	24,475	25,450	25,351	(99)
Student Transportation	858,756	803,470	793,697	(9,773)
Property Insurance	40,795	40,224	40,224	-
Telephone	8,300	9,555	9,555	-
Postage	4,300	3,925	3,925	-
Advertising	300	251	-	(251)
Tuition	4,541,401	4,604,803	4,604,803	-
Travel	5,395	4,675	4,342	(333)
Supplies	73,958	80,569	80,569	-
Maintenance and Custodial Supplies	16,480	16,502	16,502	-
Electricity	79,510	83,616	83,616	-
Propane Gas	5,000	5,000	4,643	(357)
Heating Oil	44,520	44,520	41,942	(2,578)
Diesel	28,800	25,025	25,025	-
Software	30,570	34,275	34,256	(19)
Textbooks/Ancillary Materials	10,955	11,024	11,024	-
Library Books	3,200	3,131	3,107	(24)
Periodicals/Magazines	4,260	6,577	6,577	-
Equipment	6,065	26,468	26,468	-
Dues/Fees	18,773	13,242	13,242	-
Total Board of Education Expenditures	\$ 12,565,797	\$ 12,565,797	\$ 12,514,528	(51,269)

See accountant's report.

TOWN OF COLUMBIA
 Schedule of Revenues and Expenditures - Budget and Actual
 General Fund
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Miscellaneous				
Debt Service	\$ 181,250	\$ 181,250	\$ 181,250	\$ -
Contingency	98,000	56,152	-	(56,152)
Reserve for Capital Projects	215,996	326,913	326,913	-
Dog Fund	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total Miscellaneous	<u>505,246</u>	<u>574,315</u>	<u>518,163</u>	<u>(56,152)</u>
Total Expenditures	<u>16,751,022</u>	<u>16,841,022</u>	<u>16,523,588</u>	<u>(317,434)</u>
Surplus/(Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,592</u>	<u>\$ 165,592</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2017

	Special Revenue Funds						
	Dog Fund	Cafeteria Fund	D.A.R.E. Education	Town Aid Road Fund	Open Space Acquisition	Historic Document Preservation Fund	Szegda Farm
Assets							
Cash and cash equivalents	\$ 10,531	\$ 3,530	\$ 4,081	\$ -	\$ 2,792	\$ -	\$ -
State and federal grants receivable	-	7,250	-	-	-	-	-
Other receivables	-	5	-	-	-	-	-
Interfund receivables	-	-	-	204,898	-	1,542	1,697
Prepaid Expense	-	-	50	-	-	-	-
Inventories	-	7,249	-	-	-	-	-
Total assets	<u>\$ 10,531</u>	<u>\$ 18,034</u>	<u>\$ 4,131</u>	<u>\$ 204,898</u>	<u>\$ 2,792</u>	<u>\$ 1,542</u>	<u>\$ 1,697</u>
Liabilities and fund balances							
Liabilities:							
Accounts Payable	\$ 167	\$ 108	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	8,701	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Interfund payables	-	5	-	-	-	-	-
Due to State of CT	3,147	-	-	-	-	-	-
Total liabilities	<u>3,314</u>	<u>8,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	7,249	50	-	-	-	-
Restricted	-	-	4,081	204,898	-	1,542	-
Committed	7,217	1,971	-	-	2,792	-	1,697
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>7,217</u>	<u>9,220</u>	<u>4,131</u>	<u>204,898</u>	<u>2,792</u>	<u>1,542</u>	<u>1,697</u>
Total liabilities and fund balances	<u>\$ 10,531</u>	<u>\$ 18,034</u>	<u>\$ 4,131</u>	<u>\$ 204,898</u>	<u>\$ 2,792</u>	<u>\$ 1,542</u>	<u>\$ 1,697</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2017

	Special Revenue Funds					
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Compensated Absences Reserve Fund	Memorial Fund	Recreation Fields Rental Fund
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 1,038	\$ -	\$ -	\$ 7,786
State and federal grants receivable	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Interfund receivables	2,691	26,011	-	19,079	792	-
Prepaid Expense	165	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 2,856</u>	<u>\$ 26,011</u>	<u>\$ 1,038</u>	<u>\$ 19,079</u>	<u>\$ 792</u>	<u>\$ 7,786</u>
Liabilities and fund balances						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650
Accrued expenses	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-
Due to State of CT	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	26,011	1,038	-	-	-
Committed	2,856	-	-	19,079	792	7,136
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>2,856</u>	<u>26,011</u>	<u>1,038</u>	<u>19,079</u>	<u>792</u>	<u>7,136</u>
Total liabilities and fund balances	<u>\$ 2,856</u>	<u>\$ 26,011</u>	<u>\$ 1,038</u>	<u>\$ 19,079</u>	<u>\$ 792</u>	<u>\$ 7,786</u>

See accountant's report.

TOWN OF COLUMBIA
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2017

	Special Revenue Funds						
	Recreation Activities Fund	Social Services Needs Fund	Agricultural Fund	Brand Memorial Trust	Education Non Lapsing Fund	Small Cities Housing Rehabilitation	Total
Assets							
Cash and cash equivalents	\$ 60	\$ 8,348	\$ -	\$ 198,115	\$ -	\$ 46,597	\$ 282,878
State and federal grants receivable	-	-	-	-	-	-	7,250
Other receivables	-	-	-	-	-	-	5
Interfund receivables	38,805	-	708	-	100,000	-	396,223
Prepaid Expense	41	-	-	-	-	-	256
Inventories	-	-	-	-	-	-	7,249
Total assets	<u>\$ 38,906</u>	<u>\$ 8,348</u>	<u>\$ 708</u>	<u>\$ 198,115</u>	<u>\$ 100,000</u>	<u>\$ 46,597</u>	<u>\$ 693,861</u>
Liabilities and fund balances							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 925
Accrued expenses	-	-	-	-	-	-	8,701
Unearned revenue	6,953	-	-	-	-	-	6,953
Interfund payables	-	-	-	-	-	-	5
Due to State of CT	-	-	-	-	-	-	3,147
Total liabilities	<u>6,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,731</u>
Fund balances:							
Nonspendable	41	-	-	-	-	-	7,340
Restricted	-	8,348	-	198,115	-	46,597	490,630
Committed	31,912	-	708	-	100,000	-	176,160
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>31,953</u>	<u>8,348</u>	<u>708</u>	<u>198,115</u>	<u>100,000</u>	<u>46,597</u>	<u>674,130</u>
Total liabilities and fund balances	<u>\$ 38,906</u>	<u>\$ 8,348</u>	<u>\$ 708</u>	<u>\$ 198,115</u>	<u>\$ 100,000</u>	<u>\$ 46,597</u>	<u>\$ 693,861</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, 2017

	Special Revenue Funds						
	<u>Dog Fund</u>	<u>Cafeteria Fund</u>	<u>D.A.R.E. Education</u>	<u>Town Aid Road Fund</u>	<u>Open Space Acquisition</u>	<u>Historic Document Preservation Fund</u>	<u>Szedga Farm</u>
Revenues							
Licenses, fees, and permits	\$ 1,827	\$ 45,120	\$ -	\$ -	\$ -	\$ 715	\$ -
Intergovernmental	-	77,145	2,876	205,463	-	4,000	-
Contributions	-	-	-	-	-	-	485
Other revenues	50	388	-	-	-	-	1,202
Investment earnings	63	-	-	-	17	-	-
Total revenues	<u>1,940</u>	<u>122,653</u>	<u>2,876</u>	<u>205,463</u>	<u>17</u>	<u>4,715</u>	<u>1,687</u>
Expenditures							
Current							
General government	-	-	-	-	-	4,000	1,641
Health and human services	-	-	2,876	-	-	-	-
Public safety	11,494	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Education	-	121,444	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Total expenditures	<u>11,494</u>	<u>121,444</u>	<u>2,876</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>1,641</u>
Excess (deficiency) of revenues over expenditures	(9,554)	1,209	-	205,463	17	715	46
Other financing sources (Uses)							
Transfers in	10,000	-	-	-	-	-	-
Transfers out	-	-	-	(205,510)	-	-	-
Total other financing sources	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>(205,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	446	1,209	-	(47)	17	715	46
Fund balances - beginning	<u>6,771</u>	<u>8,011</u>	<u>4,131</u>	<u>204,945</u>	<u>2,775</u>	<u>827</u>	<u>1,651</u>
Fund balances - ending	<u>\$ 7,217</u>	<u>\$ 9,220</u>	<u>\$ 4,131</u>	<u>\$ 204,898</u>	<u>\$ 2,792</u>	<u>\$ 1,542</u>	<u>\$ 1,697</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, 2017

	Special Revenue Funds					
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Compensated Absences Reserve Fund	Memorial Fund	Recreation Fields Rental Fund
Revenues						
Licenses, fees, and permits	\$ 1,732	\$ 9,798	\$ -	\$ -	\$ -	\$ 1,800
Intergovernmental	-	-	175,855	-	-	-
Contributions	800	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	35
Total revenues	<u>2,532</u>	<u>9,798</u>	<u>175,855</u>	<u>-</u>	<u>-</u>	<u>1,835</u>
Expenditures						
Current						
General government	3,160	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Recreation	-	-	-	-	-	137
Education	-	-	176,873	-	-	-
Capital expenditures	-	-	-	-	-	-
Total expenditures	<u>3,160</u>	<u>-</u>	<u>176,873</u>	<u>-</u>	<u>-</u>	<u>137</u>
Excess (deficiency) of revenues over expenditures	(628)	9,798	(1,018)	-	-	1,698
Other financing sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(628)	9,798	(1,018)	-	-	1,698
Fund balances - beginning	<u>3,484</u>	<u>16,213</u>	<u>2,056</u>	<u>19,079</u>	<u>792</u>	<u>5,438</u>
Fund balances - ending	<u>\$ 2,856</u>	<u>\$ 26,011</u>	<u>\$ 1,038</u>	<u>\$ 19,079</u>	<u>\$ 792</u>	<u>\$ 7,136</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, 2017

	Special Revenue Funds							
	Recreation Activities Fund	Social Services Needs Funds	Agricultural Fund	Brand Memorial Trust	STIF- Nutmeg Network	Education Non Lapsing Fund	Small Cities Housing Rehabilitation	Total
Revenues								
Licenses, fees, and permits	\$ 41,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,546
Intergovernmental	-	-	-	-	-	-	-	465,339
Contributions	5,547	3,140	-	-	-	-	-	9,972
Other revenues	-	-	-	-	-	-	44,566	46,206
Investment earnings	-	1	-	1,191	1	-	-	1,308
Total revenues	<u>47,101</u>	<u>3,141</u>	<u>-</u>	<u>1,191</u>	<u>1</u>	<u>-</u>	<u>44,566</u>	<u>625,371</u>
Expenditures								
Current								
General government	-	-	-	21,320	529	-	-	30,650
Health and human services	-	1,798	-	-	-	-	-	4,674
Public safety	-	-	-	-	-	-	-	11,494
Recreation	33,485	-	-	-	-	-	-	33,622
Education	-	-	-	-	-	-	-	298,317
Capital expenditures	-	-	-	-	-	-	-	-
Total expenditures	<u>33,485</u>	<u>1,798</u>	<u>-</u>	<u>21,320</u>	<u>529</u>	<u>-</u>	<u>-</u>	<u>378,757</u>
Excess (deficiency) of revenues over expenditures	13,616	1,343	-	(20,129)	(528)	-	44,566	246,614
Other financing sources (Uses)								
Transfers in	-	-	-	-	-	-	-	10,000
Transfers out	(11,044)	-	-	-	-	-	-	(216,554)
Total other financing sources	<u>(11,044)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(206,554)</u>
Net change in fund balances	2,572	1,343	-	(20,129)	(528)	-	44,566	40,060
Fund balances - beginning	<u>29,381</u>	<u>7,005</u>	<u>708</u>	<u>218,244</u>	<u>528</u>	<u>100,000</u>	<u>2,031</u>	<u>634,070</u>
Fund balances - ending	<u>\$ 31,953</u>	<u>\$ 8,348</u>	<u>\$ 708</u>	<u>\$ 198,115</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 46,597</u>	<u>\$ 674,130</u>

See accountant's report.

TOWN OF COLUMBIA
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2017

	Private-Purpose Trust Funds					Agency Funds		
	Kathy Mattesich Memorial Fund	Dennis Harvey Memorial Fund	Scholarship Funds	Cemetery Funds	School Trust Fund	Performance Bonds	Student Activity Funds	Total
Assets								
Cash and cash equivalents	\$ 3,497	\$ 1,971	\$ 7,316	\$ 930	\$ 396	\$ 59,483	\$ 8,725	\$ 82,318
Total assets	<u>\$ 3,497</u>	<u>\$ 1,971</u>	<u>\$ 7,316</u>	<u>\$ 930</u>	<u>\$ 396</u>	<u>\$ 59,483</u>	<u>\$ 8,725</u>	<u>\$ 82,318</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiduciary deposits	-	-	-	-	-	59,483	8,725	68,208
Due to General Fund	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,483</u>	<u>8,725</u>	<u>68,208</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position								
Held in trust for scholarships and other purposes	3,497	1,971	7,316	930	396	-	-	14,110
Total net position	<u>\$ 3,497</u>	<u>\$ 1,971</u>	<u>\$ 7,316</u>	<u>\$ 930</u>	<u>\$ 396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,110</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, 2017

	Private-Purpose Trust Funds							
	Margaret Danehy Memorial <u>Fund</u>	Kathy Mattesich Memorial <u>Fund</u>	Dennis Harvey Memorial <u>Fund</u>	Scholarship Funds	Cemetery Funds	School Trust <u>Fund</u>	Bell Mem. Trust	<u>Total</u>
Additions								
Contributions	\$ -	\$ 225	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 725
Investment earnings	393	-	1	4	-	-	49	447
Total additions	<u>393</u>	<u>225</u>	<u>501</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>49</u>	<u>1,172</u>
Deductions								
Other Expenses	-	-	-	-	-	-	42,817	42,817
Scholarships	-	200	200	834	-	-	-	1,234
Total deductions	<u>-</u>	<u>200</u>	<u>200</u>	<u>834</u>	<u>-</u>	<u>-</u>	<u>42,817</u>	<u>44,051</u>
Other financing sources (Uses)								
Transfers in	-	-	-	2,508	-	-	-	2,508
Transfers out	(2,508)	-	-	-	-	-	-	(2,508)
Total other financing sources	<u>(2,508)</u>	<u>-</u>	<u>-</u>	<u>2,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(2,115)	25	301	1,678	-	-	(42,768)	(42,879)
Net position - beginning as restated	<u>2,115</u>	<u>3,472</u>	<u>1,670</u>	<u>5,638</u>	<u>930</u>	<u>396</u>	<u>42,768</u>	<u>56,989</u>
Net position - ending	<u>\$ -</u>	<u>\$ 3,497</u>	<u>\$ 1,971</u>	<u>\$ 7,316</u>	<u>\$ 930</u>	<u>\$ 396</u>	<u>\$ -</u>	<u>\$ 14,110</u>

See accountant's report.

TOWN OF COLUMBIA
 Fiduciary Funds - Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
Performance bonds				
<i>Assets</i>				
Cash	\$ 59,386	\$ 27,419	\$ 27,322	\$ 59,483
Total assets	<u>59,386</u>	<u>27,419</u>	<u>27,322</u>	<u>59,483</u>
<i>Liabilities</i>				
Fiduciary deposits	59,386	27,419	27,322	59,483
Total liabilities	<u>\$ 59,386</u>	<u>\$ 27,419</u>	<u>\$ 27,322</u>	<u>\$ 59,483</u>
Student activity fund				
<i>Assets</i>				
Cash	\$ 12,906	\$ 63,714	\$ 67,895	\$ 8,725
Total assets	<u>12,906</u>	<u>63,714</u>	<u>67,895</u>	<u>8,725</u>
<i>Liabilities</i>				
Fiduciary deposits	12,906	63,714	67,895	8,725
Total liabilities	<u>\$ 12,906</u>	<u>\$ 63,714</u>	<u>\$ 67,895</u>	<u>\$ 8,725</u>
Total agency funds				
<i>Assets</i>				
Cash	\$ 72,292	\$ 91,133	\$ 95,217	\$ 68,208
Total assets	<u>72,292</u>	<u>91,133</u>	<u>95,217</u>	<u>68,208</u>
<i>Liabilities</i>				
Fiduciary deposits	72,292	91,133	95,217	68,208
Total liabilities	<u>\$ 72,292</u>	<u>\$ 91,133</u>	<u>\$ 95,217</u>	<u>\$ 68,208</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Property Taxes Levied, Collected, and Outstanding
For The Year Ended June 30, 2017

List of <u>10/1:</u>	Outstanding <u>July 1, 2016</u>	Current <u>Levy</u>	<u>Lawful Corrections</u>		Collectible <u>Taxes</u>	Receipt of <u>Taxes</u>	Receipt of Interest and Liens	Total <u>Receipts</u>	Transfers to <u>Suspense</u>	Outstanding <u>June 30, 2017</u>
			<u>Additions</u>	<u>Deductions</u>						
2015		\$ 13,191,021	\$ 30,302	\$ 40,727	\$ 13,180,596	\$ 12,964,997	\$ 38,606	\$ 13,003,603	\$ -	\$ 215,599
2014	159,058	-	4,095	3,411	159,742	45,672	10,375	56,047	-	114,070
2013	49,512	-	3,965	2,089	51,388	10,750	4,622	15,372	-	40,638
2012	24,679	-	-	2	24,677	2,661	1,252	3,913	12,202	9,814
2011	5,942	-	-	-	5,942	844	772	1,616	-	5,098
2010	2,675	-	-	-	2,675	-	-	-	-	2,675
2009	3,000	-	-	-	3,000	-	-	-	-	3,000
2008	4,012	-	-	-	4,012	1,012	314	1,326	-	3,000
2007	3,119	-	-	-	3,119	811	284	1,095	-	2,308
2006	5,659	-	-	-	5,659	-	-	-	-	5,659
	\$ 257,656	\$ 13,191,021	\$ 38,362	\$ 46,229	\$ 13,440,810	13,026,747	56,225	13,082,972	\$ 12,202	\$ 401,861
<i>Net Grand List- October 1, 2015: \$482,918,949</i>					Suspense collections	709	1,095	1,804		
<i>Tax Rate: 27.44 mills</i>					Total collections	\$ 13,027,456	\$ 57,320	\$ 13,084,776		

See accountant's report.

TOWN OF COLUMBIA
 Ten Largest Taxpayers
 For the Year Ended June 30, 2017

<u>Name</u>	<u>Assessed Value</u>	<u>Net Taxable Grand List*</u>
Connecticut Light and Power Co	\$ 12,976,830	2.69%
DNB LLC	2,412,500	0.50%
Columbia Manufacturing Inc	2,269,030	0.47%
Angelides, Michael J & Susan H	1,828,100	0.38%
Tourgate Realty Inc	1,456,800	0.30%
Albany Road Columbia Storage LLC	1,215,280	0.25%
OSWA LLC	1,147,800	0.24%
Englert, Alice M Trustee	1,033,400	0.21%
Kasica, Gene	995,930	0.21%
Wile, Andrew S	982,500	0.20%

* - Based on Net Taxable Grand List 10/1/15: \$482,918,949
 Source: Assessor's Office, Town of Columbia

TOWN OF COLUMBIA
Schedule of Debt Limitation
June 30, 2017

Total Tax Collections (Prior Year) - including interest and lien fees
Received by Treasurer \$12,819,997

Reimbursement for revenue loss on:

Tax relief for elderly (Prior Year) 32,634
Base \$12,852,631

Debt limitation:	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
2 1/4 times base	\$28,918,420	\$ -	\$ -	\$ -
4 1/2 times base	-	57,836,840	-	-
3 3/4 times base	-	-	48,197,366	-
3 1/4 times base	-	-	-	41,771,051
Total debt limitation	<u>28,918,420</u>	<u>57,836,840</u>	<u>48,197,366</u>	<u>41,771,051</u>

Indebtedness:

Bonds payable:	452,203	127,797	-	-
Less: State Grants Receivable	<u>-</u>	<u>(66,152)</u>	<u>-</u>	<u>-</u>
Total Indebtedness	<u>452,203</u>	<u>61,645</u>	<u>-</u>	<u>-</u>

Debt limitation in excess of
outstanding and authorized debt \$28,466,217 \$57,775,195 \$48,197,366 \$41,771,051

NOTE:

In no case should this total indebtedness exceed
seven times the base \$12,852,631 or \$89,968,417

TOWN OF COLUMBIA
 Schedule of Debt Disclosures
 For the Year Ended June 30, 2017

Ratio of debt to the equalized net grand list

		<u>Equalized Net Grand List</u>		<u>Ratio</u>
Direct debt	\$ 580,000	\$706,382,478	(1)	0.082%
Direct debt, net	513,848	706,382,478	(1)	0.073%

Amount of debt to per capita

		<u>2015 Population</u>		<u>Per Capita</u>
Direct debt	\$ 580,000	5,434	(1)	\$ 107
Direct debt, net	513,848	5,434	(1)	95

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 2011-2015 Municipal Fiscal Indicators

TOWN OF COLUMBIA
 Budgetary Comparison Schedule
 Reserve for Capital and Non-Recurring Expenditures
 For the Year Ended June 30, 2017

	Budget Appropriations July 1, 2016	16/17 Adopted Appropriations	16/17 Adopted Cancellations	Mid-Year Appropriations, and Transfers	Adjusted Appropriations	Current Year Expenditures	Balance Appropriated June 30, 2017
Reserved for active projects:							
Road Resurfacing	\$ 3,128	\$ 230,400	\$ -	\$ 9,000	\$ 242,528	\$ 190,100	\$ 52,428
Hennequin Road Drainage	19,207	25,000	-	-	44,207	1,326	42,881
Erdoni Road Drainage	38,000	-	-	-	38,000	-	38,000
Town Land Acquisition	-	-	-	90,000	90,000	86,605	3,395
Preliminary Design & Cost Estimates	-	-	-	25,000	25,000	21,400	3,600
Rec Area Improvement Fund	2,367	25,000	-	-	27,367	5,997	21,370
Four Year Revaluation	46,412	-	-	-	46,412	32,368	14,044
Town-wide Network/IT	3,589	10,000	-	-	13,589	3,899	9,690
DPW Capital Equipment	36,098	72,000	-	-	108,098	79,507	28,591
DPW Transfer Station Equipment	8,422	3,500	-	-	11,922	5,550	6,372
DPW Cap Improvements - Bldg	9,691	115,000	-	-	124,691	43,966	80,725
HWP Roof Replacement	13,559	(13,559)	-	-	-	-	-
R. Szedga Development Rights	74,177	-	-	-	74,177	39,879	34,298
Bridge On Hop River Road	20,816	-	-	-	20,816	-	20,816
Bridge On Baker Hill Road	198,418	(198,418)	-	-	-	-	-
HWP Floor Replacement/Repair	22,085	-	-	(20,000)	2,085	1,374	711
HWP Window Replacement/Repair	9,000	20,000	-	-	29,000	-	29,000
HWP Portable Water Storage Tank	2,270	(2,270)	-	-	-	-	-
HWP HVACV Improvements	1	(1)	-	-	-	-	-
Bridge on Latham Hill	14,119	-	-	-	14,119	-	14,119
HWP Ceiling Tile Replacement	-	12,500	-	-	12,500	-	12,500
HWP Heating System	3,661	(3,661)	-	-	-	-	-
HWP Sewage Pump Replacement	7,580	(7,580)	-	-	-	-	-
HWP Waste Area	25,000	-	-	(25,000)	-	-	-
HWP Café Bleacher/Storage	-	30,000	-	-	30,000	23,632	6,368
HWP Portable Water Booster Pump	-	-	-	20,000	20,000	18,074	1,926
Pucker St Bidge / Rose Bridge Road	10,519	-	-	-	10,519	5,625	4,894
Senior Center Furnishings	-	1,283	-	6,000	7,283	6,194	1,089
Senior Transportation Van	-	20,000	-	-	20,000	-	20,000
Senior Center Kitchen	1,283	(1,283)	-	-	-	-	-
Replace Playscape	-	100,000	-	-	100,000	100,000	-
CVFD Capital Projects	-	25,000	-	-	25,000	23,828	1,172
Beach House Renov/Murphy House	59	(59)	-	-	-	-	-
HWP Architectural Fees	4,966	(4,966)	-	-	-	-	-
Dam Hazard Mitigation	5,821	(3,321)	-	-	2,500	2,500	-
Library Expansion-Phase III	353,182	(50,000)	-	5,917	309,099	309,099	-
Total Reserve for Active Projects	<u>933,430</u>	<u>404,565</u>	<u>-</u>	<u>110,917</u>	<u>1,448,912</u>	<u>1,000,923</u>	<u>447,989</u>
Designated for Future Projects:							
Land Acquisition	264,001	-	-	-	264,001	-	264,001
Cap Proj Reserve-Future Projects	-	-	-	-	-	-	-
Total Designated for Future Projects	<u>264,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,001</u>	<u>-</u>	<u>264,001</u>
Transfer Out							
Total Capital and Non-Recurring	<u>\$ 1,197,431</u>	<u>\$ 404,565</u>	<u>\$ -</u>	<u>\$ 110,917</u>	<u>\$ 1,712,913</u>	<u>\$ 1,000,923</u>	<u>\$ 711,990</u>

See accountant's report.

Compliance
Reports and
Supplementary
Schedules

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Columbia, CT, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Columbia, CT's basic financial statements, and have issued our report thereon dated December 19, 2017.

Internal Control over Financial Reporting

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

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

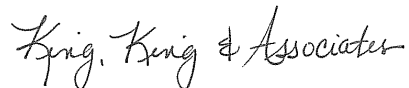
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of This Report

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



King, King & Associates, CPAs
Winsted, CT
December 28, 2017

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

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Town of Columbia, CT's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Columbia, CT's major state programs for the year ended June 30, 2017. 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, 2017.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.



King, King & Associates, CPAs
Winsted, CT
December 28, 2017

Town of Columbia
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2017

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program Identification Number</u>	<u>Expenditures</u>
Department of Economic and Community Development		
Small Town Economic Assistance Program	12052-ECD46000-42411	\$ 31,695
State Dept. of Education		
Adult Education	11000-SDE64370-17030	2,274
Child Nutrition Program - State Match	11000-SDE64370-16211	1,381
Healthy Foods Initiative	11000-SDE64370-16212	2,799
Youth Service Bureau	11000-SDE64370-17052	14,000
Youth Service Bureau Enhancement	11000-SDE64370-16201	3,300
Judicial Department		
Public Acts	34001-JUD95162-40001	2,945
Connecticut State Library		
Historic Preservation	12060-CSL66094-35150	4,000
Construction Grants to Public Libraries	12502-CSL66051-43299	124,808
Office of Policy and Management		
State Owned Property	11000-OPM20600-17004	167
Veteran's Exemptions	11000-OPM20600-17024	2,368
Elderly Exemptions	11000-OPM20600-17018	33,500
Tax Relief for Disabled	11000-OPM20600-17011	603
Municipal Grants-in-aid	12052-OPM20600-43587	26,763
Department of Transportation		
Small Town Economic Assistance Program	12052-DOT57191-40532	9,083
Town Aid Road	12502-DOT57131-43455	205,510
Total State Financial Assistance before exempt programs		<u>\$ 465,196</u>
EXEMPT PROGRAMS		
Office of Policy and Management		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	\$ 19,761
Municipal Revenue Sharing	12002-OPM20600-17102	111,276
Department of Education		
Education Cost Sharing	11000-SDE64000-17041	2,552,497
School Construction Grants - Principal	13010-DAS27636-40901	6,549
School Construction Grants - Interest	13009-DAS27636-40896	650
Excess Cost Student Based and Equity	11000-SDE64000-17047	285,716
Total Exempt Programs		<u>2,976,449</u>
Total State Financial Assistance		<u>\$ 3,441,645</u>

See notes to schedule.

TOWN OF COLUMBIA, CT
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2017

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, 2017. 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, 2017

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, 2017 and issued our unmodified report thereon dated December 28, 2017.

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:

State Grantor and Program	State Core - CT Number	Expenditures
Office of Policy and Management Elderly Exemptions	11000-OPM20600-17018	\$ 33,500
Department of Transportation Town Aid Road	12052-DOT57131-43455	205,510
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 100,000</u>

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated December 28, 2017, 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.