

**TOWN OF COLUMBIA**  
**Audited Financial Statements**  
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**June 30, 2018**

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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, 2018, 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, 2018, 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.

## ***Change in Accounting Principle***

As discussed in Note 10 to the financial statements, the District adopted new accounting guidance. Governmental Accounting Standards Board Statement No. 75, Accounting and Financial reporting for Postemployment Benefits other than Pensions (OPEB), effective July 1, 2017. The net position of the District at July 1, 2017 has been restated to recognize the total OPEB liability required in implementing GASB No. 75. Our Opinion is not modified with respect to this matter.

## ***Report on Summarized Comparative Information***

We have previously audited the Town of Columbia, CT's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 28, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, 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 8, 2018, on our consideration of the Town of Columbia, CT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Columbia, CT's internal control over financial reporting and compliance.



King, King & Associates, CPAs  
Winsted, CT  
December 8, 2018

**TOWN OF COLUMBIA**  
Management's Discussion and Analysis  
June 30, 2018

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, 2018.

***Financial Highlights***

- The assets of the Town of Columbia, CT exceeded its liabilities at the close of the most recent fiscal year by \$20,244,654 (*net position*). Of this amount, \$4,795,823 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position is \$474,457. \$198,710 is restricted for the Brand Memorial Trust, \$180,935 is restricted for Town Aid Road, \$4,173 is restricted for D.A.R.E. Education, \$2,071 is restricted for Historic Document Preservation, \$30,384 is restricted for Land Protection, \$789 is restricted for Education Grants, \$8,990 is restricted for Social Service's Needs, and \$48,405 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 \$5,722,039, an increase of \$517,821 in comparison with the prior year. The increase is primarily attributable to the under-spending of the budgeted operating and capital expenditures as well as the higher than budgeted revenue received by the town in property tax collection, interest on short term investments and town fees. Of this amount, \$3,479,526 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 \$3,879,526 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 are intended to serve as an introduction to the Town of Columbia, CT's basic financial statements. The Town of Columbia, CT's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the government's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in future cash inflows (revenues) and outflows (expenditures.)

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

The government-wide financial statements can be found on pages 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 21-43 of this report.

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Management's Discussion and Analysis  
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**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 \$20,244,654 at the close of the most recent fiscal year.

	2018	2017
Current and Other Assets	\$ 6,683,491	\$ 6,418,376
Capital Assets	15,440,554	15,690,066
Total Assets	<u>\$ 22,124,045</u>	<u>\$ 22,108,442</u>
Deferred Outflows of Resources	<u>7,633</u>	<u>8,389</u>
Other Liabilities	\$ 950,182	\$ 903,368
Long-Term Liabilities Outstanding	923,230	1,086,892
Total Liabilities	<u>1,873,412</u>	<u>1,990,260</u>
Deferred Inflows of Resources	<u>13,612</u>	<u>14,960</u>
Net Position:		
Net Investment in Capital Assets	14,974,374	15,075,768
Restricted	474,457	490,630
Unrestricted	4,795,823	4,545,213
Total Net Position	<u>\$ 20,244,654</u>	<u>\$ 20,111,611</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 \$133,043 during this fiscal year. This increase is primarily attributable to the under spending of the operating budget and capital expenditures, additional unbudgeted revenue and a higher-than-budgeted property tax collection rate.

**TOWN OF COLUMBIA**  
Management's Discussion and Analysis  
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<b>Revenues:</b>	2018	2017
<i>General Revenues:</i>		
Property Taxes	\$ 14,163,071	\$ 13,268,538
Unrestricted Investment Income	107,935	42,487
Grants and Contributions	32,375	69,655
Other Income	15,930	66,483
Loss on Disposal	-	(2,743)
<i>Program Revenues:</i>		
Charges for Services	368,270	399,312
Operating Grants and Contributions	4,583,387	5,012,694
Capital Grants and Contributions	48,000	209,495
<b>Total Revenues</b>	<b>19,318,968</b>	<b>19,065,921</b>
<b>Expenses:</b>		
<i>Governmental Activities:</i>		
General Government	1,569,797	1,624,953
Health and Human Services	197,369	178,673
Public Safety	578,445	556,427
Public Works	1,200,576	1,162,576
Building and Development Services	184,849	188,769
Recreation	560,874	539,263
Education	14,865,015	14,711,581
Interest on Long-term Debt	29,000	36,250
<b>Total Expenses</b>	<b>19,185,925</b>	<b>18,998,492</b>
Change in Net Position	133,043	67,429
Beginning Net Position, As Restated	20,111,611	20,044,182
<b>Ending Net Position</b>	<b>\$ 20,244,654</b>	<b>\$ 20,111,611</b>

**Governmental activities.** Governmental activities increased the Town of Columbia, CT's net position by \$133,043.

**Key elements of the activities are as follows:**

- Seventy-three percent (73%) of the revenues of the Town were derived from property taxes, followed by less than one percent (1%) from investment and other income, followed by less than one percent (1%) from grants and contributions, and then Twenty-six percent (26%) from program revenues.

**Major revenue factors included:**

- The Town received the following grant funds, which were an unbudgeted source of revenue for FY 2017-2018:

Municipal Stabilization Grant	\$ 19,252
Municipal Grants in Aid	\$ 26,763
School Construction Grant	\$ 20,427

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- The Town collected a surplus in the following budgeted revenue lines:

- \$ 1,420 in Passport Fees
- \$ 19,567 in Real Estate Conveyance Fees
- \$ 2,008 in Town Clerk Fees
- \$ 1,550 in Boating Fees
- \$ 4,093 in Transfer Station Sticker Fees
- \$ 8,195 in Transfer Station Sticker Fees
- \$ 14,292 in Bldg. Mech. Septic Permit Fees
- \$ 525 in Zoning Board of Appeals Fees
- \$ 2,453 in Beach Use and Concession Fees
- \$ 9,336 in Preschool Tuition
- \$ 79,961 in Interest on Investments

The Town collected a surplus of \$646,850 in property taxes (current, outstanding, delinquent, interest, etc.).

- The State of Connecticut granted the Town \$324,623 less in the Education Equalization Grant (ECS aid to towns) 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:
  - HWP Window Replacement -- \$21,504
  - HWP Cafetorium Storage Project - \$12,619
  - HWP Painting Classrooms - \$10,080
  - HWP AVAYA IP System -- \$21,818
  - Beach Area Improvements-- \$130,583
  - Ford F-550 Pickup Truck -- \$59,425
  - John Deere Tractor -- \$10,263
  - Paver Box -- \$20,000
  - Annex Building Roof -- \$13,947
  - Town Hall Vinyl Siding -- \$88,797
  - Ford E350 Senior Center Van -- \$61,721
  - Flanders River Road Bridge deck -- \$60,214
  - CVFD Rescue Boat -- \$19,991
  - Town Hall LED Lighting -- \$13,570
  - Senior Center LED Lighting-- \$5,585
- Decrease in the Town's 2017-2018 debt service payments by \$7,250 from 2016-2017. Debt service payments will continue to reduce at that rate each year until final payment in June 2021.
- Increase in the Town's allocation to the 2017-2018 Board of Education by \$328,572 from the final 2016-2017 Town's allocation.
- As of June 30, 2018, the Columbia Board of Education has excess funds in its budget totaling \$279,053. Of those excess funds, \$40,000 was added to the Board of Education's Non-lapsing Account that was established in the 2015-2016 year and the balance of \$239,053 was returned to the Town's General Fund.

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- The Columbia Board of Education looked within the 2017-2018 budget and used funds from other expenditures lines to cover the under-budgeting in other lines: Substitute salaries (\$63,192), Special Education Professional Services (\$35,204), Special Education Transportation (\$68,103), Textbooks (\$8,909) and Equipment (\$19,804). The savings shown in various lines were used to cover the projected budget deficit due to unanticipated staff leaves and hiring of additional staff as well as changes in Special Education services and transportation. Also, with a projected excess in various lines, the Board of Education was able to purchase needed textbooks and curriculum material as well as classroom and technology equipment for both Regular Education and Special Education.

### **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 \$5,722,039, an increase of \$517,821 in comparison with the prior year. Sixty-one (61%) 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 \$3,879,526. This represents an increase of \$85,357. 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 20% percent of total General Fund expenditures.

### **General Fund Budgetary Highlights**

- The Operating Budget of the Municipal Government was under spent by \$248,905 excluding Contingency and Debt Service. In addition, the Municipal Government ending the year with \$0 in year end encumbrances for open expenditures to the 2017-2018 fiscal year.
- The Operating Budget of the Board of Education was spent in accordance with the adopted budget and was under spent by \$279,053. A portion of the excess funds were returned to the Town's General Fund (\$239,053) and the balance was added to the Board of Education's Non-Lapsing Account (\$40,000). In addition to the funds returned to the Town, there were also \$11,593 in encumbrances at year end for any open projects and expenditures for Horace W. Porter School that applied to the 2017-2018 fiscal year.
- During the 2017-2018 Fiscal Year, \$24,481 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: \$9,900 for tree trimming, \$6,758 for staff 2017-2018 salary adjustments and \$2,240 for new trash receptacles at the Beach.

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Management's Discussion and Analysis  
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- With Town Meeting approvals in 2017-2018, the Town made two transfers from the General Fund to the Capital Reserve Fund: \$25,000 to cover the cost of renovating the Moor's Indian School and an additional \$35,215 to cover the additional cost above budget for damage to the Flanders River Road Bridge Deck. In addition, there was a Town Meeting to approve a \$5,583 transfer from Contingency to cover the cost above budget for the Beach Renovation Project.
- 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, 2018, amounts to \$15,440,554 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

	2018	2017
Land and Infrastructure	\$ 3,331,484	\$ 3,214,328
Construction in Progress	226,922	221,833
Buildings and Improvements	10,733,085	11,128,782
Vehicles	707,274	673,418
Machinery and equipment	441,789	451,705
Total	\$ 15,440,554	\$ 15,690,066

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 - \$168,381
- Funding for Erdoni Road Improvements - \$22,926
- Funding for Beach Renovation Project- \$116,952
- Funding for new equipment for Public Works - \$89,688.
- Funding for capital improvements to Town Buildings - \$117,057.
- Funding for the continuing payments for the Szegda Property Development Rights - \$19,879.
- Funding for Window Replacements at Horace W. Porter School - \$21,504
- Funding for the Horace W. Porter Cafetorium Storage Project - \$12,619
- Funding for Horace W. Porter School Painting Classrooms - \$10,080
- Funding for Horace W. Porter School VOIP Telephone System - \$21,818.
- Funding for Senior Center Van - \$61,721 (State DOT Grant Reimbursed \$48,000 of cost).

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- Funding for Flanders River Road Bridge Deck Repair - \$60,215 .
- Funding for CVFD Rescue Boat - \$19,990.
- Funding for CVFD Breathing Apparatus - \$9,375.

**Long-term debt.**

At the end of the current fiscal year the Town had a total outstanding note payable and bonded debt of \$466,180. Of this amount, 93% comprises debt backed by the full faith and credit of the government.

The Town's total debt increased \$72,446 or 7% during the current fiscal year. This increase is attributable to the restatement of the OPEB due to GASB 75.

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 \$91,827,932, which is significantly in excess of the Town's outstanding general obligation debt.

The Town of Columbia, CT has the following obligations:

	2018	2017
General Obligation Bonds	\$ 435,000	\$ 580,000
Note Payable	31,180	34,298
Other Post-Employment Benefits	509,881	285,400
Other Obligations	150,902	154,819
Total	\$ 1,126,963	\$ 1,054,517

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 2018-2019 and beyond. It is expected that revenues for fiscal year 2018-2019 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 2018-2019 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, 2018 and 2017

	<b>Primary Government</b>	
	<b>Governmental Activities</b>	
<b>Assets</b>	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and cash equivalents	\$ 6,398,814	\$ 5,816,290
State and federal grants receivable	1,281	25,447
Property taxes receivable	187,247	401,862
Interest receivable	45,354	89,301
Other receivables	32,309	10,459
Prepaid expenses	18,486	18,154
Inventories	-	7,249
Total current assets	6,683,491	6,368,762
Noncurrent assets:		
State and federal grants receivable	-	49,614
Capital assets:		
Nondepreciable	2,147,610	2,047,186
Depreciable assets, net of depreciation	13,292,944	13,642,880
<b>Total assets</b>	<b>\$ 22,124,045</b>	<b>\$ 22,108,442</b>
<b>Deferred Outflows of Resources</b>		
Deferred Outflows - OPEB	7,633	8,389
<b>Total Deferred Outflows of Resources</b>	<b>7,633</b>	<b>8,389</b>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 68,501	\$ 93,174
Accrued expenses	634,186	585,153
Other payables	3,054	3,147
Deferred revenue	40,708	21,548
Notes and bonds payable	164,208	164,879
Long-term obligations	39,525	35,467
Total current liabilities	950,182	903,368
Non-current liabilities:		
Notes and bonds payable	301,972	449,419
Other long-term obligations	621,258	637,473
<b>Total liabilities</b>	<b>1,873,412</b>	<b>1,990,260</b>
<b>Deferred Inflows of Resources</b>		
Deferred Inflows - OPEB	13,612	14,960
<b>Total Deferred Inflows of Resources</b>	<b>13,612</b>	<b>14,960</b>
<b>Net position</b>		
Net investment in capital assets	14,974,374	15,075,768
Restricted for Brand memorial fund	198,710	198,115
Restricted for town aid road	180,935	204,898
Restricted	94,812	87,617
Unrestricted	4,795,823	4,545,213
<b>Total net position</b>	<b>\$ 20,244,654</b>	<b>\$ 20,111,611</b>

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, 2018

(With Comparative Totals for June 30, 2017)

Functions/programs	Program revenues		Net (expense) revenue and changes in net position
	Primary government		
	2018	2017	
Primary government:			
Governmental activities			
General government	\$ 1,569,797	\$ 50,393	\$ (1,423,328)
Health and human services	197,369	6,478	(139,004)
Public safety	578,445	1,660	(572,560)
Public works	1,200,576	205,387	(914,012)
Building and development services	184,849	-	(127,997)
Recreation	560,874	8,754	(477,760)
Education	14,865,015	4,310,715	(10,502,607)
Interest on long-term debt	29,000	-	(29,000)
Total governmental activities	19,185,925	4,583,387	(14,186,268)
Total primary government	\$ 19,185,925	\$ 4,583,387	(14,186,268)
General revenues:			
Property taxes levied for general purposes		14,163,071	13,268,538
Grants not restricted to specific purpose		32,375	69,655
Unrestricted Investment income		107,935	42,487
Other Income		15,930	66,483
Loss on Disposal		-	(2,743)
Total general revenues		14,319,311	13,444,420
Change in net position		133,043	67,429
Net position - beginning, as restated		20,111,611	20,044,182
Net position - ending		\$20,244,654	\$20,111,611

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

**TOWN OF COLUMBIA**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2018  
 (With Comparative Totals for June 30, 2017)

	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Totals	
				2018	2017
<b>Assets:</b>					
Cash and cash equivalents	\$ 4,977,397	\$ 1,127,451	\$ 293,966	\$ 6,398,814	\$ 5,816,290
State and federal grants receivable	1,281	-	-	1,281	8,909
Other receivables	32,253	-	56	32,309	10,459
Interfund receivables	7,798	-	419,025	426,823	396,228
Property taxes receivable, net	187,247	-	-	187,247	401,862
Prepaid expenses	18,436	-	50	18,486	18,154
Inventories	-	-	-	-	7,249
<b>Total assets</b>	<b>\$ 5,224,412</b>	<b>\$ 1,127,451</b>	<b>\$ 713,097</b>	<b>\$ 7,064,960</b>	<b>\$ 6,659,151</b>
<b>Liabilities:</b>					
Accounts payable	\$ 67,136	\$ -	\$ 1,365	\$ 68,501	\$ 93,174
Accrued expenses	634,186	-	-	634,186	585,153
Deferred revenue	36,454	-	4,254	40,708	21,548
Interfund payables	419,025	-	7,798	426,823	396,228
Due to State of CT	-	-	3,054	3,054	3,147
<b>Total liabilities</b>	<b>1,156,801</b>	<b>-</b>	<b>16,471</b>	<b>1,173,272</b>	<b>1,099,250</b>
<b>Deferred Inflows of Resources:</b>					
Deferred Taxes	169,649	-	-	169,649	355,683
<b>Total Deferred Inflows of Resources</b>	<b>169,649</b>	<b>-</b>	<b>-</b>	<b>169,649</b>	<b>355,683</b>
<b>Fund Balances:</b>					
Nonspendable:					
Inventories	-	-	-	-	7,249
Board of Selectman-Prepaid expenses	8,312	-	-	8,312	11,931
Board of Education-Prepaid expenses	10,124	-	-	10,124	5,967
D.A.R.E Education	-	-	50	50	50
Recreation Activities Fund	-	-	-	-	41
Restricted:					
D.A.R.E Education	-	-	4,173	4,173	4,081
Town Aid Road	-	-	180,935	180,935	204,898
Historic Document Preservation Fund	-	-	2,071	2,071	1,542
Land Protection Fund	-	-	30,384	30,384	26,011
Education Grants Fund	-	-	789	789	1,038
Social Services Needs Fund	-	-	8,990	8,990	8,348
Brand Memorial Fund	-	-	198,710	198,710	198,115
Small Cities Housing Rehabilitation	-	-	48,405	48,405	46,597
Committed (See Note 9)	-	1,120,128	222,119	1,342,247	888,150
Assigned:					
Subsequent Year's Budget	400,000	-	-	400,000	472,000
Reserve for Capital	-	7,323	-	7,323	6,031
Unassigned:	3,479,526	-	-	3,479,526	3,322,169
<b>Total fund balances</b>	<b>3,897,962</b>	<b>1,127,451</b>	<b>696,626</b>	<b>5,722,039</b>	<b>5,204,218</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,224,412</b>	<b>\$ 1,127,451</b>	<b>\$ 713,097</b>	<b>\$ 7,064,960</b>	<b>\$ 6,659,151</b>

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, 2018

<b>Fund balances reported in governmental funds Balance Sheet.</b>	<b>\$ 5,722,039</b>
 <b>Amounts reported for governmental activities in the government- wide Statement of Net Position are different because:</b>	
The governmental fund Balance Sheet includes revenues that will only be available to pay current period liabilities. Adjustments are necessary to accrue receivables for all earned revenues.	
<i>Interest on taxes</i>	45,354
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
<i>Capital Assets</i>	28,858,344
<i>Depreciation</i>	(13,417,790)
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>	169,649
Certain changes related to pensions are deferred and amortized over time.	
<i>Deferred Outflows - OPEB</i>	7,633
<i>Deferred Inflows - OPEB</i>	(13,612)
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>	(74,640)
<i>Compensated Absences</i>	(75,476)
<i>General Obligation Bonds</i>	(435,000)
<i>Notes Payable</i>	(31,180)
<i>Post-Closure Landfill Costs</i>	(786)
<i>Other Postemployment Benefits</i>	<u>(509,881)</u>
 <b>Net position of governmental activities.</b>	 <b><u>\$ 20,244,654</u></b>

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

**TOWN OF COLUMBIA**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2018

(With Comparative Totals for June 30, 2017)

	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Totals	
				2018	2017
<b>Revenues</b>					
Taxes	\$ 14,393,052	\$ -	\$ -	\$ 14,393,052	\$ 13,105,747
Licenses, fees, and permits	305,708	-	62,562	368,270	399,312
Intergovernmental revenue	3,642,463	48,000	471,580	4,162,043	4,672,011
Contributions	-	-	12,734	12,734	9,972
Other revenues	14,120	-	1,810	15,930	66,483
Investment earnings	94,961	10,006	2,968	107,935	42,487
Total revenues	<u>18,450,304</u>	<u>58,006</u>	<u>551,654</u>	<u>19,059,964</u>	<u>18,296,012</u>
<b>Expenditures</b>					
Current:					
General government	1,409,629	-	23,241	1,432,870	1,436,289
Health and human services	192,433	-	4,644	197,077	172,479
Public safety	435,522	-	12,159	447,681	413,126
Public works	866,341	-	-	866,341	839,788
Building and development services	184,849	-	-	184,849	188,769
Recreation	508,697	-	31,149	539,846	519,356
Education	13,660,946	-	276,035	13,936,981	13,763,144
Debt service	174,000	-	-	174,000	181,250
Capital expenditures	-	762,498	-	762,498	1,000,922
Total expenditures	<u>17,432,417</u>	<u>762,498</u>	<u>347,228</u>	<u>18,542,143</u>	<u>18,515,123</u>
Excess/(deficiency) of revenues over expenditures	1,017,887	(704,492)	204,426	517,821	(219,111)
<b>Other Financing sources/(Uses)</b>					
Transfers in	16,480	1,113,922	63,900	1,194,302	553,467
Transfers out	(948,472)	-	(245,830)	(1,194,302)	(553,467)
Total other financing sources/(uses)	<u>(931,992)</u>	<u>1,113,922</u>	<u>(181,930)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	85,895	409,430	22,496	517,821	(219,111)
<b>Fund balances - beginning</b>	<u>3,812,067</u>	<u>718,021</u>	<u>674,130</u>	<u>5,204,218</u>	<u>5,423,329</u>
<b>Fund balances - ending</b>	<u>\$ 3,897,962</u>	<u>\$ 1,127,451</u>	<u>\$ 696,626</u>	<u>\$ 5,722,039</u>	<u>\$ 5,204,218</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, 2018

**Net change in fund balances - total governmental funds.** \$ 517,821

**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>	513,353
<i>Depreciation expense</i>	(782,020)

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.

(229,981)

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>	22,273
<i>Post-closure landfill costs</i>	1,442

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.

(66,152)

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

<i>Accumulated Sick Time</i>	(4,297)
<i>Compensated Absences</i>	6,772
<i>Other Postemployment Benefits</i>	8,832

**Change in net position of governmental activities.** \$ 133,043

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

**TOWN OF COLUMBIA**  
 Budgetary Comparison Statement  
 General Fund  
 For the Year Ended June 30, 2018

	Budgeted amounts		Actual Amounts <u>Budgetary Basis</u>	Over (Under)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 13,746,202	\$ 13,746,202	\$ 14,393,052	\$ 646,850
Licenses, fees, and permits	125,800	125,800	133,768	7,968
Intergovernmental revenue	3,238,223	3,238,223	2,610,452	(627,771)
Charges for services	15,600	15,600	17,891	2,291
Other revenues	170,550	170,550	272,908	102,358
Transfers in	10,000	10,000	16,480	6,480
Appropriated from Surplus	472,000	572,215	-	(572,215)
Total revenues	<u>17,778,375</u>	<u>17,878,590</u>	<u>17,444,551</u>	<u>(434,039)</u>
<b>Expenditures</b>				
Current:				
General government	1,557,674	1,558,409	1,409,629	(148,780)
Health and human services	197,980	203,520	190,073	(13,447)
Public safety	461,070	461,736	435,522	(26,214)
Public works	880,960	890,966	863,555	(27,411)
Building and development services	213,712	213,423	184,849	(28,574)
Recreation	510,936	513,176	508,697	(4,479)
Education	12,894,369	12,894,369	12,615,316	(279,053)
Contingency	45,000	20,519	-	(20,519)
Fund Transfers	842,674	948,472	948,472	-
Debt service	174,000	174,000	174,000	-
Total expenditures	<u>17,778,375</u>	<u>17,878,590</u>	<u>17,330,113</u>	<u>(548,477)</u>
<b>Surplus/(deficiency) of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,438</u>	<u>\$ (982,516)</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, 2018

(With Comparative Totals for June 30, 2017)

	Pension Trust Fund	Private-Purpose Trust Funds	Agency Funds	Totals	
				2018	2017
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 13,915	\$ 64,098	\$ 78,013	\$ 82,318
Investments	1,315,147	-	-	1,315,147	1,349,490
<b>Total assets</b>	<u>\$ 1,315,147</u>	<u>\$ 13,915</u>	<u>\$ 64,098</u>	<u>\$1,393,160</u>	<u>\$1,431,808</u>
<b>Deferred Outflows of Resources</b>	-	-	-	-	-
<b>Liabilities</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Fiduciary deposits	-	-	64,098	64,098	68,208
<b>Total liabilities</b>	-	-	<u>64,098</u>	<u>64,098</u>	<u>68,208</u>
<b>Deferred Inflows of Resources</b>	-	-	-	-	-
<b>Net position</b>					
Restricted for Pension Benefits	1,315,147	-	-	1,315,147	1,349,490
Held in trust for scholarships and other purposes	-	13,915	-	13,915	14,110
<b>Total net position</b>	<u>\$ 1,315,147</u>	<u>\$ 13,915</u>	<u>\$ -</u>	<u>\$1,329,062</u>	<u>\$1,363,600</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, 2018 and 2017

	Pension Trust Fund	Private-Purpose Trust Funds	Totals
			2018      2017
<b>Additions</b>			
Contributions	\$ 93,953	\$ 260	\$ 94,213
Investment earnings	55,005	-	55,005
	<u>148,958</u>	<u>260</u>	<u>149,218</u>
			<u>160,870</u>
<b>Deductions</b>			
Pension Distributions	183,143	-	183,143
Other expenses	158	-	158
Scholarships	-	455	455
	<u>183,301</u>	<u>455</u>	<u>183,756</u>
			<u>64,428</u>
Change in net position	(34,343)	(195)	(34,538)
			96,442
<b>Net position - beginning</b>	<u>1,349,490</u>	<u>14,110</u>	<u>1,363,600</u>
<b>Net position - ending</b>	<u>\$ 1,315,147</u>	<u>\$ 13,915</u>	<u>\$ 1,329,062</u>
			<u>\$ 1,363,600</u>
			<u>\$ 1,363,600</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, 2018 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.

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

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

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

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

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

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

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

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

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

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

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

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

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

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

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

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

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

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

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

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

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

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

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

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

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

**Review for Subsequent Events**

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

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information and Accounting**

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

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

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

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

**Encumbrances**

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

**Budgetary/GAAP Reconciliation**

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>	<u>Change</u>
Balance, Budgetary Basis	\$ 17,444,551	\$ (17,330,113)	\$ -	\$ 114,438
Revenue adjustments for:				
CT Teacher's Retirement	1,022,233	-	-	1,022,233
Transfers In	(16,480)	-	16,480	-
Expenditure adjustments for:				
CT Teacher's Retirement	-	(1,022,233)	-	(1,022,233)
Encumbrances & Other Expenses	-	(28,543)	-	(28,543)
Transfers Out	-	948,472	(948,472)	-
Balance, GAAP Basis	<u>\$ 18,450,304</u>	<u>\$ (17,432,417)</u>	<u>\$ (931,992)</u>	<u>\$ 85,895</u>

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

On the budgetary basis, the expenditures include \$11,593 of encumbrances.

**Risk Management**

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

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

**NOTE 3 – CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

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, 2018 and 2017:

	Total	
	2018	2017
Demand Accounts	\$ 1,469,985	\$ 1,226,243
Total Deposits	1,469,985	1,226,243
Short Term Investment Fund	5,006,842	4,672,365
Total Cash Equivalents	5,006,842	4,672,365
Total Cash and Cash Equivalents	\$ 6,476,827	\$ 5,898,608

*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 \$1,469,985 and the bank balance was \$1,824,066. Of the bank balance, Federal Depository Insurance Corporation insured \$620,837.

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

As of June 30, 2018, \$1,203,228 of the Town's bank balance of \$1,824,066 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	1,063,915
Uninsured and collateral held by pledging bank's Trust department not in the Town's name		139,313
Total	\$	1,203,228

*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	\$ 858,385	\$ 858,385	\$ -
Bond Funds	1,337	N/A	N/A
Mutual Funds	147,983	N/A	N/A
Equities	307,442	N/A	N/A
Total Investments	\$ 1,315,147	\$ 858,385	\$ -

*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.

Description	June 30, 2018	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	\$ 858,385	\$ 858,385	\$ -	\$ -
Bond Funds	1,337	1,337	-	-
Mutual Funds	147,983	147,983	-	-
Equities	307,442	307,442	-	-
Total	\$ 1,315,147	\$ 1,315,147	\$ -	\$ -

**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>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Construction in Progress	\$ 221,833	\$ 18,720	\$ 13,631	\$ 226,922
Land	1,920,688	-	-	1,920,688
Total capital assets, not being depreciated	<u>2,142,521</u>	<u>18,720</u>	<u>13,631</u>	<u>2,147,610</u>
Capital assets, being depreciated:				
Buildings & Improvements	20,601,475	143,403	-	20,744,878
Land Improvements	699,321	130,584	-	829,905
Infrastructure	1,404,641	60,214	-	1,464,855
Furniture & Fixtures	18,700	-	-	18,700
Vehicles	2,332,228	141,137	-	2,473,365
Machinery & Equipment	1,142,337	52,079	15,385	1,179,031
Total capital assets being depreciated	<u>26,198,702</u>	<u>527,417</u>	<u>15,385</u>	<u>26,710,734</u>
Less accumulated depreciation for:				
Buildings & Improvements	9,472,693	539,100	-	10,011,793
Land Improvements	334,178	23,253	-	357,431
Infrastructure	476,144	50,389	-	526,533
Furniture & Fixtures	18,700	-	-	18,700
Vehicles	1,658,810	107,281	-	1,766,091
Machinery & Equipment	690,632	61,995	15,385	737,242
Total accumulated depreciation	<u>12,651,157</u>	<u>782,018</u>	<u>15,385</u>	<u>13,417,790</u>
Total capital assets, being depreciated, net	<u>13,547,545</u>	<u>(254,601)</u>	<u>-</u>	<u>13,292,944</u>
Governmental activities capital assets, net	<u>\$ 15,690,066</u>	<u>\$ (235,881)</u>	<u>\$ 13,631</u>	<u>\$ 15,440,554</u>

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

	<u>2018</u>	<u>2017</u>
Governmental Activities:		
General Government	\$ 140,762	\$ 122,133
Public Works	126,560	121,310
Public Safety	121,389	119,473
Recreation	21,027	19,907
Education	<u>372,280</u>	<u>367,442</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 782,018</u>	<u>\$ 750,265</u>

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

**Construction Commitments**

The Town has active construction projects as of June 30, 2018. 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
Village Hill Bridge	4,400	25,600
Oberlander Property	500	104,500
Pucker Street Bridge	155,106	4,894
Latham Hill Bridge	881	75,000
Porter Parking Lot	6,600	-
HWP Cafetorium Storage Project	36,251	33,749
Public Works Facility Upgrade	10,400	-
Old CVFD Firehouse/Maintenance Facility	5,600	144,997
	<u>\$ 226,922</u>	<u>\$ 608,740</u>

**NOTE 5 – INTERFUND ACCOUNTS**

At June 30, 2018, 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>2018</u>	<u>2017</u>
General Fund	\$ -	\$ -	\$ 7,798	\$ 7,798	\$ -
Reserve for Capital and Nonrecurring Expenditures	-	-	-	-	-
Nonmajor Funds	419,025	-	-	419,025	396,228
	<u>\$ 419,025</u>	<u>\$ -</u>	<u>\$ 7,798</u>	<u>\$ 426,823</u>	<u>\$ 396,228</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>2018</u>	<u>2017</u>
<u>General Fund</u>					
<i>Budgeted expenditure to fund future projects</i>	\$ -	\$ 884,572	\$ 63,900	\$ 948,472	\$ 336,913
<u>Nonmajor Funds</u>					
<i>Transfer of Contributed Funds &amp; Grant Funds</i>	16,480	229,350	-	245,830	216,554
	<u>\$ 16,480</u>	<u>\$ 1,113,922</u>	<u>\$ 63,900</u>	<u>\$ 1,194,302</u>	<u>\$ 553,467</u>

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

**NOTE 6 – LONG-TERM OBLIGATIONS**

**Long-Term Obligation Activity**

An amount of \$186,418 from the General Fund was utilized to finance current year debt service requirements. Of this amount, \$29,000 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, 2018, 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%	\$ 435,000
Note Payable stated at \$198,790, approved in 2013, due 1/15/19; annual principal payments with no interest	14,419
Note Payable for LED Lighting, approved in 2018, due 6/15/22; monthly principal payments with no interest	<u>16,761</u>
<b>Total Long-Term Note and Bond Obligations</b>	<b><u>\$ 466,180</u></b>

Changes in long-term obligations for the year ended June 30, 2018, are as follows:

	<u>Restated Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities:					
General Obligation Bonds	\$ 580,000	\$ -	\$ 145,000	\$ 435,000	\$ 145,000
Notes Payable	34,298	19,155	22,273	31,180	19,208
Post Closure Landfill Costs	2,228	-	1,442	786	786
OPEB Obligation	518,121	-	8,240	509,881	-
Compensated Absences	82,248	2,691	9,463	75,476	23,074
Accumulated Sick Time	70,343	4,297	-	74,640	15,009
	<u>\$ 1,287,238</u>	<u>\$ 26,143</u>	<u>\$ 186,418</u>	<u>\$ 1,126,963</u>	<u>\$ 203,077</u>

**Debt Service Requirements**

Debt service requirements on long-term debt at June 30, 2018 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2019	164,208	21,750
2020	149,789	14,500
2021	149,789	7,250
2022	2,394	-
	<u>\$ 466,180</u>	<u>\$ 43,500</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 \$786 in the Government-Wide financial statements. Current year expenditures of \$1,442 were recognized in the General Fund. Changes in the estimated total current cost of postclosure care may occur and should be reported in the periods in which the change is probable and reasonably estimable. 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. The Board may implement an early retirement incentive program for such duration and with such terms as the Board deems in the best interests of the district. The Board shall notify the Association by March 1 of year if it decides to offer an incentive

For only the 2017/2018 year, the certified staff was offered a Voluntary Early Retirement Incentive and had to notify the superintendent of their retirement by January 15, 2018 of last year of service. Eligible employees who elect to retire effective June 30, 2018 shall receive \$50 for every accrued unused sick leave day. The maximum payout is limited to 150 school days. In the 2017/2018 school year, 4 teachers were eligible and granted benefits.

**NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

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

**Funding Policy**

The Town appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. Expenditures for premiums for post-employment health care benefits are recognized on the

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

budgetary basis. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75.

**Employees Covered by Benefit Terms**

At June 30, 2018, the following members were covered by the benefit terms:

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

**Total OPEB Liability**

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

**Actuarial Assumptions and Other Inputs**

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

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods including the measurement, unless otherwise specified:

Interest	3.87% as of June 30, 2018, based on Bond Buyer 20-Bond Municipal Index effective as of June 30, 2018.
Rate of Compensation Increase	2.60%, including inflation
Mortality rates	Based on RP-2014 adjusted to 2006 total dataset mortality table projected to valuation date with scale MP-2017
Mortality Improvement	Projected to date of decrement using Scale MP-2017
Inflation	2.60%
Healthcare Cost Trend Rates	7.0% in 2017, reducing by .05% each year to an ultimate rate of 4.6% per year rate for 2022 and later.

**Changes in Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at 6/30/17 - Restated	\$ 518,121
Changes for the Year:	
Service Costs	13,776
Interest	18,441
Changes in benefit Terms	-
Difference between expected and actual experience	8,389
Changes of Assumptions	(14,960)
Benefit payments	<u>(33,886)</u>
Net changes	<u>(8,240)</u>
Balance at 6/30/18	<u>\$ 509,881</u>

**TOWN OF COLUMBIA**  
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**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following represents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Total OPEB Liability	564,150	509,881	462,660

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	452,293	509,881	577,499

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

For the fiscal year ended June 30, 2018, the recognized OPEB expense is \$22,734. As of June 30, 2018, deferred outflows and inflows of resources related to OPEB are reported as follows:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 7,633	-
Changes of assumptions	-	\$ (13,612)
	\$ 7,633	\$ (13,612)

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

<u>Year Ending June 30:</u>	
2019	\$ (592)
2020	(592)
2021	(592)
2022	(592)
2023	(592)
Thereafter	(3,019)

**Connecticut Teachers' Retirement System - OPEB**

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

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

**Benefit Provisions**

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

**Contributions**

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

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$20,120.

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

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.75%
Real Wage Growth	0.50%
Wage Inflation	3.25%
Salary increases	3.25-6.50%, including inflation
Long-term investment rate of return	2.75%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.56%
Prior Measurement Date	3.01%

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

The projected fiduciary net position is projected to be depleted in 2018.

Single equivalent interest rate

Measurement Date	3.56%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.01%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Pre-Medicare	7.25% for 2017 decreasing to an ultimate Rate of 5.00% by 2022
Medicare	7.25% for 2017 decreasing to an ultimate Rate of 5.00% by 2022

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

**Long-Term Rate of Return**

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

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

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

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.04%	2.79%
Price inflation		2.75%	
Expected rate of return (Rounded nearest 0.25%)		2.75%	

**Discount Rate**

- The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2016. In addition to the actuarial methods and assumptions of the June 30, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.
- For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

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

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

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	6.25%	7.25%	8.25%
Ultimate Healthcare Cost Trend Rate	4.00%	5.00%	6.00%
Total OPEB Liability	\$ 2,889,934	\$ 3,509,924	\$ 4,344,665

**Sensitivity of the Net OPEB Liability to Changes in Discount Rates**

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

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Net OPEB liability	\$ 4,230,020	\$ 3,509,924	\$ 2,216,556

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2018 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>3,509,924</u>
Total	<u>\$ 3,509,924</u>

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town had no proportionate share of the net OPEB liability.

**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](http://www.ct.gov).

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

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

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

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

*Contributions* - Per Connecticut General Studies Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved and amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability

Employees:

Each teacher is required to contribute 7.00% 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, 2017, 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 OF COLUMBIA**  
Notes to the Financial Statements

Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town	\$	13,636,722
Total	\$	<u>13,636,722</u>

The net pension liability was measured as of June 30, 2017, 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, 2018 the Town has no proportionate share of the net pension liability. For the year ended June 30, 2018, the Town recognized benefits expense and contribution revenue of \$1,022,233 in the governmental funds for on-behalf amounts for the benefits provided by the state. In the Government-wide financial statements, the town recognized \$1,577,370 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, 2017, 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 RPH-2014 White Collar table with employee and annuitant rates blended from age 50 to 80, projected to the year 2020 using the BB improvement scale.

Future Cost-of-Living increases for members who retire on or after September 1, 1992 are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return was less than 8.5%, the maximum increase is 1.0%.

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

**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%
Real Estate	7.00%	5.1%
Private Equity	11.00%	7.6%
Alternative Investments	8.00%	4.1%
Core fixed Income	7.00%	1.3%
High yeild bonds	5.00%	3.9%
Emerging market bond	5.00%	3.7%
Inflation linked bond fund	3.00%	1.0%
Cash	<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 \$28,579.

**Town Employees**

Money Purchase Plan

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

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

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

Employer contributions for the fiscal year ended June 30, 2018 totaled \$84,004. The contribution is calculated on compensation paid for the calendar year, as reportable on Form W-2. The plan allows for amendment by the Town as employer. Assets of the fund are invested as directed by plan participants in mutual funds. The employer pays the costs of plan administration. Employees are not required to make contributions to this plan.

*Section 457 Plan*

The Town adopted and administers a deferred compensation pension plan (Town of Columbia 457(b) Plan) to provide benefits at retirement to employees of the Town. The plan is eligible to employees that are permanent, non-seasonal, non-temporary, non-interim, and scheduled to work 1,000 hours per Fiscal Year or more. An exception exists for those employees that are allowed to participate in the Plan pursuant to terms of a collective bargaining agreement between the Town of Columbia and an employee union. An exception also exists for all non-union employees actively enrolled in the Plan prior to July 1, 2011. At June 30, 2018, 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 2017-2018. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$6,000 in 2017-2018. Income accumulates tax-free until distribution from the plan. The Town's required 3% contribution was \$36,230. 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, 2018 are as follows:

Fund balances:	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Total	2017
Committed to:				
Reserve for Capital	\$ 1,120,128	\$ -	\$ 1,120,128	\$ 711,990
Dog Fund	-	7,049	7,049	7,217
Cafeteria Fund	-	110	110	1,971
Land Acquisition Fund	-	2,831	2,831	2,792
Szegda Farm	-	4,696	4,696	1,697
Senior Center Fund	-	3,066	3,066	2,856
Compensated Absences Reserve	-	22,990	22,990	19,079
Memorial Fund	-	792	792	792
Recreation Fields Rental Fund	-	10,562	10,562	7,136
Recreation Activities Fund	-	29,315	29,315	31,912
Agricultural Fund	-	708	708	708
Education Non Lapsing Fund	-	140,000	140,000	100,000
Total Committed	<u>\$ 1,120,128</u>	<u>\$ 222,119</u>	<u>\$ 1,342,247</u>	<u>\$ 888,150</u>

**TOWN OF COLUMBIA**  
Notes to the Financial Statements

**NOTE 10 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT/ PRIOR PERIOD RESTATEMENT**

The Town adopted 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. This restated the beginning net position of OPEB obligations under government wide long term debt. An adjustment was made to the General Fund beginning OPEB Obligation which decreased the beginning government wide fund balance by \$239,292.

**NOTE 11 – 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 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

**TOWN OF COLUMBIA**  
 State Teacher's Retirement System  
 Proportionate Share of Net Pension Liability and Schedule of Contributions  
 June 30, 2018

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

See accountant's report.

**TOWN OF COLUMBIA**  
 State Teacher's Retirement System  
 Note to Required Supplementary Information  
 Schedule of Proportionate Share of the Net Pension Liability  
 Year-ended June 30, 2018

Change of benefit terms	None
Actuarial Assumptions	The total pension liability was determined by an actuarial valuation as of June 30, 2017
Actuarial Cost Method	Entry Age
Amortization Period	Level percent of salary, closed
Remaining Amortization Period	20.4 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**  
 State Teacher's Retirement System  
 Proportionate Share of Net OPEB Liability  
 June 30, 2018

**Schedule of Proportionate Share of Net OPEB Liability**

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

**Notes to Schedule**

Changes in Benefit Terms	None
Changes of Assumptions	The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate.
	Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations.
	As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
Actuarial Cost Method	Entry age
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	30 years, open
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	4.25%, net of investment related expense

See accountant's report.

**TOWN OF COLUMBIA**  
Schedule of Changes in Net OPEB Liability and Related Ratios  
June 30, 2018

	<b>2018</b>
<b>Total OPEB Liability</b>	
Service Costs	\$ 13,776
Interest	18,441
Difference between expected and actual experience	8,389
Change in benefit terms	-
Change in assumptions	(14,960)
Benefit payments, including refunds of contributions	(33,886)
<b>Net change in total OPEB liability</b>	(8,240)
<b>Total OPEB liability, beginning</b>	518,121
<b>Total OPEB liability, ending (a)</b>	\$ 509,881
<b>Plan Fiduciary Net Position</b>	
Contributions - employer	\$ -
Contributions - members	-
Net investment income	-
Benefit payments (based on expected)	-
Administrative Expenses	-
<b>Net change in plan fiduciary net position</b>	-
<b>Total fiduciary net position, beginning</b>	-
<b>Total fiduciary net position, ending (b)</b>	\$ -
<b>Net OPEB liability, ending (a) - (b)</b>	\$ 509,881
 <b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%
 <b>Covered-employee payroll</b>	N/A
 <b>Net OPEB liability as a percentage of covered payroll</b>	N/A

See accountant's report.

**TOWN OF COLUMBIA**  
Schedule of Revenues and Expenditures - Budget and Actual  
General Fund  
For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>Revenues</b>				
<b>Taxes</b>				
Property Taxes	\$ 13,618,802	\$ 13,618,802	\$ 13,993,050	\$ 374,248
Property Taxes - Prior Years	76,000	76,000	263,248	187,248
Interest and Lien Fees	51,400	51,400	136,754	85,354
Total Taxes	<u>13,746,202</u>	<u>13,746,202</u>	<u>14,393,052</u>	<u>646,850</u>
 <b>Licenses, Fees, and Permits</b>				
Real Estate Conveyance Fees	42,000	42,000	61,567	19,567
Building, Machine, and Septic Fees	55,000	55,000	48,467	(6,533)
Zoning Permit Fees	1,800	1,800	1,535	(265)
Recording Fees	24,000	24,000	19,819	(4,181)
Pistol Permit Fees	3,000	3,000	2,380	(620)
Total Licenses, Fees, and Permits	<u>125,800</u>	<u>125,800</u>	<u>133,768</u>	<u>7,968</u>
 <b>Intergovernmental Revenue</b>				
Homeland Security Grant	2,500	2,500	1,660	(840)
Education Equalization Grant	2,561,439	2,561,439	2,236,816	(324,623)
Special Education Grant	300,000	300,000	275,867	(24,133)
School Construction Bond Payment	7,070	7,070	27,497	20,427
Circuit Breaker Elderly Tax Relief	30,000	30,000	-	(30,000)
Disabled Persons Tax Grant	500	500	574	74
Veterans Relief	2,000	2,000	2,657	657
PILOT - State Property	4,397	4,397	153	(4,244)
PILOT - Pequot	19,213	19,213	19,213	-
Municipal Projects/Stabilization Grant	160,179	160,179	46,015	(114,164)
LOCIP	150,925	150,925	-	(150,925)
Total Intergovernmental Revenues	<u>3,238,223</u>	<u>3,238,223</u>	<u>2,610,452</u>	<u>(627,771)</u>
 <b>Charges for Services</b>				
Notary Fees	300	300	306	6
Photocopy Fees	5,300	5,300	5,227	(73)
Planning and Zoning Commission Fees	2,000	2,000	2,150	150
Zoning Board of Appeals Fees	1,500	1,500	2,025	525
Inland/Wetland Fees	3,000	3,000	2,675	(325)
Town Clerk Fees	3,500	3,500	5,508	2,008
Total Charges for Services	<u>\$ 15,600</u>	<u>\$ 15,600</u>	<u>\$ 17,891</u>	<u>\$ 2,291</u>

See accountant's report.

**TOWN OF COLUMBIA**  
 Schedule of Revenues and Expenditures - Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>Other Revenues</b>				
Interest on Investments	\$ 15,000	\$ 15,000	\$ 94,961	\$ 79,961
Passport Fees	1,200	1,200	2,620	1,420
Facilities Rental	2,000	2,000	2,900	900
Boating Fees	500	500	2,050	1,550
Beach Use and Concession Fees	30,000	30,000	32,453	2,453
Transfer Station Fees	25,000	25,000	29,093	4,093
Transfer Station Sticker Fees	35,000	35,000	43,195	8,195
Preschool	35,000	35,000	44,336	9,336
State Fees- Land Use Dept	200	200	302	102
Bid and Spec. Fees	500	500	-	(500)
Senior Center Van Services	1,150	1,150	521	(629)
Telephone Access Grant	12,000	12,000	9,778	(2,222)
Miscellaneous	10,000	10,000	8,924	(1,076)
Court Fines	3,000	3,000	1,775	(1,225)
Total Other Revenues	<u>170,550</u>	<u>170,550</u>	<u>272,908</u>	<u>102,358</u>
<b>Other Sources</b>				
Transfers In:				
Recreation	10,000	10,000	16,480	6,480
Appropriated from Surplus	<u>472,000</u>	<u>572,215</u>	<u>-</u>	<u>(572,215)</u>
Total Other Sources	<u>482,000</u>	<u>582,215</u>	<u>16,480</u>	<u>(565,735)</u>
Total Revenues	<u>17,778,375</u>	<u>17,878,590</u>	<u>17,444,551</u>	<u>(434,039)</u>
<b>Expenditures</b>				
<b>General Government</b>				
Town Meeting	2,225	2,225	2,140	(85)
Executive and Administrative	839,313	836,043	745,732	(90,311)
Information Technology	43,364	43,364	32,993	(10,371)
Old Firehouse Building	2,460	2,460	1,417	(1,043)
Chapel on The Green	1,350	2,270	2,263	(7)
Meeting House	2,970	3,990	3,630	(360)
Judicial and Legal	65,000	65,000	58,734	(6,266)
Registration and Election	32,389	32,389	15,991	(16,398)
Assessment	131,709	131,709	121,827	(9,882)
Tax Collection	92,275	92,998	92,003	(995)
Public Records	106,915	108,587	103,604	(4,983)
Financial and Planning Allocation	25,175	25,175	24,536	(639)
Finance Department	211,789	211,459	204,548	(6,911)
Tax Review Services	740	740	211	(529)
Total General Government	<u>\$ 1,557,674</u>	<u>\$ 1,558,409</u>	<u>\$ 1,409,629</u>	<u>\$ (148,780)</u>

See accountant's report.

**TOWN OF COLUMBIA**  
Schedule of Revenues and Expenditures - Budget and Actual  
General Fund  
For the Year Ended June 30, 2018

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
<b>Health and Human Services</b>				
Health Care and Inspection	\$ 28,770	\$ 28,774	\$ 28,773	\$ (1)
Social Services	9,150	9,150	8,429	(721)
Drug and Alcohol Abuse Prevention	1,372	1,372	1,372	-
Elderly Services	33,659	35,841	25,876	(9,965)
Senior Center	82,140	85,494	84,719	(775)
Youth Services	42,889	42,889	40,904	(1,985)
Total Health and Human Services	197,980	203,520	190,073	(13,447)
<b>Public Safety</b>				
Police Protection	173,000	173,000	154,778	(18,222)
Fire Fighting and Emergency Services	223,550	224,216	222,574	(1,642)
Fire Prevention Services	27,627	27,627	26,403	(1,224)
Emergency Director	3,163	3,163	3,104	(59)
Lake Management Services	33,730	33,730	28,663	(5,067)
Total Public Safety	461,070	461,736	435,522	(26,214)
<b>Public Works</b>				
Public Works	687,657	699,083	683,066	(16,017)
Waste Disposal	180,303	180,303	169,886	(10,417)
Street Lighting	13,000	11,580	10,603	(977)
Total Public Works	880,960	890,966	863,555	(27,411)
<b>Building and Development Services</b>				
Planning and Zoning Commission	82,056	82,056	68,927	(13,129)
Inland/Wetland Commission	20,744	20,348	17,954	(2,394)
Building Services	39,086	38,786	35,250	(3,536)
Conservation Commission	3,330	3,330	579	(2,751)
Zoning Appeals Services	2,880	2,880	1,523	(1,357)
Building Appeal Services	200	200	-	(200)
Land Use Department	65,416	65,823	60,616	(5,207)
Total Buildings and Development	213,712	213,423	184,849	(28,574)
<b>Recreation</b>				
Public Celebrations	5,700	5,700	5,662	(38)
Library Services	393,365	393,365	393,365	-
Lake Management Advisory	8,850	8,850	8,505	(345)
Beach Services	34,925	37,165	35,897	(1,268)
Recreation Area Operations	8,996	8,996	7,235	(1,761)
Recreation	59,100	59,100	58,033	(1,067)
Total Recreation	510,936	513,176	508,697	(4,479)
Total General Government Expenditures	\$ 3,822,332	\$ 3,841,230	\$ 3,592,325	\$ (248,905)

See accountant's report.

**TOWN OF COLUMBIA**  
Schedule of Revenues and Expenditures - Budget and Actual  
General Fund  
For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>Education</b>				
Certified Salaries	\$ 4,306,856	\$ 4,289,217	\$ 4,289,217	\$ -
Non-Certified Salaries	877,981	909,913	909,913	-
Anthem Blue Cross/Blue Shield	1,090,733	1,057,676	1,057,676	-
Life Insurance	6,266	6,075	6,075	-
Social Security	61,500	59,948	59,948	-
Medicare	74,000	70,132	70,132	-
Unemployment	15,500	1,822	1,822	-
Workers' Compensation	74,128	74,411	74,411	-
Other Benefit Fund	44,925	29,922	29,922	-
Professional Services	5,000	-	-	-
Board of Education Services	20,000	23,609	23,609	-
Instructional Improvement/Pupil Services	3,400	773	773	-
Professional/Technical Services	140,645	144,853	144,853	-
Technical Services	110,264	157,620	157,620	-
Water/Sewage	6,422	7,877	7,877	-
Sanitary Refuse	8,900	7,444	7,444	-
Snow Plowing	24,000	22,500	22,500	-
Repairs/Maintenance	35,085	33,871	33,871	-
Rentals	26,600	27,543	27,543	-
Student Transportation	782,593	852,684	852,684	-
Property Insurance	41,625	43,025	43,025	-
Telephone	9,900	10,151	10,151	-
Postage	4,300	4,749	4,749	-
Advertising	300	196	196	-
Tuition	4,713,854	4,678,381	4,399,328	(279,053)
Travel	4,250	3,045	3,045	-
Supplies	87,130	78,424	78,424	-
Maintenance and Custodial Supplies	15,000	16,527	16,527	-
Electricity	90,000	76,836	76,836	-
Propane Gas	5,000	2,622	2,622	-
Heating Oil	49,000	40,658	40,658	-
Diesel	30,000	27,151	27,151	-
Software	56,689	44,897	44,897	-
Textbooks/Ancillary Materials	21,795	30,704	30,704	-
Library Books	3,300	3,249	3,249	-
Periodicals/Magazines	5,540	4,078	4,078	-
Equipment	18,215	38,019	38,019	-
Dues/Fees	23,673	13,767	13,767	-
<b>Total Board of Education Expenditures</b>	<u>\$ 12,894,369</u>	<u>\$ 12,894,369</u>	<u>\$ 12,615,316</u>	<u>(279,053)</u>

See accountant's report.

**TOWN OF COLUMBIA**  
 Schedule of Revenues and Expenditures - Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
<b>Miscellaneous</b>				
Debt Service	\$ 174,000	\$ 174,000	\$ 174,000	\$ -
Contingency	45,000	20,519	-	(20,519)
Interfund Transfers	<u>842,674</u>	<u>948,472</u>	<u>948,472</u>	<u>-</u>
Total Miscellaneous	<u>1,061,674</u>	<u>1,142,991</u>	<u>1,122,472</u>	<u>(20,519)</u>
Total Expenditures	<u>17,778,375</u>	<u>17,878,590</u>	<u>17,330,113</u>	<u>(548,477)</u>
<b>Surplus/(Deficiency) of Revenues over Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,438</u>	<u>\$ 114,438</u>

See accountant's report.

**TOWN OF COLUMBIA**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2018

	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
<b>Assets</b>							
Cash and cash equivalents	\$ 10,274	\$ 7,485	\$ 4,465	\$ -	\$ 2,831	\$ -	\$ -
State and federal grants receivable	-	-	-	-	-	-	-
Other receivables	-	30	-	-	-	-	-
Interfund receivables	-	-	-	180,935	-	2,071	4,696
Prepaid Expense	-	-	50	-	-	-	-
Inventories	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 10,274</b>	<b>\$ 7,515</b>	<b>\$ 4,515</b>	<b>\$ 180,935</b>	<b>\$ 2,831</b>	<b>\$ 2,071</b>	<b>\$ 4,696</b>
<b>Liabilities and fund balances</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 171	\$ 75	\$ 292	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Interfund payables	-	7,330	-	-	-	-	-
Due to State of CT	3,054	-	-	-	-	-	-
Total liabilities	3,225	7,405	292	-	-	-	-
<b>Fund balances:</b>							
Nonspendable	-	-	50	-	-	-	-
Restricted	-	-	4,173	180,935	-	2,071	-
Committed	7,049	110	-	-	2,831	-	4,696
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	7,049	110	4,223	180,935	2,831	2,071	4,696
<b>Total liabilities and fund balances</b>	<b>\$ 10,274</b>	<b>\$ 7,515</b>	<b>\$ 4,515</b>	<b>\$ 180,935</b>	<b>\$ 2,831</b>	<b>\$ 2,071</b>	<b>\$ 4,696</b>

See accountant's report.

**TOWN OF COLUMBIA**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2018

	Special Revenue Funds						
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Compensated Absences Reserve Fund	Memorial Fund	Recreation Fields Rental Fund	
<b>Assets</b>							
Cash and cash equivalents	\$ 100	\$ -	\$ 789	\$ -	\$ -	\$ 10,762	
State and federal grants receivable	-	-	-	-	-	-	
Other receivables	26	-	-	-	-	-	
Interfund receivables	2,940	30,384	-	22,990	792	-	
Prepaid Expense	-	-	-	-	-	-	
Inventories	-	-	-	-	-	-	
<b>Total assets</b>	<b>\$ 3,066</b>	<b>\$ 30,384</b>	<b>\$ 789</b>	<b>\$ 22,990</b>	<b>\$ 792</b>	<b>\$ 10,762</b>	
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	
Accrued expenses	-	-	-	-	-	-	
Unearned revenue	-	-	-	-	-	-	
Interfund payables	-	-	-	-	-	-	
Due to State of CT	-	-	-	-	-	-	
Total liabilities	-	-	-	-	-	200	
<b>Fund balances:</b>							
Nonspendable	-	-	-	-	-	-	
Restricted	-	30,384	789	-	-	-	
Committed	3,066	-	-	22,990	792	10,562	
Assigned	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	
Total fund balances	3,066	30,384	789	22,990	792	10,562	
<b>Total liabilities and fund balances</b>	<b>\$ 3,066</b>	<b>\$ 30,384</b>	<b>\$ 789</b>	<b>\$ 22,990</b>	<b>\$ 792</b>	<b>\$ 10,762</b>	

See accountant's report.

**TOWN OF COLUMBIA**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2018

	Special Revenue Funds							Total
	Recreation Activities Fund	Social Services Needs Fund	Agricultural Fund	Brand Memorial Trust	Education Non Lapsing Fund	Small Cities Housing Rehabilitation		
<b>Assets</b>								
Cash and cash equivalents	\$ 60	\$ 10,085	\$ -	\$ 198,710	\$ -	\$ 48,405	\$ 293,966	
State and federal grants receivable	-	-	-	-	-	-	-	
Other receivables	-	-	-	-	-	-	56	
Interfund receivables	33,509	-	708	-	140,000	-	419,025	
Prepaid Expense	-	-	-	-	-	-	50	
Inventories	-	-	-	-	-	-	-	
<b>Total assets</b>	<b>\$ 33,569</b>	<b>\$ 10,085</b>	<b>\$ 708</b>	<b>\$ 198,710</b>	<b>\$ 140,000</b>	<b>\$ 48,405</b>	<b>\$ 713,097</b>	

<b>Liabilities and fund balances</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ -	\$ 627	\$ -	\$ -	\$ -	\$ -	\$ 1,365
Accrued expenses	-	-	-	-	-	-	-
Unearned revenue	4,254	-	-	-	-	-	4,254
Interfund payables	-	468	-	-	-	-	7,798
Due to State of CT	-	-	-	-	-	-	3,054
<b>Total liabilities</b>	<b>4,254</b>	<b>1,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,471</b>

<b>Fund balances:</b>							
Nonspendable	-	-	-	-	-	-	50
Restricted	-	8,990	-	198,710	-	48,405	474,457
Committed	29,315	-	708	-	140,000	-	222,119
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>29,315</b>	<b>8,990</b>	<b>708</b>	<b>198,710</b>	<b>140,000</b>	<b>48,405</b>	<b>696,626</b>
<b>Total liabilities and fund balances</b>	<b>\$ 33,569</b>	<b>\$ 10,085</b>	<b>\$ 708</b>	<b>\$ 198,710</b>	<b>\$ 140,000</b>	<b>\$ 48,405</b>	<b>\$ 713,097</b>

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, 2018

	Special Revenue Funds						
	Dog Fund	Cafeteria Fund	D.A.R.E. Education	Town Aid Road Fund	Open Space Acquisition	Historic Document Preservation Fund	Szedga Farm
<b>Revenues</b>							
Licenses, fees, and permits	\$ 1,845	\$ 7,357	\$ -	\$ -	\$ -	\$ 1,029	\$ -
Intergovernmental	-	4,752	2,876	205,387	-	4,000	-
Contributions	-	-	-	-	-	-	378
Other revenues	-	2	-	-	-	-	-
Investment earnings	146	-	-	-	39	-	-
<b>Total revenues</b>	<b>1,991</b>	<b>12,111</b>	<b>2,876</b>	<b>205,387</b>	<b>39</b>	<b>5,029</b>	<b>378</b>
<b>Expenditures</b>							
Current							
General government	-	-	-	-	-	4,500	1,279
Health and human services	-	-	2,784	-	-	-	-
Public safety	12,159	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Education	-	21,221	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>12,159</b>	<b>21,221</b>	<b>2,784</b>	<b>-</b>	<b>-</b>	<b>4,500</b>	<b>1,279</b>
Excess (deficiency) of revenues over expenditures	(10,168)	(9,110)	92	205,387	39	529	(901)
<b>Other financing sources (Uses)</b>							
Transfers in	10,000	-	-	-	-	-	3,900
Transfers out	-	-	-	(229,350)	-	-	-
<b>Total other financing sources</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>(229,350)</b>	<b>-</b>	<b>-</b>	<b>3,900</b>
Net change in fund balances	(168)	(9,110)	92	(23,963)	39	529	2,999
<b>Fund balances - beginning</b>	<b>7,217</b>	<b>9,220</b>	<b>4,131</b>	<b>204,898</b>	<b>2,792</b>	<b>1,542</b>	<b>1,697</b>
<b>Fund balances - ending</b>	<b>\$ 7,049</b>	<b>\$ 110</b>	<b>\$ 4,223</b>	<b>\$ 180,935</b>	<b>\$ 2,831</b>	<b>\$ 2,071</b>	<b>\$ 4,696</b>

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, 2018

	Special Revenue Funds					
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Compensated Absences Reserve Fund	Memorial Fund	Recreation Fields Rental Fund
<b>Revenues</b>						
Licenses, fees, and permits	\$ 3,887	\$ 8,889	\$ -	\$ -	\$ -	\$ 3,530
Intergovernmental	-	-	254,565	-	-	-
Contributions	1,100	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	108
<b>Total revenues</b>	<u>4,987</u>	<u>8,889</u>	<u>254,565</u>	<u>-</u>	<u>-</u>	<u>3,638</u>
<b>Expenditures</b>						
Current						
General government	4,777	4,516	-	6,089	-	-
Health and human services	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Recreation	-	-	-	-	-	212
Education	-	-	254,814	-	-	-
Capital expenditures	-	-	-	-	-	-
<b>Total expenditures</b>	<u>4,777</u>	<u>4,516</u>	<u>254,814</u>	<u>6,089</u>	<u>-</u>	<u>212</u>
Excess (deficiency) of revenues over expenditures	210	4,373	(249)	(6,089)	-	3,426
<b>Other financing sources (Uses)</b>						
Transfers in	-	-	-	10,000	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	210	4,373	(249)	3,911	-	3,426
<b>Fund balances - beginning</b>	<u>2,856</u>	<u>26,011</u>	<u>1,038</u>	<u>19,079</u>	<u>792</u>	<u>7,136</u>
<b>Fund balances - ending</b>	<u>\$ 3,066</u>	<u>\$ 30,384</u>	<u>\$ 789</u>	<u>\$ 22,990</u>	<u>\$ 792</u>	<u>\$ 10,562</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, 2018

	Special Revenue Funds							Total
	Recreation Activities Fund	Social Services Needs Funds	Agricultural Fund	Brand Memorial Trust	Education Non Lapsing Fund	Small Cities Housing Rehabilitation	Total	
<b>Revenues</b>								
Licenses, fees, and permits	\$ 36,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,562
Intergovernmental	-	-	-	-	-	-	-	471,580
Contributions	8,754	2,502	-	-	-	-	-	12,734
Other revenues	-	-	-	-	-	1,808	-	1,810
Investment earnings	-	-	-	2,675	-	-	-	2,968
Total revenues	<u>44,779</u>	<u>2,502</u>	<u>-</u>	<u>2,675</u>	<u>-</u>	<u>1,808</u>	<u>-</u>	<u>551,654</u>
<b>Expenditures</b>								
Current								
General government	-	-	-	2,080	-	-	-	23,241
Health and human services	-	1,860	-	-	-	-	-	4,644
Public safety	-	-	-	-	-	-	-	12,159
Recreation	30,937	-	-	-	-	-	-	31,149
Education	-	-	-	-	-	-	-	276,035
Capital expenditures	-	-	-	-	-	-	-	-
Total expenditures	<u>30,937</u>	<u>1,860</u>	<u>-</u>	<u>2,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,228</u>
Excess (deficiency) of revenues over expenditures	13,842	642	-	595	-	1,808	-	204,426
<b>Other financing sources (Uses)</b>								
Transfers in	-	-	-	-	40,000	-	-	63,900
Transfers out	(16,480)	-	-	-	-	-	-	(245,830)
Total other financing sources	<u>(16,480)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>(181,930)</u>
Net change in fund balances	(2,638)	642	-	595	40,000	1,808	-	22,496
Fund balances - beginning	31,953	8,348	708	198,115	100,000	46,597	-	674,130
Fund balances - ending	<u>\$ 29,315</u>	<u>\$ 8,990</u>	<u>\$ 708</u>	<u>\$ 198,710</u>	<u>\$ 140,000</u>	<u>\$ 48,405</u>	<u>\$ -</u>	<u>\$ 696,626</u>

See accountant's report.

**TOWN OF COLUMBIA**

Fiduciary Funds

Combining Statement of Fiduciary Net Position

June 30, 2018

	Private-Purpose Trust Funds				Agency Funds		
	Kathy Mattlesich Memorial Fund	Dennis Harvey Memorial Fund	Scholarship Cemetery Funds	School Trust Fund	Performance Bonds	Student Activity Funds	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 3,497	\$ 1,771	\$ 7,321	\$ 930	\$ 52,787	\$ 11,311	\$ 78,013
<b>Total assets</b>	<u>\$ 3,497</u>	<u>\$ 1,771</u>	<u>\$ 7,321</u>	<u>\$ 930</u>	<u>\$ 52,787</u>	<u>\$ 11,311</u>	<u>\$ 78,013</u>
<b>Deferred Outflows of Resources</b>	-	-	-	-	-	-	-
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiduciary deposits	-	-	-	-	52,787	11,311	64,098
Due to General Fund	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,787</u>	<u>11,311</u>	<u>64,098</u>
<b>Deferred Inflows of Resources</b>	-	-	-	-	-	-	-
<b>Net position</b>							
Held in trust for scholarships and other purposes	3,497	1,771	7,321	930	-	-	13,915
<b>Total net position</b>	<u>\$ 3,497</u>	<u>\$ 1,771</u>	<u>\$ 7,321</u>	<u>\$ 930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,915</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, 2018

	Private-Purpose Trust Funds						Total
	Kathy Mattesich Memorial Fund	Dennis Harvey Memorial Fund	Scholarship Funds	Cemetery Funds	School Trust Fund		
<b>Additions</b>							
Contributions	\$ -	\$ -	\$ 260	\$ -	\$ -	\$ -	\$ 260
Investment earnings	-	-	-	-	-	-	-
Total additions	-	-	260	-	-	-	260
<b>Deductions</b>							
Other Expenses	-	-	-	-	-	-	-
Scholarships	-	200	255	-	-	-	455
Total deductions	-	200	255	-	-	-	455
<b>Other financing sources (Uses)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Change in net position	-	(200)	5	-	-	-	(195)
<b>Net position - beginning</b>	3,497	1,971	7,316	930	396		14,110
<b>Net position - ending</b>	<u>\$ 3,497</u>	<u>\$ 1,771</u>	<u>\$ 7,321</u>	<u>\$ 930</u>	<u>\$ 396</u>	<u>\$</u>	<u>\$ 13,915</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, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Performance bonds</b>				
<i>Assets</i>				
Cash	\$ 59,483	\$ 10,987	\$ 17,683	\$ 52,787
Total assets	<u>59,483</u>	<u>10,987</u>	<u>17,683</u>	<u>52,787</u>
<i>Liabilities</i>				
Fiduciary deposits	59,483	10,987	17,683	52,787
Total liabilities	<u>\$ 59,483</u>	<u>\$ 10,987</u>	<u>\$ 17,683</u>	<u>\$ 52,787</u>
<b>Student activity fund</b>				
<i>Assets</i>				
Cash	\$ 8,725	\$ 54,479	\$ 51,893	\$ 11,311
Total assets	<u>8,725</u>	<u>54,479</u>	<u>51,893</u>	<u>11,311</u>
<i>Liabilities</i>				
Fiduciary deposits	8,725	54,479	51,893	11,311
Total liabilities	<u>\$ 8,725</u>	<u>\$ 54,479</u>	<u>\$ 51,893</u>	<u>\$ 11,311</u>
<b>Total agency funds</b>				
<i>Assets</i>				
Cash	\$ 68,208	\$ 65,466	\$ 69,576	\$ 64,098
Total assets	<u>68,208</u>	<u>65,466</u>	<u>69,576</u>	<u>64,098</u>
<i>Liabilities</i>				
Fiduciary deposits	68,208	65,466	69,576	64,098
Total liabilities	<u>\$ 68,208</u>	<u>\$ 65,466</u>	<u>\$ 69,576</u>	<u>\$ 64,098</u>

See accountant's report.

**TOWN OF COLUMBIA**  
**Schedule of Property Taxes Levied, Collected, and Outstanding**  
**For The Year Ended June 30, 2018**

List of 10/1: 2016 2015 2014 2013 2012 2011 2010 2009 2008 2007 2006	Outstanding July 1, 2017	Current Levy	Lawful Corrections		Collectible Taxes	Receipt of Taxes	Receipt of Interest and Liens	Total Receipts	Transfers to Suspense	Outstanding June 30, 2018
			Additions	Deductions						
		\$ 14,125,270	\$ 28,905	\$ 55,241	\$ 14,098,934	\$ 13,993,050	\$ 42,784	\$ 14,035,834	\$ -	\$ 105,884
	215,599	-	1,797	11,300	206,096	175,933	40,320	216,253	-	30,163
	114,070	-	-	12,949	101,121	84,264	35,945	120,209	-	16,857
	40,638	-	-	455	40,183	23,731	12,479	36,210	7,647	8,805
	9,814	-	-	-	9,814	4,491	2,921	7,412	-	5,323
	5,098	-	-	-	5,098	1,527	234	1,761	-	3,571
	2,675	-	-	-	2,675	-	-	-	-	2,675
	3,000	-	-	-	3,000	-	-	-	-	3,000
	3,000	-	-	-	3,000	-	-	-	-	3,000
	2,308	-	-	-	2,308	-	-	-	-	2,308
	5,659	-	-	-	5,659	-	-	-	-	5,659
	<b>\$ 401,861</b>	<b>\$ 14,125,270</b>	<b>\$ 30,702</b>	<b>\$ 79,945</b>	<b>\$ 14,477,888</b>	<b>14,282,996</b>	<b>134,683</b>	<b>14,417,679</b>	<b>\$ 7,647</b>	<b>\$ 187,245</b>

Net Grand List- October 1, 2016: \$490,888,012

Tax Rate: 28.88 mills

Suspense collections	1,884	2,071	3,955
<b>Total collections</b>	<b>\$ 14,284,880</b>	<b>\$ 136,754</b>	<b>\$ 14,421,634</b>

**TOWN OF COLUMBIA**  
 Ten Largest Taxpayers  
 For the Year Ended June 30, 2018

<u>Name</u>	<u>Assessed Value</u>	<u>Net Taxable Grand List*</u>
Connecticut Light and Power Co	\$ 15,127,150	3.08%
Columbia Manufacturing Inc	2,886,940	0.59%
DNB LLC	2,293,100	0.47%
Storage Pros Columbia LLC	1,964,600	0.40%
Tourgate Realty Inc	1,410,200	0.29%
Angelides, Michael J & Susan H	1,327,400	0.27%
OSWA LLC	1,109,800	0.23%
Wile, Andrew S	1,057,900	0.22%
Englert, Alice M Trustee	1,040,500	0.21%
Cornerstone of Columbia LLC	994,200	0.20%

\* - Based on Net Taxable Grand List 10/1/16: \$490,888,012  
 Source: Assessor's Office, Town of Columbia

See accountant's report.

**TOWN OF COLUMBIA**  
Schedule of Debt Limitation  
June 30, 2018

Total Tax Collections (Prior Year) - including interest and lien fees  
Received by Treasurer \$13,084,776

**Reimbursement for revenue loss on:**

Tax relief for elderly (Prior Year) 33,500  
Base \$13,118,276

<b>Debt limitation:</b>	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
2 1/4 times base	\$29,516,121	\$ -	\$ -	\$ -
4 1/2 times base	-	59,032,242	-	-
3 3/4 times base	-	-	49,193,535	-
3 1/4 times base	-	-	-	42,634,397
Total debt limitation	<u>29,516,121</u>	<u>59,032,242</u>	<u>49,193,535</u>	<u>42,634,397</u>

**Indebtedness:**

Bonds payable:	<u>339,152</u>	<u>95,848</u>	<u>-</u>	<u>-</u>
Total Indebtedness	<u>339,152</u>	<u>95,848</u>	<u>-</u>	<u>-</u>

Debt limitation in excess of  
outstanding and authorized debt \$29,176,969   \$58,936,394   \$49,193,535   \$42,634,397

**NOTE:**

In no case should this total indebtedness exceed  
seven times the base \$13,118,276 or \$91,827,932

**TOWN OF COLUMBIA**  
 Schedule of Debt Disclosures  
 For the Year Ended June 30, 2018

**Ratio of debt to the equalized net grand list**

		<u>Equalized Net Grand List</u>		<u>Ratio</u>
Direct debt	\$ 435,000	\$732,773,607	(1)	0.059%
Direct debt, net	435,000	732,773,607	(1)	0.059%

**Amount of debt to per capita**

		<u>2018 Population</u>		<u>Per Capita</u>
Direct debt	\$ 435,000	5,433	(1)	\$ 80
Direct debt, net	435,000	5,433	(1)	80

**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 2012-2016 Municipal Fiscal Indicators

**TOWN OF COLUMBIA**  
 Budgetary Comparison Schedule  
 Reserve for Capital and Non-Recurring Expenditures  
 For the Year Ended June 30, 2018

	Budget Appropriations July 1, 2017	17/18 Adopted Appropriations	17/18 Adopted Cancellations	Mid-Year Approp., Adjs. and Transfers	Adjusted Appropriations	Current Year Expenditures	Balance Appropriated June 30, 2018
<b>Reserved for active projects:</b>							
Road Resurfacing	\$ 52,428	\$ 229,350	\$ -	\$ -	\$ 281,778	\$ 168,381	\$ 113,397
Hennequin Road Drainage	42,880	25,000	-	-	67,880	-	67,880
Erdoni Road Drainage	38,000	-	-	-	38,000	22,926	15,074
Town Land Acquisition	3,396	-	-	-	3,396	-	3,396
Preliminary Design & Cost Estimates	3,600	-	-	-	3,600	1,200	2,400
Rec Area Improvement Fund	21,369	90,000	-	5,583	116,952	116,952	-
Four Year Revaluation	14,044	25,000	-	-	39,044	-	39,044
Town-wide Network/ IT	9,690	-	-	-	9,690	3,201	6,489
DPW Capital Equipment	28,591	148,000	-	-	176,591	89,688	86,903
DPW Transfer Station Equipment	6,372	3,250	-	-	9,622	-	9,622
DPW Cap Improv - Buildings	80,725	358,100	-	25,000	463,825	117,057	346,768
R. Szegda Development Rights	34,298	-	-	-	34,298	19,879	14,419
Bridge On Hop River Road	20,816	-	(20,816)	-	-	-	-
HWP Floor Replacement/Repair	711	5,000	-	-	5,711	-	5,711
HWP Window Replacement/Repair	29,000	5,000	-	-	34,000	21,504	12,496
Bridge on Latham Hill	14,119	-	(14,119)	-	-	-	-
HWP Ceiling Tile Replacement	12,500	-	-	-	12,500	-	12,500
HWP Cafe Bleacher/Storage	6,368	40,000	-	-	46,368	12,619	33,749
HWP Potable Water Booster Pump	1,926	-	(1,926)	-	-	-	-
HWP Painting	15,000	-	-	-	15,000	10,080	4,920
HWP VOIP & Server Upgrade	50,000	-	-	-	50,000	21,818	28,182
Pucker St Bridge / Rose Bridge Road	4,894	-	-	-	4,894	-	4,894
Senior Center Furnishings	1,089	-	-	-	1,089	-	1,089
Village Hill Road Bridge	30,000	-	-	-	30,000	4,401	25,599
Senior Transportation Van	20,000	-	-	-	20,000	62,711	(42,711)
Flanders River Rd Bridge	25,000	-	-	35,215	60,215	60,215	-
CVFD Capital Projects	1,172	45,000	-	-	46,172	29,366	16,806
<b>Total Reserve for Active Projects</b>	<b>567,988</b>	<b>973,700</b>	<b>(36,861)</b>	<b>65,798</b>	<b>1,570,625</b>	<b>761,998</b>	<b>808,627</b>
<b>Designated for Future Projects:</b>							
Hop River State Park Trail Project	-	-	-	-	-	-	-
Land Acquisition	264,001	-	-	-	264,001	500	263,501
<b>Total Designated for Future Projects</b>	<b>264,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264,001</b>	<b>500</b>	<b>263,501</b>
Senior Transportation Van Grant	-	-	-	-	-	(48,000)	48,000
<b>Total Capital and Non-Recurring</b>	<b>\$ 831,989</b>	<b>\$ 973,700</b>	<b>\$ (36,861)</b>	<b>\$ 65,798</b>	<b>\$ 1,834,626</b>	<b>\$ 714,498</b>	<b>\$ 1,120,128</b>

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, 2018, and the related notes to the financial statements, which collectively comprise the Town of Columbia, CT's basic financial statements, and have issued our report thereon dated December 8, 2018.

**Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of This Report**

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



King, King & Associates, CPAs  
Winsted, CT  
December 8, 2018

**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, 2018. 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, 2018.

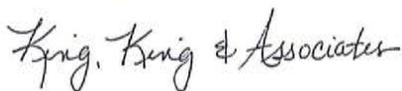
## Report on Internal Control over Compliance

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

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

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

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



King, King & Associates, CPAs  
Winsted, CT  
December 8, 2018

**Town of Columbia**  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2018

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program Identification Number</u>	<u>Expenditures</u>
<b>State Dept. of Education</b>		
Adult Education	11000-SDE64370-17030	\$ 2,159
Child Nutrition Program - State Match	11000-SDE64370-16211	696
Youth Service Bureau	11000-SDE64370-17052	14,000
Youth Service Bureau Enhancement	11000-SDE64370-16201	3,062
<b>Judicial Department</b>		
Public Acts	34001-JUD95162-40001	1,895
<b>Connecticut State Library</b>		
Historic Preservation	12060-CSL66094-35150	4,000
<b>Office of Policy and Management</b>		
State Owned Property	11000-OPM20600-17004	153
Veteran's Exemptions	11000-OPM20600-17024	2,657
Tax Relief for Disabled	11000-OPM20600-17011	574
Municipal Grants-in-aid	12052-OPM20600-43587	26,763
<b>Department of Transportation</b>		
Elderly Persons - Disabilities	12052-DOT57931-21361	48,000
Town Aid Road	12502-DOT57131-43455	229,350
Total State Financial Assistance before exempt programs		<u>\$ 333,309</u>
<b>EXEMPT PROGRAMS</b>		
<b>Office of Policy and Management</b>		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	\$ 19,213
Municipal Stabilization Grant	12002-OPM20600-17104	19,252
<b>Department of Education</b>		
Education Cost Sharing	11000-SDE64000-17041	2,236,816
School Construction Grants - Principal	13010-DAS27636-40901	26,196
School Construction Grants - Interest	13009-DAS27636-40896	1,301
Excess Cost Student Based and Equity	11000-SDE64000-17047	303,185
Total Exempt Programs		<u>2,605,963</u>
Total State Financial Assistance		<u>\$ 2,939,272</u>

See notes to schedule.

**TOWN OF COLUMBIA, CT**  
Notes to Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2018

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**Basis of Accounting**

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

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

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

**TOWN OF COLUMBIA, CT**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2018

**I. SUMMARY OF AUDIT RESULTS**

*Financial Statements*

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

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes     No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes     None Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes     No

*State Financial Assistance*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes     No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes     None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

\_\_\_\_\_ Yes     No

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

<u>State Grantor and Program</u>	<u>State Core - CT Number</u>	<u>Expenditures</u>
Office of Policy and Management Municipal Grants-in-aid	11000-OPM20600-43587	\$ 26,763
Department of Transportation Town Aid Road	12052-DOT57131-43455	229,350
Dollar threshold used to distinguish between type A and type B programs		\$ <u>100,000</u>

## **II. FINANCIAL STATEMENT FINDINGS**

- We issued reports, dated December 8, 2018, 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.