

**TOWN OF COLUMBIA**  
**Columbia, Louisiana**

**Annual Financial Statements**

**As of and for the Year Ended**  
**June 30, 2020**

TOWN OF COLUMBIA  
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2020

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 Annual Financial Statements  
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*M. Carleen Dumas*  
CERTIFIED PUBLIC ACCOUNTANT

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**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 (Town), as of and for the year ended June 30, 2020, 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, 2020

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, 2020, 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 47; 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 48 and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 our 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 52 and the Schedule of Prior Year Findings on page 53 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  
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The Schedule of Compensation, Benefits, and Other Payments to Mayor and Town Council 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 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 October 30, 2020, 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 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  
October 30, 2020

TOWN OF COLUMBIA  
Columbia, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2020

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, 2020. 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, 2020

**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 \$40,337 for the year ended June 30, 2020 due to decrease in repair and maintenance expenses in the water, sewer, and gas systems. The following presents an analysis of net position and the changes in net position of the town's governmental and business-type activities:

|   | GOVERNMENTAL<br>ACTIVITIES |                    | BUSINESS-TYPE<br>ACTIVITIES |                    | TOTAL              |                    |
|---|----------------------------|--------------------|-----------------------------|--------------------|--------------------|--------------------|
|   | 2020                       | 2019               | 2020                        | 2019               | 2020               | 2019               |
| <b>Assets</b>                                       |                            |                    |                             |                    |                    |                    |
| Current assets                                      | \$880,204                  | \$957,176          | \$598,602                   | \$473,931          | \$1,478,806        | \$1,431,107        |
| Restricted assets                                   |                            |                    | 175,273                     | 178,834            | 175,273            | 178,834            |
| Capital assets                                      | 416,856                    | 294,175            | 2,090,367                   | 2,233,520          | 2,507,223          | 2,527,695          |
| Total assets  | <u>\$1,297,060</u>         | <u>\$1,251,351</u> | <u>\$2,864,242</u>          | <u>\$2,886,285</u> | <u>\$4,161,302</u> | <u>\$4,137,636</u> |
| <b>Deferred Outflow of<br/>Resources - pensions</b> |                            |                    |                             |                    |                    |                    |
|   | <u>49,853</u>              | <u>66,194</u>      | <u>NONE</u>                 | <u>NONE</u>        | <u>49,853</u>      | <u>66,194</u>      |

TOWN OF COLUMBIA  
Columbia, Louisiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2020

|  | GOVERNMENTAL<br>ACTIVITIES |             | BUSINESS-TYPE<br>ACTIVITIES |             | TOTAL       |             |
|--|----------------------------|-------------|-----------------------------|-------------|-------------|-------------|
|  | 2020                       | 2019        | 2020                        | 2019        | 2020        | 2019        |
| <b>Liabilities</b>                                 |                            |             |                             |             |             |             |
| Current liabilities                                | \$53,155                   | \$10,684    | \$107,653                   | \$86,104    | \$160,808   | \$96,788    |
| Long-term liabilities                              | 128,805                    | 128,977     | 554,228                     | 594,713     | 683,033     | 723,690     |
| Total liabilities                                  | 181,960                    | 139,661     | 661,881                     | 680,817     | 843,841     | 820,478     |
| <b>Deferred Inflow of<br/>Resources - pensions</b> | 26,278                     | 82,652      | NONE                        | NONE        | 26,278      | 82,652      |
| <b>Net Position</b>                                |                            |             |                             |             |             |             |
| Net investment in<br>capital assets                | 416,856                    | 294,175     | 1,353,954                   | 1,625,149   | 1,770,810   | 1,919,324   |
| Restricted   |                            |             | 141,774                     | 146,169     | 141,774     | 146,169     |
| Unrestricted                                       | 721,819                    | 801,057     | 706,633                     | 434,150     | 1,428,452   | 1,235,207   |
| Total net position                                 | \$1,138,675                | \$1,095,232 | \$2,202,361                 | \$2,205,468 | \$3,341,036 | \$3,300,700 |
|  |                            |             |                             |             |             |             |
|  | GOVERNMENTAL<br>ACTIVITIES |             | BUSINESS-TYPE<br>ACTIVITIES |             | TOTAL       |             |
|  | 2020                       | 2019        | 2020                        | 2019        | 2020        | 2019        |
| <b>Program revenues</b>                            |                            |             |                             |             |             |             |
| Charges for services                               | \$57,001                   | \$78,164    | \$353,240                   | \$369,010   | \$410,241   | \$447,174   |
| Operating grants<br>and contributions              | 68,681                     | 72,494      |                             |             | 68,681      | 72,494      |
| Capital grants and<br>contributions                | 25,250                     |             |                             |             | 25,250      |             |
| <b>General revenues</b>                            |                            |             |                             |             |             |             |
| Property taxes                                     | 53,235                     | 54,282      |                             |             | 53,235      | 54,282      |
| Sales taxes  | 202,061                    | 199,727     |                             |             | 202,061     | 199,727     |
| Other taxes  | 77,262                     | 77,692      |                             |             | 77,262      | 77,692      |
| Licenses and permits                               | 37,218                     | 36,396      |                             |             | 37,218      | 36,396      |
| Investment earnings                                | 6,223                      | 3,533       | 581                         | 443         | 6,804       | 3,976       |
| Other general revenue                              | 206                        | 2,000       |                             |             | 206         | 2,000       |
| Loss on disposal of<br>capital assets              | (3,676)                    |             |                             |             | (3,676)     |             |
| Total revenues                                     | 523,461                    | 524,288     | 353,821                     | 369,453     | 877,282     | 893,741     |
| <b>Transfers</b>                                   | 50,000                     | 63,318      | (50,000)                    | (63,318)    |             |             |
| <b>Special items (net)</b>                         |                            | (9,057)     |                             |             |             | (9,057)     |
| Total revenues,<br>transfers, and special<br>items | 573,461                    | 578,549     | 303,821                     | 306,135     | 877,282     | 884,684     |
| <b>Program expenses</b>                            |                            |             |                             |             |             |             |
| General government                                 | 347,858                    | 324,730     |                             |             | 347,858     | 324,730     |

TOWN OF COLUMBIA  
Columbia, Louisiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2020

|                          | GOVERNMENTAL<br>ACTIVITIES |                    | BUSINESS-TYPE<br>ACTIVITIES |                    | TOTAL              |                    |
|--------------------------|----------------------------|--------------------|-----------------------------|--------------------|--------------------|--------------------|
|                          | 2020                       | 2019               | 2020                        | 2019               | 2020               | 2019               |
| Public safety            | \$62,757                   | \$71,265           |                             |                    | \$62,757           | \$71,265           |
| Public works             | 70,695                     | 39,424             |                             |                    | 70,695             | 39,424             |
| Culture and recreation   | 48,708                     | 53,363             |                             |                    | 48,708             | 53,363             |
| Water                    |                            |                    | \$132,765                   | \$201,791          | 132,765            | 201,791            |
| Sewer                    |                            |                    | 107,599                     | 148,075            | 107,599            | 148,075            |
| Gas                      |                            |                    | 66,563                      | 81,365             | 66,563             | 81,365             |
| Total expenses           | <u>530,018</u>             | <u>488,782</u>     | <u>306,927</u>              | <u>431,231</u>     | <u>836,945</u>     | <u>920,013</u>     |
| Change in net position   | 43,443                     | 89,767             | (3,106)                     | (125,096)          | 40,337             | (35,329)           |
| Net position - beginning | <u>1,095,232</u>           | <u>1,005,465</u>   | <u>2,205,467</u>            | <u>2,330,564</u>   | <u>3,300,699</u>   | <u>3,336,029</u>   |
| Net position - ending    | <u>\$1,138,675</u>         | <u>\$1,095,232</u> | <u>\$2,202,361</u>          | <u>\$2,205,468</u> | <u>\$3,341,036</u> | <u>\$3,300,700</u> |

The Town's total revenues decreased \$16,459 from prior year due to decreases in charges for services for water, sewer and gas and decrease in fines. The Town's total expenses decreased \$83,068 primarily due to decreases in water, sewer, and gas expenses.

**Governmental Funds**

Total revenues, transfers, and special items for governmental activities was approximately the same as prior year amounts. The expenses of the governmental activities increased \$41,236 with the largest increases in general government and public works.

**Business-Type Activities**

The Town's charges for services for its business-type activities were \$15,770 less than in the prior year with the largest decrease in gas sales. Total expenses decreased approximately \$124,304 due to decreases in repairs and maintenance expenses for the water, sewer, and gas systems.

**OVERALL FINANCIAL POSITION**

The Town's net position increased \$40,337 as a result of this year's operations. The business-type activities had a decrease in net position of \$3,106 and the governmental activities had an increase of \$43,443. Unrestricted net position (those assets available to finance the daily operations of the Town) was \$1,428,452 at year end. The net investment in capital assets was \$1,770,810 and net position restricted for debt service was \$141,774 at year end.

TOWN OF COLUMBIA  
Columbia, Louisiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2020

**TOWN'S FUNDS**

At the end of the year, the Town's General Fund reported a fund balance of \$827,049 of which \$606,098 was unassigned. General Fund fund balance decreased \$119,443 for the year, primarily due to \$149,527 in capital expenditures. The Water Enterprise Fund reported total net position of \$1,319,638 at year end. The increase in net position was \$10,089 for the year. The Sewer Enterprise Fund reported total net position of \$592,168 at year end. The decrease in net position was \$5,364 for the year. The Gas Enterprise Fund reported total net position of \$290,555 at year end. The decrease in net position was \$7,831 for the year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Town amended its General Fund budget one time during the year ended June 30, 2020. At year end, actual revenues and other financing sources were \$22,908 more than budgeted revenues and other financing sources and actual expenditures were \$25,651 more 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 \$2,507,223. 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, 2020, the General Fund purchased a used utility vehicle for \$25,857 and made improvements to street drainage that cost \$93,497. In addition, the Town began construction on the Sherman Lake Trail project. The total cost incurred on the project during the year ended June 30, 2020 was \$30,172. Additional information about the Town's capital assets is presented in the notes to the financial statements.

**Long-Term Obligations**

At June 30, 2020, the Town reported \$6,736 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. Effective November 21, 2016, employees are no longer paid for accrued vacation leave upon separation from service. Additional information about the Town's compensated absences payable is presented in the notes to the financial statements.

TOWN OF COLUMBIA  
Columbia, Louisiana  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2020

At June 30, 2020, the Town reported \$594,429 in outstanding revenue bonds payable on the statement of net position for business-type activities. Interest expense on the outstanding debt was \$32,786 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 \$122,069 on the statement of net position for governmental activities at June 30, 2020. 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 ended June 30, 2021 to be approximately the same as the revenues for the year ended June 30, 2020 except the Town expects to receive approximately \$166,000 in federal grant funds passed through the FHWA Recreational Trails Program for Louisiana and \$108,000 from the Caldwell Industrial Development Board to complete the Sherman Lake Trail project. The total cost of the project is estimated to be \$300,251. General Fund expenditures are expected to be approximately the same during the next fiscal year except for the estimated \$270,079 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 and expenses of the Water, Sewer, and Gas funds to remain approximately the same in the next fiscal year as the current year. However, on October 1, 2020, the Town issued \$750,000 of bond anticipation notes to payoff outstanding water revenue bonds dated January 12, 1988, and to make improvements to the water system during the year ended June 30, 2021.

**BASIC FINANCIAL STATEMENTS**

TOWN OF COLUMBIA  
Columbia, Louisiana

STATEMENT OF NET POSITION  
June 30, 2020

|  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>       |
|--|------------------------------------|-------------------------------------|--------------------|
| <b>ASSETS</b>                                      |                                    |                                     |                    |
| Cash   | \$535,937                          | \$564,460                           | \$1,100,397        |
| Investments  | 316,878                            | 8,558                               | 325,436            |
| Receivables (net of allowances for uncollectibles) | 26,589                             | 26,384                              | 52,973             |
| Internal balances                                  | 800                                | (800)                               |                    |
| Restricted cash                                    |                                    | 175,273                             | 175,273            |
| Capital assets (net)                               | <u>416,856</u>                     | <u>2,090,367</u>                    | <u>2,507,223</u>   |
| Total assets                                       | <u>1,297,060</u>                   | <u>2,864,242</u>                    | <u>4,161,302</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                    |                                     |                    |
| Resources related to pensions                      | <u>49,853</u>                      | NONE                                | <u>49,853</u>      |
| <b>LIABILITIES</b>                                 |                                    |                                     |                    |
| Accounts payable                                   | 35,774                             | 23,367                              | 59,141             |
| Salaries payable                                   | 10,872                             |                                     | 10,872             |
| Payroll liabilities payable                        | 6,509                              |                                     | 6,509              |
| Accrued interest payable                           |                                    | 8,415                               | 8,415              |
| Customer meter deposits                            |                                    | 35,670                              | 35,670             |
| Long-term liabilities other than pensions:         |                                    |                                     |                    |
| Due within one year                                | 6,736                              | 40,201                              | 46,937             |
| Due in more than one year                          |                                    | 554,228                             | 554,228            |
| Net pension liability                              | <u>122,069</u>                     |                                     | <u>122,069</u>     |
| Total liabilities                                  | <u>181,960</u>                     | <u>661,881</u>                      | <u>843,841</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                                    |                                     |                    |
| Resources related to pensions                      | <u>26,278</u>                      | NONE                                | <u>26,278</u>      |
| <b>NET POSITION</b>                                |                                    |                                     |                    |
| Net investment in capital assets                   | 416,856                            | 1,353,954                           | 1,770,810          |
| Restricted for debt service                        |                                    | 141,774                             | 141,774            |
| Unrestricted                                       | <u>721,819</u>                     | <u>706,633</u>                      | <u>1,428,452</u>   |
| Total net position                                 | <u>\$1,138,675</u>                 | <u>\$2,202,361</u>                  | <u>\$3,341,036</u> |

See accompanying notes.

TOWN OF COLUMBIA  
Columbia, Louisiana

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

|                                       | .....Program Revenues..... |                            |  |  | Net (Expense) Revenue and<br>.....Changes in Net Position..... |                             |             |
|---------------------------------------|----------------------------|----------------------------|--|--|--|-----------------------------|-------------|
|                                       | Expenses                   | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                     | Business-Type<br>Activities | Total       |
| <b>GOVERNMENTAL ACTIVITIES:</b>       |                            |                            |  |  |  |                             |             |
| General government                    | \$347,858                  |                            | \$3,679                                  |  | (\$344,179)  |                             | (\$344,179) |
| Public safety                         | 62,757                     | \$57,001                   | 8,313                                    |  | 2,557  |                             | 2,557       |
| Public works                          | 70,695                     |                            |  | \$19,450                               | (51,245)   |                             | (51,245)    |
| Culture and recreation                | 48,708                     |                            | 56,689                                   | 5,800                                  | 13,781   |                             | 13,781      |
| Total governmental activities         | 530,018                    | 57,001                     | 68,681                                   | 25,250                                 | (379,086)  |                             | (379,086)   |
| <b>BUSINESS-TYPE ACTIVITIES:</b>      |                            |                            |  |  |  |                             |             |
| Water service                         | 132,765                    | 157,707                    |  |  |  | \$24,942                    | 24,942      |
| Sewer service                         | 107,599                    | 116,973                    |  |  |  | 9,374                       | 9,374       |
| Gas service                           | 66,563                     | 78,560                     |  |  |  | 11,997                      | 11,997      |
| Total business-type activities        | 306,927                    | 353,240                    | NONE                                     | NONE                                   |  | 46,313                      | 46,313      |
| Total government                      | \$836,945                  | \$410,241                  | \$68,681                                 | \$25,250                               | (379,086)  | 46,313                      | (332,773)   |
| <b>GENERAL REVENUES AND TRANSFERS</b> |                            |                            |  |  |  |                             |             |
| General revenues:                     |                            |                            |  |  |  |                             |             |
| Property taxes                        |                            |                            |  |  | 53,235   |                             | 53,235      |
| Sales taxes                           |                            |                            |  |  | 202,061  |                             | 202,061     |
| Other taxes                           |                            |                            |  |  | 77,262   |                             | 77,262      |
| Licenses and permits                  |                            |                            |  |  | 37,218   |                             | 37,218      |
| Investment earnings                   |                            |                            |  |  | 6,223  | 581                         | 6,804       |
| Loss on disposal of capital assets    |                            |                            |  |  | (3,676)  |                             | (3,676)     |
| Other general revenues                |                            |                            |  |  | 206  |                             | 206         |
| Transfers (net)                       |                            |                            |  |  | 50,000   | (50,000)                    |             |
| Total general revenues and transfers  |                            |                            |  |  | 422,529  | (49,419)                    | 373,110     |
| <b>CHANGE IN NET POSITION</b>         |                            |                            |  |  | 43,443   | (3,106)                     | 40,337      |
| <b>NET POSITION - BEGINNING</b>       |                            |                            |  |  | 1,095,232  | 2,205,467                   | 3,300,699   |
| <b>NET POSITION - ENDING</b>          |                            |                            |  |  | \$1,138,675  | \$2,202,361                 | \$3,341,036 |

See accompanying notes.

TOWN OF COLUMBIA  
Columbia, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND  
June 30, 2020

|   | <u>General<br/>Fund</u> |
|---|-------------------------|
| <b>ASSETS</b>   |                         |
| Cash  | \$535,937               |
| Investments   | 316,878                 |
| Receivables   | 26,589                  |
| Due from Water Fund   | 800                     |
| TOTAL ASSETS  | <u>\$880,204</u>        |
| <b>LIABILITIES</b>  |                         |
| Accounts payable  | \$35,774                |
| Salaries payable  | 10,872                  |
| Payroll liabilities payable   | 6,509                   |
| Total liabilities   | <u>53,155</u>           |
| <b>FUND BALANCES</b>  |                         |
| Assigned:   |                         |
| Public safety   | 163,696                 |
| Office equipment  | 31,697                  |
| Street improvements   | 18,780                  |
| Employee benefits   | 6,778                   |
| Unassigned  | 606,098                 |
| Total fund balance  | <u>827,049</u>          |
| TOTAL LIABILITIES AND FUND BALANCES   | <u>\$880,204</u>        |
| <b>Reconciliation of the Balance Sheet of Governmental<br/>Fund To the Statement of Net Position:</b>   |                         |
| Total fund balance - Governmental Fund  | \$827,049               |
| Amount reported for net position of governmental activities in the Statement<br>of Net Position (Statement A) is different because:   |                         |
| Capital assets used in governmental activities are not current financial resources and<br>therefore are not reported in the fund.   | 416,856                 |
| Long-term liabilities, such as compensated absences, are not due and payable in<br>the current period and therefore are not reported in the funds.  | (6,736)                 |
| Net pension liability does not require the use of current financial resources<br>and therefore is not reported in the funds.  | (122,069)               |
| The net effect of deferred outflows of resources and deferred inflows of<br>resources related to pensions do not require the use of current<br>financial resources and therefore are not reported in the funds. | 23,575                  |
| Net position of governmental activities (Statement A)   | <u>\$1,138,675</u>      |

See accompanying notes.

TOWN OF COLUMBIA  
Columbia, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
For the Year Ended June 30, 2020

|  | <u>General<br/>Fund</u> |
|--|-------------------------|
| <b>REVENUES</b>  |                         |
| Taxes:   |                         |
| Property   | \$53,235                |
| Sales  | 202,061                 |
| Franchise  | 13,203                  |
| Beer   | 1,705                   |
| Insurance premium  | 62,354                  |
| Licenses and permits                                     | 37,218                  |
| Intergovernmental revenue:                               |                         |
| Federal grant  | 800                     |
| State grants   | 27,763                  |
| Local grants   | 61,689                  |
| Fines  | 50,735                  |
| Fire protection fees                                     | 6,266                   |
| Investment earnings                                      | 6,223                   |
| Other revenues   | 206                     |
| Total revenues   | <u>523,458</u>          |
| <b>EXPENDITURES</b>                                      |                         |
| General government                                       | 332,877                 |
| Public safety  | 106,996                 |
| Public works   | 54,793                  |
| Culture and recreation                                   | 48,708                  |
| Capital outlay   | 149,527                 |
| Total expenditures                                       | <u>692,901</u>          |
| <b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b> | <u>(169,443)</u>        |
| <b>OTHER FINANCING SOURCES</b>                           |                         |
| Transfer from Water Fund                                 | 15,000                  |
| Transfer from Sewer Fund                                 | 15,000                  |
| Transfer from Gas Fund                                   | 20,000                  |
| Total other financing sources                            | <u>50,000</u>           |
| <b>NET CHANGE IN FUND BALANCE</b>                        | (119,443)               |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>                 | 946,492                 |
| <b>FUND BALANCE AT END OF YEAR</b>                       | <u><u>\$827,049</u></u> |

(Continued)

See accompanying notes.

TOWN OF COLUMBIA  
 Columbia, Louisiana  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
 For the Year Ended June 30, 2020

General  
Fund

---

**Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balance of Governmental Funds to  
 the Statement of Activities:**

|  |                        |
|--|------------------------|
| Net change in fund balance - Governmental Fund   | (\$119,443)            |
| Amount reported for governmental activities in the<br>Statement of Activities (Statement B) is different because:  |                        |
| Governmental funds report capital outlays as expenditures.<br>However, in the statement of activities, the cost of those assets<br>is allocated over their estimated useful lives as<br>depreciation expense. This is the amount by which<br>capital outlay expenditures exceeded depreciation expense<br>in the current period. |                        |
|  | 126,358                |
| In the statement of activities, the book value of deleted assets<br>is reported as a loss, while in the governmental fund, the<br>proceeds from disposition, if any, increase financial resources.   |                        |
|  | (3,676)                |
| Governmental funds report current year pension contributions<br>as expenditures. However, in the statement of activities, these<br>contributions are reported as deferred inflows of resources and the<br>Town's proportionate share of the plans pension expense<br>is reported as pension expense.                             |                        |
|  | 35,000                 |
| The Town's proportionate share of non-employer contributions<br>to the pension plans do not provide current financial resources<br>and are not reported as revenue in the governmental funds.  |                        |
|  | 3,679                  |
| The decrease in compensated absences payable does not require the<br>use of current resources and, therefore, is not reported as<br>expenditures in the governmental funds.  |                        |
|  | <u>1,525</u>           |
| Change in net position of governmental activities (Statement B)  | <u><u>\$43,443</u></u> |

(Concluded)  
 See accompanying notes.

TOWN OF COLUMBIA  
Columbia, Louisiana

STATEMENT OF NET POSITION - BUSINESS-TYPE ACTIVITIES -  
ENTERPRISE FUNDS  
June 30, 2020

|   | <u>Water Fund</u>  | <u>Sewer Fund</u> | <u>Gas Fund</u>  | <u>Total</u>       |
|---|--------------------|-------------------|------------------|--------------------|
| <b>ASSETS</b>                                       |                    |                   |                  |                    |
| Current assets:                                     |                    |                   |                  |                    |
| Cash  | \$203,397          | \$192,134         | \$168,929        | \$564,460          |
| Investments   |                    |                   | 8,558            | 8,558              |
| Receivable (net of allowance for doubtful accounts) | <u>12,900</u>      | <u>9,776</u>      | <u>3,708</u>     | <u>26,384</u>      |
| Total current assets                                | 216,297            | 201,910           | 181,195          | 599,402            |
| Noncurrent assets:                                  |                    |                   |                  |                    |
| Restricted cash                                     | 107,257            | 68,016            |                  | 175,273            |
| Capital assets (net of accumulated depreciation)    | <u>1,286,711</u>   | <u>661,672</u>    | <u>141,984</u>   | <u>2,090,367</u>   |
| Total assets  | <u>1,610,265</u>   | <u>931,598</u>    | <u>323,179</u>   | <u>2,865,042</u>   |
| <b>LIABILITIES</b>                                  |                    |                   |                  |                    |
| Current liabilities:                                |                    |                   |                  |                    |
| Accounts payable                                    | 2,407              | 1,082             | 19,878           | 23,367             |
| Due to General Fund                                 | 800                |                   |                  | 800                |
| Accrued interest payable                            |                    | 832               |                  | 832                |
| Current portion of long-term debt                   |                    | 14,285            |                  | 14,285             |
| Customer deposits                                   | <u>22,924</u>      |                   | <u>12,746</u>    | <u>35,670</u>      |
| Total current liabilities                           | 26,131             | 16,199            | 32,624           | 74,954             |
| Liabilities payable from restricted assets:         |                    |                   |                  |                    |
| Accrued interest payable                            | 7,583              |                   |                  | 7,583              |
| Current portion of long-term debt                   | 25,916             |                   |                  | 25,916             |
| Noncurrent liabilities:                             |                    |                   |                  |                    |
| Long-term debt - revenue bonds payable              | <u>230,997</u>     | <u>323,231</u>    | <u>NONE</u>      | <u>554,228</u>     |
| Total liabilities                                   | <u>290,627</u>     | <u>339,430</u>    | <u>32,624</u>    | <u>662,681</u>     |
| <b>NET POSITION</b>                                 |                    |                   |                  |                    |
| Net investment in capital assets                    | 1,029,798          | 324,156           |                  | 1,353,954          |
| Restricted for debt service                         | 73,758             | 68,016            |                  | 141,774            |
| Unrestricted  | <u>216,082</u>     | <u>199,996</u>    | <u>290,555</u>   | <u>706,633</u>     |
| Total net position                                  | <u>\$1,319,638</u> | <u>\$592,168</u>  | <u>\$290,555</u> | <u>\$2,202,361</u> |

See accompanying notes.

TOWN OF COLUMBIA  
Columbia, Louisiana

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

For the Year Ended June 30, 2020

|  | Water<br>Fund      | Sewer<br>Fund    | Gas<br>Fund      | Total              |
|--|--------------------|------------------|------------------|--------------------|
| <b>OPERATING REVENUES</b>                |                    |                  |                  |                    |
| Service fees                             | \$150,501          | \$115,795        | \$77,542         | \$343,838          |
| Penalties                                | 1,545              | 1,178            | 437              | 3,160              |
| Safe drinking water fees                 | 3,758              |                  |                  | 3,758              |
| Other                                    | 1,903              |                  | 581              | 2,484              |
| Total operating revenue                  | <u>157,707</u>     | <u>116,973</u>   | <u>78,560</u>    | <u>353,240</u>     |
| <b>OPERATING EXPENSES</b>                |                    |                  |                  |                    |
| Office supplies                          | 2,542              | 2,480            | 2,794            | 7,816              |
| Postage                                  |                    |                  | 807              | 807                |
| Sales tax                                | 1,567              |                  |                  | 1,567              |
| Repairs and maintenance                  | 23,591             | 7,537            | 19,320           | 50,448             |
| Utilities                                | 4,448              | 9,066            | 342              | 13,856             |
| Safe drinking water fee                  | 3,525              |                  |                  | 3,525              |
| Dues and memberships                     | 300                | 654              | 545              | 1,499              |
| Miscellaneous                            | 233                | 131              | 1,343            | 1,707              |
| Chemicals                                | 8,769              | 4,478            |                  | 13,247             |
| Testing fees                             |                    | 1,635            | 372              | 2,007              |
| Supplies                                 |                    |                  | 3,678            | 3,678              |
| Travel, meals, and lodging               | 1,208              | 313              |                  | 1,521              |
| Professional training                    | 300                |                  | 3,866            | 4,166              |
| Gas purchases                            |                    |                  | 25,144           | 25,144             |
| Depreciation                             | 68,993             | 65,808           | 8,352            | 143,153            |
| Total operating expenses                 | <u>115,476</u>     | <u>92,102</u>    | <u>66,563</u>    | <u>274,141</u>     |
| <b>OPERATING INCOME</b>                  | <u>42,231</u>      | <u>24,871</u>    | <u>11,997</u>    | <u>79,099</u>      |
| <b>NON-OPERATING REVENUES (Expenses)</b> |                    |                  |                  |                    |
| Interest earned on deposits              | 147                | 262              | 172              | 581                |
| Interest expense                         | (17,289)           | (15,497)         |                  | (32,786)           |
| Total non-operating revenues (expenses)  | <u>(17,142)</u>    | <u>(15,235)</u>  | <u>172</u>       | <u>(32,205)</u>    |
| <b>TRANSFERS TO GENERAL FUND</b>         | <u>(15,000)</u>    | <u>(15,000)</u>  | <u>(20,000)</u>  | <u>(50,000)</u>    |
| <b>CHANGE IN NET POSITION</b>            | 10,089             | (5,364)          | (7,831)          | (3,106)            |
| <b>NET POSITION - BEGINNING</b>          | <u>1,309,549</u>   | <u>597,532</u>   | <u>298,386</u>   | <u>2,205,467</u>   |
| <b>NET POSITION - ENDING</b>             | <u>\$1,319,638</u> | <u>\$592,168</u> | <u>\$290,555</u> | <u>\$2,202,361</u> |

See accompanying notes.

TOWN OF COLUMBIA  
Columbia, Louisiana

STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES -  
ENTERPRISE FUNDS  
For the Year Ended June 30, 2020

|  | Water<br>Fund    | Sewer<br>Fund    | Gas<br>Fund      | Total            |
|--|------------------|------------------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                  |                  |                  |                  |
| Receipts from customers  | \$156,689        | \$115,984        | \$78,212         | \$350,885        |
| Customer meter deposits (net)  | 2,365            |                  | 677              | 3,042            |
| Payments to suppliers  | <u>(47,181)</u>  | <u>(27,320)</u>  | <u>(39,407)</u>  | <u>(113,908)</u> |
| Net cash provided by operating activities  | <u>111,873</u>   | <u>88,664</u>    | <u>39,482</u>    | <u>240,019</u>   |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>                                 |                  |                  |                  |                  |
| Transfer to General Fund   | <u>(15,000)</u>  | <u>(15,000)</u>  | <u>(20,000)</u>  | <u>(50,000)</u>  |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>                        |                  |                  |                  |                  |
| Principal paid on capital debt   | (24,363)         | (13,942)         |                  | (38,305)         |
| Interest paid on capital debt  | (17,931)         | (15,532)         |                  | (33,463)         |
| Grant proceeds   | 800              |                  |                  | 800              |
| Net cash used by capital and related financing activities                                  | <u>(41,494)</u>  | <u>(29,474)</u>  | NONE             | <u>(70,968)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                  |                  |                  |                  |
| Interest income  |                  | 172              | 172              | 344              |
| Decrease in restricted cash  | <u>5,162</u>     | <u>(1,441)</u>   |                  | <u>3,721</u>     |
| Net cash provided (used) by investing activities   | <u>5,162</u>     | <u>(1,269)</u>   | <u>172</u>       | <u>4,065</u>     |
| <b>NET INCREASE IN CASH</b>  | <u>60,541</u>    | <u>42,921</u>    | <u>19,654</u>    | <u>123,116</u>   |
| <b>CASH AT BEGINNING OF YEAR</b>   | <u>142,856</u>   | <u>149,213</u>   | <u>149,275</u>   | <u>441,344</u>   |
| <b>CASH AT END OF YEAR</b>   | <u>\$203,397</u> | <u>\$192,134</u> | <u>\$168,929</u> | <u>\$564,460</u> |
| <b>Reconciliation of Operating Income to Net Cash<br/>Provided by Operating Activities</b> |                  |                  |                  |                  |
| Operating Income   | <u>\$42,231</u>  | <u>\$24,871</u>  | <u>\$11,997</u>  | <u>\$79,099</u>  |
| Adjustments:   |                  |                  |                  |                  |
| Depreciation   | 68,993           | 65,808           | 8,352            | 143,153          |
| Decrease (increase) in accounts receivable   | (1,018)          | (989)            | (348)            | (2,355)          |
| Increase (decrease) in customer meter deposits   | 2,365            |                  | 677              | 3,042            |
| Increase (decrease) in accounts payable  | <u>(698)</u>     | <u>(1,026)</u>   | <u>18,804</u>    | <u>17,080</u>    |
| Total adjustments  | <u>69,642</u>    | <u>63,793</u>    | <u>27,485</u>    | <u>160,920</u>   |
| Net cash provided by operating activities  | <u>\$111,873</u> | <u>\$88,664</u>  | <u>\$39,482</u>  | <u>\$240,019</u> |

See accompanying notes.

TOWN OF COLUMBIA  
Columbia, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2020

## 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, 2020. 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 revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are 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 revenues, 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 revenues 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 revenues include charges to customers for goods, services, or privileges provided and operating and capital grants and contributions. General revenues include all taxes, licenses and permits, interest earnings and other miscellaneous revenue.

Business-type activities funds distinguish operating revenues and expenses from nonoperating items. Operating revenues 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 revenues consist 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 revenues and expenses not meeting these definitions are reported as nonoperating revenues 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

TOWN OF COLUMBIA  
Notes to the Financial Statements

pool, and mutual funds consisting solely of government-backed 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, 2020, 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 revenues, 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, 2020, the Town levied a 8.68 mill general alimony tax for general government purposes. The Town also levied 3.30 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 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<br/>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.

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Notes to the Financial Statements

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, 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 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.

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**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**

The following provides disclosure on interest costs for the year ended June 30, 2020:

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|                                 | Water<br>Enterprise<br>Fund | Sewer<br>Enterprise<br>Fund | Total           |
|---------------------------------|-----------------------------|-----------------------------|-----------------|
| Total interest cost expensed    | \$17,289                    | \$15,497                    | \$32,786        |
| Total interest cost capitalized | NONE                        | NONE                        | NONE            |
| Total interest costs incurred   | <u>\$17,289</u>             | <u>\$15,497</u>             | <u>\$32,786</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 April each year. The town council proposes an ordinance to adopt the budget and a public hearing is held on the proposed budget ordinance in May 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 May 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, 2020.

The following individual fund's actual expenditures exceeded budgeted expenditures for the year ended June 30, 2019:

|              | Original<br>Budget | Final<br>Budget  | Actual           | Unfavorable<br>Variance |
|--------------|--------------------|------------------|------------------|-------------------------|
| General Fund | <u>\$544,850</u>   | <u>\$667,250</u> | <u>\$692,901</u> | <u>\$25,651</u>         |

**3. DEPOSITS IN FINANCIAL INSTITUTIONS**

At June 30, 2020, the Town has cash, restricted cash, and investments (book balances) as follows:

|                   |         |
|-------------------|---------|
| Petty cash        | \$150   |
| Checking accounts | 884,630 |
| Savings accounts  | 390,890 |

TOWN OF COLUMBIA  
Notes to the Financial Statements

|                         |                           |
|-------------------------|---------------------------|
| Certificates of deposit | <u>\$325,436</u>          |
| Total                   | <u><u>\$1,601,106</u></u> |

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, 2020, the Town of Columbia has \$1,603,578 in deposits (collected bank balances). These deposits are secured from risk by \$762,789 of federal deposit insurance and \$949,876 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, 2020:

|                                    | General<br>Fund | Water<br>Enterprise<br>Fund | Sewer<br>Enterprise<br>Fund | Gas<br>Enterprise<br>Fund | Total           |
|------------------------------------|-----------------|-----------------------------|-----------------------------|---------------------------|-----------------|
| Taxes                              | \$21,938        |                             |                             |                           | \$21,938        |
| Grants                             | 4,127           |                             |                             |                           | 4,127           |
| Charges for services               | 524             | \$13,449                    | \$10,205                    | \$3,862                   | 28,040          |
| Allowance for doubtful<br>accounts |                 | (549)                       | (429)                       | (154)                     | (1,132)         |
| Total                              | <u>\$26,589</u> | <u>\$12,900</u>             | <u>\$9,776</u>              | <u>\$3,708</u>            | <u>\$52,973</u> |

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2020, is as follows:

|   | Balance at<br>July 1,<br>2019 | Increases     | Decreases   | Balance at<br>June 30,<br>2020 |
|---|-------------------------------|---------------|-------------|--------------------------------|
| <b>Governmental activities:</b>               |                               |               |             |                                |
| Capital assets not being<br>depreciated:      |                               |               |             |                                |
| Land  | \$107,966                     |               |             | \$107,966                      |
| Construction in progress                      |                               | \$30,172      |             | 30,172                         |
| Total capital assets not<br>being depreciated | <u>107,966</u>                | <u>30,172</u> | <u>NONE</u> | <u>138,138</u>                 |

TOWN OF COLUMBIA  
Notes to the Financial Statements

|  | Balance at<br>July 1,<br>2019 | Increases        | Decreases        | Balance at<br>June 30,<br>2020 |
|--|-------------------------------|------------------|------------------|--------------------------------|
| Capital assets being depreciated:      |                               |                  |                  |                                |
| Buildings                              | \$359,725                     |                  |                  | \$359,725                      |
| Vehicles and equipment                 | 415,842                       | \$119,354        | (\$19,544)       | 515,652                        |
| Total capital assets being depreciated | <u>775,567</u>                | <u>119,354</u>   | <u>(19,544)</u>  | <u>875,377</u>                 |
| Less accumulated depreciation for:     |                               |                  |                  |                                |
| Buildings                              | 236,653                       | 8,831            |                  | 245,484                        |
| Vehicles and equipment                 | 352,705                       | 14,338           | (15,868)         | 351,175                        |
| Total accumulated depreciation         | <u>589,358</u>                | <u>23,169</u>    | <u>(15,868)</u>  | <u>596,659</u>                 |
| Total assets being depreciated, net    | <u>186,209</u>                | <u>96,185</u>    | <u>(3,676)</u>   | <u>278,718</u>                 |
| Total assets, net                      | <u>\$294,175</u>              | <u>\$126,357</u> | <u>(\$3,676)</u> | <u>\$416,856</u>               |
| <b>Business-type activities:</b>       |                               |                  |                  |                                |
| Capital assets not being depreciated:  |                               |                  |                  |                                |
| Land                                   | <u>\$26,624</u>               | NONE             | NONE             | <u>\$26,624</u>                |
| Capital assets being depreciated:      |                               |                  |                  |                                |
| Water system and improvements          | 2,707,806                     |                  | (\$185,854)      | 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 | <u>5,649,600</u>              | <u>NONE</u>      | <u>(185,854)</u> | <u>5,463,746</u>               |
| Less accumulated depreciation for:     |                               |                  |                  |                                |

TOWN OF COLUMBIA  
Notes to the Financial Statements

|                                     | Balance at<br>July 1,<br>2019 | Increases                 | Decreases          | Balance at<br>June 30,<br>2020 |
|-------------------------------------|-------------------------------|---------------------------|--------------------|--------------------------------|
| Water system and improvements       | \$1,398,341                   | \$65,091                  | (\$185,854)        | \$1,277,578                    |
| Sewer system and improvements       | 1,408,836                     | 63,480                    |                    | 1,472,316                      |
| Gas system and improvements         | 582,238                       | 8,352                     |                    | 590,590                        |
| Buildings                           | 29,997                        | 1,579                     |                    | 31,576                         |
| Vehicles and equipment              | 23,292                        | 4,651                     |                    | 27,943                         |
| Total accumulated depreciation      | <u>3,442,704</u>              | <u>143,153</u>            | <u>(185,854)</u>   | <u>3,400,003</u>               |
| Total assets being depreciated, net | <u>2,206,896</u>              | <u>(143,153)</u>          | <u>NONE</u>        | <u>2,063,743</u>               |
| Total assets, net                   | <u><u>\$2,233,520</u></u>     | <u><u>(\$143,153)</u></u> | <u><u>NONE</u></u> | <u><u>\$2,090,367</u></u>      |

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

Governmental Activities:

|  |                        |
|--|------------------------|
| General government                                   | \$306                  |
| Public safety  | 6,961                  |
| Public works   | <u>15,902</u>          |
| Total depreciation expense - governmental activities | <u><u>\$23,169</u></u> |

Business-Type Activities:

|   |                         |
|---|-------------------------|
| Water Fund  | \$68,993                |
| Sewer Fund  | 65,808                  |
| Gas Fund  | <u>8,352</u>            |
| Total depreciation expense - business-type activities | <u><u>\$143,153</u></u> |

Governmental activities deletions included fully depreciated assets that are no longer in use and a vehicle that was damaged in an accident. Business-type activities deletions included old fully depreciated assets.

TOWN OF COLUMBIA  
Notes to the Financial Statements

**6. INTERFUND TRANSFERS**

The following is a summary of interfund transfers during the year ended June 30, 2020:

|                       | <u>Transfer<br/>In</u> | <u>Transfer<br/>Out</u> |
|-----------------------|------------------------|-------------------------|
| General Fund          | \$50,000               |                         |
| Water Enterprise Fund |                        | \$15,000                |
| Sewer Enterprise Fund |                        | 15,000                  |
| Gas Enterprise Fund   |                        | <u>20,000</u>           |
| 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, 2020:

|                                      | <u>Balance at<br/>July 1, 2019</u> | <u>Increases</u> | <u>Decreases</u>  | <u>Balance at<br/>June 30, 2020</u> | <u>Due within<br/>One Year</u> |
|--------------------------------------|------------------------------------|------------------|-------------------|-------------------------------------|--------------------------------|
| Business-type activities:            |                                    |                  |                   |                                     |                                |
| Revenue bonds from direct borrowings | <u>\$632,734</u>                   | <u>NONE</u>      | <u>(\$38,305)</u> | <u>\$594,429</u>                    | <u>\$40,201</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 revenues generated by business-type activities.

Interest expense of \$32,786 was charged to the business-type activities function for the year ended June 30, 2020 as follows:

|            |               |
|------------|---------------|
| Water Fund | \$17,289      |
| Sewer Fund | <u>15,497</u> |

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Total interest expense - business-type activities \$32,786

Revenue bonds from direct borrowings in the amount of \$594,429 have maturities from 2021 until 2037 and 4.5% to 6.375% interest rates. Loan principal and interest payable in the next fiscal year are \$40,201 and \$31,566, respectively. The individual bonds are as follows:

|                       | 1988             | 1996             | 1996             |
|-----------------------|------------------|------------------|------------------|
|                       | \$600,000        | \$521,000        | \$20,000         |
|                       | Water            | Sewer            | Sewer            |
|                       | Revenue          | Revenue          | Revenue          |
|                       | <u>Bonds</u>     | <u>Bonds</u>     | <u>Bonds</u>     |
| Original issue date   | 1/12/88          | 10/22/96         | 10/22/96         |
| Interest rate         | 6.375%           | 4.50%            | 4.50%            |
| Final payment due     | 1/12/28          | 10/22/36         | 10/22/36         |
| Interest to maturity  | \$78,373         | \$142,149        | \$5,457          |
| Principal outstanding | \$256,913        | \$325,039        | \$12,477         |
| Funding source        | Water<br>revenue | Sewer<br>revenue | Sewer<br>revenue |

The revenue bonds from direct borrowings are due as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u>  | <u>Total</u>     |
|-----------------------------|------------------|------------------|------------------|
|                             | Payments         | Payments         |                  |
| 2021                        | \$40,201         | \$31,566         | \$71,767         |
| 2022                        | 42,496           | 29,271           | 71,767           |
| 2023                        | 44,926           | 26,841           | 71,767           |
| 2024                        | 47,497           | 24,270           | 71,767           |
| 2025                        | 50,219           | 21,548           | 71,767           |
| 2026 - 2030                 | 207,116          | 64,069           | 271,185          |
| 2031 - 2035                 | 121,367          | 26,002           | 147,369          |
| 2036 - 2037                 | <u>40,607</u>    | <u>2,412</u>     | <u>43,019</u>    |
| Total                       | <u>\$594,429</u> | <u>\$225,979</u> | <u>\$820,408</u> |

## 8. BOND COVENANT REQUIREMENTS

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the water and sewer revenue bonds discussed in Note 7 above, require the Town to establish the following reserve accounts:

### 1988 Water Revenue Bonds

- A. A "Sinking Fund". The Town must transfer into this fund, each month, one-twelfth of the principal and interest due on the next principal and interest payment date. This fund is used to pay bond principal and interest as they become due.
- B. A "Reserve Fund". The Town must transfer into this fund, each month, an amount equal to 5 per cent of the amount to be paid into the Sinking Fund each month until \$42,294 has been accumulated therein. Such amounts may be used only for the payment of maturing bonds and interest for which sufficient funds are not available in the Sinking Fund.
- C. A "Contingency Fund". The Town must transfer \$165 into this fund each month. The deposits in this fund may be used for unusual or extraordinary maintenance, repairs, replacements, and extensions and for the cost of improvements 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 funds.

### 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.

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The following is a summary of transactions in the bond reserve accounts for the year ended June 30, 2020:

|                          | Water<br>Enterprise<br>Fund | Sewer<br>Enterprise<br>Fund | Total            |
|--------------------------|-----------------------------|-----------------------------|------------------|
| Balance at July 1, 2019  | \$112,349                   | \$66,485                    | \$178,834        |
| Deposits                 | 37,055                      | 1,441                       | 38,496           |
| Interest earnings        | 147                         | 90                          | 237              |
| Withdrawals              | <u>(42,294)</u>             | <u>          </u>           | <u>(42,294)</u>  |
| Balance at June 30, 2020 | <u>\$107,257</u>            | <u>\$68,016</u>             | <u>\$175,273</u> |

**9. COMPENSATED ABSENCES PAYABLE**

The following is a summary of changes in compensated absences payable for the year ended June 30, 2020:

|                          | Governmental<br>Activities -<br>Compensated<br>Absences Payable |
|--------------------------|---|
| Balance at July 1, 2019  | \$8,261   |
| Additions                | 793   |
| Reductions               | <u>(2,318)</u>  |
| Balance at June 30, 2020 | <u>\$6,736</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.

#### **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.

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.

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Upon 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

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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,

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2020, was 14% of covered payroll. Contributions to the pension plan were \$16,156 for the year ended June 30, 2020. 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 \$3,679 for the year ended June 30, 2020.

**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, 2020, was 32.5% 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 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, 2020.

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

At June 30, 2020, the Town of Columbia reported a total of \$122,069 for its proportionate share of the net pension liability of MERS and MPERS combined. The net pension liability was measured as of June 30, 2019 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, 2019, the Town's proportion was .140 percent for MERS which was an decrease of .003 from its proportion measured as of June 30, 2018. At June 30, 2019, the Town's proportion was 0 percent for MPERS.

For the year ended June 30, 2020, the Town recognized pension expense of \$16,200 for MERS and (\$51,200) for MPERS. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF COLUMBIA  
Notes to the Financial Statements

|  | <u>MERS</u>     | <u>MPERS</u> | <u>Total</u>    |
|--|-----------------|--------------|-----------------|
| Deferred Outflows of Resources:  |                 |              |                 |
| Net difference between projected and actual earnings on pension plan investments | \$12,857        |              | \$12,857        |
| Changes of assumptions   | 7,441           |              | 7,441           |
| Changes in proportion  | 13,399          |              | 13,399          |
| Employer contributions subsequent to the measurement date                        | 16,156          |              | 16,156          |
| Total deferred outflows of resources   | <u>\$49,853</u> | <u>NONE</u>  | <u>\$49,853</u> |

|  | <u>MERS</u>     | <u>MPERS</u>    | <u>Total</u>    |
|--|-----------------|-----------------|-----------------|
| Deferred Inflows of Resources:                     |                 |                 |                 |
| Differences between expected and actual experience | \$5,413         |                 | \$5,413         |
| Changes in proportion                              | 7,787           | \$13,078        | 20,865          |
| Total deferred outflows of resources               | <u>\$13,200</u> | <u>\$13,078</u> | <u>\$26,278</u> |

\$16,156 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, 2021. 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>     | <u>MPERS</u>      | <u>Total</u>   |
|---------------------|-----------------|-------------------|----------------|
| Year ended June 30: |                 |                   |                |
| 2021                | \$14,329        | (\$13,078)        | \$1,251        |
| 2022                | 3,339           |                   | 3,339          |
| 2023                | 1,712           |                   | 1,712          |
| 2024                | 1,117           |                   | 1,117          |
| Total               | <u>\$20,497</u> | <u>(\$13,078)</u> | <u>\$7,419</u> |

**Actuarial Assumptions:**

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|           | <u>MERS</u> | <u>MPERS</u> |
|-----------|-------------|--------------|
| Inflation | 2.5%        | 2.5%         |

TOWN OF COLUMBIA  
Notes to the Financial Statements

|  |   |  |
|--|---|--|
|  |   | 1 to 2 years of service<br>- 9.75%       |
|  | 1 to 4 years of service<br>- 7.4%                             | 3 to 23 years of<br>service - 4.75%      |
| Salary increases, including inflation and<br>merit increases | More than 4 years of<br>service - 4.9%                        | More than 23 years of<br>service - 4.25% |
|  | 7.0%, net of<br>investment<br>expense, including<br>inflation | 7.125%, net of<br>investment<br>expense  |
| Investment rate of return                                    |   |  |
| Expected remaining service lives                             | 3 years   | 4 years                                  |

For MERS, 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. Disable 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.

For MPERS, mortality rates were based on RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA set back 1 year for females for healthy annuitants and beneficiaries; RP-2000 Employee Table set back 4 years for males and 3 years for females for active members; and RP-2000 Disabled Lives Table set back 5 years for males and 3 years for females for disabled annuitants.

The present value of future retirement benefits for MPERS is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The actuarial assumptions used in the June 30, 2019 MERS valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The actuarial assumptions used in the June 30, 2019 MPERS valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2014.

TOWN OF COLUMBIA  
Notes to the Financial Statements

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:**

| Asset Class                        | Target Allocation | Long-Term Expected Portfolio Real Rate of Return |
|------------------------------------|-------------------|--|
| Public fixed income                | 35%               | 1.51%  |
| Public equity                      | 50%               | 2.15%  |
| Alternatives                       | 15%               | 0.64%  |
| Totals                             | 100%              | 4.30%  |
| Inflation                          |                   | 2.70%  |
| Expected Arithmetic Nominal Return |                   | 7.00%  |

**MPERS:**

| Asset Class             | Target Allocation | Long-Term Expected Portfolio Real Rate of Return |
|-------------------------|-------------------|--|
| Fixed Income            | 33.50%            | 0.80%  |
| Equity                  | 48.50%            | 3.28%  |
| Alternatives            | 18.00%            | 1.06%  |
| Totals                  | 100%              | 5.14%  |
| Inflation               |                   | 2.75%  |
| Expected Nominal Return |                   | 7.89%  |

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.0% for MERS and 7.125% for MPERS. 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

TOWN OF COLUMBIA  
Notes to the Financial Statements

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 current discount rate, 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 as of June 30, 2019:

| <b>MERS:</b>          | Changes in Discount Rate |                             |                |
|-----------------------|--------------------------|-----------------------------|----------------|
|                       | Plan B:                  |                             |                |
|                       | 1%<br>Decrease           | Current<br>Discount<br>Rate | 1%<br>Increase |
|                       | 6.0%                     | 7.0%                        | 8.0%           |
| Net pension liability | \$162,686                | \$122,069                   | \$87,717       |

| <b>MPERS:</b>         | Changes in Discount Rate |                  |                |
|-----------------------|--------------------------|------------------|----------------|
|                       | Current                  |                  |                |
|                       | 1%<br>Decrease           | Discount<br>Rate | 1%<br>Increase |
|                       | 6.125%                   | 7.125%           | 8.125%         |
| Net pension liability | \$0                      | \$0              | \$0            |

**Retirement System Audit Report**

MERS and MPERS have issued stand-alone audit reports on their financial statements for the year ended June 30, 2019. Access to these reports can be found on the MERS website, [www.mersla.com](http://www.mersla.com), the MPERS website at [www.lampers.org](http://www.lampers.org) or on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.la.gov).

TOWN OF COLUMBIA  
Notes to the Financial Statements

**11. ON-BEHALF PAYMENTS FOR SALARIES**

For the year ended June 30, 2020, 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. CONTINGENCY**

The Town of Columbia was involved in one lawsuit at June 30, 2020, that involves a claim for damages resulting from a vehicle striking the covering on a sink hole in a drainage line. It is the opinion of the Town's legal counsel that it is too soon to provide an evaluation of the anticipated outcome; however, the Town does not expect the claim to exceed its limits of insurance coverage. The claim will be defended vigorously by the Town through its insured, Risk Management. No liability for the alleged damages has been reported in the accompanying financial statements.

**14. 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.

**15. SUBSEQUENT EVENTS**

On July 20, 2020, the Town accepted a bid in the amount of \$251,251 for construction and signage of the Sherman Lake Trail project. The total cost of the project is estimated to be approximately \$300,251. The project is being partially funded with federal grant funds through the FHWA Recreational Trails Program for Louisiana in the amount of \$167,098 and funding from the Caldwell Parish Industrial Development Board in the amount of \$108,000.

On October 1, 2020, the Town retired the remaining principal of the 1988 Water Revenue Bonds by issuing \$750,000 of Bond Anticipation Notes. The remaining proceeds of the notes will be advanced as needed to the Town to provide interim financing for improvements to the Town's water system.

TOWN OF COLUMBIA  
Notes to the Financial Statements

Since March 2020, the spread of COVID-19 has severely impacted many local economies. Measures taken to contain the spread of the virus have triggered significant disruptions to businesses. The Town's future cash flows could be affected by the economic slowdown that has resulted from these measures. The Town has determined that the impact of COVID-19 is a non-adjusting subsequent event. Accordingly, the financial position and results of operations as of and for the year ended June 30, 2020, have not been adjusted to reflect this potential impact. The duration and impact of the COVID-19 pandemic remains unclear at this time.

The Town of Columbia has evaluated subsequent events through October 30, 2020, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTAL INFORMATION**

TOWN OF COLUMBIA  
Columbia, Louisiana

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

For the Year Ended June 30, 2020

|  | Budgeted<br>.....Amounts..... |                  | Actual<br>Amounts<br>(Budgetary<br>Basis - GAAP) | Variance<br>with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------------------|------------------|--|--|
|  | Original                      | Final            |  |  |
| <b>REVENUES</b>  |                               |                  |  |  |
| Taxes:   |                               |                  |  |  |
| Property   | \$50,000                      | \$52,000         | \$53,235   | \$1,235  |
| Sales  | 200,000                       | 190,000          | 202,061  | 12,061   |
| Franchise  | 14,000                        | 14,000           | 13,203   | (797)  |
| Beer taxes   | 2,400                         | 2,400            | 1,705  | (695)  |
| Insurance premium  | 50,000                        | 55,000           | 62,354   | 7,354  |
| Licenses and permits                                     | 29,550                        | 31,550           | 37,218   | 5,668  |
| Intergovernmental revenue:                               |                               |                  |  |  |
| Federal grant  |                               |                  | 800  | 800  |
| State grants   | 33,600                        | 33,600           | 27,763   | (5,837)  |
| Local grants   | 61,000                        | 58,500           | 61,689   | 3,189  |
| Fines  | 75,000                        | 55,000           | 50,735   | (4,265)  |
| Fire protection fees                                     | 6,000                         | 6,000            | 6,266  | 266  |
| Investment earnings                                      | 2,000                         | 2,000            | 6,223  | 4,223  |
| Other revenue  | 700                           | 500              | 206  | (294)  |
| Total revenues   | <u>524,250</u>                | <u>500,550</u>   | <u>523,458</u>                                   | <u>22,908</u>  |
| <b>EXPENDITURES</b>                                      |                               |                  |  |  |
| General government                                       | 325,150                       | 317,200          | 332,877  | (15,677)   |
| Public safety:   |                               |                  |  |  |
| Fire Department  | 10,700                        | 12,100           | 14,500   | (2,400)  |
| Police Department  | 102,000                       | 94,500           | 92,496   | 2,004  |
| Public works - street department                         | 39,000                        | 169,450          | 54,793   | 114,657  |
| Culture and recreation - Main Street                     | 63,200                        | 69,200           | 48,708   | 20,492   |
| Capital outlay   | 4,800                         | 4,800            | 149,527  | (144,727)  |
| Total expenditures                                       | <u>544,850</u>                | <u>667,250</u>   | <u>692,901</u>                                   | <u>(25,651)</u>  |
| <b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b> | (20,600)                      | (166,700)        | (169,443)  | (2,743)  |
| <b>OTHER FINANCING SOURCES:</b>                          |                               |                  |  |  |
| Transfers from Water, Sewer, and Gas Funds               | 50,000                        | 50,000           | 50,000   |  |
| <b>NET CHANGE IN FUND BALANCE</b>                        | 29,400                        | (116,700)        | (119,443)  | (2,743)  |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>                 | <u>907,732</u>                | <u>946,492</u>   | <u>946,492</u>                                   |  |
| <b>FUND BALANCE AT END OF YEAR</b>                       | <u>\$937,132</u>              | <u>\$829,792</u> | <u>\$827,049</u>                                 | <u>(\$2,743)</u>   |

There was one budget amendment during the year ended June 30, 2020.

TOWN OF COLUMBIA  
Columbia, Louisiana

SCHEDULE OF PROPORTIONATE SHARE OF NET  
PENSION LIABILITY  
June 30, 2020

|  | Proportion of<br>the net<br>pension<br>liability | Proportionate<br>share<br>of the net<br>pension liability | Covered-<br>employee<br>payroll | Proportionate share of the<br>net pension liability as a<br>percentage of its covered-<br>employee payroll | Plan fiduciary net<br>position as a<br>percentage<br>of the total pension<br>liability |
|--|--|---|---------------------------------|--|--|
| <b>Municipal Employees Retirement System:</b>        |  |   |                                 |  |  |
| For the year ended June 30:                          |  |   |                                 |  |  |
| 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%   |
| <b>Municipal Police Employees Retirement System:</b> |  |   |                                 |  |  |
| For the year ended June 30:                          |  |   |                                 |  |  |
| 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, 2020.

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, 2020

|  | <u>Contractually<br/>required<br/>contribution</u> | <u>Contributions in relation to<br/>the contractually required<br/>contribution</u> | <u>Contribution<br/>deficiency<br/>(excess)</u> | <u>Covered-<br/>employee<br/>payroll</u> | <u>Contributions as<br/>a percentage of<br/>covered-<br/>employee<br/>payroll</u> |
|--|--|---|---|--|---|
| <b>Municipal Employees Retirement System:</b>        |  |   |   |  |   |
| For the year ended June 30:                          |  |   |   |  |   |
| 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%   |
| <b>Municipal Police Employees Retirement System:</b> |  |   |   |  |   |
| For the year ended June 30:                          |  |   |   |  |   |
| 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, 2020.

**OTHER SUPPLEMENTAL INFORMATION SCHEDULES**

TOWN OF COLUMBIA  
Columbia, Louisiana

OTHER SUPPLEMENTAL INFORMATION SCHEDULES  
As of and For the Year Ended June 30, 2020

**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.

**SCHEDULE OF PRIOR YEAR FINDINGS**

The follow-up and corrective action taken on all prior year findings is presented in Schedule 5.

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

For the Year Ended June 30, 2020

|  |                       |
|--|-----------------------|
| Agency Head - Richard Meredith, Mayor: |                       |
| Compensation                           | \$3,312               |
| Compensation:                          |                       |
| Penny Brown                            | 1,325                 |
| Sonja Carroll                          | 1,300                 |
| Bonnie Crockett                        | 1,275                 |
| Hannah Springer                        | 1,250                 |
| James Stuart                           | <u>1,325</u>          |
| Total                                  | <u><u>\$9,787</u></u> |

TOWN OF COLUMBIA  
Columbia, LouisianaSCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2020

| <u>Finding<br/>Number</u> | <u>Fiscal<br/>Year<br/>Finding<br/>Initially<br/>Occurred</u> | <u>Description of Finding</u>                | <u>Status of Finding</u>                            |
|---------------------------|---|--|---|
| 2019-001                  | 2015  | Inadequate Segregation of Accounting Duties  | Unresolved - see 2020-001 in current year findings. |
| 2019-002                  | 2015  | Inadequate Controls Over Financial Reporting | Resolved.   |

**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, 2020, 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 October 30, 2020.

**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 the 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 Compliance and on  
Internal Control, etc.,  
June 30, 2020

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 2020-001 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  
October 30, 2020

TOWN OF COLUMBIA  
Columbia, Louisiana

Schedule of Current Year Findings and  
Management's Planned Corrective Action  
For the Year Ended June 30, 2020

**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**

**2020-001. 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.