

TOWN OF COLUMBIA
Audited Financial Statements
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June 30, 2016

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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, 2016, 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, 2016, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Columbia, CT's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 17, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, 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

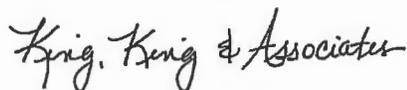
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Columbia, CT's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes 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 January 10, 2017, on our consideration of the Town of Columbia, CT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Columbia, CT's internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, CT
January 10, 2017

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2016

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, 2016.

Financial Highlights

- The assets of the Town of Columbia, CT exceeded its liabilities at the close of the most recent fiscal year by \$20,283,474 (*net position*). Of this amount, \$4,917,351 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position is \$455,930. \$218,244 is restricted for the Brand Memorial Trust, \$204,945 is restricted for Town Aid Road, \$4,081 is restricted for D.A.R.E. Education, \$827 is restricted for Historic Document Preservation, \$16,213 is restricted for Land Protection, \$2,056 is restricted for Education Grants, \$7,005 is restricted for Social Service's Needs, \$528 is restricted for STIF-Nutmeg Network, and \$2,031 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 \$5,423,329, a decrease of \$407,202 in comparison with the prior year. The decrease is primarily attributable to the under-spending of the budgeted operating expenditures as well as the higher than budgeted revenue received by the town in property tax collection, state grant revenues and town fees. Of this amount, \$3,172,799 is available 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 \$3,572,799 or 21% percent of total General Fund expenditures. This fund balance represents the Town's reserve for future capital projects, as all assets of the capital projects fund have been obligated to finance current projects.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Columbia, CT's basic financial statements. The Town of Columbia, CT's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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Management's Discussion and Analysis
June 30, 2016

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-three (23) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The town also reports the Capital Improvement Fund as a major fund.

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

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

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

The basic fiduciary fund financial statements can be found on pages 19-20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-39 of this report.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2016

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 \$20,283,474 at the close of the most recent fiscal year.

	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 6,904,803	\$ 7,213,263
Capital Assets	15,709,370	15,104,493
Total Assets	<u>\$ 22,614,173</u>	<u>\$ 22,317,756</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Other Liabilities	\$ 1,317,173	\$ 1,195,377
Long-Term Liabilities Outstanding	1,013,526	1,177,308
Total Liabilities	<u>2,330,699</u>	<u>2,372,685</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Position:		
Net Investment in Capital Assets	14,910,193	14,105,461
Restricted	455,930	472,619
Unrestricted	4,917,351	5,366,991
Total Net Position	<u>\$ 20,283,474</u>	<u>\$ 19,945,071</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 \$338,403 during this fiscal year. This increase is primarily attributable to the under spending of the operating budget expenditures, additional unbudgeted revenue and a higher-than-budgeted property tax collection rate.

TOWN OF COLUMBIA
Management's Discussion and Analysis
June 30, 2016

Revenues:	2016	2015
<i>General Revenues:</i>		
Property Taxes	\$ 12,867,585	\$ 12,697,945
Unrestricted Investment Income	20,242	10,853
Grants and Contributions	69,905	79,131
Other Income	35,047	12,922
<i>Program Revenues:</i>		
Charges for Services	451,700	438,581
Operating Grants and Contributions	4,504,920	4,147,586
Capital Grants and Contributions	670,125	994,834
Total Revenues	18,619,524	18,381,852
Expenses:		
<i>Governmental Activities:</i>		
General Government	1,504,305	1,455,902
Health and Human Services	171,438	167,817
Public Safety	519,640	482,964
Public Works	1,236,451	1,316,022
Building and Development Services	201,351	156,822
Recreation	527,830	464,109
Education	14,076,606	13,157,607
Interest on Long-term Debt	43,500	63,176
Total Expenses	18,281,121	17,264,419
Change in Net Position	338,403	1,117,433
Beginning Net Position, As Restated	19,945,071	18,827,638
Ending Net Position	\$ 20,283,474	\$ 19,945,071

Governmental activities. Governmental activities increased the Town of Columbia, CT's net position by \$338,403.

Key elements of the activities are as follows:

- Sixty-nine percent (69%) of the revenues of the Town were derived from property taxes, followed by less than one percent (1%) from investment and other income, followed by less than one percent (1%) from grants and contributions, and then Thirty percent (30%) from program revenues.

Major revenue factors included:

- The Town received the following grant funds which were an unbudgeted source of revenue for FY 2015-2016:

Telephone Access Grant	\$ 13,543
Court Judgements/Liens	\$ 9,524
STEAP Grant-Pucker St Bridge	\$ 80,594

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

\$201,547 in Special Education Grant

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- \$ 5,580 in Pistol Permit Fees
- \$ 26,690 in Real Estate Conveyance Fees
- \$ 22,577 in Bldg. Mech. Septic Permit Fees
- \$ 3,420 in Court Fines
- \$ 14,740 in Beach Use and Concession Fees
- \$ 5,901 in Transfer Station Fees
- \$ 9,070 in Transfer Station Sticker Fees
- \$ 12,717 in Interest on Investments
- \$ 5,342 in Miscellaneous Revenue

- The Town collected a surplus of \$294,625 in property taxes (current, outstanding, delinquent, interest, etc.).
- The State of Connecticut granted the Town \$41,658 less in the Education Equalization Grant (ECS aid to towns) and \$7,004 less in school transportation expenses than what was locally budgeted.

For Governmental Activities, 77% of the Town's expenses relate to education, 7% relates to public works, 4% relate to public safety and health and human services, and the remaining 12% relates to government, building and development services, recreation and other areas.

Major expense factors include:

- The following capital projects:
 - Road Resurfacing -- \$231,342
 - DPW Capital Equipment -- \$97,968
 - DPW Capital Improvements to Town Buildings -- \$120,261
 - Szedga Farm Development Rights -- \$54,855
 - Bridge on Baker Hill -- \$53,693
 - Pucker Street Bridge -- \$80,594
 - CVFD Equipment -- \$50,000
 - Library Phase 3 -- \$873,243
 - Dam Hazard Mitigation -- \$18,057
 - HWP School Roof Project -- \$29,442
 - HWP Floor Replacement -- \$12,915
 - HWP HVAC Improvements -- \$7,000
 - HWP Water Heating System -- \$24,340
- Decrease in the Town's 2015-2016 debt service payments by \$6,888 from 2014-2015. Debt service payments will continue to reduce each year until final payment in June 2021.
- Increase in the Town's allocation to the 2015-2016 Board of Education by \$336,511 as well as an additional Town appropriation to the Board of Education in the amount of \$400,000.
- As of June 30, 2016, the Columbia Board of Education was under-budgeted in the following lines: Certified Substitute Salaries (\$76,070) and Non certified Substitute Salaries (\$30,461) due to a hiring of substitutes to cover staff leaves, special education pupil transportation (\$108,041) due to changes in special education transportation and tuition (\$471,855) due to changes in Columbia student attendance at the designated high schools as well as changes in special education placement.
- The Columbia Board of Education looked within the 2015-2016 budget and used funds from other expenditures lines to cover the under-budgeting in other lines as well as received an additional Town appropriation of \$400,000 to cover an overall projected budget deficit: Certified Salaries (\$99,658), Health Insurance (\$30,492), Hot lunch supplement (\$12,000) due

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Management's Discussion and Analysis
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to the Hot Lunch program not receiving a Board of Education supplement in 2015-2016, Professional Services (\$62,455) due to changes in special education program needs and not using funds set aside for the long range planning and professional development, Repairs/Maintenance (\$24,405) due to delaying some maintenance projects, Copiers (\$14,857) due to new copier contract that had cost savings, and Supplies (\$8,863.66). The savings shown in the various lines as well as the additional town appropriation were used to cover the projected budget deficit due to unanticipated increases in the tuition line due to additional students who entered the district at the high school level and for special education. Along with the unanticipated increase in tuition costs were also special education transportation increases.

- The Columbia Board of Education had excess funds of \$104,120 left from the cost savings as well as the additional town appropriation which were returned to the Town of Columbia at the end of 2015-2016. The Financial Planning and Allocation Commission (FIPAC) approved moving \$100,000 of the excess funds to a Non-lapsing Account for the Columbia Board of Education to use for future emergency or unanticipated expenditures.

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 \$5,423,329, a decrease of \$407,202 in comparison with the prior year. Fifty-nine (59%) 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 \$3,572,799. This represents a decrease of \$125,281. The decrease is due to additional town budget appropriation to the Columbia Board of Education and the establishment of a Nonlapsing account for the Columbia Board of Education. This decrease was offset by the collection of revenue at a higher than budgeted rate on the Municipal Government side as well as a lower than anticipated spending by both the Municipal Government and the Columbia Board of Education.

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

General Fund Budgetary Highlights

- The Operating Budget of the Municipal Government was under spent by \$263,363 excluding Contingency and Debt Service.
- The Operating Budget of the Board of Education was spent in accordance with the adopted budget; however, the Town of Columbia approved an additional appropriation of \$400,000 to cover a projected deficit. There were no encumbrances at year end for any open projects and expenditures for Horace W. Porter School that applied to the 2015-2016 fiscal year.

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- During the 2015-2016 Fiscal Year, \$79,093 was approved and transferred from Contingency to fund various lines in the Town's operating budget that needed additional funding that was brought to the Town's attention during the Fiscal Year including but not limited to \$1,598 for DEEP General Permit for the Town, \$5,184 for additional costs above budget for Building Official Services contract, \$3,375 for cost OPEB valuation, \$8,520 for cover additional salary for preparation of the Plan of Conservation and Development and \$60,000 to cover additional costs for the library expansion 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, 2016, amounts to \$15,709,370 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

	<u>2016</u>	<u>2015</u>
Land and Infrastructure	\$ 3,123,749	\$ 2,785,150
Construction in Progress	1,074,297	2,317,277
Buildings and Improvements	10,384,564	8,875,038
Vehicles	773,260	841,370
Machinery and equipment	353,500	285,658
Total	<u>\$ 15,709,370</u>	<u>\$ 15,104,493</u>

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 - \$231,342.
- Funding for Revaluation - \$26,956
- Funding for new copiers and a large format printer - \$19,411.
- Funding for new equipment for Public Works - \$97,968.
- Funding for capital improvements to Town Buildings - \$120,261.
- Funding for the continuing payments for the Szegda Property Development Rights - \$54,855.
- Funding for the improvements to the Bridge on Baker Hill Road - of \$53,693.
- Funding for the Bridge on Roses Bridge Road/Pucker Street - 80,594.
- Final funding for the school roof replacement project - \$29,442.
- Funding for the Horace W. Porter Heating System replacement - \$24,340.
- Funding for Horace W. Porter School floor replacement - \$12,915.
- Funding for Horace W. Porter School HVAC improvements - \$7,000.

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 Management's Discussion and Analysis
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- Funding for CVFD Hydraulic Rescue Tool - \$50,000.
- Funding for the Dam Hazard Mitigation - \$18,057.
- Funding for the Library Expansion Project - \$873,243.

Long-term debt.

At the end of the current fiscal year the Town had a total outstanding note payable and bonded debt of \$799,177. Of this amount, 91% comprises debt backed by the full faith and credit of the government.

The Town's total debt decreased \$160,834 or 12% during the current fiscal year. This decrease is attributable to the payment of the annual bond principal.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$89,259,646, which is significantly in excess of the Town's outstanding general obligation debt.

The Town of Columbia, CT has the following obligations:

	2016	2015
General Obligation Bonds	\$ 725,000	\$ 870,000
Note Payable	74,177	129,032
Other Post-Employment Benefits	260,900	237,400
Other Obligations	154,031	138,510
Total	\$ 1,214,108	\$ 1,374,942

Additional information on the Town of Columbia, CT's long-term debt can be found in Note 6 on pages 32-33 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, and has been the case in previous cycles, the State and the nation are in the midst of an economic uncertainty which has affected the amount of intergovernmental revenues that the Town will receive in fiscal year 2016-2017 and beyond. It is expected that revenues for fiscal year 2016-2017 will remain fairly static or decrease nominally.

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

These factors were considered in preparing the Town of Columbia, CT's budget for the 2016-2017 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, 2016 and 2015

	Primary Government Governmental Activities	
	<u>2016</u>	<u>2015</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,207,563	\$ 6,033,087
State and federal grants receivable	1,271,856	805,959
Property taxes receivable	257,656	217,893
Interest receivable	49,743	41,759
Other receivables	6,853	5,535
Prepaid expenses	37,306	20,514
Inventories	7,674	5,826
Total current assets	6,838,651	7,130,573
Noncurrent assets:		
State and federal grants receivable	66,152	82,690
Capital assets:		
Nondepreciable	2,813,045	4,063,658
Depreciable assets, net of depreciation	12,896,325	11,040,835
Total assets	\$ 22,614,173	\$ 22,317,756
Deferred Outflows of Resources	-	-
Liabilities		
Current liabilities:		
Accounts payable	\$ 457,726	\$ 314,520
Accrued expenses	628,460	577,960
Other payables	3,402	3,186
Deferred revenue	27,003	102,077
Notes and bonds payable	164,879	164,879
Long-term obligations	35,703	32,755
Total current liabilities	1,317,173	1,195,377
Non-current liabilities:		
Notes and bonds payable	634,298	834,153
Other long-term obligations	379,228	343,155
Total liabilities	2,330,699	2,372,685
Deferred Inflows of Resources	-	-
Net position		
Net investment in capital assets	14,910,193	14,105,461
Restricted for Brand memorial trust	218,244	217,638
Restricted for town aid road	204,945	205,577
Restricted for Mary B Yeomans trust	-	21,172
Restricted	32,741	28,232
Unrestricted	4,917,351	5,366,991
Total net position	\$ 20,283,474	\$ 19,945,071

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, 2016
(With Comparative Totals for June 30, 2015)

Functions/programs	Program revenues				Net (expense) revenue and changes in net position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary government	
					<u>Governmental Activities</u> 2016	2015
Primary government:						
Governmental activities						
General government	\$ 1,504,305	\$ 94,333	\$ 3,519	\$ -	\$ (1,406,453)	\$ (1,335,385)
Health and human services	171,438	2,013	4,826	-	(164,599)	(162,082)
Public safety	519,640	8,573	2,670	-	(508,397)	(476,684)
Public works	1,236,451	69,196	232,273	198,899	(736,083)	(657,825)
Building and development services	201,351	88,941	-	1,042	(111,368)	(72,032)
Recreation	527,830	77,273	1,969	-	(448,588)	(400,089)
Education	14,076,606	111,371	4,259,663	470,184	(9,235,388)	(8,526,775)
Interest on long-term debt	43,500	-	-	-	(43,500)	(52,546)
Total governmental activities	18,281,121	451,700	4,504,920	670,125	(12,654,376)	(11,683,418)
Total primary government	\$ 18,281,121	\$ 451,700	\$ 4,504,920	\$ 670,125	(12,654,376)	(11,683,418)
General revenues:						
Property taxes levied for general purposes					12,867,585	12,697,945
Grants not restricted to specific purpose					69,905	79,131
Unrestricted Investment income					20,242	10,853
Other Income					35,047	12,922
Total general revenues					12,992,779	12,800,851
Change in net position					338,403	1,117,433
Net position - beginning, as restated					19,945,071	18,827,338
Net position - ending					\$20,283,474	\$19,944,771

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

TOWN OF COLUMBIA
 Balance Sheet
 Governmental Funds
 June 30, 2016
 (With Comparative Totals for June 30, 2015)

	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Totals	
				2016	2015
Assets:					
Cash and cash equivalents	\$ 3,774,855	\$ 1,179,304	\$ 253,404	\$ 5,207,563	\$ 6,033,087
State and federal grants receivable	1,250,074	-	5,244	1,255,318	789,421
Other receivables	5,257	-	1,596	6,853	5,535
Interfund receivables	-	-	381,141	381,141	341,957
Property taxes receivable, net	257,656	-	-	257,656	217,893
Prepaid expenses	37,156	-	150	37,306	20,514
Inventories	-	-	7,674	7,674	5,826
Total assets	\$ 5,324,998	\$ 1,179,304	\$ 649,209	\$ 7,153,511	\$ 7,414,233
Liabilities:					
Accounts payable	\$ 456,760	\$ -	\$ 966	\$ 457,726	\$ 314,520
Accrued expenses	621,910	-	6,550	628,460	577,960
Deferred revenue	22,782	-	4,221	27,003	102,077
Interfund payables	381,141	-	-	381,141	341,957
Due to State of CT	-	-	3,402	3,402	3,186
Total liabilities	1,482,593	-	15,139	1,497,732	1,339,700
Deferred Inflows of Resources:					
Deferred Taxes	232,450	-	-	232,450	244,002
Total Deferred Inflows of Resources	232,450	-	-	232,450	244,002
Fund Balances:					
Nonspendable:					
Inventories	-	-	7,674	7,674	5,826
Board of Selectman-Prepaid expenses	16,570	-	-	16,570	3,860
Board of Education-Prepaid expenses	20,586	-	-	20,586	16,604
D.A.R.E Education	-	-	50	50	50
Recreation Activities Fund	-	-	100	100	-
Restricted:					
D.A.R.E Education	-	-	4,081	4,081	3,637
Town Aid Road	-	-	204,945	204,945	205,577
Historic Document Preservation Fund	-	-	827	827	502
Land Protection Fund	-	-	16,213	16,213	13,786
Education Grants Fund	-	-	2,056	2,056	2,407
Mary B Yeomans Trust Fund	-	-	-	-	21,172
Social Services Needs Fund	-	-	7,005	7,005	5,609
Brand Mem. Trust	-	-	218,244	218,244	217,638
STIF-Nutmeg Network	-	-	528	528	2,291
Small Cities Housing Rehabilitation	-	-	2,031	2,031	-
Committed (See Note 9)	-	1,172,429	170,316	1,342,745	1,766,425
Assigned:					
Subsequent Year's Budget	400,000	-	-	400,000	230,648
Reserve for Capital	-	6,875	-	6,875	3,630
Unassigned:	3,172,799	-	-	3,172,799	3,330,359
Total fund balances	3,609,955	1,179,304	634,070	5,423,329	5,830,537
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,324,998	\$ 1,179,304	\$ 649,209	\$ 7,153,511	\$ 7,414,233

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, 2016

Fund balances reported in governmental funds Balance Sheet. \$ 5,423,329

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

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

<i>Grants</i>	82,690
<i>Interest on taxes</i>	49,743

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

<i>Capital Assets</i>	27,652,441
<i>Depreciation</i>	(11,943,071)

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>	232,450
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

<i>Accumulated Sick Time</i>	(68,909)
<i>Compensated Absences</i>	(81,177)
<i>General Obligation Bonds</i>	(725,000)
<i>Notes Payable</i>	(74,177)
<i>Post-Closure Landfill Costs</i>	(3,945)
<i>Other Postemployment Benefits</i>	<u>(260,900)</u>

Net position of governmental activities. \$ 20,283,474

TOWN OF COLUMBIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016
(With Comparative Totals for June 30, 2015)

	General Fund	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Totals	
				2016	2015
Revenues					
Taxes	\$ 12,871,153	\$ -	\$ -	\$ 12,871,153	\$ 12,686,875
Licenses, fees, and permits	324,858	-	126,842	451,700	438,581
Intergovernmental revenue	4,737,038	-	574,796	5,311,834	5,475,122
Contributions	-	-	5,480	5,480	10,450
Other revenues	31,739	-	3,308	35,047	12,922
Investment earnings	14,717	4,853	672	20,242	10,853
Total revenues	17,979,505	4,853	711,098	18,695,456	18,634,803
Expenditures					
Current:					
General government	1,320,962	-	19,714	1,340,676	1,351,829
Health and human services	167,450	-	3,988	171,438	167,593
Public safety	382,012	-	11,909	393,921	362,795
Public works	819,950	-	-	819,950	810,597
Building and development services	201,351	-	-	201,351	158,322
Recreation	477,904	-	30,770	508,674	449,579
Education	13,317,717	-	436,016	13,753,733	12,941,016
Debt service	188,500	-	-	188,500	518,176
Capital expenditures	-	1,724,415	-	1,724,415	1,909,423
Total expenditures	16,875,846	1,724,415	502,397	19,102,658	18,669,330
Excess/(deficiency) of revenues over expenditures	1,103,659	(1,719,562)	208,701	(407,202)	(34,527)
Other Financing sources/(Uses)					
Transfers in	33,661	1,216,029	109,000	1,358,690	1,354,180
Transfers out	(1,109,346)	-	(249,344)	(1,358,690)	(1,354,180)
Total other financing sources/(uses)	(1,075,685)	1,216,029	(140,344)	-	-
Net change in fund balances	27,974	(503,533)	68,357	(407,202)	(34,527)
Fund balances - beginning, as restated	3,581,981	1,682,837	565,713	5,830,531	5,865,058
Fund balances - ending	\$ 3,609,955	\$ 1,179,304	\$ 634,070	\$ 5,423,329	\$ 5,830,531

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, 2016

Net change in fund balances - total governmental funds.	\$ (407,202)
 Amounts reported for governmental activities in the Statement of Activities are different because:	
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
<i>Capital expenditures</i>	1,320,998
<i>Depreciation expense</i>	(716,121)
 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.	
	(3,568)
 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>	54,855
<i>Post-closure landfill costs</i>	2,732
 Some grants provide current financial resources to governmental funds, but reduce grant receivables in the Statement of Net Position. This is the amount of current economic resources reclassified as a balance sheet adjustment.	
	(16,538)
 Certain benefits are expended in the funds when resources are used, but are expensed in the Statement of Activities when the liability is incurred.	
<i>Accumulated Sick Time</i>	(4,084)
<i>Compensated Absences</i>	(14,169)
<i>Other Postemployment Benefits</i>	<u>(23,500)</u>
 Change in net position of governmental activities.	 <u>\$ 338,403</u>

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, 2016

	Budgeted amounts		Actual Amounts <u>Budgetary Basis</u>	Over <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 12,576,528	\$ 12,576,528	\$ 12,871,153	\$ 294,625
Licenses, fees, and permits	111,700	111,700	167,508	55,808
Intergovernmental revenue	3,701,211	3,701,211	3,731,631	30,420
Charges for services	13,475	13,475	19,261	5,786
Other revenues	118,550	118,550	198,088	79,538
Transfers in	8,000	8,000	33,661	25,661
Appropriated from Surplus	230,648	630,648	-	(630,648)
Total revenues	<u>16,760,112</u>	<u>17,160,112</u>	<u>17,021,302</u>	<u>(138,810)</u>
Expenditures				
Current:				
General government	1,500,147	1,473,973	1,321,565	(152,408)
Health and human services	172,668	174,218	167,450	(6,768)
Public safety	406,497	406,028	382,012	(24,016)
Public works	868,779	868,279	820,160	(48,119)
Building and development services	193,761	220,304	201,351	(18,953)
Recreation	472,948	491,091	476,990	(14,101)
Education	11,922,466	12,322,466	12,218,347	(104,119)
Contingency	85,000	5,907	-	(5,907)
Fund Transfers	949,346	1,009,346	1,109,346	100,000
Debt service	188,500	188,500	188,500	-
Total expenditures	<u>16,760,112</u>	<u>17,160,112</u>	<u>16,885,721</u>	<u>(274,391)</u>
Surplus/(deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,581</u>	<u>\$ (413,201)</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, 2016
(With Comparative Totals for June 30, 2015)

	<u>Pension</u> <u>Trust Fund</u>	<u>Private-Purpose</u> <u>Trust Funds</u>	<u>Agency</u> <u>Funds</u>	<u>Totals</u>	
				<u>2016</u>	<u>2015</u>
Assets					
Cash and cash equivalents	\$ -	\$ 56,989	\$ 72,292	\$ 129,281	\$ 142,264
Investments	<u>1,210,169</u>	<u>-</u>	<u>-</u>	<u>1,210,169</u>	<u>1,176,394</u>
Total assets	<u>\$ 1,210,169</u>	<u>\$ 56,989</u>	<u>\$ 72,292</u>	<u>\$1,339,450</u>	<u>\$1,318,658</u>
 Deferred Outflows of Resources	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Fiduciary deposits	<u>-</u>	<u>-</u>	<u>72,292</u>	<u>72,292</u>	<u>82,485</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>72,292</u>	<u>72,292</u>	<u>82,485</u>
 Deferred Inflows of Resources	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net position					
Restricted for Pension Benefits	1,210,169	-	-	1,210,169	1,176,394
Held in trust for scholarships and other purposes	<u>-</u>	<u>56,989</u>	<u>-</u>	<u>56,989</u>	<u>59,779</u>
Total net position	<u>\$ 1,210,169</u>	<u>\$ 56,989</u>	<u>\$ -</u>	<u>\$1,267,158</u>	<u>\$1,236,173</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, 2016 and 2015

	Pension <u>Trust Fund</u>	Private-Purpose <u>Trust Funds</u>	<u>Totals</u>	
			<u>2016</u>	<u>2015</u>
Additions				
Contributions	\$ 88,489	\$ -	\$ 88,489	\$ 4,260
Investment earnings	17,655	125	17,780	80
	<u>106,144</u>	<u>125</u>	<u>106,269</u>	<u>4,340</u>
Deductions				
Pension Distributions	72,178	-	72,178	-
Other expenses	191	1,760	1,951	3,819
Scholarships	-	1,155	1,155	1,055
	<u>72,369</u>	<u>2,915</u>	<u>75,284</u>	<u>4,874</u>
Change in net position	33,775	(2,790)	30,985	(534)
Net position - beginning, as restated	<u>1,176,394</u>	<u>59,779</u>	<u>1,236,173</u>	<u>1,236,707</u>
Net position - ending	<u>\$ 1,210,169</u>	<u>\$ 56,989</u>	<u>\$ 1,267,158</u>	<u>\$ 1,236,173</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, 2016 as all uncollectible taxes were moved to suspense.

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

TOWN OF COLUMBIA
Notes to the Financial Statements

Fair Value of Financial Instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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

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

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

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

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

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

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

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

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

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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

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

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

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

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

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

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

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

Review for Subsequent Events

In preparing these financial statements, management has evaluated subsequent events through January 10, 2017, which represents the date that these statements were available to be issued.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information and Accounting

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

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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

Encumbrances

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

Budgetary/GAAP Reconciliation

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>	<u>Change</u>
Balance, Budgetary Basis	\$ 17,021,302	\$ (16,885,721)	\$ -	\$ 135,581
Revenue adjustments for:				
CT Teacher's Retirement	991,864	-	-	991,864
Transfers In	(33,661)	-	33,661	-
Expenditure adjustments for:				
CT Teacher's Retirement	-	(991,864)	-	(991,864)
Encumbrances & Other Expenses	-	(107,607)	-	(107,607)
Transfers Out	-	1,109,346	(1,109,346)	-
Balance, GAAP Basis	<u>\$ 17,979,505</u>	<u>\$ (16,875,846)</u>	<u>\$ (1,075,685)</u>	<u>\$ 27,974</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

On the budgetary basis, the expenditures include \$3,616 of encumbrances.

Excess of Expenditures over Appropriations

No departments exceeded budget appropriations for the year ended June 30, 2016.

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, 2016 and 2015:

	Total	
	2016	2015
Demand Accounts	\$ 1,142,801	\$ 951,631
Total Deposits	1,142,801	951,631
Short Term Investment Fund	4,194,043	5,223,720
Total Cash Equivalents	4,194,043	5,223,720
Total Cash and Cash Equivalents	\$ 5,336,844	\$ 6,175,351

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 \$1,142,801 and the bank balance was \$1,318,288. Of the bank balance, Federal Depository Insurance Corporation insured \$449,061.

TOWN OF COLUMBIA
Notes to the Financial Statements

As of June 30, 2016, \$869,227 of the Town's bank balance of \$1,318,288 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	757,304
Uninsured and collateral held by pledging bank's Trust department not in the Town's name		111,923
Total	\$	869,227

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.

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.

As of June 30, 2016, the Town had the following investments:

	Fair Value	Investment Maturities	
		Less Than 1 yr.	1-5 yrs.
Cash	\$ 915,223	\$ 915,223	\$ -
Bond Funds	1,353	N/A	N/A
Mutual Funds	102,873	N/A	N/A
Equities	190,720	N/A	N/A
Total Investments	\$ 1,210,169	\$ 915,223	\$ -

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

Description	June 30, 2016	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	\$ 915,223	\$ 915,223	\$ -	\$ -
Bond Funds	1,353	1,353	-	-
Mutual Funds	102,873	102,873	-	-
Equities	190,720	190,720	-	-
Total	\$ 1,210,169	\$ 1,210,169	\$ -	\$ -

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 4 – CAPITAL ASSETS

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Construction in Progress	\$ 2,317,277	\$ 962,683	\$ 2,205,663	\$ 1,074,297
Land	1,834,083	-	-	1,834,083
Total capital assets, not being depreciated	<u>4,151,360</u>	<u>962,683</u>	<u>2,205,663</u>	<u>2,908,380</u>
Capital assets, being depreciated:				
Buildings & Improvements	17,336,995	1,996,613	-	19,333,608
Land Improvements	635,188	-	-	635,188
Infrastructure	1,002,539	402,102	-	1,404,641
Furniture & Fixtures	56,122	-	37,422	18,700
Vehicles	2,287,119	45,109	-	2,332,228
Machinery	896,525	157,576	34,405	1,019,696
Total capital assets being depreciated	<u>22,214,488</u>	<u>2,601,400</u>	<u>71,827</u>	<u>24,744,061</u>
Less accumulated depreciation for:				
Buildings & Improvements	8,461,957	487,087	-	8,949,044
Land Improvements	302,079	22,129	-	324,208
Infrastructure	384,581	41,374	-	425,955
Furniture & Fixtures	56,122	-	37,422	18,700
Vehicles	1,445,749	113,219	-	1,558,968
Machinery	610,867	89,734	34,405	666,196
Total accumulated depreciation	<u>11,261,355</u>	<u>753,543</u>	<u>71,827</u>	<u>11,943,071</u>
Total capital assets, being depreciated, net	<u>10,953,133</u>	<u>1,847,857</u>	<u>-</u>	<u>12,800,990</u>
Governmental activities capital assets, net	<u>\$ 15,104,493</u>	<u>\$ 2,810,540</u>	<u>\$ 2,205,663</u>	<u>\$ 15,709,370</u>

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

	<u>2016</u>	<u>2015</u>
Governmental Activities:		
General Government	\$ 98,954	\$ 94,763
Public Works	117,216	102,720
Public Safety	125,719	120,169
Recreation	19,156	17,144
Education	355,076	291,560
Total Depreciation Expense - Governmental Activities	<u>\$ 716,121</u>	<u>\$ 626,356</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

Construction Commitments

The Town has active construction projects as of June 30, 2016. The projects include school security upgrades, school roof repairs, dam repairs, and bridge repairs. 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	892,816
Beach Area Improvements	7,633	2,369
Pucker Street Bridge	149,481	2,405,519
Latham Hill Bridge	881	14,118
Library Phase 3	909,118	309,100
	<u>\$ 1,074,297</u>	<u>\$ 3,623,922</u>

NOTE 5 – INTERFUND ACCOUNTS

At June 30, 2016, 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>2016</u>	<u>2015</u>
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 6,036
Reserve for Capital and Nonrecurring Expenditures	-	-	-	-	10,907
Nonmajor Funds	381,141	-	-	381,141	325,014
	<u>\$ 381,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381,141</u>	<u>\$ 341,957</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>2016</u>	<u>2015</u>
<u>General Fund</u>					
<i>Budgeted expenditure to fund future projects</i>	\$ -	\$ 1,000,346	\$ 109,000	\$ 1,109,346	\$ 1,123,341
<u>Reserve for Capital and Non- Recurring Expenditures</u>					
<i>Budgeted Annual Allocation future projects</i>	-	-	-	-	-
<u>Nonmajor Funds</u>					
<i>Transfer of Contributed Funds & Grant Funds</i>	33,661	215,683	-	249,344	220,161
<i>Budgeted Annual Allocation</i>	-	-	-	-	10,678
	<u>\$ 33,661</u>	<u>\$ 1,216,029</u>	<u>\$ 109,000</u>	<u>\$ 1,358,690</u>	<u>\$ 1,354,180</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 6 – LONG-TERM OBLIGATIONS

Long-Term Obligation Activity

An amount of \$202,587 from the General Fund was utilized to finance current year debt service requirements. Of this amount, \$43,500 was related to interest expense.

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

As of June 30, 2016, 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%	\$ 725,000
Note Payable stated at \$198,790, approved in 2013, due 1/15/22; annual principal payments with no interest	<u>74,177</u>
Total Long-Term Note and Bond Obligations	<u>\$ 799,177</u>

Changes in long-term obligations for the year ended June 30, 2016, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities:					
General Obligation Bonds	\$ 870,000	\$ -	\$ 145,000	\$ 725,000	\$ 145,000
Note Payable	129,032	-	54,855	74,177	19,879
Post Closure Landfill Costs	6,677	-	2,732	3,945	2,732
OPEB Obligation	237,400	23,500	-	260,900	-
Compensated Absences	67,008	14,169	-	81,177	18,589
Accumulated Sick Time	64,825	4,084	-	68,909	14,382
	<u>\$ 1,374,942</u>	<u>\$ 41,753</u>	<u>\$ 202,587</u>	<u>\$ 1,214,108</u>	<u>\$ 200,582</u>

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2016 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2017	164,879	36,250
2018	164,879	29,000
2019	164,879	21,750
2020	159,540	14,500
2021	145,000	7,250
	<u>\$ 799,177</u>	<u>\$ 108,750</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 \$3,945 in the Government-Wide financial statements. Current year expenditures of \$2,732 were recognized in the General Fund. Changes in the estimated total current cost of postclosure care may occur and should be reported in the periods in which the change is probable and reasonably estimable. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Compensated Absences

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

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

Special Termination Benefits

Periodically, the Board of Education offers temporary retirement incentive packages to teachers that meet specific requirements. A teacher that meets the criterion must apply to the Superintendent for consideration. The Board of Education reserves the rights to limit the number of applications accepted and to reject applications. If accepted, the employee will receive one fifth of his or her base salary in each of the next five fiscal years

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

NOTE 7 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Description

The Town has established and administers the Town of Columbia Post-Retirement Medical Insurance Program. The program provides post-employment health care benefits for retired employees who were full-time employees. The benefit is available to Town Hall departments, teachers, administrators and certain other board of education retirees. Upon retirement, BOE, AFSME and Town retirees pay 100% of the cost of insurance. Under the Connecticut Teachers Retirement Board system, teachers and administrators are eligible at age 50 with 30 years of experience; age 55 with 25 years of experience; or 60 with 10 years of experience. Depending upon the plan selected these retirees would pay 100% of the cost. Town retirees on or after the age of 55 with 10 years of service can also pay 100% of the cost of insurance and be eligible on the plan until the Medicare age eligibility is met. Benefit provisions and funding requirements may be amended by the Board of Selectman. The Town is applying the requirements of GASB No.45 prospectively. The plan currently includes 104 active employees, 3 retirees, and 1 spouse of a retiree.

TOWN OF COLUMBIA
Notes to the Financial Statements

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

	<u>July 1, 2015</u>
Annual required contribution (ARC)	\$ 53,600
Interest on Net OPEB obligation	9,500
Adjustment to ARC	<u>(13,200)</u>
Annual OPEB cost (expenses)	49,900
Contributions made	<u>(26,400)</u>
Increase in net OPEB obligation	23,500
Net OPEB obligation-beginning of year	<u>237,400</u>
Net OPEB obligation-end of year	<u>\$ 260,900</u>

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

Fiscal Year <u>Ended</u>	Annual <u>OPEB Cost</u>	Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2014	57,100	50.0%	202,500
2015	57,700	40.0%	237,400
2016	49,900	53.0%	260,900

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

TOWN OF COLUMBIA
Notes to the Financial Statements

Actuarial Methods and Assumptions

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

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

NOTE 8 – PENSION PLANS

Connecticut State Teacher's Retirement System

Certified teachers in the Town of Columbia, CT are eligible to participate in the State of Connecticut's Teacher's Retirement System, a multiple-employer, and an employer's noncontributory public employees retirement system. A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. Members are required to contribute 7.25% of their annual salary to the system as required by section 10-183b(7) C.G.S. The State contributes amounts based on actuarial estimates. The State's aggregate contribution to the plan for the fiscal year ended June 30, 2016 for all participating local governments was \$975,578,000. The amount of the contribution allocable to the Town was estimated to be \$991,864, and has been recognized as a government grant and as an education expenditure in the General Fund. For the year ended June 30, 2016, teachers for the Town of Columbia, CT contributed \$294,338 to the plan. The Town does not contribute to the system nor does it have any legal obligation for benefits.

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 Teachers Retirement Board (TRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the TRB Board. TRB issues a publicly available financial report that can be obtained at www.ct.gov.

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

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

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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 7.25% of salary for the pension benefit.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town	\$	11,682,199
Total	\$	<u>11,682,199</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2016 the Town has no proportionate share of the net pension liability. For the year ended June 30, 2016, the Town recognized benefits expense and contribution revenue of \$991,864 in the governmental funds for on-behalf amounts for the benefits provided by the state. In the Government-wide financial statements, the town recognized \$936,038 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

TOWN OF COLUMBIA
Notes to the Financial Statements

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

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

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

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

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

<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%	3.3%
Core Fixed Income	7.00%	1.3%
Inflation linked Bond Funds	3.00%	1.0%
Emerging Market Bond	5.00%	3.7%
High-yield Bonds	5.00%	3.9%
Real Estate	7.00%	5.1%
Private Equity	11.00%	7.6%
Alternative Investments	8.00%	4.1%
Liquidity Fund	6.00%	0.4%
Total	<u>100%</u>	

TOWN OF COLUMBIA
Notes to the Financial Statements

Discount Rate - The discount rate used to measure the total pension liability was 8.50%. 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 \$34,392.

Town Employees

Money Purchase Plan

The Town maintains a single-employer defined-contribution money purchase plan that covers part and full-time employees of the Town who fulfill specified requirements. The plan is administered and amended by the Town of Columbia. Current participants total 22 employees.

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

Employer contributions for the fiscal year ended June 30, 2016 totaled \$82,211. The contribution is calculated on compensation paid for the calendar year, as reportable on Form W-2. The 2016 covered payroll is \$1,174,443. 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, 2016, there were 38 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 2015-2016. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$6,000 in 2015-2016. Income accumulates tax-free until distribution from the plan. The Town's required 3% contribution was \$31,000. Employee contributions for 2015-2016 totaled \$77,272. Contributions are placed into individual participant accounts, where the funds are invested in mutual funds at the employees' discretion. Each participant has ownership of his or her respective accounts. Plan provisions and contribution requirements are established and may be amended by the Town.

TOWN OF COLUMBIA
Notes to the Financial Statements

NOTE 9 – FUND BALANCE ASSIGNMENTS

The components of committed fund balance for the governmental funds at June 30, 2016 are as follows:

Fund balances:	Reserve for Capital and Non-Recurring Expenditures	Nonmajor Governmental Funds	Total	2015
Committed to:				
Reserve for Capital	\$ 1,172,429	\$ -	\$ 1,172,429	\$ 1,679,207
Dog Fund	-	6,771	6,771	7,656
Cafeteria Fund	-	337	337	1,681
Land Acquisition Fund	-	2,775	2,775	4,220
Szegda Farm	-	1,651	1,651	1,216
Senior Center Fund	-	3,484	3,484	2,472
Compensated Absences Reserve	-	19,079	19,079	33,310
Memorial Fund	-	792	792	792
Recreation Fields Rental Fund	-	5,438	5,438	4,830
Recreation Activities Fund	-	29,281	29,281	30,333
Agricultural Fund	-	708	708	708
Education Non Lapsing Fund	-	100,000	100,000	=
Total Committed	<u>\$ 1,172,429</u>	<u>\$ 170,316</u>	<u>\$ 1,342,745</u>	<u>\$ 1,766,425</u>

NOTE 10 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

The Town adopted GASB Statement No. 72, *Fair Value Measurement and Application*, during the fiscal year. The adoption of these standards required additions to the footnote disclosures regarding the fair value of investments.

NOTE 11 – PRIOR PERIOD RESTATEMENT

The Town included the mechanicals in the receivable for the state reimbursement for the board of education roof project and those costs were ineligible and included in error. An adjustment was made to the General fund grants receivable which decreased the beginning governmental fund balance by \$136,563.

The pension investments were added as a pension trust fund in the fiduciary statements which caused the beginning fiduciary fund balance to increase by \$1,176,394.

TOWN OF COLUMBIA
State Teacher's Retirement System
Proportionate Share of Net Pension Liability and Schedule of Contributions
June 30, 2016

Schedule of Proportionate Share of Net Pension Liability

	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State of Connecticut's proportionate share of the net pension associated with Town	<u>11,682,199</u>	<u>10,797,852</u>
Total	<u>\$11,682,199</u>	<u>\$ 10,797,852</u>
Town's covered-employee payroll	<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>
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>	<u>0.00%</u>

Schedule of Contributions

Contractually required contribution (1)	(1) \$	-	\$	-
Contributions in relation to the contractually required contribution		<u>-</u>		<u>-</u>
Contribution deficiency (excess)		<u>\$</u>	<u>-</u>	<u>\$</u>
Town's covered payroll		<u>\$4,059,834</u>	<u>\$</u>	<u>3,989,917</u>
Contributions as a percentage of covered-employee payroll		<u>0.00%</u>		<u>0.00%</u>

(1) Local employees are not required to contribute to the plan

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, 2016

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

TOWN OF COLUMBIA
Schedule of Funding Progress
June 30, 2016

TOWN OF COLUMBIA POST-EMPLOYMENT HEALTH INSURANCE BENEFITS

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

* Implementation of GASB 45

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2016

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Actual</u>	<u>Over</u> <u>(Under)</u>
Revenues				
Taxes				
Property Taxes	\$ 12,449,528	\$ 12,449,528	\$ 12,651,544	\$ 202,016
Property Taxes - Prior Years	76,000	76,000	145,703	69,703
Interest and Lien Fees	51,000	51,000	73,906	22,906
Total Taxes	<u>12,576,528</u>	<u>12,576,528</u>	<u>12,871,153</u>	<u>294,625</u>
Licenses, Fees, and Permits				
Real Estate Conveyance Fees	30,000	30,000	56,490	26,690
Building, Machine, and Septic Fees	55,000	55,000	77,577	22,577
Zoning Permit Fees	1,700	1,700	3,460	1,760
Recording Fees	24,000	24,000	23,201	(799)
Pistol Permit Fees	1,000	1,000	6,580	5,580
Total Licenses, Fees, and Permits	<u>111,700</u>	<u>111,700</u>	<u>167,508</u>	<u>55,808</u>
Intergovernmental Revenue				
Homeland Security Grant	2,000	2,000	2,670	670
Education Equalization Grant	2,573,616	2,573,616	2,531,958	(41,658)
Special Education Grant	200,000	200,000	401,547	201,547
School Transportation Grant	42,922	42,922	35,918	(7,004)
School Construction Bond Payment	7,330	7,330	7,330	-
Circuit Breaker Elderly Tax Relief	32,000	32,000	32,634	634
Disabled Persons Tax Grant	750	750	730	(20)
Veterans Relief	2,000	2,000	2,516	516
PILOT - State Property	7,027	7,027	-	(7,027)
PILOT - Pequot	21,149	21,149	20,482	(667)
State Shared Revenue	26,763	26,763	26,763	-
Library Expansion Phase II Reimbursement	596,150	596,150	470,184	(125,966)
STEAP	150,000	150,000	198,899	48,899
LOCIP	39,504	39,504	-	(39,504)
Total Intergovernmental Revenues	<u>3,701,211</u>	<u>3,701,211</u>	<u>3,731,631</u>	<u>30,420</u>
Charges for Services				
Notary Fees	150	150	427	277
Photocopy Fees	5,250	5,250	6,274	1,024
Planning and Zoning Commission Fees	2,000	2,000	1,800	(200)
Zoning Board of Appeals Fees	875	875	1,775	900
Inland/Wetland Fees	2,000	2,000	3,675	1,675
Town Clerk Fees	3,200	3,200	5,310	2,110
Total Charges for Services	<u>\$ 13,475</u>	<u>\$ 13,475</u>	<u>\$ 19,261</u>	<u>\$ 5,786</u>

See accountant's report.

TOWN OF COLUMBIA
 Schedule of Revenues and Expenditures - Budget and Actual
 General Fund
 For the Year Ended June 30, 2016

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Over</u>
	<u>Budget</u>	<u>Budget</u>		<u>(Under)</u>
Other Revenues				
Interest on Investments	\$ 2,000	\$ 2,000	\$ 14,717	\$ 12,717
Passport Fees	1,000	1,000	1,650	650
Facilities Rental	1,100	1,100	2,700	1,600
Boat Mooring Fees	1,200	1,200	1,325	125
Beach Use and Concession Fees	20,000	20,000	34,740	14,740
Transfer Station Fees	22,500	22,500	28,401	5,901
Transfer Station Sticker Fees	22,000	22,000	31,070	9,070
Telecommunication Property Relief	-	-	13,543	13,543
Preschool	38,000	38,000	39,889	1,889
Miscellaneous	10,000	10,000	16,359	6,359
Court Fines	750	750	13,694	12,944
Total Other Revenues	<u>118,550</u>	<u>118,550</u>	<u>198,038</u>	<u>79,538</u>
Other Sources				
Transfers In:				
Recreation	8,000	8,000	33,661	25,661
Appropriated from Surplus	230,648	630,648	-	(630,648)
Total Other Sources	<u>238,648</u>	<u>638,648</u>	<u>33,661</u>	<u>(604,987)</u>
Total Revenues	<u>16,760,112</u>	<u>17,160,112</u>	<u>17,021,302</u>	<u>(138,810)</u>
Expenditures				
General Government				
Town Meeting	2,350	2,350	1,611	(739)
Executive and Administrative	762,814	752,102	677,817	(74,285)
Information Technology	25,441	29,691	28,311	(1,380)
Old Firehouse Building	2,247	2,288	2,038	(250)
Chapel on The Green	1,350	1,850	1,805	(45)
Meeting House	4,040	4,040	586	(3,454)
Judicial and Legal	65,000	65,000	56,245	(8,755)
Registration and Election	33,238	33,238	25,795	(7,443)
Assessment	131,989	132,405	121,638	(10,767)
Tax Collection	90,636	90,636	88,260	(2,376)
Public Records	107,401	107,401	100,791	(6,610)
Financial and Planning Allocation	21,025	24,400	23,988	(412)
Finance Department	251,916	227,872	192,399	(35,473)
Tax Review Services	700	700	281	(419)
Total General Government	<u>\$ 1,500,147</u>	<u>\$ 1,473,973</u>	<u>\$ 1,321,565</u>	<u>\$ (152,408)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Health and Human Services				
Health Care and Inspection	\$ 27,355	\$ 27,355	\$ 27,355	\$ -
Social Services	9,150	9,150	8,792	(358)
Drug and Alcohol Abuse Prevention	1,372	1,372	1,372	-
Elderly Services	11,974	13,324	13,324	-
Senior Center	82,431	82,431	76,022	(6,409)
Youth Services	40,386	40,586	40,585	(1)
Total Health and Human Services	<u>172,668</u>	<u>174,218</u>	<u>167,450</u>	<u>(6,768)</u>
Public Safety				
Police Protection	140,000	140,000	120,231	(19,769)
Fire Fighting and Emergency Services	224,869	225,235	224,458	(777)
Fire Prevention Services	25,387	24,552	22,414	(2,138)
Emergency Director	6,076	6,076	5,490	(586)
Lake Management Services	10,165	10,165	9,419	(746)
Total Public Safety	<u>406,497</u>	<u>406,028</u>	<u>382,012</u>	<u>(24,016)</u>
Public Works				
Public Works	681,745	681,650	654,657	(26,993)
Waste Disposal	174,034	173,629	154,459	(19,170)
Street Lighting	13,000	13,000	11,044	(1,956)
Total Public Works	<u>868,779</u>	<u>868,279</u>	<u>820,160</u>	<u>(48,119)</u>
Building and Development Services				
Planning and Zoning Commission	73,653	92,173	80,613	(11,560)
Inland/Wetland Commission	20,041	22,045	19,226	(2,819)
Building Services	30,300	36,383	36,382	(1)
Conservation Commission	1,630	1,430	556	(874)
Zoning Appeals Services	2,130	2,130	1,847	(283)
Building Appeal Services	140	140	-	(140)
Land Use Department	65,867	66,003	62,727	(3,276)
Total Buildings and Development	<u>193,761</u>	<u>220,304</u>	<u>201,351</u>	<u>(18,953)</u>
Recreation				
Public Celebrations	4,600	5,016	5,016	-
Library Services	375,162	380,849	380,847	(2)
Lake Management Advisory	12,640	12,640	11,162	(1,478)
Beach Services	35,253	38,810	33,190	(5,620)
Recreation Area Operations	5,496	5,496	3,146	(2,350)
Recreation	39,797	48,280	43,629	(4,651)
Total Recreation	<u>472,948</u>	<u>491,091</u>	<u>476,990</u>	<u>(14,101)</u>
Total General Government Expenditures	<u>\$ 3,614,800</u>	<u>\$ 3,633,893</u>	<u>\$ 3,369,528</u>	<u>\$ (264,365)</u>

See accountant's report.

TOWN OF COLUMBIA
Schedule of Revenues and Expenditures - Budget and Actual
General Fund
For the Year Ended June 30, 2016

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Education				
Certified Salaries	\$ 4,250,554	\$ 4,150,895	\$ 4,093,294	\$ (57,601)
Non-Certified Salaries	776,215	809,538	809,538	-
Anthem Blue Cross/Blue Shield	1,100,824	1,070,332	1,069,401	(931)
Life Insurance	6,726	6,129	6,129	-
Social Security	60,021	64,108	63,152	(956)
Medicare	68,262	68,204	66,782	(1,422)
Unemployment	5,000	841	841	-
Workers' Compensation	58,500	57,640	57,640	-
Other Benefit Fund	35,075	51,533	36,426	(15,107)
Professional Services	12,000	-	-	-
Board of Education Services	15,000	29,987	27,701	(2,286)
Instructional Improvement/Pupil Services	7,150	1,455	1,455	-
Professional/Technical Services	199,861	137,406	128,304	(9,102)
Technical Services	85,680	85,794	82,837	(2,957)
Water/Sewage	6,500	6,388	6,388	-
Sanitary Refuse	7,980	7,354	7,178	(176)
Snow Plowing	24,000	22,500	22,500	-
Repairs/Maintenance	47,640	23,235	22,386	(849)
Rentals	41,300	26,443	26,053	(390)
Student Transportation	698,146	814,823	809,764	(5,059)
Property Insurance	44,277	43,723	43,723	-
Telephone	8,300	7,123	7,123	-
Postage	2,660	4,190	4,190	-
Advertising	300	296	296	-
Tuition	3,994,930	4,466,785	4,462,676	(4,109)
Travel	4,855	4,368	4,368	-
Supplies	70,965	62,101	62,101	-
Maintenance and Custodial Supplies	15,000	11,383	11,191	(192)
Electricity	82,000	95,964	95,964	-
Propane Gas	4,000	6,743	6,743	-
Heating Oil	69,700	65,166	64,027	(1,139)
Diesel	47,000	47,000	45,168	(1,832)
Software	44,370	40,456	40,456	-
Textbooks/Ancillary Materials	5,500	2,064	2,064	-
Library Books	3,200	2,516	2,505	(11)
Periodicals/Magazines	4,035	6,587	6,587	-
Equipment	1,000	7,331	7,331	-
Dues/Fees	13,940	14,065	14,065	-
Total Board of Education Expenditures	\$ 11,922,466	\$ 12,322,466	\$ 12,218,347	(104,119)

See accountant's report.

TOWN OF COLUMBIA
 Schedule of Revenues and Expenditures - Budget and Actual
 General Fund
 For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Miscellaneous				
Debt Service	\$ 188,500	\$ 188,500	\$ 188,500	\$ -
Contingency	85,000	5,907	-	(5,907)
Reserve for Capital Projects	940,346	1,000,346	1,000,346	-
Education Non-Lapsing	-	-	100,000	100,000
Dog Fund	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Total Miscellaneous	<u>1,222,846</u>	<u>1,203,753</u>	<u>1,297,846</u>	<u>94,093</u>
Total Expenditures	<u>16,760,112</u>	<u>17,160,112</u>	<u>16,885,721</u>	<u>(274,391)</u>
Surplus/(Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,581</u>	<u>\$ (413,201)</u>

See accountant's report.

TOWN OF COLUMBIA
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

Special Revenue Funds

	<u>Dog Fund</u>	<u>Cafeteria Fund</u>	<u>D.A.R.E. Education</u>	<u>Town Aid Road Fund</u>	<u>Land Acquisition Fund</u>	<u>Historic Document Preservation Fund</u>	<u>Szegda Farm</u>
Assets							
Cash and cash equivalents	\$ 10,304	\$ 582	\$ 4,081	\$ -	\$ 2,775	\$ -	\$ -
State and federal grants receivable	-	5,244	-	-	-	-	-
Other receivables	-	1,596	-	-	-	-	-
Interfund receivables	-	-	-	204,945	-	827	1,651
Prepaid Expense	-	-	50	-	-	-	-
Inventories	-	7,674	-	-	-	-	-
Total assets	<u>\$ 10,304</u>	<u>\$ 15,096</u>	<u>\$ 4,131</u>	<u>\$ 204,945</u>	<u>\$ 2,775</u>	<u>\$ 827</u>	<u>\$ 1,651</u>
Liabilities and fund balances							
Liabilities:							
Accounts Payable	\$ -	\$ 666	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	131	6,419	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-	-
Due to State of CT	3,402	-	-	-	-	-	-
Total liabilities	<u>3,533</u>	<u>7,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	7,674	50	-	-	-	-
Restricted	-	-	4,081	204,945	-	827	-
Committed	6,771	337	-	-	2,775	-	1,651
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>6,771</u>	<u>8,011</u>	<u>4,131</u>	<u>204,945</u>	<u>2,775</u>	<u>827</u>	<u>1,651</u>
Total liabilities and fund balances	<u>\$ 10,304</u>	<u>\$ 15,096</u>	<u>\$ 4,131</u>	<u>\$ 204,945</u>	<u>\$ 2,775</u>	<u>\$ 827</u>	<u>\$ 1,651</u>

See accountant's report.

TOWN OF COLUMBIA
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds						
	<u>Senior Center Fund</u>	<u>Land Protection Fund</u>	<u>Education Grants Fund</u>	<u>Compensated Absences Reserve Fund</u>	<u>Mary B Yeomans Trust Fund</u>	<u>Memorial Fund</u>	<u>Recreation Fields Rental Fund</u>
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ 2,056	\$ -	\$ -	\$ -	\$ 5,738
State and federal grants receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Interfund receivables	3,484	16,213	-	19,079	-	792	-
Prepaid Expense	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Total assets	<u>\$ 3,484</u>	<u>\$ 16,213</u>	<u>\$ 2,056</u>	<u>\$ 19,079</u>	<u>\$ -</u>	<u>\$ 792</u>	<u>\$ 5,738</u>
Liabilities and fund balances							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300
Accrued expenses	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-	-
Due to State of CT	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	16,213	2,056	-	-	-	-
Committed	3,484	-	-	19,079	-	792	5,438
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>3,484</u>	<u>16,213</u>	<u>2,056</u>	<u>19,079</u>	<u>-</u>	<u>792</u>	<u>5,438</u>
Total liabilities and fund balances	<u>\$ 3,484</u>	<u>\$ 16,213</u>	<u>\$ 2,056</u>	<u>\$ 19,079</u>	<u>\$ -</u>	<u>\$ 792</u>	<u>\$ 5,738</u>

See accountant's report.

TOWN OF COLUMBIA
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

Special Revenue Funds

	Recreation Activities Fund	Social Services Needs Fund	Agricultural Fund	Brand Memorial Trust	STIF- Nutmeg Network	Education Non Lapsing Fund	Small Cities Housing Rehabilitation	Total
Assets								
Cash and cash equivalents	\$ 60	\$ 7,005	\$ -	\$ 218,244	\$ 528	\$ -	\$ 2,031	\$ 253,404
State and federal grants receivable	-	-	-	-	-	-	-	5,244
Other receivables	-	-	-	-	-	-	-	1,596
Interfund receivables	33,442	-	708	-	-	100,000	-	381,141
Prepaid Expense	100	-	-	-	-	-	-	150
Inventories	-	-	-	-	-	-	-	7,674
Total assets	\$ 33,602	\$ 7,005	\$ 708	\$ 218,244	\$ 528	\$ 100,000	\$ 2,031	\$ 649,209
Liabilities and fund balances								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 966
Accrued expenses	-	-	-	-	-	-	-	6,550
Unearned revenue	4,221	-	-	-	-	-	-	4,221
Interfund payables	-	-	-	-	-	-	-	-
Due to State of CT	-	-	-	-	-	-	-	3,402
Total liabilities	4,221	-	-	-	-	-	-	15,139
Fund balances:								
Nonspendable	100	-	-	-	-	-	-	7,824
Restricted	-	7,005	-	218,244	528	-	2,031	455,930
Committed	29,281	-	708	-	-	100,000	-	170,316
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	29,381	7,005	708	218,244	528	100,000	2,031	634,070
Total liabilities and fund balances	\$ 33,602	\$ 7,005	\$ 708	\$ 218,244	\$ 528	\$ 100,000	\$ 2,031	\$ 649,209

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, 2016

	Special Revenue Funds						
	<u>Dog Fund</u>	<u>Cafeteria Fund</u>	<u>D.A.R.E. Education</u>	<u>Town Aid Road Fund</u>	<u>Land Acquisition Fund</u>	<u>Historic Document Preservation Fund</u>	<u>Szedga Farm</u>
Revenues							
Licenses, fees, and permits	\$ 1,993	\$ 71,482	\$ -	\$ -	\$ -	\$ 781	\$ -
Intergovernmental	-	38,948	2,876	205,510	-	3,000	-
Contributions	-	-	-	-	1,042	-	435
Other revenues	-	1,140	-	-	-	-	-
Investment earnings	31	-	-	-	13	-	-
Total revenues	<u>2,024</u>	<u>111,570</u>	<u>2,876</u>	<u>205,510</u>	<u>1,055</u>	<u>3,781</u>	<u>435</u>
Expenditures							
Current							
General government	-	-	-	-	-	3,456	-
Health and human services	-	-	2,432	-	-	-	-
Public safety	11,909	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Education	-	111,066	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Total expenditures	<u>11,909</u>	<u>111,066</u>	<u>2,432</u>	<u>-</u>	<u>-</u>	<u>3,456</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(9,885)	504	444	205,510	1,055	325	435
Other financing sources (Uses)							
Transfers in	9,000	-	-	-	-	-	-
Transfers out	-	-	-	(206,142)	(2,500)	-	-
Total other financing sources	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>(206,142)</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(885)	504	444	(632)	(1,445)	325	435
Fund balances - beginning	<u>7,656</u>	<u>7,507</u>	<u>3,687</u>	<u>205,577</u>	<u>4,220</u>	<u>502</u>	<u>1,216</u>
Fund balances - ending	<u>\$ 6,771</u>	<u>\$ 8,011</u>	<u>\$ 4,131</u>	<u>\$ 204,945</u>	<u>\$ 2,775</u>	<u>\$ 827</u>	<u>\$ 1,651</u>

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, 2016

	Special Revenue Funds						
	Senior Center Fund	Land Protection Fund	Education Grants Fund	Compensated Absences Reserve Fund	Mary B Yeomans Trust Fund	Memorial Fund	Recreation Fields Rental Fund
Revenues							
Licenses, fees, and permits	\$ 2,013	\$ 9,725	\$ -	\$ -	\$ -	\$ -	\$ 660
Intergovernmental	-	-	324,462	-	-	-	-
Contributions	200	-	-	-	84	-	-
Other revenues	-	-	137	-	-	-	-
Investment earnings	-	-	-	-	-	-	14
Total revenues	<u>2,213</u>	<u>9,725</u>	<u>324,599</u>	<u>-</u>	<u>84</u>	<u>-</u>	<u>674</u>
Expenditures							
Current							
General government	-	257	-	14,231	-	-	-
Health and human services	1,201	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	66
Education	-	-	324,950	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Total expenditures	<u>1,201</u>	<u>257</u>	<u>324,950</u>	<u>14,231</u>	<u>-</u>	<u>-</u>	<u>66</u>
Excess (deficiency) of revenues over expenditures	1,012	9,468	(351)	(14,231)	84	-	608
Other financing sources (Uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(7,041)	-	-	(21,256)	-	-
Total other financing sources	<u>-</u>	<u>(7,041)</u>	<u>-</u>	<u>-</u>	<u>(21,256)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,012	2,427	(351)	(14,231)	(21,172)	-	608
Fund balances - beginning	<u>2,472</u>	<u>13,786</u>	<u>2,407</u>	<u>33,310</u>	<u>21,172</u>	<u>792</u>	<u>4,830</u>
Fund balances - ending	<u>\$ 3,484</u>	<u>\$ 16,213</u>	<u>\$ 2,056</u>	<u>\$ 19,079</u>	<u>\$ -</u>	<u>\$ 792</u>	<u>\$ 5,438</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, 2016

	Special Revenue Funds							Total
	Recreation Activities Fund	Social Services Needs Funds	Agricultural Fund	Brand Memorial Trust	STIF- Nutmeg Network	Eucation Non Lapsing Fund	Small Cities Housing Rehabilitation	
Revenues								
Licenses, fees, and permits	\$ 40,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,842
Intergovernmental	-	-	-	-	-	-	-	574,796
Contributions	1,969	1,750	-	-	-	-	-	5,480
Other revenues	-	-	-	-	-	-	2,031	3,308
Investment earnings	-	1	-	606	7	-	-	672
Total revenues	42,157	1,751	-	606	7	-	2,031	711,098
Expenditures								
Current								
General government	-	-	-	-	1,770	-	-	19,714
Health and human services	-	355	-	-	-	-	-	3,988
Public safety	-	-	-	-	-	-	-	11,909
Recreation	30,704	-	-	-	-	-	-	30,770
Education	-	-	-	-	-	-	-	436,016
Capital expenditures	-	-	-	-	-	-	-	-
Total expenditures	30,704	355	-	-	1,770	-	-	502,397
Excess (deficiency) of revenues over expenditures	11,453	1,396	-	606	(1,763)	-	2,031	208,701
Other financing sources (Uses)								
Transfers in	-	-	-	-	-	100,000	-	109,000
Transfers out	(12,405)	-	-	-	-	-	-	(249,344)
Total other financing sources	(12,405)	-	-	-	-	100,000	-	(140,344)
Net change in fund balances	(952)	1,396	-	606	(1,763)	100,000	2,031	68,357
Fund balances - beginning	30,333	5,609	708	217,638	2,291	-	-	565,713
Fund balances - ending	\$ 29,381	\$ 7,005	\$ 708	\$ 218,244	\$ 528	\$ 100,000	\$ 2,031	\$ 634,070

See accountant's report.

TOWN OF COLUMBIA
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

	Private-Purpose Trust Funds						Agency Funds			
	Margaret Danehy Memorial <u>Fund</u>	Kathy Mattesich Memorial <u>Fund</u>	Dennis Harvey Memorial <u>Fund</u>	Scholarship Funds <u>Funds</u>	Cemetery Funds <u>Funds</u>	School Trust <u>Fund</u>	Bell Mem. Trust <u>Trust</u>	Performance Bonds <u>Bonds</u>	Student Activity Funds <u>Funds</u>	<u>Total</u>
Assets										
Cash and cash equivalents	\$ 2,115	\$ 3,472	\$ 1,670	\$ 5,638	\$ 930	\$ 396	\$ 42,768	\$ 59,386	\$12,906	\$ 129,281
Total assets	<u>\$ 2,115</u>	<u>\$ 3,472</u>	<u>\$ 1,670</u>	<u>\$ 5,638</u>	<u>\$ 930</u>	<u>\$ 396</u>	<u>\$ 42,768</u>	<u>\$ 59,386</u>	<u>\$12,906</u>	<u>\$ 129,281</u>
Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fiduciary deposits	-	-	-	-	-	-	-	59,386	12,906	72,292
Due to General Fund	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,386</u>	<u>12,906</u>	<u>72,292</u>
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	-
Net position										
Held in trust for scholarships and other purposes	<u>2,115</u>	<u>3,472</u>	<u>1,670</u>	<u>5,638</u>	<u>930</u>	<u>396</u>	<u>42,768</u>	-	-	<u>56,989</u>
Total net position	<u>\$ 2,115</u>	<u>\$ 3,472</u>	<u>\$ 1,670</u>	<u>\$ 5,638</u>	<u>\$ 930</u>	<u>\$ 396</u>	<u>\$ 42,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,989</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, 2016

	Private-Purpose Trust Funds							
	Margaret Danehy Memorial Fund	Katny Mattesich Memorial Fund	Dennis Harvey Memorial Fund	Scholarship Funds	Cemetery Funds	School Trust Fund	Bell Mem. Trust	Total
Additions								
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	1	-	-	124	125
Total additions	-	-	-	1	-	-	124	125
Deductions								
Other Expenses	-	-	-	-	1,760	-	-	1,760
Scholarships	250	200	200	505	-	-	-	1,155
Capital Outlay	-	-	-	-	-	-	-	-
Total deductions	250	200	200	505	1,760	-	-	2,915
Change in net position	(250)	(200)	(200)	(504)	(1,760)	-	124	(2,790)
Net position - beginning	2,365	3,672	1,870	6,142	2,690	396	42,644	59,779
Net position - ending	\$ 2,115	\$ 3,472	\$ 1,670	\$ 5,638	\$ 930	\$ 396	\$ 42,768	\$ 56,989

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, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
Performance bonds				
<i>Assets</i>				
Cash	\$ 67,818	\$ 25,870	\$ 34,302	\$ 59,386
Total assets	<u>67,818</u>	<u>25,870</u>	<u>34,302</u>	<u>59,386</u>
<i>Liabilities</i>				
Fiduciary deposits	67,818	25,870	34,302	59,386
Total liabilities	<u>\$ 67,818</u>	<u>\$ 25,870</u>	<u>\$ 34,302</u>	<u>\$ 59,386</u>
Student activity fund				
<i>Assets</i>				
Cash	\$ 14,667	\$ 63,209	\$ 64,970	\$ 12,906
Total assets	<u>14,667</u>	<u>63,209</u>	<u>64,970</u>	<u>12,906</u>
<i>Liabilities</i>				
Fiduciary deposits	14,667	63,209	64,970	12,906
Total liabilities	<u>\$ 14,667</u>	<u>\$ 63,209</u>	<u>\$ 64,970</u>	<u>\$ 12,906</u>
Total agency funds				
<i>Assets</i>				
Cash	\$ 82,485	\$ 89,079	\$ 99,272	\$ 72,292
Total assets	<u>82,485</u>	<u>89,079</u>	<u>99,272</u>	<u>72,292</u>
<i>Liabilities</i>				
Fiduciary deposits	82,485	89,079	99,272	72,292
Total liabilities	<u>\$ 82,485</u>	<u>\$ 89,079</u>	<u>\$ 99,272</u>	<u>\$ 72,292</u>

See accountant's report.

TOWN OF COLUMBIA
 Schedule of Property Taxes Levied, Collected, and Outstanding
 For The Year Ended June 30, 2016

	Outstanding July 1, 2015	Current Levy	Lawful Corrections		Collectible Taxes	Receipt of Taxes	Receipt of Interest and Liens	Total Receipts	Transfers to Suspense	Outstanding June 30, 2016
			Additions	Deductions						
List of 10/1:										
2014		\$ 12,845,179	\$ 14,427	\$ 67,205	\$ 12,792,401	\$ 12,633,343	\$ 39,463	\$ 12,672,806	\$ -	\$ 159,058
2013	141,422	-	1,135	3,290	139,267	89,755	20,447	110,202	-	49,512
2012	40,376	-	310	232	40,454	15,775	7,450	23,225	-	24,679
2011	10,965	-	238	-	11,203	2,894	3,591	6,485	2,367	5,942
2010	7,341	-	220	-	7,561	3,404	2,392	5,796	1,482	2,675
2009	3,602	-	-	-	3,602	-	-	-	602	3,000
2008	4,706	-	-	-	4,706	-	-	-	694	4,012
2007	3,499	-	-	-	3,499	-	-	-	380	3,119
2006	5,982	-	-	-	5,982	103	59	162	220	5,659
2003	-	-	117	-	117	117	-	117	-	-
	<u>\$ 217,893</u>	<u>\$ 12,845,179</u>	<u>\$ 16,447</u>	<u>\$ 70,727</u>	<u>\$ 13,008,792</u>	<u>12,745,391</u>	<u>73,402</u>	<u>12,818,793</u>	<u>\$ 5,745</u>	<u>\$ 257,656</u>

Net Grand List- October 1, 2014: \$471,671,182

Tax Rate: 27.13 mills

Suspense collections	540	664	1,204
Total collections	\$ 12,745,931	\$ 74,066	\$ 12,819,997

See accountant's report.

TOWN OF COLUMBIA
 Ten Largest Taxpayers
 For the Year Ended June 30, 2016

<u>Name</u>	<u>Assessed Value</u>	<u>Net Taxable Grand List*</u>
Connecticut Light and Power Co	\$ 8,364,955	1.77%
Angelides, Michael J & Susan H	3,365,500	0.71%
DNB LLC	2,412,500	0.51%
Columbia Manufacturing Inc	1,487,500	0.32%
Tourgate Realty Inc	1,456,800	0.31%
Commerce Drive LLC	1,214,430	0.26%
Kasica Gene	1,168,560	0.25%
OSWA LLC	1,132,700	0.24%
Englert, Alice M Trustee	1,033,400	0.22%
Wile, Andrew S	982,500	0.21%
Cornerstone of Columbia	928,700	0.20%

* - Based on Net Taxable Grand List 10/1/14: \$471,671,182
 Source: Assessor's Office, Town of Columbia

TOWN OF COLUMBIA
Schedule of Debt Limitation
June 30, 2016

Total Tax Collections (Prior Year) - including interest and lien fees
Received by Treasurer \$12,718,157

Reimbursement for revenue loss on:

Tax relief for elderly (Prior Year) 33,221
Base \$12,751,378

Debt limitation:	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
2 1/4 times base	\$28,690,601	\$ -	\$ -	\$ -
4 1/2 times base	-	57,381,201	-	-
3 3/4 times base	-	-	47,817,668	-
3 1/4 times base	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,441,979</u>
Total debt limitation	28,690,601	57,381,201	47,817,668	41,441,979

Indebtedness:

Bonds payable:	565,253	159,747	-	-
Less: State Grants Receivable	<u>-</u>	<u>(82,690)</u>	<u>=</u>	<u>-</u>
Total Indebtedness	<u>565,253</u>	<u>77,057</u>	<u>-</u>	<u>-</u>

Debt limitation in excess of
outstanding and authorized debt \$28,125,348 \$57,304,144 \$47,817,668 \$41,441,979

NOTE:

In no case should this total indebtedness exceed
seven times the base \$12,751,378 or \$89,259,646

TOWN OF COLUMBIA
 Schedule of Debt Disclosures
 For the Year Ended June 30, 2016

Ratio of debt to the equalized net grand list

		<u>Equalized</u> <u>Net Grand List</u>		<u>Ratio</u>
Direct debt	\$ 725,000	\$706,382,478	(1)	0.103%
Direct debt, net	642,310	706,382,478	(1)	0.091%

Amount of debt to per capita

		<u>2014</u> <u>Population</u>		<u>Per</u> <u>Capita</u>
Direct debt	\$ 725,000	5,454	(1)	\$ 133
Direct debt, net	642,310	5,454	(1)	118

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 2010-2014 Municipal Fiscal Indicators

TOWN OF COLUMBIA
Budgetary Comparison Schedule
Reserve for Capital and Non-Recurring Expenditures
For the Year Ended June 30, 2016

	Budget Appropriations July 1, 2015	15/16 Adopted Appropriations	15/16 Adopted Cancellations	Mid-Year Appropriations, and Transfers	Adjusted Appropriations	Current Year Expenditures	Balance Appropriated June 30, 2016
Reserved for active projects:							
Road Resurfacing	\$ 57,892	\$ 176,578	\$ -	\$ -	\$ 234,470	\$ 231,342	\$ 3,128
Hennequin Road Drainage	-	25,000	-	-	25,000	5,793	19,207
Erdoni Road Drainage	-	38,000	-	-	38,000	-	38,000
Recreation Area Improvement	-	10,000	-	-	10,000	7,632	2,368
Four Year Revaluation	42,368	31,000	-	-	73,368	26,956	46,412
Town-wide Network/IT	-	23,000	-	-	23,000	19,411	3,589
DPW Capital Equipment	65,066	69,000	-	-	134,066	97,968	36,098
DPW Transfer Station Equipment	7,672	5,800	-	-	13,472	5,050	8,422
DPW Cap Improvements - Bldg	69,952	60,000	-	-	129,952	120,261	9,691
HWP Roof Replacement/Repair	429,869	(386,869)	-	-	43,000	29,442	13,558
R. Szedga Development Rights	129,032	-	-	-	129,032	54,855	74,177
Bridge On Hop River Road	2,029	20,000	-	-	22,029	1,213	20,816
Bridge On Baker Hill Road	252,111	-	-	-	252,111	53,693	198,418
HWP Floor Replacement/Repair	30,000	5,000	-	-	35,000	12,915	22,085
HWP Window Replacement/Repair	6,000	3,000	-	-	9,000	-	9,000
HWP Portable Water Storage Tank	4,500	-	-	-	4,500	2,230	2,270
HWP HVAC Improvements	31,044	(24,043)	-	-	7,001	7,000	1
Bridge on Latham Hill	14,119	-	-	-	14,119	-	14,119
HWP Heating System	-	28,000	-	-	28,000	24,340	3,660
HWP Sewage Pump Replacement	-	10,000	-	-	10,000	2,420	7,580
Rose Bridge Road	43,595	47,517	-	-	91,112	80,594	10,518
Senior Center Kitchen	1,283	-	-	-	1,283	-	1,283
CVFD Equipment - Engine	-	50,000	-	-	50,000	50,000	-
Beach House Renovation/Murphy De.	59	-	-	-	59	-	59
HWP Roof Architectural Fees	4,966	-	-	-	4,966	-	4,966
Dam Hazard Mitigation	73,024	(49,146)	-	-	23,878	18,057	5,821
Library Expansion-Phase III	107,625	1,058,800	-	60,000	1,226,425	873,243	353,182
Total Reserve for Active Projects	1,372,206	1,200,837	-	60,000	2,632,843	1,724,415	908,428
Designated for Future Projects:							
Land Acquisition	244,001	20,000	-	-	264,001	-	264,001
Cap Proj Reserve-Future Projects	63,000	(63,000)	-	-	-	-	-
Total Designated for Future Projects	307,001	(43,000)	-	-	264,001	-	264,001
Transfer Out	-	-	-	-	-	-	-
Total Capital and Non-Recurring	\$ 1,679,207	\$ 1,157,837	\$ -	\$ 60,000	\$ 2,896,844	\$ 1,724,415	\$ 1,172,429

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, 2016, and the related notes to the financial statements, which collectively comprise the Town of Columbia, CT's basic financial statements, and have issued our report thereon dated January 10, 2017.

Internal Control over Financial Reporting

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

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

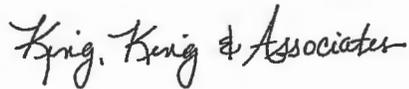
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of This Report

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



King, King & Associates, CPAs
Winsted, CT
January 10, 2017

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

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Town of Columbia, CT's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Columbia, CT's major state programs for the year ended June 30, 2016. 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, 2016

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

King, King & Associates, CPAs
Winsted, CT
January 10, 2017

Town of Columbia
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2016

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program Identification Number</u>	<u>Expenditures</u>
Department of Economic and Community Development		
Small Town Economic Assistance Program	12052-ECD46000-42411	\$ 118,305
State Dept. of Education		
Adult Education	11000-SDE64370-17030	2,418
Child Nutrition Program - State Match	11000-SDE64370-16211	1,475
Health Foods Initiative	11000-SDE64370-16212	3,031
Youth Service Bureau	11000-SDE64370-17052	14,000
Youth Service Bureau Enhancement	11000-SDE64370-16201	3,071
Judicial Department		
Public Acts	34001-JUD95162-40001	4,225
Connecticut State Library		
Historic Preservation	12060-CSL66094-35150	3,000
Construction Grants to Public Libraries	12502-CSL66051-43299	470,184
Office of Policy and Management		
Veteran's Exemptions	11000-OPM20600-17024	2,516
Elderly Exemptions	11000-OPM20600-17018	32,634
Tax Relief for Disabled	11000-OPM20600-17011	730
Municipal Grants-in-aid	12052-OPM20600-43587	26,763
Department of Transportation		
High Risk Rural Roads Speed Enforcement	12062-DOT57513-22108	10,320
Small Town Economic Assistance Program	12052-DOT57191-40532	80,594
Town Aid Road	12502-DOT57131-43455	206,142
Department of Energy and Environmental Protection		
Municipal Recycling Assistance	12060-DEP43930-35169	3,383
Total State Financial Assistance before exempt programs		<u>\$ 979,408</u>
EXEMPT PROGRAMS		
Office of Policy and Management		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	\$ 20,482
Department of Education		
Education Cost Sharing	11000-SDE64000-17041	2,531,958
Public School Transportation	11000-SDE64000-17027	35,918
School Construction Grants - Principal	13010-DAS27636-40901	35,991
School Construction Grants - Interest	13009-DAS27636-40896	780
Excess Cost Student Based and Equity	11000-SDE64000-17047	401,547
Total Exempt Programs		<u>3,026,676</u>
Total State Financial Assistance		<u>\$ 4,006,084</u>

See notes to schedule.

TOWN OF COLUMBIA, CT
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2016

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, 2016. 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, 2016

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, 2016 and issued our unmodified report thereon dated January 10, 2017.

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes ✓ No

State Financial Assistance

Internal control over major programs:

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

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

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

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

<u>State Grantor and Program</u>	<u>State Core - CT Number</u>	<u>Expenditures</u>
Department of Economic and Community Development		
Small Town Economic Assistance Program	12052-ECD46000-42411	\$ 118,305
Connecticut State Library		
Construction Grants to Public Libraries	12052-CSL66051-43299	470,184
Department of Transportation		
Town Aid Road	12052-DOT57131-43455	206,142

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

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated January 10, 2017, on internal control over financial reporting and on compliance and other matters based on our audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no significant deficiencies.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

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