

**TOWN OF COLUMBIA
Columbia, Louisiana**

Annual Financial Statements

**As of and for the Year Ended
June 30, 2021**

TOWN OF COLUMBIA
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2021

C O N T E N T S

	Statement	Page No.
Independent Auditor's Report		3
Required Supplemental Information:		
Management's Discussion and Analysis		6
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	A	13
Statement of Activities	B	14
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	15
Statement of Revenue, Expenditures and Changes in Fund Balances	D	16
Business-Type Activities - Enterprise Funds:		
Statement of Net Position	E	18
Statement of Revenue, Expenses, and Changes in Net Position	F	19
Statement of Cash Flows	G	20
Notes to the Financial Statements		21

TOWN OF COLUMBIA
 Columbia, Louisiana
 Annual Financial Statements
 As of and for the Year Ended June 30, 2021

C O N T E N T S (Contd.)

	Schedule	Page No.
Required Supplemental Information Schedules:		
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and And Actual - General Fund	1	45
Schedule of Proportionate Share of the Net Pension Liability - Municipal Employees' Retirement System and Municipal Police Employees' Retirement System	2	46
Schedule of Contributions - Municipal Employees' Retirement System and Municipal Police Employees' Retirement System	3	47
Other Supplemental Information Schedules:		
Schedule of Compensation, Benefits and Other Payments to Mayor and Town Council	4	50
Justice System Funding Schedule - Collecting/Disbursing Entity	5	51
Schedule of Prior Year Findings	6	52
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		54
Schedule of Current Year Findings and Management's Planned Corrective Action		56

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

Independent Auditor's Report

MAYOR AND TOWN COUNCIL
TOWN OF COLUMBIA
Columbia, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Columbia (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town'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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 and the *Louisiana Governmental Audit Guide*. Those standards require that I 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, I 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.

MAYOR AND TOWN COUNCIL
TOWN OF COLUMBIA
Columbia, Louisiana
Independent Auditor's Report
June 30, 2021

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Columbia as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 11; the budgetary comparison information on page 45; and the schedule of proportionate share of the net pension liability and schedule of contributions related to the Municipal Employees' Retirement System and Municipal Police Employees' Retirement systems on pages 46 and 47 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 (GASB), 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Columbia's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Mayor and Town Council on page 50, the Justice System Funding Schedule - Collecting/Disbursing Entity on page 51, and the Schedule of Prior Year Findings on page 52 are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

MAYOR AND TOWN COUNCIL
TOWN OF COLUMBIA
Columbia, Louisiana
Independent Auditor's Report
June 30, 2021

The Schedule of Compensation, Benefits, and Other Payments to Mayor and Town Council, the Justice System Funding Schedule - Collecting/Disbursing Entity, and the Schedule of Prior Year Findings 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 my opinion, the Schedule of Compensation, Benefits, and Other Payments to Mayor and Town Council, the Justice System Funding Schedule - Collecting/Disbursing Entity and the Schedule of Prior Year Findings are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated November 12, 2021, on my consideration of the Town of Columbia's internal control over financial reporting and on my tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's the 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's internal control over financial reporting and compliance.



Calhoun, Louisiana
November 12, 2021

TOWN OF COLUMBIA
Columbia, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

Our discussion and analysis of the Town of Columbia's (hereafter referred to as the "Town") financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Town's basic financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 13 and 14 provide information about the activities of the Town as a whole. Fund financial statements that begin on page 15 provide information on how the activities of the Town are financed in the short term as well as what remains for future spending. Fund financial statements report the Town's operations in more detail than the government-wide statements.

**Reporting the Town as a Whole - The Statement of Net Position
and the Statement of Activities**

Our analysis of the Town as a whole begins with the Statement of Net Position and the Statement of Activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's *net position* and the changes in net position. Net position - the difference between assets (what the Town owns), plus deferred outflow of resources (consumption of assets that apply to a future period) and liabilities (what the town owes) plus deferred inflow of resources (resources that apply to a future period) is a way to measure the financial position of the Town. Over time, increases or decreases in the Town's net position is an indicator of whether the Town's financial position is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the Town is divided into two kinds of activities:

Governmental activities - all of the Town's governmental services are reported here including public safety, public works, culture and recreation and general administration.

Business-type activities - the activities of the Town's water, sewer, and gas systems are reported here.

TOWN OF COLUMBIA
 Columbia, Louisiana
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2021

Reporting the Town's Funds - Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds. The General Fund is the operating fund of the Town and accounts for all of the financial resources of the general government. The Water, Sewer, and Gas Enterprise Funds were established by the Town to help it control and manage money for the activities of the water, sewer, and gas systems. The Town's two kinds of funds - governmental and business-type funds use different accounting methods.

Governmental funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Governmental funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's operations. Governmental fund information helps to determine whether there are more or fewer financial resources that are available to be spent in the near future. The differences between governmental activities reported in the Statement of Net Position and the Statement of Activities and governmental funds are reported in a reconciliation at the bottom of the fund financial statements.

Business-type activities funds are reported in the same way that the activities are reported in the Statement of Net Position and the Statement of Activities.

**COMPARATIVE ANALYSIS OF
 FINANCIAL DATA**

The Town's total net position increased by \$319,006 for the year ended June 30, 2021 due to federal and local grants received to construct the Sherman Lake Walking Trail and water and gas rate increases in January 2020. The following presents an analysis of net position and the changes in net position of the town's governmental and business-type activities:

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
Assets						
Current assets	\$831,295	\$880,204	\$727,209	\$598,602	\$1,558,504	\$1,478,806
Restricted assets			108,726	175,273	108,726	175,273
Capital assets	696,856	416,856	2,312,920	2,090,367	3,009,776	2,507,223
Total assets	<u>\$1,528,151</u>	<u>\$1,297,060</u>	<u>\$3,148,855</u>	<u>\$2,864,242</u>	<u>\$4,677,006</u>	<u>\$4,161,302</u>

TOWN OF COLUMBIA
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
Deferred Outflow of Resources - pensions Liabilities	<u>\$42,025</u>	<u>\$49,853</u>	<u>NONE</u>	<u>NONE</u>	<u>\$42,025</u>	<u>\$49,853</u>
Current liabilities	14,594	53,155	591,765	107,653	606,359	160,808
Long-term liabilities	<u>11,613</u>	<u>128,805</u>	<u>307,992</u>	<u>554,228</u>	<u>319,605</u>	<u>683,033</u>
Total liabilities	<u>26,207</u>	<u>181,960</u>	<u>899,757</u>	<u>661,881</u>	<u>925,964</u>	<u>843,841</u>
Deferred Inflow of Resources - pensions	<u>3,025</u>	<u>26,278</u>	<u>NONE</u>	<u>NONE</u>	<u>3,025</u>	<u>26,278</u>
Net Position						
Net investment in capital assets	696,856	416,856	1,460,084	1,353,954	2,156,940	1,770,810
Restricted			108,726	141,774	108,726	141,774
Unrestricted	<u>714,088</u>	<u>721,819</u>	<u>680,288</u>	<u>706,633</u>	<u>1,394,376</u>	<u>1,428,452</u>
Total net position	<u>\$1,410,944</u>	<u>\$1,138,675</u>	<u>\$2,249,098</u>	<u>\$2,202,361</u>	<u>\$3,660,042</u>	<u>\$3,341,036</u>

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
Program revenue						
Charges for services	\$49,326	\$57,001	\$402,031	\$353,240	\$451,357	\$410,241
Operating grants and contributions	67,483	68,681			67,483	68,681
Capital grants and contributions	269,298	25,250	25,000		294,298	25,250
General revenue						
Property taxes	54,996	53,235			54,996	53,235
Sales taxes	235,834	202,061			235,834	202,061
Other taxes	83,298	77,262			83,298	77,262
Licenses and permits	37,475	37,218			37,475	37,218
Investment earnings	2,084	6,223	209	581	2,293	6,804
Other general revenue	24,918	206			24,918	206
Loss on disposal of capital assets	<u>(1,999)</u>	<u>(3,676)</u>			<u>(1,999)</u>	<u>(3,676)</u>
Total revenue	<u>822,713</u>	<u>523,461</u>	<u>427,240</u>	<u>353,821</u>	<u>1,249,953</u>	<u>877,282</u>
Transfers	50,000	50,000	(50,000)	(50,000)		
Total revenue and transfers	<u>872,713</u>	<u>573,461</u>	<u>377,240</u>	<u>303,821</u>	<u>1,249,953</u>	<u>877,282</u>
Program expenses						

TOWN OF COLUMBIA
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
General government	\$396,273	\$347,858			\$396,273	\$347,858
Public safety	108,051	62,757			108,051	62,757
Public works	57,320	70,695			57,320	70,695
Culture and recreation	38,800	48,708			38,800	48,708
Water			\$151,863	\$132,765	151,863	132,765
Sewer			125,426	107,599	125,426	107,599
Gas			53,214	66,563	53,214	66,563
Total expenses	<u>600,444</u>	<u>530,018</u>	<u>330,503</u>	<u>306,927</u>	<u>930,947</u>	<u>836,945</u>
Change in net position	272,269	43,443	46,737	(3,106)	319,006	40,337
Net position - beginning	<u>1,138,675</u>	<u>1,095,232</u>	<u>2,202,361</u>	<u>2,205,467</u>	<u>3,341,036</u>	<u>3,300,699</u>
Net position - ending	<u>\$1,410,944</u>	<u>\$1,138,675</u>	<u>\$2,249,098</u>	<u>\$2,202,361</u>	<u>\$3,660,042</u>	<u>\$3,341,036</u>

The Town's total revenue increased \$372,671 from prior year due to an increase in capital grants, increases in charges for services for water, sewer and gas, and an increase in other general revenue which included a \$10,000 donation for street repairs, a \$6,000 donation for the farmer's market, and \$7,540 in insurance proceeds from a damaged police car. The Town's total expenses increased \$94,002 primarily due to increases in salaries, insurance, repairs and maintenance, and an increase in the Town's proportionate share of the net pension liability of the retirement system its employees participate in.

Governmental Funds

Total revenue and transfers for governmental activities increased \$299,252 due to increases in capital grants, sales taxes, and other general revenue described in the preceding paragraph. The expenses of the governmental activities increased \$70,426 with the largest increase in general government. The increase in public safety was due to a decrease in the Town's proportionate share of the net pension liability of the Municipal Police Employee's Retirement System.

Business-Type Activities

The Town's charges for services for its business-type activities were \$48,791 more than in the prior year due to water and gas rate increases in January 2020. Total expenses increased approximately \$23,576 due to increases in repairs and maintenance expenses for the water, sewer, and gas systems.

TOWN OF COLUMBIA
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

OVERALL FINANCIAL POSITION

The Town's net position increased \$319,006 as a result of this year's operations. The business-type activities had an increase in net position of \$46,737 and the governmental activities had an increase of \$272,269. Unrestricted net position (those assets available to finance the daily operations of the Town) was \$1,394,376 at year end. The decrease in unrestricted net position was \$34,076 from the prior year amount. The net investment in capital assets was \$2,156,940 and net position restricted for debt service was \$108,726 at year end.

TOWN'S FUNDS

At the end of the year, the Town's General Fund reported a fund balance of \$816,701 of which \$611,372 was unassigned. General Fund fund balance decreased \$10,348 for the year and has decreased a total of \$129,791 over the past two years. The Water Enterprise Fund reported total net position of \$1,352,013 at year end. The increase in net position was \$32,375 for the year. The Sewer Enterprise Fund reported total net position of \$571,098 at year end. The decrease in net position was \$21,070 for the year. The Gas Enterprise Fund reported total net position of \$325,987 at year end. The increase in net position was \$35,432 for the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town amended its General Fund budget one time during the year ended June 30, 2021. At year end, actual revenues and other financing sources were \$80,525 more than budgeted revenues and other financing sources and actual expenditures were \$60,280 less than budgeted expenditures. The Town prepared its General Fund budget on the modified accrual basis of accounting.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

At the end of the year, the Town had capital assets (net of accumulated depreciation) totaling \$3,009,776. Capital assets include land, buildings, construction in progress, water, sewer, and gas systems and improvements, and vehicles and equipment, costing \$1,000 or more. The Town has elected not to report major general infrastructure assets such as roads, bridges, sidewalks, etc., that were purchased or constructed prior to January 1, 2002.

During the year ended June 30, 2021, the General Fund purchased a police vehicle for \$35,805. In addition, the Town incurred \$277,696 in construction costs for the Sherman Lake Trail project

TOWN OF COLUMBIA
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

and \$363,767 in construction costs for the water tank repair and replacement project. Additional information about the Town's capital assets is presented in the notes to the financial statements.

Long-Term Obligations

At June 30, 2021, the Town reported \$6,693 in compensated absences payable on the statement of net position for governmental activities. This amount is the total due employees for accrued sick leave upon separation from service due to retirement. Additional information about the Town's compensated absences payable is presented in the notes to the financial statements.

At June 30, 2021, the Town reported \$322,934 in outstanding sewer revenue bonds payable and \$529,902 in bond anticipation notes payable on the statement of net position for business-type activities. During the year ended June 30, 2021, the Town paid in full the outstanding principal of its water revenue bonds by obtaining a bond anticipation note from a private lender. The proceeds from the bond anticipation note were \$530,063 and were used to pay off the water revenue bonds and provide interim financing for the water tank repair and replacement project. Interest expense on all outstanding debt was \$31,056 for the year. Additional information about the Town's debt is presented in the notes to the financial statements.

In accordance with *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*, the Town is reporting a net pension liability of \$134,920 on the statement of net position for governmental activities at June 30, 2021. Additional information about the Town's net pension liability is presented in the notes to the financial statements.

ECONOMIC FACTORS

The town expects its General Fund revenues for the year ending June 30, 2022, to be approximately \$343,472 less than the General Fund revenues for the year ended June 30, 2021, due to a decrease in grants for the Sherman Lake Trail project. General Fund expenditures for the year ending June 30, 2022, are expected to be approximately \$250,970 less than the General Fund expenditures for the year ended June 30, 2021 due to a decrease in expenditures for the Sherman Lake Trail project. The General Fund expects to receive approximately \$50,000 in transfers from the Water, Sewer, and Gas funds during the next fiscal year. The Town expects the revenues of the Water and Gas funds to increase during the year ending June 30, 2022, due to rate increases that were adopted in January 2020. The Town will issue \$750,000 of water revenue bonds to pay the outstanding principal and interest on the 2021 bond anticipation note that provided interim financing for the improvements to the water system during the year ended June 30, 2021. The Town also expects to receive approximately \$135,366 in federal funding from the American Rescue Plan Act, Coronavirus Fiscal Recovery Fund during the year ended June 30, 2022.

BASIC FINANCIAL STATEMENTS

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$473,949	\$689,569	\$1,163,518
Investments	318,776	8,558	327,334
Receivables (net of allowances for uncollectibles)	37,770	29,082	66,852
Internal balances	800	(800)	
Restricted cash		108,726	108,726
Capital assets (net)	696,856	2,312,920	3,009,776
Total assets	1,528,151	3,148,055	4,676,206
DEFERRED OUTFLOWS OF RESOURCES			
Resources related to pensions	42,025	NONE	42,025
LIABILITIES			
Accounts payable	8,188	5,460	13,648
Payroll liabilities payable	6,406		6,406
Accrued interest payable		2,576	2,576
Customer meter deposits		38,085	38,085
Long-term liabilities other than pensions:			
Due within one year		544,844	544,844
Due in more than one year	6,693	307,992	314,685
Net pension liability	134,920		134,920
Total liabilities	156,207	898,957	1,055,164
DEFERRED INFLOWS OF RESOURCES			
Resources related to pensions	3,025	NONE	3,025
NET POSITION			
Net investment in capital assets	696,856	1,460,084	2,156,940
Restricted for debt service		108,726	108,726
Unrestricted	714,088	680,288	1,394,376
Total net position	\$1,410,944	\$2,249,098	\$3,660,042

See accompanying notes.

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Program Revenue.....				Net (Expense) Revenue andChanges in Net Position.....		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General government	\$396,273		\$8,541		(\$387,732)		(\$387,732)
Public safety	108,051	\$49,326	8,307		(50,418)		(50,418)
Public works	57,320				(57,320)		(57,320)
Culture and recreation	38,800		50,635	\$269,298	281,133		281,133
Total governmental activities	600,444	49,326	67,483	269,298	(214,337)		(214,337)
BUSINESS-TYPE ACTIVITIES:							
Water service	151,863	175,692		25,000		\$48,829	48,829
Sewer service	125,426	120,757				(4,669)	(4,669)
Gas service	53,214	105,582				52,368	52,368
Total business-type activities	330,503	402,031	NONE	25,000		96,528	96,528
Total government	\$930,947	\$451,357	\$67,483	\$294,298	(214,337)	96,528	(117,809)
GENERAL REVENUE AND TRANSFERS							
General revenue:							
Property taxes					54,996		54,996
Sales taxes					235,834		235,834
Other taxes					83,298		83,298
Licenses and permits					37,475		37,475
Investment earnings					2,084	209	2,293
Loss on disposal of capital assets					(1,999)		(1,999)
Other general revenues					24,918		24,918
Transfers (net)					50,000	(50,000)	
Total general revenue and transfers					486,606	(49,791)	436,815
CHANGE IN NET POSITION					272,269	46,737	319,006
NET POSITION - BEGINNING					1,138,675	2,202,361	3,341,036
NET POSITION - ENDING					\$1,410,944	\$2,249,098	\$3,660,042

See accompanying notes.

TOWN OF COLUMBIA
Columbia, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2021

	<u>General Fund</u>
ASSETS	
Cash	\$473,949
Investments	318,776
Receivables	37,770
Due from Water Fund	<u>800</u>
TOTAL ASSETS	<u><u>\$831,295</u></u>
LIABILITIES	
Accounts payable	\$8,188
Payroll liabilities payable	<u>6,406</u>
Total liabilities	<u>14,594</u>
FUND BALANCES	
Assigned:	
Public safety	148,254
Office equipment	31,491
Street improvements	18,799
Employee benefits	6,785
Unassigned	<u>611,372</u>
Total fund balance	<u>816,701</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$831,295</u></u>
Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Position:	
Total fund balance - Governmental Fund	\$816,701
Amount reported for net position of governmental activities in the Statement of Net Position (Statement A) is different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund.	696,856
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(6,693)
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(134,920)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	<u>39,000</u>
Net position of governmental activities (Statement A)	<u><u>\$1,410,944</u></u>

See accompanying notes.

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2021

	<u>General Fund</u>
REVENUE	
Taxes:	
Property	\$54,996
Sales	235,834
Franchise	13,932
Beer	1,672
Insurance premium	67,694
Licenses and permits	37,475
Intergovernmental revenue:	
Federal grant	166,298
State grants	8,307
Local grants	158,036
Fines	42,848
Fire protection fees	6,478
Investment earnings	2,084
Other revenue	24,918
Total revenue	<u>820,572</u>
EXPENDITURES	
General government	381,366
Public safety	105,563
Public works	41,690
Culture and recreation	38,800
Capital outlay	313,501
Total expenditures	<u>880,920</u>
EXCESS (Deficiency) OF REVENUE OVER EXPENDITURES	<u>(60,348)</u>
OTHER FINANCING SOURCES	
Transfer from Water Fund	16,500
Transfer from Sewer Fund	16,500
Transfer from Gas Fund	17,000
Total other financing sources	<u>50,000</u>
NET CHANGE IN FUND BALANCE	(10,348)
FUND BALANCE AT BEGINNING OF YEAR	<u>827,049</u>
FUND BALANCE AT END OF YEAR	<u><u>\$816,701</u></u>

(Continued)

See accompanying notes.

TOWN OF COLUMBIA
 Columbia, Louisiana
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
 For the Year Ended June 30, 2021

	<u>General Fund</u>
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities:	
Net change in fund balance - Governmental Fund	(\$10,348)
Amount reported for governmental activities in the Statement of Activities (Statement B) is 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. This is the amount by which capital outlay expenditures exceeded depreciation expense in the current period.	281,999
In the statement of activities, the book value of deleted assets is reported as a loss, while in the governmental fund, the proceeds from disposition, if any, increase financial resources.	(1,999)
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the Town's proportionate share of the plans pension expense is reported as pension expense.	(1,566)
The Town's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and are not reported as revenue in the governmental funds.	4,140
The decrease in compensated absences payable does not require the use of current resources and, therefore, is not reported as expenditures in the governmental funds.	<u>43</u>
Change in net position of governmental activities (Statement B)	<u><u>\$272,269</u></u>

(Concluded)
 See accompanying notes.

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF NET POSITION - BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUNDS
June 30, 2021

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash	\$274,556	\$221,151	\$193,862	\$689,569
Investments			8,558	8,558
Receivable (net of allowance for doubtful accounts)	14,541	9,555	4,986	29,082
Total current assets	<u>289,097</u>	<u>230,706</u>	<u>207,406</u>	<u>727,209</u>
Noncurrent assets:				
Restricted cash	39,069	69,657		108,726
Capital assets (net of accumulated depreciation)	<u>1,581,486</u>	<u>597,802</u>	<u>133,632</u>	<u>2,312,920</u>
Total assets	<u>1,909,652</u>	<u>898,165</u>	<u>341,038</u>	<u>3,148,855</u>
LIABILITIES				
Current liabilities:				
Accounts payable	623	3,337	1,500	5,460
Due to General Fund	800			800
Accrued interest payable	1,780	796		2,576
Current portion of long-term debt	529,902	14,942		544,844
Customer deposits	<u>24,534</u>		<u>13,551</u>	<u>38,085</u>
Total current liabilities	<u>557,639</u>	<u>19,075</u>	<u>15,051</u>	<u>591,765</u>
Noncurrent liabilities:				
Long-term debt - revenue bonds payable		<u>307,992</u>	NONE	<u>307,992</u>
Total liabilities	<u>557,639</u>	<u>327,067</u>	<u>15,051</u>	<u>899,757</u>
NET POSITION				
Net investment in capital assets	1,051,584	274,868	133,632	1,460,084
Restricted for debt service	39,069	69,657		108,726
Unrestricted	<u>261,360</u>	<u>226,573</u>	<u>192,355</u>	<u>680,288</u>
Total net position	<u>\$1,352,013</u>	<u>\$571,098</u>	<u>\$325,987</u>	<u>\$2,249,098</u>

See accompanying notes.

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF REVENUE, EXPENSES, AND
CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUNDS

For the Year Ended June 30, 2021

	Water Fund	Sewer Fund	Gas Fund	Total
OPERATING REVENUE				
Service fees	\$165,540	\$119,680	\$104,535	\$389,755
Penalties	1,862	1,077	597	3,536
Safe drinking water fees	3,469			3,469
Other	4,821		450	5,271
Total operating revenue	<u>175,692</u>	<u>120,757</u>	<u>105,582</u>	<u>402,031</u>
OPERATING EXPENSES				
Office supplies	62	66		128
Postage	26			26
Sales tax	1,565			1,565
Repairs and maintenance	19,524	32,404	1,443	53,371
Utilities	4,368	8,327	234	12,929
Safe drinking water fee	3,588			3,588
Dues and memberships	380	714	670	1,764
Miscellaneous	1,639			1,639
Chemicals	3,494	1,627	1,000	6,121
Testing fees		2,895	420	3,315
Supplies			1,397	1,397
Travel, meals, and lodging		71		71
Professional training		598		598
Professional fees	500		1,220	1,720
Gas purchases			38,478	38,478
Depreciation	68,993	63,869	8,352	141,214
Total operating expenses	<u>104,139</u>	<u>110,571</u>	<u>53,214</u>	<u>267,924</u>
OPERATING INCOME	<u>71,553</u>	<u>10,186</u>	<u>52,368</u>	<u>134,107</u>
NON-OPERATING REVENUE (Expenses)				
Interest earned on deposits	46	99	64	209
State grant	25,000			25,000
Bond issuance costs	(31,523)			(31,523)
Interest expense	(16,201)	(14,855)		(31,056)
Total non-operating revenues (expenses)	<u>(22,678)</u>	<u>(14,756)</u>	<u>64</u>	<u>(37,370)</u>
TRANSFERS TO GENERAL FUND	<u>(16,500)</u>	<u>(16,500)</u>	<u>(17,000)</u>	<u>(50,000)</u>
CHANGE IN NET POSITION	32,375	(21,070)	35,432	46,737
NET POSITION - BEGINNING	<u>1,319,638</u>	<u>592,168</u>	<u>290,555</u>	<u>2,202,361</u>
NET POSITION - ENDING	<u>\$1,352,013</u>	<u>\$571,098</u>	<u>\$325,987</u>	<u>\$2,249,098</u>

See accompanying notes.

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUNDS
For the Year Ended June 30, 2021

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Gas Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$174,051	\$120,980	\$104,304	\$399,335
Customer meter deposits (net)	1,610		805	2,415
Payments to suppliers	<u>(36,930)</u>	<u>(44,447)</u>	<u>(63,240)</u>	<u>(144,617)</u>
Net cash provided by operating activities	<u>138,731</u>	<u>76,533</u>	<u>41,869</u>	<u>257,133</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to General Fund	<u>(16,500)</u>	<u>(16,500)</u>	<u>(17,000)</u>	<u>(50,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on capital debt	(257,074)	(14,583)		(271,657)
Interest paid on capital debt	(22,005)	(14,891)		(36,896)
Proceeds from loan	530,063			530,063
Bond issuance costs	(31,523)			(31,523)
Construction of capital assets	(363,767)			(363,767)
Grant proceeds	<u>25,000</u>			<u>25,000</u>
Net cash used by capital and related financing activities	<u>(119,306)</u>	<u>(29,474)</u>	<u>NONE</u>	<u>(148,780)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	46	99	64	209
(Increase) decrease in restricted cash	<u>68,188</u>	<u>(1,641)</u>		<u>66,547</u>
Net cash provided (used) by investing activities	<u>68,234</u>	<u>(1,542)</u>	<u>64</u>	<u>66,756</u>
NET INCREASE IN CASH	<u>71,159</u>	<u>29,017</u>	<u>24,933</u>	<u>125,109</u>
CASH AT BEGINNING OF YEAR	<u>203,397</u>	<u>192,134</u>	<u>168,929</u>	<u>564,460</u>
CASH AT END OF YEAR	<u>\$274,556</u>	<u>\$221,151</u>	<u>\$193,862</u>	<u>\$689,569</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	<u>\$71,553</u>	<u>\$10,186</u>	<u>\$52,368</u>	<u>\$134,107</u>
Adjustments:				
Depreciation	68,993	63,869	8,352	141,214
Decrease (increase) in accounts receivable	(1,641)	223	(1,278)	(2,696)
Increase (decrease) in customer meter deposits	1,610		805	2,415
Increase (decrease) in accounts payable	<u>(1,784)</u>	<u>2,255</u>	<u>(18,378)</u>	<u>(17,907)</u>
Total adjustments	<u>67,178</u>	<u>66,347</u>	<u>(10,499)</u>	<u>123,026</u>
Net cash provided by operating activities	<u>\$138,731</u>	<u>\$76,533</u>	<u>\$41,869</u>	<u>\$257,133</u>

See accompanying notes.

TOWN OF COLUMBIA
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2021

INTRODUCTION

The Town of Columbia was incorporated in 1827 and is governed under the provisions of the Lawrason Act which was enacted in 1898. The town is governed by the mayor-town council form of government. The mayor and five council members serve four-year terms which expire on June 30, 2024. The town provides general government, public safety, public works, culture and recreation, and water, sewer, and gas services to its residents. The town has a full-time clerk, an elected Chief of Police and 9 other full-time or part-time employees.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14* established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of these statements, the Town of Columbia is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14 and 39, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Town has no component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 activities of the Town of Columbia. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 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 revenue are reported instead as general revenue.

TOWN OF COLUMBIA
Notes to the Financial Statements

Separate financial statements are provided for governmental funds and business-type activities funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the business-type fund financial statements. Revenue is 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. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenue is considered to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, sales taxes, franchise taxes, other taxes, intergovernmental revenue, fines, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the town.

The Town of Columbia reports the following governmental funds:

General Fund

The General Fund is the general operating fund of the Town and accounts for all financial resources of the general government, including the police department, the fire department, the street department and the activities of the Main Street program.

The Town of Columbia reports the following business-type activity funds:

Water Enterprise Fund

The Water Enterprise fund accounts for the operations of the Town's water system.

Sewer Enterprise Fund

The Sewer Enterprise fund accounts for the operations of the Town's sewer system.

Gas Enterprise Fund

The Gas Enterprise fund accounts for the operations of the Town's gas system.

As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

Amounts reported as program revenue includes charges to customers for goods, services, or privileges provided and operating and capital grants and contributions. General revenue includes all taxes, licenses and permits, interest earnings and other miscellaneous revenue.

Business-type activities funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the fund's ongoing operations. The Water, Sewer, and Gas Enterprise Funds' operating revenue consists of charges for water, sewer, and gas sales and penalties. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting these definitions are reported as nonoperating revenue and expenses.

C. Deposits and Investments

The Town's cash is amounts in demand deposits and cash on hand at year-end. State law limits the Town's credit risk by restricting its investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed

TOWN OF COLUMBIA
Notes to the Financial Statements

securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2021, the Town's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The district's interest rate risk is limited by all investments maturing within 12 months of year end.

D. Receivables

Receivables for governmental activities, such as taxes, intergovernmental revenue, fines, and charges for services are generally shown net of an allowance for uncollectible amounts. These financial statements contain no provision for uncollectible accounts for these types of receivables. The Town is of the opinion that such an allowance for these receivables would be immaterial in relation to the financial statements taken as a whole.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. For the year ended June 30, 2021, the Town levied a 8.70 mill general alimony tax for general government purposes. The Town also levied 3.31 mills on all taxable property in the Town for the purposes of constructing, maintaining, and improving public streets within the Town. The Town is authorized to levy this street tax for a period of ten years ending with the year 2024.

The Town of Columbia adopted an ordinance on December 7, 1981, authorizing the levy of a 1% sales tax that may be used for any lawful purpose of the Town. In May 1992, the Town entered into an agreement with the Concordia Parish School Board to collect the sales tax in compliance with the terms and provisions of the sales tax ordinance. Under the terms of the agreement, the Town pays the Concordia Parish School Board 2½% of the monthly collections as fees for this service. In December 2013, the town entered into a collection agreement with the Concordia Parish School Board to collect the Town's insurance premium tax as well. Under the terms of this agreement, the Town pays the Concordia Parish School Board 5% of the monthly collections as fees for this service.

Receivables for water, sewer, and gas service are shown net of an allowance for uncollectible amounts. The allowance for uncollectibles is based a percentage of past due accounts at year-end.

E. Restricted Assets

Certain resources set aside to meet the requirements of the bond covenants of the water and sewer revenue bonds are classified as restricted assets on the statement of net

TOWN OF COLUMBIA
Notes to the Financial Statements

position because their use is limited. It is the informal policy of the Town to first use restricted assets in the Water Fund and nonrestricted assets in the Sewer Fund when both restricted and nonrestricted assets are available.

F. Capital Assets

Capital assets, which include land, construction in progress, buildings, water, sewer, and gas systems and improvements, and vehicles and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated capital assets are recorded at fair market value on the date of donation. The Town of Columbia maintains a threshold level of \$1,000 or more for capitalizing assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The town has elected not to report general infrastructure assets, such as roads, bridges, sidewalks, etc., constructed prior to January 1, 2002. However, the construction or major improvement of infrastructure assets after that date are included in capital assets.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - water sewer, and gas systems and improvements	12- 50 years
Buildings	10 - 40 years
Vehicles and equipment	5-10 years

G. Compensated Absences

The Town has the following policy relating to vacation and sick leave:

Full-time employees receive 80 hours of vacation leave on January 1 of each year. Unused vacation leave can not be carried over to the next calendar year. Employees are not paid for unused vacation leave when they resign, retire, or are dismissed from employment.

Full time employees receive 80 hours of sick leave on January 1 each year. Unused sick leave can be carried over to the next calendar year up to a maximum accumulation of 240 hours per employee. Employees who had more than 240 hours on November 21,

TOWN OF COLUMBIA
Notes to the Financial Statements

2016, were allowed to keep all sick hours accumulated up to a maximum of 720 hours. Upon retirement only, full-time employees will be paid for 160 hours of accumulated sick leave.

Compensated absences resulting from unused sick time at the end of the fiscal year are accrued and recorded as long-term liabilities in the government-wide financial statements in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. Compensated absences are paid from the General Fund and are recorded in the fund financial statements only when payment is actually made.

H. Long-Term Debt

Revenue bonds payable and bond anticipation notes are reported as long-term liabilities in the Water Enterprise Fund and Sewer Enterprise Fund's fund financial statements as well as in the business-type activities statement of net position.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) and the Municipal Police Employees Retirement System (MPERS) of Louisiana and additions to/deductions from MERS and MPERS's fiduciary net position have been determined on the same basis as they are reported by MERS and MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expenditure until then. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town's deferred outflows and deferred inflows are resources related to pensions.

K. Net Position/Fund Balance

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position by either of the following ways:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which funds can be spent. Fund balance should be reported as restricted when constraints on the use of the funds meet the same criteria as restricted net position in the government-wide statement of net position as noted in the previous paragraph. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the town council are reported as committed fund balance.

Assigned fund balance are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The town council is authorized to assign amounts to a specific purpose. Unassigned fund balance is the residual classification and represents fund balance that has not been restricted, committed, or assigned to a specific purpose. Unassigned amounts are generally considered to have been spent first when an expenditure is incurred for purposes for which any unrestricted fund balances could be used.

L. 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 certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

M. Interest Costs

For the year ended June 30, 2021, the Town of Columbia adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which provides that for financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should

TOWN OF COLUMBIA
Notes to the Financial Statements

be recognized as an expense in the period in which the cost is incurred. Such interest is not capitalized as part of the historical cost of the capital asset. For the year ended June 30, 2021, the Water Enterprise Fund incurred \$12,028 in interest costs during the construction period of capital assets that is included in the Water Enterprise Fund interest expense for the year ended June 30, 2021. Interest expense of \$31,056 was charged to the business-type activities function for the year ended June 30, 2021 as follows:

Water Fund	\$16,201
Sewer Fund	<u>14,855</u>
Total interest expense - business-type activities	<u><u>\$31,056</u></u>

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information

The Town of Columbia uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is normally presented to the town council in May each year. The town council proposes an ordinance to adopt the budget and a public hearing is held on the proposed budget ordinance in June of each year. The notice of the availability of the proposed budget is published in the official journal. The budget is legally adopted by ordinance in June of each year after the public hearing is held. Budget amendments are presented to the town council in the same manner as the proposed budget and amended during the year as necessary. Budgets are established at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. There was one budget amendment during the year ended June 30, 2021.

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At June 30, 2021, the Town has cash, restricted cash, and investments (book balances) as follows:

Petty cash	\$150
Checking accounts	955,336
Savings accounts	316,758
Certificates of deposit	<u>\$327,334</u>
Total	<u><u>\$1,599,578</u></u>

TOWN OF COLUMBIA
Notes to the Financial Statements

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At June 30, 2021, the Town of Columbia has \$1,614,402 in deposits (collected bank balances). These deposits are secured from risk by \$761,223 of federal deposit insurance and \$853,982 of pledged securities held by an unaffiliated bank in the name of the fiscal agent bank.

4. RECEIVABLES

The following is a summary of receivables at June 30, 2021:

	General Fund	Water Enterprise Fund	Sewer Enterprise Fund	Gas Enterprise Fund	Total
Taxes	\$22,748				\$22,748
Grants	13,863				13,863
Charges for services	1,159	\$15,090	\$9,984	\$5,140	31,373
Allowance for doubtful accounts		(549)	(429)	(154)	(1,132)
Total	<u>\$37,770</u>	<u>\$14,541</u>	<u>\$9,555</u>	<u>\$4,986</u>	<u>\$66,852</u>

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2021, is as follows:

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021
Governmental activities:				
Capital assets not being depreciated:				
Land	\$107,966			\$107,966
Construction in progress	30,172	\$277,696		307,868
Total capital assets not being depreciated	<u>138,138</u>	<u>277,696</u>	NONE	<u>415,834</u>
Capital assets being depreciated:				
Buildings	359,725		(\$2,580)	357,145
Vehicles and equipment	515,652	35,805		551,457

TOWN OF COLUMBIA
Notes to the Financial Statements

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021
Total capital assets being depreciated	\$875,377	\$35,805	(\$2,580)	\$908,602
Less accumulated depreciation for:				
Buildings	245,484	8,767	(581)	253,670
Vehicles and equipment	351,175	22,735		373,910
Total accumulated depreciation	596,659	31,502	(581)	627,580
Total assets being depreciated, net	278,718	4,303	(1,999)	281,022
Total assets, net	<u>\$416,856</u>	<u>\$281,999</u>	<u>(\$1,999)</u>	<u>\$696,856</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$26,624	NONE	NONE	\$26,624
Construction in progress		\$363,767		363,767
Total capital assets not being depreciated	26,624	363,767	NONE	390,391
Capital assets being depreciated:				
Water system and improvements	2,521,952			2,521,952
Sewer system and improvements	2,115,989			2,115,989
Gas system and improvements	731,975			731,975
Buildings	31,575			31,575
Vehicles and equipment	62,255			62,255
Total capital assets being depreciated	5,463,746	NONE	NONE	5,463,746
Less accumulated depreciation for:				
Water system and improvements	1,277,578	65,091		1,342,669

TOWN OF COLUMBIA
Notes to the Financial Statements

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021
Sewer system and improvements	\$1,472,316	\$63,869		\$1,536,185
Gas system and improvements	590,590	8,352		598,942
Buildings	31,575			31,575
Vehicles and equipment	27,944	3,902		31,846
Total accumulated depreciation	<u>3,400,003</u>	<u>141,214</u>	NONE	<u>3,541,217</u>
Total assets being depreciated, net	<u>2,063,743</u>	<u>(141,214)</u>	NONE	<u>1,922,529</u>
Total assets, net	<u><u>\$2,090,367</u></u>	<u><u>\$222,553</u></u>	NONE	<u><u>\$2,312,920</u></u>

Depreciation expense was charged to the functions of governmental and business-type activities as follows:

Governmental Activities:

General government	\$306
Public safety	15,566
Public works	<u>15,630</u>
Total depreciation expense - governmental activities	<u><u>\$31,502</u></u>

Business-Type Activities:

Water Fund	\$68,993
Sewer Fund	63,869
Gas Fund	<u>8,352</u>
Total depreciation expense - business-type activities	<u><u>\$141,214</u></u>

6. INTERFUND TRANSFERS

The following is a summary of interfund transfers during the year ended June 30, 2021:

	Transfer In	Transfer Out
General Fund	\$50,000	
Water Enterprise Fund		\$16,500

TOWN OF COLUMBIA
Notes to the Financial Statements

	<u>Transfer In</u>	<u>Transfer Out</u>
Sewer Enterprise Fund		\$16,500
Gas Enterprise Fund		17,000
Total	<u>\$50,000</u>	<u>\$50,000</u>

The transfers from the Water, Sewer, and Gas enterprise funds to the General Fund were made to pay a portion of administrative expenses that are paid by the General Fund.

7. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended June 30, 2021:

	<u>Balance at July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2021</u>	<u>Due within One Year</u>
Business-type activities - direct borrowings:					
Revenue bonds	\$594,429	NONE	(\$271,495)	\$322,934	\$14,942
Bond anticipation notes	NONE	\$530,063	(161)	529,902	529,902
Total	<u>\$594,429</u>	<u>\$530,063</u>	<u>(\$271,656)</u>	<u>\$852,836</u>	<u>\$544,844</u>

The Town's outstanding revenue bonds from direct borrowings related to business-type activities, contain provisions that in an event of default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained in the instruments incident to making or insuring the loan, the entire principal amount outstanding and accrued interest may be declared immediately due and payable. The bonds are secured by the pledge of revenue generated by business-type activities.

On October 1, 2020, the Town of Columbia issued \$750,000 of Bond Anticipation Notes (BAN) through a loan agreement with Live Oak Bank for a term of one year. In August 2021, the Town extended the term of the BAN by eight months to June 1, 2022. The proceeds of the notes were used to retire the remaining principal on the Town's 1988 Water Revenue Bonds purchased by the United States Department of Agriculture (USDA), to pay the costs of issuance of the BAN, and to provide interim financing for the Town's water system improvement project. The BAN provides that the lender is not obligated to disburse loan proceeds if there is a default in the payments of any amounts due under the loan agreement or if all conditions for advances have not been strictly satisfied in accordance with the terms

TOWN OF COLUMBIA
Notes to the Financial Statements

of the loan agreement. The Town pledged the proceeds from the issuance of \$750,000 of Water Revenue Bonds, Series 2021 and revenue generated by business-type activities as security for repayment of obligations under the loan agreement. The Town anticipates issuing the \$750,000 of Water Revenue Bonds, Series 2021, during the year ending June 30, 2022.

Long-term debt from direct borrowings in the amount of \$852,836 has maturities from 2022 until 2037 and 4.25% to 6.5% interest rates. The individual notes and bonds are as follows:

	2020	1996	1996
	\$750,000	\$521,000	\$20,000
	Bond	Sewer	Sewer
	Anticipation	Revenue	Revenue
	<u>Notes</u>	<u>Bonds</u>	<u>Bonds</u>
Original issue date	10/1/20	10/22/96	10/22/96
	Variable		
	4.25%-		
Interest rate	6.50%	4.50%	4.50%
Final payment due	06/01/22	10/22/36	10/22/36
Interest to maturity		\$127,230	\$4,884
Principal outstanding	\$529,902	\$310,995	\$11,939
	\$750,000		
	Water		
	Revenue		
	Bonds,	Sewer	Sewer
Funding source	Series 2021	revenue	revenue

Principal and interest on direct borrowings are due as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	Payments	Payments	
2022	\$544,844	\$16,585	\$561,429
2023	15,614	13,860	29,474
2024	16,317	13,157	29,474
2025	17,051	12,423	29,474
2026	17,818	11,656	29,474
2027 - 2031	101,865	45,504	147,369
2032 - 2036	126,942	20,427	147,369
2037	<u>12,385</u>	<u>557</u>	<u>12,942</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
Total	<u>\$852,836</u>	<u>\$134,169</u>	<u>\$987,005</u>

8. BOND COVENANT REQUIREMENTS

The bond covenants with the United States Department of Agriculture (USDA) for the sewer revenue bonds discussed in Note 7 above, require the Town to establish the following reserve accounts:

1996 Sewer Revenue Bonds

- A. A "Reserve Fund". The Town must transfer \$123 into this fund each month until \$29,474 has been accumulated therein. Such amounts may be used only for the payment of maturing bonds and interest for which would otherwise be in default.
- B. A "Contingency Fund". The Town must transfer \$131 into this fund each month. The deposits in this fund may be used to care for depreciation, extensions, additions, improvements, and replacements to the system. Money in this fund may also be used to pay principal and interest on bonds falling due at any time there is not sufficient funds in the other reserve fund.

The following is a summary of transactions in the bond reserve accounts for the year ended June 30, 2021:

	<u>Water Enterprise Fund</u>	<u>Sewer Enterprise Fund</u>	<u>Total</u>
Balance at July 1, 2020	\$107,257	\$68,016	\$175,273
Deposits	\$68,225	\$1,572	\$69,797
Interest earnings	46	69	115
Withdrawals	<u>(136,459)</u>	<u> </u>	<u>(136,459)</u>
Balance at June 30, 2021	<u>\$39,069</u>	<u>\$69,657</u>	<u>\$108,726</u>

9. COMPENSATED ABSENCES PAYABLE

The following is a summary of changes in compensated absences payable for the year ended June 30, 2021:

TOWN OF COLUMBIA
Notes to the Financial Statements

	Governmental Activities - Compensated Absences Payable
Balance at July 1, 2020	\$6,736
Additions	132
Reductions	(175)
Balance at June 30, 2021	<u>\$6,693</u>

10. PENSION PLANS

The following note disclosures about the Town's pension plans are required by *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*.

Plan Descriptions:

Municipal Employees' Retirement System

Eligible employees of the Town of Columbia are provided with pensions through Plan B of the Municipal Employees' Retirement System (MERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Louisiana.

Municipal Police Employees' Retirement System

Eligible police officers of the Town of Columbia are provided with pensions through the Municipal Police Employees' Retirement System (MPERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Municipal Police Employees' Retirement System of Louisiana. The Town does not have any employees currently enrolled in MPERS.

Plan Eligibility and Benefits:

Municipal Employees' Retirement System

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week.

TOWN OF COLUMBIA
Notes to the Financial Statements

MERS provides retirement, disability, survivor, and DROP benefits. The monthly allowance for any member of Plan B consists of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. Employees who were hired prior to January 1, 2013 are eligible to retire at any age with 30 years of creditable service and at age 60 with 10 or more years of creditable service. Employees who were hired after January 1, 2013 are eligible to retire at age 67 with 7 or more years of creditable service; at age 62 with 10 or more years of creditable service; at age 55 with 30 or more years of creditable service; or at any age with 25 years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in DROP, employer contributions are payable but employee contributions cease.

Under Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least 10 years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of (1) an amount equal to two percent of his final compensation multiplied by his years of creditable service but not less than thirty percent of his final compensation or (2) an amount equal to the what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age.

Upon on the death of any member of Plan B with 5 or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age 65 or above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Plan B provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable based on statutes in effect at the time of withdrawal.

Municipal Police Employees' Retirement System

Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria.

MPERS provides regular retirement, early retirement, disability, survivor, and DROP benefits. Employees who were hired prior to January 1, 2013 are eligible to retire at any age with 25 years of creditable service; at age 50 with 20 years of creditable service; and at age 55 with 12 years of creditable service. An employee is eligible for early retirement with an actuarially reduced benefit at any age after 20 years of creditable service. Benefit rates are three and one-third percent of average final compensation multiplied by years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for benefits for the surviving spouse and minor children. The benefits range from forty to sixty percent of average final compensation to the surviving spouse and ten percent of average final compensation or \$200 per month, whichever is greater children under the age of 18.

Employees who were hired after January 1, 2013 are eligible for regular retirement, early retirement, disability, and survivor benefits based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, employees are eligible for regular retirement at any age with 25 years of creditable service and at age 55 with 12 years of creditable service. Under the Non Hazardous Duty sub plan, employees are eligible for regular retirement at any age with 30 years of creditable service; at age 55 with 25 years of creditable service; and at age 60 with 10 years of creditable service. Under both sub plans, an employee is eligible for early retirement with a reduced benefit at any age after 20 years of creditable service, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation multiplied by years of creditable service not to exceed 100% of final salary.

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. An Initial Benefit Option Plan is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life.

Upon the death of an active contributing member, or disability retiree, the plan provides for benefits for the surviving spouse and minor children. The benefits range from twenty-five to fifty-five percent of average final compensation for the surviving spouse and ten percent of average final compensation or \$200 per month, whichever is greater to children under age 18. If the deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only.

The Board of Trustees is authorized to provide annual cost of living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board of Trustees is authorized to provide an additional 2% cost of living adjustment, computed on the member's original benefit, to all regular retirees, disability, survivors, and beneficiaries who are age 65 years of age or older on the cut-off date which determines eligibility.

Contributions:

Municipal Employees' Retirement System

Contributions for all members are established by statute. Member contributions are 5% of earnable compensation and is deducted from the member's salary and remitted by the participating municipality.

According to state statute, contributions for all employers are actuarially determined each year. The Town of Columbia's required employer contribution rate for the year ended June 30, 2021, was 15.5% of covered payroll. Contributions to the pension plan were \$18,396 for the year ended June 30, 2021. The system also receives ad valorem taxes and state revenue sharing funds that are recognized as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$4,140 for the year ended June 30, 2021.

Municipal Police Employees' Retirement System

Employer contributions are actuarially determined each year as required by state law but cannot be less than 9% of the employees earnable compensation excluding overtime but including state supplemental pay. The Town of Columbia's required contribution rate for the year ended June 30, 2021, was 33.75% of covered payroll; however, the Town had no eligible employees participating during this period and no contributions were made. The system also receives insurance premium taxes that are recognized as additional employer contributions and are considered support from non-employer contributing entities, but are not considered special funding

TOWN OF COLUMBIA
Notes to the Financial Statements

situations. There were no non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities for the year ended June 30, 2021.

**Pension Liabilities, Pension Expense, and Deferred Outflows
and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the Town of Columbia reported a total of \$134,920 for its proportionate share of the net pension liability of MERS. The Town did not have a proportionate share of the net pension liability for MPERS at June 30, 2021. The net pension liability was measured as of June 30, 2020 for both plans and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of that date. The Town's proportion of the net pension liability was based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2020, the Town's proportion was .140 percent for MERS which was an decrease of .003 from its proportion measured as of June 30, 2019. At June 30, 2020, the Town's proportion was 0 percent for MPERS.

For the year ended June 30, 2021, the Town recognized pension expense of \$14,644 for MERS and (\$13,078) for MPERS. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>MERS</u>
Deferred Outflows of Resources:	
Net difference between projected and actual earnings on pension plan investments	\$14,648
Changes of assumptions	4,182
Changes in proportion	4,785
Employer contributions subsequent to the measurement date	<u>18,410</u>
Total deferred outflows of resources	<u><u>\$42,025</u></u>

	<u>MERS</u>
Deferred Inflows of Resources:	
Differences between expected and actual experience	\$2,269
Changes in proportion	<u>756</u>
Total deferred outflows of resources	<u><u>\$3,025</u></u>

TOWN OF COLUMBIA
Notes to the Financial Statements

\$18,410 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>MERS</u>
Year ended June 30:	
2022	\$8,446
2023	6,660
2024	3,337
2025	<u>2,147</u>
Total	<u>\$20,590</u>

Actuarial Assumptions:

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>MERS</u>
Inflation	2.5%
	1 to 4 years of service - 7.4%
	More than 4 years of service - 4.9%
Salary increases, including inflation and merit increases	6.95%, net of investment expense, including inflation
Investment rate of return	3 years
Expected remaining service lives	

The annuitant and beneficiary mortality rates were based on PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. Employee mortality rates were based on PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. Disabled lives mortality rates were based on PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

TOWN OF COLUMBIA
Notes to the Financial Statements

The actuarial assumptions used in the June 30, 2020 MERS valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

For MERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 rate of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

MERS:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public fixed income	38%	1.67%
Public equity	53%	2.33%
Alternatives	9%	0.40%
Totals	<u>100%</u>	<u>4.40%</u>
Inflation		<u>2.60%</u>
Expected Arithmetic Nominal Return		<u>7.00%</u>

Discount Rate:

The discount rate used to measure the total pension liability was 6.95% for MERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the Systems' 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 returns on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.95 %, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate (assuming all other assumptions remain unchanged):

MERS:	Changes in Discount Rate		
	Plan B:		
	1 % Decrease	Current Discount Rate	1 % Increase
	5.95 %	6.95 %	7.95 %
Net pension liability	\$179,604	\$134,920	\$97,111

Retirement System Audit Report

MERS and MPERS have issued stand-alone audit reports on their financial statements for the year ended June 30, 2020. Access to these reports can be found on the MERS website, www.mersla.com, the MPERS website at www.lampers.org or on the Louisiana Legislative Auditor's website, www.la.gov.

11. ON-BEHALF PAYMENTS FOR SALARIES

For the year ended June 30, 2021, the Town recognized revenue and expenditures of \$6,000 in salary supplements from the State of Louisiana paid directly to an employee of the police department.

12. GRANTS

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Town. In the opinion of management, any such adjustments would not be material to the Town's operating results or fund balances.

13. RISK MANAGEMENT

The Town purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

14. SUBSEQUENT EVENTS

The Town of Columbia has evaluated subsequent events through November 12, 2021, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF COLUMBIA
Columbia, Louisiana

SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 2021

	BudgetedAmounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes:				
Property	\$50,000	\$50,000	\$54,996	\$4,996
Sales	200,000	200,000	235,834	35,834
Franchise	14,000	14,000	13,932	(68)
Beer taxes	2,400	2,400	1,672	(728)
Insurance premium	50,000	50,000	67,694	17,694
Licenses and permits	30,050	30,050	37,475	7,425
Intergovernmental revenue:				
Federal grant		167,097	166,298	(799)
State grants	8,600	8,600	8,307	(293)
Local grants	58,500	155,200	158,036	2,836
Fines	60,000	36,500	42,848	6,348
Fire protection fees	6,000	6,000	6,478	478
Investment earnings	2,000	2,000	2,084	84
Other revenue	400	18,200	24,918	6,718
Total revenue	<u>481,950</u>	<u>740,047</u>	<u>820,572</u>	<u>80,525</u>
EXPENDITURES				
General government	318,200	399,850	381,366	18,484
Public safety:				
Fire Department	12,300	15,700	14,416	1,284
Police Department	95,500	99,000	91,147	7,853
Public works - street department	43,550	48,250	41,690	6,560
Culture and recreation - Main Street	69,200	38,400	38,800	(400)
Capital outlay	4,800	340,000	313,501	26,499
Total expenditures	<u>543,550</u>	<u>941,200</u>	<u>880,920</u>	<u>60,280</u>
EXCESS (Deficiency) OF REVENUE OVER EXPENDITURES	(61,600)	(201,153)	(60,348)	140,805
OTHER FINANCING SOURCES:				
Transfers from Water, Sewer, and Gas Funds	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	
NET CHANGE IN FUND BALANCE	(11,600)	(151,153)	(10,348)	140,805
FUND BALANCE AT BEGINNING OF YEAR	<u>834,000</u>	<u>760,000</u>	<u>827,049</u>	<u>67,049</u>
FUND BALANCE AT END OF YEAR	<u>\$822,400</u>	<u>\$608,847</u>	<u>\$816,701</u>	<u>\$207,854</u>

There was one budget amendment during the year ended June 30, 2021.

TOWN OF COLUMBIA
Columbia, Louisiana

SCHEDULE OF PROPORTIONATE SHARE OF NET
PENSION LIABILITY
June 30, 2021

	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered- employee payroll	Proportionate share of the net pension liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Municipal Employees Retirement System:					
For the year ended June 30:					
2021	0.15 %	\$134,920	\$118,771	114.00%	66.26%
2020	0.14 %	122,069	115,376	105.00%	66.14%
2019	0.14 %	120,716	106,669	113.00%	65.60%
2018	0.08 %	70,715	105,770	66.86%	63.49%
2017	0.12 %	103,036	60,668	169.84%	62.11%
2016	0.13 %	86,444	91,308	94.67%	68.71%
2015	0.12 %	58,576	88,257	66.37%	76.94%
2014	0.13 %	68,936	84,625	81.46%	71.92%
Municipal Police Employees Retirement System:					
For the year ended June 30:					
2021	0.00 %	\$0	\$0	0.00%	70.94%
2020	0.00 %	0	0	0.00%	71.01%
2019	0.00 %	0	0	0.00%	71.89%
2018	0.00 %	0	0	0.00%	70.08%
2017	0.01 %	64,307	0	0.00%	66.04%
2016	0.03 %	214,219	19,219	1114.62%	70.73%
2015	0.03 %	164,160	73,145	224.43%	75.10%
2014	0.02 %	194,878	67,510	288.66%	66.71%

No current employees were members of the Municipal Police Employees Retirement System during the year ended June 30, 2021.

The amounts presented for each fiscal year were determined as of the end of the prior fiscal year except for covered employee payroll.

TOWN OF COLUMBIA
Columbia, Louisiana

SCHEDULE OF CONTRIBUTIONS
June 30, 2021

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
Municipal Employees Retirement System:					
For the year ended June 30:					
2021	\$18,409	\$18,409	\$0	\$118,771	15.50%
2020	16,156	16,156	0	115,376	14.00%
2019	14,934	14,934	0	106,669	14.00%
2018	14,014	14,014	0	105,770	13.25%
2017	6,673	6,673	0	60,668	11.00%
2016	8,674	8,674	0	91,308	9.50%
2015	8,380	8,380	0	88,257	9.50%
2014	7,405	7,405	0	84,626	8.75%
Municipal Police Employees Retirement System:					
For the year ended June 30:					
2021	\$0	\$0	\$0	\$0	0.00%
2020	0	0	0	0	0.00%
2019	0	0	0	0	0.00%
2018	0	0	0	0	0.00%
2017	0	0	0	0	0.00%
2016	5,670	5,670	0	19,219	29.50%
2015	23,041	23,041	0	73,145	31.50%
2014	20,928	20,928	0	67,510	31.00%

No current employees were members of the Municipal Police Employees Retirement System during the year ended June 30, 2021.

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

TOWN OF COLUMBIA

Columbia, Louisiana

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended June 30, 2021

**COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO MAYOR AND
TOWN COUNCIL**

The Schedule of Compensation, Benefits and Other Payments to Mayor and Town Council is presented in compliance with Louisiana Revised Statute 24:513 A (3) and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the mayor and town council is included in the general government expenditures of the General Fund. The mayor receives \$250 for the first meeting of the month, \$125 for the second meeting, and \$62 for the third meeting of the month. The town council receives \$100 for the first meeting of the month, \$50 for the second meeting, and \$25 for the third meeting of the month.

**JUSTICE SYSTEM FUNDING SCHEDULE -
COLLECTING/DISBURSING ENTITY**

The Justice System Funding Schedule - Collecting/Disbursing Entity is presented in compliance with Act 87 of the 2020 Regular Session of the Louisiana Legislature. The purpose of the Act was to require the Louisiana Legislative Auditor and the Louisiana Supreme Court to develop a uniform reporting format for local and state entities that assess, collect or receive revenue from pre- or post-adjudication costs, fines and fees. The Act 87 schedules are prepared on the cash basis of accounting.

SCHEDULE OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 6.

TOWN OF COLUMBIA
Columbia, LouisianaSCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO MAYOR AND
TOWN COUNCIL

For the Year Ended June 30, 2021

Agency Head - Richard Meredith, Mayor:	
Compensation	\$3,125
Compensation:	
Penny Brown	1,250
Sonja Carroll	1,250
Bonnie Crockett	1,250
Hannah Springer	1,200
James Stuart	<u>1,250</u>
Total	<u><u>\$9,325</u></u>

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session

Entity Name	Town of Columbia	
LLA Entity ID #	2234	
Date that reporting period ended	06/30/21	
	First Six Month Period Ended <u>12/31/20</u>	Second Six Month Period Ended <u>06/30/21</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e., cash on hand)	<u>\$656</u>	<u>\$100</u>
Add: Collections:		
Criminal Court Costs/Fees	10,866	10,895
Criminal Fines - Contempt	420	540
Criminal Fines - Other	9,290	8,770
Other	<u>20</u>	<u>9</u>
Subtotal Collections	<u>20,596</u>	<u>20,214</u>
Less: Disbursements to Governments and Nonprofits:		
Louisiana Commission on Law Enforcement - Criminal Fines - Other	972	766
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund - Criminal Fines - Other	390	350
North Louisiana Criminalistics Laboratory Commission - Criminal Fines - Other	2,540	2,190
Treasurer, State of Louisiana - CMIS - Criminal Court Costs/Fees	102	81
37 th JDC Indigent Defender Fund - Criminal Court Costs/Fees	1,020	810
Louisiana Supreme Court - Criminal Court Costs/Fees	51	40
Less: Amounts Retained by Collecting Agency:		
Amounts "Self-Disbursed" to Collecting Agency:		
Criminal Court Costs/Fees	9,854	9,964
Criminal Fines - Contempt	420	540
Criminal Fines - Other	5,783	5,464
Other	<u>20</u>	<u>9</u>
Subtotal Disbursements/Retainage	<u>21,152</u>	<u>20,214</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e., cash on hand)	<u><u>\$100</u></u>	<u><u>\$100</u></u>
Ending Balance of "Partial Payments" Collected but not Disbursed	<u><u>\$100</u></u>	<u><u>\$100</u></u>
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	None	None
Total Waivers During the Fiscal Period	None	None

TOWN OF COLUMBIA
Columbia, LouisianaSCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2021

<u>Finding Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Status of Finding</u>
2020-001	2015	Inadequate Segregation of Accounting Duties	Unresolved - see 2021-001 in current year findings.

Independent Auditor's Report
Required by *Government Auditing Standards*

The following independent auditor's report on internal control over financial reporting and on compliance and other matters is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Auditor's 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***

MAYOR AND TOWN COUNCIL
TOWN OF COLUMBIA
Columbia, Louisiana

I have audited, 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 *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Columbia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Columbia's basic financial statements and have issued my report thereon dated November 12, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town of Columbia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Columbia's internal control. Accordingly, I do not express an opinion of the effectiveness of the Town of Columbia'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 a 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 a 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.

MAYOR AND TOWN COUNCIL
TOWN OF COLUMBIA
Columbia, Louisiana
Independent Auditor's Report
on Internal Control, etc.,
June 30, 2021

My 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. I did identify a certain deficiency in internal control, described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action as 2021-001 that I consider to be a material weakness.

Compliance and Other Matters

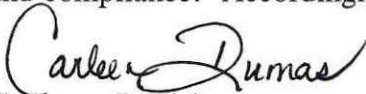
As part of obtaining reasonable assurance about whether the Town of Columbia's financial statements are free from material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Town of Columbia's Response to Finding

The Town of Columbia's response to the finding identified in my audit is described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action. The Town of Columbia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the Town of Columbia'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Calhoun, Louisiana
November 12, 2021

TOWN OF COLUMBIA
Columbia, Louisiana

Schedule of Current Year Findings and
Management's Planned Corrective Action
For the Year Ended June 30, 2021

Section I - Summary of Auditor's Reports

Financial Statements

1. Type of auditor's report issued - Unmodified.
2. Internal control over financial reporting:

Material weakness(es) identified? - Yes
Significant deficiency(ies) identified? - No
3. Noncompliance material to financial statements noted? - No

Section II - Financial Statement Findings

2021-001. Inadequate Segregation of Accounting Duties

Criteria: Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Condition: The accounting duties of billing, collecting, depositing and posting customer payments to customers accounts for the Water, Sewer, and Gas funds are performed by one employee. The collecting, depositing, and recording of payments for property taxes and occupational licenses are also performed by one employee.

Cause: Limited number of employees due to small size of the Town.

Effect: Errors or irregularities may not be detected within a timely period.

Recommendation: None

TOWN OF COLUMBIA
Columbia, Louisiana
Schedule of Current Year Findings and
Management's Planned Corrective Action

**Management's Planned
Corrective Action:**

It is not economically feasible to correct this deficiency based on the size of the Town and its limited revenues.