

TOWN OF COLUMBIA
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended
June 30, 2022

TOWN OF COLUMBIA
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2022

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M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726

Independent Auditor's Report

MAYOR AND TOWN COUNCIL
TOWN OF COLUMBIA
Columbia, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Columbia (the "Town"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the Town of Columbia, as of June 30, 2022, 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.

Basis for Opinions

I conducted my audit 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town of Columbia and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Member of the American Institute of Certified Public Accountants
Member of the Society of Louisiana of Certified Public Accountants

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In preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Columbia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Columbia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Columbia's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I have identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 13; the budgetary comparison information on page 45; and the schedule of proportionate share of the net pension liability and schedule of contributions related to the Municipal Employees' Retirement System on pages 46 and 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Columbia's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Mayor and Town Council on page 50, the Justice System Funding Schedule - Collecting/Disbursing Entity on page 51, and the Schedule of Prior Year Findings on page 52 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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,

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated November 9, 2022, on my consideration of the Town of Columbia's internal control over financial reporting and on my tests of the Town Of Columbia's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Columbia's 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report dated November 9, 2022, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

/s Carleen Dumas
Calhoun, Louisiana
November 9, 2022

TOWN OF COLUMBIA
Columbia, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

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, 2022. 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 14 and 15 provide information about the activities of the Town as a whole. Fund financial statements that begin on page 16 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 revenue 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.

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 Columbia, Louisiana
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2022

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 \$109,919 for the year ended June 30, 2022. The following presents an analysis of net position and the changes in net position of the town's governmental and business-type activities:

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2022	2021	2022	2021	2022	2021
Assets						
Current assets	\$926,003	\$831,295	\$830,578	\$727,209	\$1,756,581	\$1,558,504
Restricted assets			154,716	108,726	154,716	108,726
Capital assets	669,406	696,856	2,315,557	2,312,920	2,984,963	3,009,776
Total assets	<u>1,595,409</u>	<u>1,528,151</u>	<u>3,300,851</u>	<u>3,148,855</u>	<u>4,896,260</u>	<u>4,677,006</u>
Deferred Outflow of Resources - pensions	<u>27,225</u>	<u>42,025</u>	<u>NONE</u>	<u>NONE</u>	<u>27,225</u>	<u>42,025</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2022	2021	2022	2021	2022	2021
Liabilities						
Current liabilities	\$21,488	\$14,594	\$80,824	\$591,765	\$102,312	\$606,359
Long-term liabilities	96,364	141,613	926,959	307,992	1,023,323	449,605
Total liabilities	117,852	156,207	1,007,783	899,757	1,125,635	1,055,964
Deferred Inflow of Resources - pensions	27,889	3,025	NONE	NONE	27,889	3,025
Net Position						
Net investment in capital assets	669,406	696,856	1,364,634	1,460,084	2,034,040	2,156,940
Restricted			154,716	108,726	154,716	108,726
Unrestricted	807,487	714,088	773,718	680,288	1,581,205	1,394,376
Total net position	\$1,476,893	\$1,410,944	\$2,293,068	\$2,249,098	\$3,769,961	\$3,660,042

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2022	2021	2022	2021	2022	2021
Program revenue						
Charges for services	\$25,953	\$49,326	\$411,420	\$402,031	\$437,373	\$451,357
Operating grants and contributions	138,225	67,483			138,225	67,483
Capital grants and contributions		269,298	25,000	25,000	25,000	294,298
General revenue						
Property taxes	58,871	54,996			58,871	54,996
Sales taxes	239,095	235,834			239,095	235,834
Other taxes	90,270	83,298			90,270	83,298
Licenses and permits	34,174	37,475			34,174	37,475
Investment earnings	1,197	2,084	203	209	1,400	2,293
Other general revenue	541	24,918			541	24,918
Loss on disposal of capital assets		(1,999)			0	(1,999)
Total revenue	588,326	822,713	436,623	427,240	1,024,949	1,249,953
Transfers	50,000	50,000	(50,000)	(50,000)		
Total revenue and transfers	638,326	872,713	386,623	377,240	1,024,949	1,249,953

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2022	2021	2022	2021	2022	2021
Program expenses						
General government	\$317,064	\$396,273			\$317,064	\$396,273
Public safety	110,637	108,051			110,637	108,051
Public works	96,029	57,320			96,029	57,320
Culture and recreation	48,647	38,800			48,647	38,800
Water			\$155,687	\$151,863	155,687	151,863
Sewer			108,231	125,426	108,231	125,426
Gas			78,735	53,214	78,735	53,214
Total expenses	<u>572,377</u>	<u>600,444</u>	<u>342,653</u>	<u>330,503</u>	<u>915,030</u>	<u>930,947</u>
Change in net position	65,949	272,269	43,970	46,737	109,919	319,006
Net position - beginning	<u>1,410,944</u>	<u>1,138,675</u>	<u>2,249,098</u>	<u>2,202,361</u>	<u>3,660,042</u>	<u>3,341,036</u>
Net position - ending	<u>\$1,476,893</u>	<u>\$1,410,944</u>	<u>\$2,293,068</u>	<u>\$2,249,098</u>	<u>\$3,769,961</u>	<u>\$3,660,042</u>

The Town's total revenue decreased \$225,004 from prior year due to a decrease in capital grants. The Town's total expenses decreased \$15,917.

Governmental Activities

Total revenue and transfers for governmental activities decreased \$234,387 due to decrease in capital grants. The expenses of the governmental activities decreased \$28,067 due to a \$79,209 decrease in general government expenses.

Business-Type Activities

The Town's charges for services for its business-type activities were \$9,389 more than in the prior year. Total expenses increased approximately \$12,150.

OVERALL FINANCIAL POSITION

The Town's net position increased \$109,919 as a result of this year's operations. The business-type activities had an increase in net position of \$43,970 and the governmental activities had an increase of \$65,949. Unrestricted net position (those assets available to finance the daily operations of the Town)

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

was \$1,581,205 at year end. The increase in unrestricted net position was \$186,829 from the prior year amount. The net investment in capital assets was \$2,034,040 and net position restricted for debt service was \$154,716 at year end.

TOWN'S FUNDS

At the end of the year, the Town's General Fund reported a fund balance of \$904,515 of which \$689,303 was unassigned. General Fund fund balance increased \$87,813 for the year primarily due to \$67,683 in federal funding from the U.S Department of the Treasury, Coronavirus State and Local Fiscal Recovery Funds. The Water Enterprise Fund reported total net position of \$1,389,502 at year end. The increase in net position was \$37,489 for the year. The Sewer Enterprise Fund reported total net position of \$565,319 at year end. The decrease in net position was \$5,779 for the year. The Gas Enterprise Fund reported total net position of \$338,247 at year end. The increase in net position was \$12,260 for the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town amended its General Fund budget one time during the year ended June 30, 2022. At year end, actual revenue and other financing sources were \$16,120 less than budgeted revenue and other financing sources and actual expenditures were \$72,610 less than budgeted expenditures. The Town prepared its General Fund budget on the modified accrual basis of accounting.

CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

At the end of the year, the Town had capital assets (net of accumulated depreciation) totaling \$2,984,963. Capital assets include land, buildings, 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, 2022, the General Fund purchased equipment totaling \$12,266. In addition, the Town incurred \$2,898 in construction costs for the Sherman Lake Trail project and \$137,461 in construction costs for the water tank repair and replacement project. Both of these projects were completed during the year ended June 30, 2022. Additional information about the Town's capital assets is presented in the notes to the financial statements.

TOWN OF COLUMBIA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022

Long-Term Obligations

At June 30, 2022, the Town reported \$6,832 in compensated absences payable on the statement of net position for governmental activities. This amount is the total due employees for accrued sick leave upon separation from service due to retirement. Additional information about the Town's compensated absences payable is presented in the notes to the financial statements.

At June 30, 2022, the Town reported \$307,681 in outstanding sewer revenue bonds payable and \$643,242 in outstanding water revenue bonds on the statement of net position for business-type activities. During the year ended June 30, 2022, the Town paid in full the outstanding principal of its bond anticipation note from the proceeds from the 2021 water revenue bonds that were issued June 1, 2022. Proceeds from the bond anticipation notes were used to provide interim financing for the water tank repair and replacement project. Interest expense on all outstanding debt was \$39,877 for the year. The Town also incurred \$9,473 in bond issuance costs in connection with the 2021 water revenue bond issue. 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 \$89,532 on the statement of net position for governmental activities at June 30, 2022. 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 revenue for the year ending June 30, 2023, to be approximately \$57,000 less than the General Fund revenue for the year ended June 30, 2022, due to expected decreases in sales and insurance premium taxes. The Town also expects to receive approximately \$67,000 in federal funding from the American Rescue Plan Act, Coronavirus Fiscal Recovery Fund during the year ending June 30, 2023. General Fund expenditures for the year ending June 30, 2023, are expected to be approximately \$51,800 more than the General Fund expenditures for the year ended June 30, 2022 due to increased expenditures in all departments. The General Fund expects to receive approximately \$50,000 in transfers from the Water, Sewer, and Gas funds during the year ending June 30, 2023. The Town issued \$150,000 in 2022 Limited Tax Bonds in October 2022 to finance the purchase of a new office building. General Fund property taxes will be used to pay the annual debt service on the bonds beginning in April 2023. The Town expects the revenue and expenses of the Water, Sewer, and Gas funds to be approximately the same for the year ending June 30, 2023 as they were for the year ended June 30, 2022.

BASIC FINANCIAL STATEMENTS

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF NET POSITION
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$589,330	\$790,966	\$1,380,296
Investments	288,292	8,558	296,850
Receivables (net of allowances for uncollectibles)	48,571	30,864	79,435
Internal balances	(190)	190	
Restricted cash		154,716	154,716
Capital assets (net of accumulated depreciation)	<u>669,406</u>	<u>2,315,557</u>	<u>2,984,963</u>
Total assets	<u>1,595,409</u>	<u>3,300,851</u>	<u>4,896,260</u>
DEFERRED OUTFLOWS OF RESOURCES			
Resources related to pensions	<u>27,225</u>	NONE	<u>27,225</u>
LIABILITIES			
Accounts payable	13,448	12,942	26,390
Payroll liabilities payable	8,040		8,040
Accrued interest payable		3,811	3,811
Customer meter deposits		40,107	40,107
Long-term liabilities other than pensions:			
Due within one year	6,832	23,964	30,796
Due in more than one year		926,959	926,959
Net pension liability	<u>89,532</u>		<u>89,532</u>
Total liabilities	<u>117,852</u>	<u>1,007,783</u>	<u>1,125,635</u>
DEFERRED INFLOWS OF RESOURCES			
Resources related to pensions	<u>27,889</u>	NONE	<u>27,889</u>
NET POSITION			
Net investment in capital assets	669,406	1,364,634	2,034,040
Restricted for debt service		154,716	154,716
Unrestricted	<u>807,487</u>	<u>773,718</u>	<u>1,581,205</u>
Total net position	<u>\$1,476,893</u>	<u>\$2,293,068</u>	<u>\$3,769,961</u>

See accompanying notes and independent auditor's report.

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Program Revenue.....			Net (Expense) Revenue andChanges in Net Position.....			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General government	\$317,064		\$8,005		(\$309,059)		(\$309,059)
Public safety	110,637	\$25,953	9,192		(75,492)		(75,492)
Public works	96,029		67,683		(28,346)		(28,346)
Culture and recreation	48,647		53,345		4,698		4,698
Total governmental activities	<u>572,377</u>	<u>25,953</u>	<u>138,225</u>	<u>NONE</u>	<u>(408,199)</u>		<u>(408,199)</u>
BUSINESS-TYPE ACTIVITIES:							
Water service	155,687	183,115		\$25,000		\$52,428	52,428
Sewer service	108,231	117,344				9,113	9,113
Gas service	78,735	110,961				32,226	32,226
Total business-type activities	<u>342,653</u>	<u>411,420</u>	<u>NONE</u>	<u>25,000</u>		<u>93,767</u>	<u>93,767</u>
Total government	<u>\$915,030</u>	<u>\$437,373</u>	<u>\$138,225</u>	<u>\$25,000</u>	<u>(408,199)</u>	<u>93,767</u>	<u>(314,432)</u>
GENERAL REVENUE AND TRANSFERS							
General revenue:							
Property taxes					58,871		58,871
Sales taxes					239,095		239,095
Other taxes					90,270		90,270
Licenses and permits					34,174		34,174
Investment earnings					1,197	203	1,400
Other general revenues					541		541
Transfers (net)					50,000	(50,000)	
Total general revenue and transfers					<u>474,148</u>	<u>(49,797)</u>	<u>424,351</u>
CHANGE IN NET POSITION					65,949	43,970	109,919
NET POSITION - BEGINNING					1,410,944	2,249,098	3,660,042
NET POSITION - ENDING					<u>\$1,476,893</u>	<u>\$2,293,068</u>	<u>\$3,769,961</u>

See accompanying notes and independent auditor's report.

TOWN OF COLUMBIA
Columbia, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2022

	General
ASSETS	
Cash	\$589,330
Investments	288,292
Receivables	48,571
TOTAL ASSETS	\$926,193
LIABILITIES	
Accounts payable	\$13,448
Due to other funds	190
Payroll liabilities payable	8,040
Total liabilities	21,678
FUND BALANCES	
Assigned:	
Vehicles	162,772
Office equipment	26,830
Street improvements	18,818
Employee benefits	6,792
Unassigned	689,303
Total fund balance	904,515
TOTAL LIABILITIES AND FUND BALANCES	\$926,193
Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Position:	
Total fund balance - Governmental Fund	\$904,515
Amount reported for net position of governmental activities in the Statement of Net Position (Statement A) is different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund.	669,406
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(6,832)
Net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	(89,532)
The net effect of deferred outflows of resources and deferred inflows of resources related to pensions do not require the use of current financial resources and therefore are not reported in the funds.	(664)
Net position of governmental activities (Statement A)	\$1,476,893

See accompanying notes and independent auditor's report.

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2022

	General
REVENUE	
Taxes:	
Property	\$58,871
Sales	239,095
Franchise	17,351
Beer	1,356
Insurance premium	71,563
Licenses and permits	34,174
Intergovernmental revenue:	
Federal grant	67,683
State grants	9,192
Local grants	57,487
Fines	19,533
Fire protection fees	6,420
Investment earnings	1,197
Other revenue	541
Total revenue	584,463
EXPENDITURES	
General government	318,386
Public safety	90,895
Public works	82,958
Culture and recreation	48,647
Capital outlay	5,764
Total expenditures	546,650
EXCESS OF REVENUE OVER EXPENDITURES	37,813
OTHER FINANCING SOURCES	
Transfer from Water Fund	15,000
Transfer from Sewer Fund	15,000
Transfer from Gas Fund	20,000
Total other financing sources	50,000
NET CHANGE IN FUND BALANCE	87,813
FUND BALANCE AT BEGINNING OF YEAR	816,701
FUND BALANCE AT END OF YEAR	\$904,514

(Continued)

See accompanying notes and independent auditor's report.

TOWN OF COLUMBIA
 Columbia, Louisiana
 STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
 For the Year Ended June 30, 2022

	<u>General</u>
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities:	
Net change in fund balance - Governmental Fund	\$87,813
Amount reported for governmental activities in the Statement of Activities (Statement B) is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay expenditures in the current period.	(27,451)
Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the Town's proportionate share of the plans pension expense is reported as pension expense.	1,863
The Town's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and are not reported as revenue in the governmental funds.	3,863
The increase in compensated absences payable does not require the use of current resources and, therefore, is not reported as expenditures in the governmental funds.	<u>(139)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$65,949</u></u>

(Concluded)

See accompanying notes and independent auditor's report.

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF NET POSITION - BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUNDS
June 30, 2022

	Water Fund	Sewer Fund	Gas Fund	Total
ASSETS				
Current assets:				
Cash	\$312,736	\$259,845	\$218,385	\$790,966
Investments			8,558	8,558
Receivable (net of allowance for doubtful accounts)	15,713	9,830	5,321	30,864
Due from General Fund	54	38	98	190
Total current assets	<u>328,503</u>	<u>269,713</u>	<u>232,362</u>	<u>830,578</u>
Noncurrent assets:				
Restricted cash	83,417	71,299		154,716
Capital assets (net of accumulated depreciation)	<u>1,656,149</u>	<u>534,128</u>	<u>125,280</u>	<u>2,315,557</u>
Total assets	<u>2,068,069</u>	<u>875,140</u>	<u>357,642</u>	<u>3,300,851</u>
LIABILITIES				
Current liabilities:				
Accounts payable	6,664	1,382	4,896	12,942
Accrued interest payable	3,053	758		3,811
Current portion of long-term debt	8,336	15,628		23,964
Customer deposits	<u>25,608</u>		<u>14,499</u>	<u>40,107</u>
Total current liabilities	43,661	17,768	19,395	80,824
Noncurrent liabilities:				
Long-term debt - revenue bonds payable	<u>634,906</u>	<u>292,053</u>	NONE	<u>926,959</u>
Total liabilities	<u>678,567</u>	<u>309,821</u>	<u>19,395</u>	<u>1,007,783</u>
NET POSITION				
Net investment in capital assets	1,012,907	226,447	125,280	1,364,634
Restricted for debt service	83,417	71,299		154,716
Unrestricted	<u>293,178</u>	<u>267,573</u>	<u>212,967</u>	<u>773,718</u>
Total net position	<u>\$1,389,502</u>	<u>\$565,319</u>	<u>\$338,247</u>	<u>\$2,293,068</u>

See accompanying notes and independent auditor's report.

TOWN OF COLUMBIA
Columbia, Louisiana

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

For the Year Ended June 30, 2022

	Water Fund	Sewer Fund	Gas Fund	Total
OPERATING REVENUE				
Service fees	\$173,027	\$115,543	\$109,634	\$398,204
Penalties	2,103	1,301	967	4,371
Safe drinking water fees	3,747			3,747
Other	4,238	500	360	5,098
Total operating revenue	<u>183,115</u>	<u>117,344</u>	<u>110,961</u>	<u>411,420</u>
OPERATING EXPENSES				
Office supplies	1,616	1,909	1,603	5,128
Sales tax	1,493			1,493
Repairs and maintenance	30,392	12,391	4,428	47,211
Utilities	4,697	8,912	372	13,981
Safe drinking water fee	3,534			3,534
Dues and memberships	375	1,254	670	2,299
Miscellaneous	1,068	500	400	1,968
Chemicals	4,732	3,268		8,000
Testing fees		2,140	328	2,468
Supplies			3,191	3,191
Travel, meals, and lodging	435			435
Gas purchases			59,391	59,391
Depreciation	72,178	63,674	8,352	144,204
Total operating expenses	<u>120,520</u>	<u>94,048</u>	<u>78,735</u>	<u>293,303</u>
OPERATING INCOME	<u>62,595</u>	<u>23,296</u>	<u>32,226</u>	<u>118,117</u>
NON-OPERATING REVENUE (Expenses)				
Interest earned on deposits	61	108	34	203
State grant	25,000			25,000
Bond issuance costs	(9,473)			(9,473)
Interest expense	(25,694)	(14,183)		(39,877)
Total non-operating revenues (expenses)	<u>(10,106)</u>	<u>(14,075)</u>	34	<u>(24,147)</u>
TRANSFERS TO GENERAL FUND	<u>(15,000)</u>	<u>(15,000)</u>	<u>(20,000)</u>	<u>(50,000)</u>
CHANGE IN NET POSITION	37,489	(5,779)	12,260	43,970
NET POSITION - BEGINNING	<u>1,352,013</u>	<u>571,098</u>	<u>325,987</u>	<u>2,249,098</u>
NET POSITION - ENDING	<u>\$1,389,502</u>	<u>\$565,319</u>	<u>\$338,247</u>	<u>\$2,293,068</u>

See accompanying notes and independent auditor's report.

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES -
ENTERPRISE FUNDS

For the Year Ended June 30, 2022

	Water Fund	Sewer Fund	Gas Fund	Total Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$181,889	\$117,031	\$110,528	\$409,448
Customer meter deposits (net)	1,074		948	2,022
Payments to suppliers	<u>(45,172)</u>	<u>(32,329)</u>	<u>(66,987)</u>	<u>(144,488)</u>
Net cash provided by operating activities	<u>137,791</u>	<u>84,702</u>	<u>44,489</u>	<u>266,982</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to General Fund	<u>(15,000)</u>	<u>(15,000)</u>	<u>(20,000)</u>	<u>(50,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on capital debt	(1,258)	(15,253)		(16,511)
Interest paid on capital debt	(24,421)	(14,221)		(38,642)
Proceeds from loan	114,598			114,598
Bond issuance costs	(7,402)			(7,402)
Purchase of capital assets	(9,400)			(9,400)
Construction of capital assets	(137,441)			(137,441)
Grant proceeds	<u>25,000</u>			<u>25,000</u>
Net cash used by capital and related financing activities	<u>(40,324)</u>	<u>(29,474)</u>	NONE	<u>(69,798)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	61	108	34	203
(Increase) decrease in restricted cash	<u>(44,348)</u>	<u>(1,642)</u>		<u>(45,990)</u>
Net cash provided (used) by investing activities	<u>(44,287)</u>	<u>(1,534)</u>	<u>34</u>	<u>(45,787)</u>
NET INCREASE IN CASH	<u>38,180</u>	<u>38,694</u>	<u>24,523</u>	<u>101,397</u>
CASH AT BEGINNING OF YEAR	<u>274,556</u>	<u>221,151</u>	<u>193,862</u>	<u>689,569</u>
CASH AT END OF YEAR	<u>\$312,736</u>	<u>\$259,845</u>	<u>\$218,385</u>	<u>\$790,966</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	<u>\$62,595</u>	<u>\$23,296</u>	<u>\$32,226</u>	<u>\$118,117</u>
Adjustments:				
Depreciation	72,178	63,674	8,352	144,204
Decrease (increase) in accounts receivable	(1,172)	(275)	(335)	(1,782)
Decrease (increase) in Due from General Fund	(54)	(38)	(98)	(190)
Increase (decrease) in Due to General Fund	(800)			(800)
Increase (decrease) in customer meter deposits	1,074		948	2,022
Increase (decrease) in accounts payable	<u>3,970</u>	<u>(1,955)</u>	<u>3,396</u>	<u>5,411</u>
Total adjustments	<u>75,196</u>	<u>61,406</u>	<u>12,263</u>	<u>148,865</u>
Net cash provided by operating activities	<u>\$137,791</u>	<u>\$84,702</u>	<u>\$44,489</u>	<u>\$266,982</u>

See accompanying notes and independent auditor's report.

TOWN OF COLUMBIA
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 2022

INTRODUCTION

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

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14* established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of these statements, the Town 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 revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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

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

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

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

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

The Town 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 reports the following business-type activity funds:

Water Enterprise Fund

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

Sewer Enterprise Fund

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

Gas Enterprise Fund

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

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

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

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

C. Deposits and Investments

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

TOWN OF COLUMBIA
Notes to the Financial Statements

securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2022, 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 Town's interest rate risk is limited by all investments maturing within 12 months of year end.

D. Receivables

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

Property taxes are levied on a calendar year basis and become due on January 1 of each year. For the year ended June 30, 2022, the Town levied a 8.70 mill general alimony tax for general government purposes. The Town also levied 3.31 mills on all taxable property in the Town for the purposes of constructing, maintaining, and improving public streets within the Town. The Town is authorized to levy this street tax for a period of ten years ending with the year 2024. The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the year ended June 30, 2022, there were no such exemptions in effect that reduced the Town's ad valorem tax revenue.

The Town 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.

TOWN OF COLUMBIA
Notes to the Financial Statements

Receivables for water, sewer, and gas service are shown net of an allowance for uncollectible amounts. The allowance for uncollectibles is based on 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 nonrestricted assets in the Water and Sewer funds when both restricted and nonrestricted assets are available.

F. Capital Assets

Capital assets, which include land, buildings, water, sewer, and gas systems and improvements, and vehicles and equipment are reported in the applicable governmental or business-type activities column 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 maintains a threshold level of \$1,000 or more for capitalizing assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The Town has elected not to report general infrastructure assets, such as roads, bridges, sidewalks, etc., constructed prior to January 1, 2002. However, the construction or major improvement of infrastructure assets after that date are included in capital assets.

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

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

G. Compensated Absences

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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

Full time employees receive 80 hours of sick leave on January 1 each year. Unused sick leave can be carried over to the next calendar year up to a maximum accumulation of 240 hours per employee. Employees who had more than 240 hours on November 21, 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) of Louisiana and additions to/deductions from MERS fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

J. Deferred Outflows/Inflows of Resources

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

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

K. Net Position/Fund Balance

For the government-wide statement of net position, net position is reported as restricted when constraints are 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 unassigned fund balance 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 revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF COLUMBIA
Notes to the Financial Statements

M. Interest Costs

The Town has adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which provides that for financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest is not capitalized as part of the historical cost of the capital asset. For the year ended June 30, 2022, the Water Enterprise Fund incurred \$22,641 in interest costs during a construction period that is included in interest expense. Interest expense of \$39,877 was charged to the business-type activities function for the year ended June 30, 2022 as follows:

Water Fund	\$25,694
Sewer Fund	<u>14,183</u>
Total interest expense - business-type activities	<u>\$39,877</u>

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budget Information

The Town uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is normally presented to the town council in May each year. The town council proposes an ordinance to adopt the budget and a public hearing is held on the proposed budget ordinance in June of each year. The notice of the availability of the proposed budget is published in the official journal. The budget is legally adopted by ordinance in June of each year after the public hearing is held. Budget amendments are presented to the town council in the same manner as the proposed budget and amended during the year as necessary. Budgets are established at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. There was one budget amendment during the year ended June 30, 2022.

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At June 30, 2022, the Town has cash, restricted cash, and investments (book balances) as follows:

Petty cash	\$150
Checking accounts	1,123,502

TOWN OF COLUMBIA
Notes to the Financial Statements

Savings accounts	\$411,360
Certificates of deposit	<u>296,850</u>
Total	<u><u>\$1,831,862</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, 2022, the Town has \$1,840,063 in deposits (collected bank balances). These deposits are secured from risk by \$751,000 of federal deposit insurance and \$1,092,367 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, 2022:

	General Fund	Water Enterprise Fund	Sewer Enterprise Fund	Gas Enterprise Fund	Total
Taxes	\$37,915				\$37,915
Grants	9,125				9,125
Charges for services	1,431	\$16,262	\$10,259	\$5,475	33,427
Licenses and permits	100				100
Allowance for doubtful accounts		<u>(549)</u>	<u>(429)</u>	<u>(154)</u>	<u>(1,132)</u>
Total	<u>\$48,571</u>	<u>\$15,713</u>	<u>\$9,830</u>	<u>\$5,321</u>	<u>\$79,435</u>

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022
Governmental activities:				
Capital assets not being depreciated:				
Land	\$107,966			\$107,966
Construction in progress	<u>307,868</u>	<u>\$2,898</u>		<u>310,766</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022
Total capital assets not being depreciated	\$415,834	\$2,898	NONE	\$418,732
Capital assets being depreciated:				
Buildings	357,145			357,145
Vehicles and equipment	551,457	2,866	(5,240)	549,083
Total capital assets being depreciated	908,602	2,866	(5,240)	906,228
Less accumulated depreciation for:				
Buildings	253,670	8,767		262,437
Vehicles and equipment	373,909	24,448	(5,240)	393,117
Total accumulated depreciation	627,579	33,215	(5,240)	655,554
Total assets being depreciated, net	281,023	(30,349)	NONE	250,674
Total assets, net	<u>\$696,857</u>	<u>(\$27,451)</u>	<u>NONE</u>	<u>\$669,406</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$26,624	NONE	NONE	\$26,624
Construction in progress	363,767	\$137,441	(\$501,208)	
Total capital assets not being depreciated	390,391	137,441	NONE	26,624
Capital assets being depreciated:				
Water system and improvements	2,521,952	501,208		3,023,160
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	9,400		71,655

TOWN OF COLUMBIA
Notes to the Financial Statements

	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022
Total capital assets being depreciated	<u>\$5,463,746</u>	<u>\$510,608</u>	NONE	<u>\$5,974,354</u>
Less accumulated depreciation for:				
Water system and improvements	1,342,669	67,179		1,409,848
Sewer system and improvements	1,536,185	63,675		1,599,860
Gas system and improvements	598,942	8,352		607,294
Buildings	31,575			31,575
Vehicles and equipment	<u>31,846</u>	<u>4,998</u>		<u>36,844</u>
Total accumulated depreciation	<u>3,541,217</u>	<u>144,204</u>	NONE	<u>3,685,421</u>
Total assets being depreciated, net	<u>1,922,529</u>	<u>366,404</u>	NONE	<u>2,288,933</u>
Total assets, net	<u><u>\$2,312,920</u></u>	<u><u>\$503,845</u></u>	<u><u>NONE</u></u>	<u><u>\$2,315,557</u></u>

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

Governmental Activities:	
General government	\$402
Public safety	19,742
Public works	<u>13,071</u>
Total depreciation expense - governmental activities	<u><u>\$33,215</u></u>
Business-Type Activities:	
Water Fund	\$72,178
Sewer Fund	63,674
Gas Fund	<u>8,352</u>
Total depreciation expense - business-type activities	<u><u>\$144,204</u></u>

TOWN OF COLUMBIA
Notes to the Financial Statements

6. DUE TO/FROM OTHER FUNDS

The following is a summary of due to/from other funds at June 30, 2022:

	<u>Due From</u>	<u>Due To</u>
General Fund		\$190
Water Enterprise Fund	\$54	
Sewer Enterprise Fund	38	
Gas Enterprise Fund	98	
Total	<u>\$190</u>	<u>\$190</u>

The amount due/to from other funds resulted from the deposit of utility payments into the General Fund.

7. INTERFUND TRANSFERS

The following is a summary of interfund transfers during the year ended June 30, 2022:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$50,000	
Water Enterprise Fund		\$15,000
Sewer Enterprise Fund		15,000
Gas Enterprise Fund		20,000
Total	<u>\$50,000</u>	<u>\$50,000</u>

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

8. LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended June 30, 2022:

TOWN OF COLUMBIA
Notes to the Financial Statements

	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022	Due within One Year
Business-type activities - direct borrowings:					
Revenue bonds	\$322,934	\$643,242	(\$15,253)	\$950,923	\$23,964
Bond anticipation notes	<u>529,902</u>	<u>114,598</u>	<u>(644,500)</u>	<u>NONE</u>	<u>NONE</u>
Total	<u><u>\$852,836</u></u>	<u><u>\$757,840</u></u>	<u><u>(\$659,753)</u></u>	<u><u>\$950,923</u></u>	<u><u>\$23,964</u></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 or the lender may exercise any of the various remedies contained in the loan agreement. The bonds are secured by the pledge of revenue generated by business-type activities.

On June 1, 2022, the Town issued \$643,242 of Taxable Water Revenue Bonds, Series 2021, to repay the advances received under the Bond Anticipation Notes (BAN) through a loan agreement with Live Oak Bank. The advances under the BAN were used to retire the remaining principal on the Town's 1988 Water Revenue Bonds, to pay the costs of issuance of the BAN and the 2021 Water Revenue Bonds, and to provide interim financing for the Town's water system improvement project. The United States Department of Agriculture issued a loan note guarantee to Live Oak Bank covering the 2021 Water Revenue Bonds.

Long-term debt from direct borrowings in the amount of \$950,923 has maturities from 2023 until 2052 and 4.5% to 5.71% interest rates. The individual notes and bonds are as follows:

	2021	1996	1996
	\$643,242	\$521,000	\$20,000
	Water Revenue Bonds	Sewer Revenue Bonds	Sewer Revenue Bonds
Original issue date	06/01/22	10/22/96	10/22/96
Interest rate	5.71%	4.50%	4.50%
Final payment due	06/01/52	10/22/36	10/22/36
Interest to maturity	\$702,238	\$112,955	\$4,336
Principal outstanding	\$643,242	\$296,306	\$11,375

TOWN OF COLUMBIA
Notes to the Financial Statements

	2021	1996	1996
	\$643,242	\$521,000	\$20,000
	Water	Sewer	Sewer
	Revenue	Revenue	Revenue
	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>
Funding source	Water revenue	Sewer revenue	Sewer revenue

Principal and interest on direct borrowings are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2023	\$23,964	\$50,359	\$74,323
2024	25,156	49,167	74,323
2025	26,408	47,915	74,323
2026	27,724	46,599	74,323
2027	29,106	45,217	74,323
2028 - 2032	168,849	202,766	371,615
2033 - 2037	198,482	155,999	354,481
2038 - 2042	110,133	114,114	224,247
2043 - 2047	146,425	77,822	224,247
2048 - 2052	194,676	29,571	224,247
Total	<u>\$950,923</u>	<u>\$819,529</u>	<u>\$1,770,452</u>

9. BOND COVENANT REQUIREMENTS

The bond covenants with the United States Department of Agriculture (USDA) for the sewer revenue bonds discussed in Note 8 above, require the Town to establish the following reserve accounts:

1996 Sewer Revenue Bonds

- A. A "Reserve Fund". The Town must transfer \$123 into this fund each month until \$29,474 has been accumulated therein. Such amounts may be used only for the payment of maturing bonds and interest for which would otherwise be in default.
- B. A "Contingency Fund". The Town must transfer \$131 into this fund each month. The deposits in this fund may be used to care for depreciation,

TOWN OF COLUMBIA
Notes to the Financial Statements

extensions, additions, improvements, and replacements to the system. Money in this fund may also be used to pay principal and interest on bonds falling due at any time there is not sufficient funds in the other reserve fund.

The loan agreement with Live Oak Bank for the water revenue bonds discussed in Note 8 above, require the Town to establish the following reserve accounts:

2021 Water Revenue Bonds

- A. A "Monthly Sinking Fund". The Town must transfer \$3,737 into this fund each month to accumulate the amount needed to make semi-annual interest payments and annual principal payments on the maturing bonds.
- A. A "Waterworks Revenue Bond Reserve Fund". The Town must transfer \$374 into this fund each month until \$44,849 has been accumulated therein.
- B. A "Waterworks System Contingency and Depreciation Fund". The Town must transfer \$187 into this fund each month to provide for the maintenance, repairs, and replacements of short lived assets of the water system.

The following is a summary of transactions in the bond reserve accounts for the year ended June 30, 2022:

	Water Enterprise Fund	Sewer Enterprise Fund	Total
Balance at July 1, 2021	\$39,070	\$69,657	\$108,727
Deposits	44,286	1,572	45,858
Interest earnings	61	70	131
Balance at June 30, 2022	<u>\$83,417</u>	<u>\$71,299</u>	<u>\$154,716</u>

10. COMPENSATED ABSENCES PAYABLE

The following is a summary of changes in compensated absences payable for the year ended June 30, 2022:

TOWN OF COLUMBIA
Notes to the Financial Statements

	Governmental Activities - Compensated Absences Payable
Balance at July 1, 2021	\$6,693
Additions	139
Balance at June 30, 2022	<u>\$6,832</u>

11. PENSION PLANS

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

Plan Description:

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.

Plan Eligibility and Benefits:

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 deferred retirement option plan (DROP) benefits. Generally, the monthly retirement allowance for any member of Plan B consists of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months in which service was interrupted. 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.

TOWN OF COLUMBIA
Notes to the Financial Statements

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 DROP for up to three years and defer the receipt of benefits. During participation in DROP, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees.

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 and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Upon on the death of any member of Plan B with 5 or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes. Any member of Plan B who is eligible for normal retirement at time of death and leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

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.

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.

TOWN OF COLUMBIA
Notes to the Financial Statements

Contributions:

Contributions for all members are established by statute. Member contributions are 5% of earnable compensation for Plan B. The contributions are 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's required employer contribution rate for the year ended June 30, 2022, was 15.5% of covered payroll. Contributions to the pension plan were \$18,205 for the year ended June 30, 2022. 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 \$3,863 for the year ended June 30, 2022.

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

At June 30, 2022, the Town reported a total of \$89,532 for its proportionate share of the net pension liability of MERS. The net pension liability was measured as of June 30, 2021 as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. 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, 2021, the Town's proportion was .154 percent which was an increase of .014 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of (\$1,863) for MERS. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources:	
Changes of assumptions	\$3,624
Changes in proportion	5,396
Employer contributions subsequent to the measurement date	<u>18,205</u>
Total deferred outflows of resources	<u><u>\$27,225</u></u>

TOWN OF COLUMBIA
Notes to the Financial Statements

Deferred Inflows of Resources:	
Differences between expected and actual experience	\$3,693
Net differences between projected and actual earnings on pension plan investments	<u>24,196</u>
Total deferred outflows of resources	<u><u>\$27,889</u></u>

The \$18,205 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, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2023	\$367
2024	3,725
2025	6,275
2026	<u>8,502</u>
Total	<u><u>\$18,869</u></u>

Actuarial Assumptions:

Actuarial valuations involve estimates of the value of the reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2013 through June 30, 2018.

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
	1 to 4 years of service
	- 7.4%
	More than 4 years of
Salary increases, including inflation and merit increases	service - 4.9%

TOWN OF COLUMBIA
Notes to the Financial Statements

Investment rate of return	6.85%, net of investment expense, including inflation
Expected remaining service lives	3 years

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

Discount Rate:

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 included in the System’s target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Public fixed income	38 %	1.65 %
Public equity	53 %	2.31 %
Alternatives	9 %	0.39 %
Totals	100 %	4.35 %
Inflation		2.60 %
Expected Arithmetic Nominal Return		6.95 %

TOWN OF COLUMBIA
Notes to the Financial Statements

The discount rate used to measure the total pension liability was 6.85% for June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.85%, 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 discount rate (assuming all other assumptions remain unchanged):

	Changes in Discount Rate		
	Plan B:		
	1%	Current	1%
	Decrease	Discount	Increase
	5.85%	6.85%	7.85%
Net pension liability	\$137,360	\$89,532	\$49,078

Retirement System Audit Report

MERS has issued a stand-alone audit report on its financial statements for the year ended June 30, 2021. Access to this report can be found on the MERS website, www.mersla.com.

12. ON-BEHALF PAYMENTS FOR SALARIES

For the year ended June 30, 2022, the Town recognized revenue and expenditures of \$5,500 in salary supplements from the State of Louisiana paid directly to an employee of the police department.

13. 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

TOWN OF COLUMBIA
Notes to the Financial Statements

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.

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

The Town issued \$150,000 in 2022 Limited Tax Bonds in October 2022 to finance the purchase of a new office building. General Fund property taxes will be used to pay the annual debt service on the bonds beginning in April 2023.

The Town has evaluated subsequent events through November 9, 2022, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF COLUMBIA
Columbia, Louisiana

SCHEDULE OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended June 30, 2022

	BudgetedAmounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes:				
Property	\$55,000	\$55,000	\$58,871	\$3,871
Sales	220,000	220,000	239,095	19,095
Franchise	14,000	14,000	17,351	3,351
Beer taxes	1,900	1,900	1,356	(544)
Insurance premium	50,000	50,000	71,563	21,563
Licenses and permits	32,500	32,500	34,174	1,674
Intergovernmental revenue:				
Federal grant		134,683	67,683	(67,000)
State grants	8,600	8,600	9,192	592
Local grants	46,200	55,000	57,487	2,487
Fines	40,000	20,000	19,533	(467)
Fire protection fees	6,500	6,500	6,420	(80)
Investment earnings	2,000	2,000	1,197	(803)
Other revenue	400	400	541	141
Total revenue	<u>477,100</u>	<u>600,583</u>	<u>584,463</u>	<u>(16,120)</u>
EXPENDITURES				
General government	398,800	361,110	318,386	42,724
Public safety:				
Fire Department	15,600	16,600	16,164	436
Police Department	98,500	85,500	74,731	10,769
Public works - street department	76,750	108,250	82,958	25,292
Culture and recreation - Main Street	38,300	45,800	48,647	(2,847)
Capital outlay	2,000	2,000	5,764	(3,764)
Total expenditures	<u>629,950</u>	<u>619,260</u>	<u>546,650</u>	<u>72,610</u>
EXCESS (Deficiency) OF REVENUE OVER EXPENDITURES	(152,850)	(18,677)	37,813	56,490
OTHER FINANCING SOURCES:				
Transfers from Water, Sewer, and Gas Funds	50,000	50,000	50,000	
NET CHANGE IN FUND BALANCE	(102,850)	31,323	87,813	56,490
FUND BALANCE AT BEGINNING OF YEAR	<u>631,000</u>	<u>760,000</u>	<u>816,701</u>	<u>56,701</u>
FUND BALANCE AT END OF YEAR	<u>\$528,150</u>	<u>\$791,323</u>	<u>\$904,514</u>	<u>\$113,191</u>

There was one budget amendment during the year ended June 30, 2022.

TOWN OF COLUMBIA
Columbia, Louisiana

SCHEDULE OF PROPORTIONATE SHARE OF NET
PENSION LIABILITY
June 30, 2022

	<u>Proportion of the net pension liability</u>	<u>Proportionate share of the net pension liability</u>	<u>Covered- employee payroll</u>	<u>Proportionate share of the net pension liability as a percentage of its covered- employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Municipal Employees Retirement System:					
For the year ended June 30:					
2022	0.15%	\$89,532	\$117,454	76.00%	79.14%
2021	0.15%	134,920	118,771	114.00%	66.26%
2020	0.14%	122,069	115,376	105.00%	66.14%
2019	0.14%	120,716	106,669	113.00%	65.60%
2018	0.08%	70,715	105,770	66.86%	63.49%
2017	0.12%	103,036	60,668	169.84%	62.11%
2016	0.13%	86,444	91,308	94.67%	68.71%
2015	0.12%	58,576	88,257	66.37%	76.94%
2014	0.13%	68,936	84,625	81.46%	71.92%

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, 2022

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
Municipal Employees Retirement System:					
For the year ended June 30:					
2022	\$18,205	\$18,205	\$0	\$117,454	15.50%
2021	18,409	18,409	0	118,771	15.50%
2020	16,156	16,156	0	115,376	14.00%
2019	14,934	14,934	0	106,669	14.00%
2018	14,014	14,014	0	105,770	13.25%
2017	6,673	6,673	0	60,668	11.00%
2016	8,674	8,674	0	91,308	9.50%
2015	8,380	8,380	0	88,257	9.50%
2014	7,405	7,405	0	84,626	8.75%

OTHER SUPPLEMENTAL INFORMATION SCHEDULES

TOWN OF COLUMBIA
Columbia, Louisiana

OTHER SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2022

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

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

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

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

SCHEDULE OF PRIOR YEAR FINDINGS

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

TOWN OF COLUMBIA
Columbia, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO MAYOR AND
TOWN COUNCIL

For the Year Ended June 30, 2022

Agency Head - Richard Meredith, Mayor:	
Compensation	\$3,375
Compensation:	
Penny Brown	1,350
Sonja Carroll	1,250
Bonnie Crockett	1,350
Hannah Springer	1,350
James Stuart	<u>1,300</u>
Total	<u>\$9,975</u>

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

Entity Name	Town of Columbia	
LLA Entity ID #	2234	
Date that reporting period ended	06/30/22	
	First Six Month Period Ended <u>12/31/21</u>	Second Six Month Period Ended <u>06/30/22</u>
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e., cash on hand)	<u>\$100</u>	<u>NONE</u>
Add: Collections:		
Criminal Court Costs/Fees	7,415	2,290
Criminal Fines - Contempt	510	90
Criminal Fines - Other	6,042	2,020
Other		11
Subtotal Collections	<u>13,967</u>	<u>4,411</u>
Less: Disbursements to Governments and Nonprofits:		
Louisiana Commission on Law Enforcement - Criminal Fines - Other	549	114
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund - Criminal Fines - Other	240	35
North Louisiana Criminalistics Laboratory Commission - Criminal Fines - Other	1,590	320
Treasurer, State of Louisiana - CMIS - Criminal Court Costs/Fees	56	11
37 th JDC Indigent Defender Fund - Criminal Court Costs/Fees	560	110
Louisiana Supreme Court - Criminal Court Costs/Fees	27	5
Less: Amounts Retained by Collecting Agency:		
Amounts "Self-Disbursed" to Collecting Agency:		
Criminal Court Costs/Fees	6,772	1,273
Criminal Fines - Contempt	510	60
Criminal Fines - Other	3,763	557
Subtotal Disbursements/Retainage	<u>14,067</u>	<u>2,485</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e., cash on hand)	<u>NONE</u>	<u>\$1,926</u>
Ending Balance of "Partial Payments" Collected but not Disbursed	<u>NONE</u>	<u>\$420</u>
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	None	None
Total Waivers During the Fiscal Period	1	None

TOWN OF COLUMBIA
Columbia, LouisianaSCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2022

<u>Finding Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Status of Finding</u>
2021-001	2015	Inadequate Segregation of Accounting Duties	Unresolved - see 2022-001 in current year findings.

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

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

M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. 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, 2022, and the related notes to the financial statements, which collectively comprise the Town of Columbia's basic financial statements and have issued my report thereon dated November 9, 2022.

Internal Control Over Financial Reporting

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

My consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action, I identified certain deficiencies in internal control that I consider to be a material weaknesses and significant deficiencies.

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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. I consider the deficiency described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action as item 2022-001 to be a material weakness.

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. I consider the deficiency described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action as item 2022-002 to be a significant deficiency.

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 its 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 Findings

Government Auditing Standards requires the auditor to perform limited procedures to the Town of Columbia's response to the findings identified in my audit and 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 other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

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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.

/s Carleen Dumas
Calhoun, Louisiana
November 9, 2022

TOWN OF COLUMBIA
Columbia, Louisiana

Schedule of Current Year Findings and
Management's Planned Corrective Action
For the Year Ended June 30, 2022

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? - Yes
3. Noncompliance material to financial statements noted? - No

Section II - Financial Statement Findings

2022-001. 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.

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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.

2022-002. Inadequate Controls over Employee Leave Records

Criteria: The Louisiana Attorney General has opined that time sheets or a similar form of documentation is required to document and substantiate the accrual of leave. Written records must be maintained that supports the amount of leave earned and used by each employee so that employees are not paid for vacation and sick leave in excess of what they have earned.

Condition: For the year ended June 30, 2022, several errors were noted in the Town's records of vacation and sick leave used. One employee reported using 72 hours of sick leave on his time sheet but the sick leave used was not recorded in the employee's leave records maintained in the payroll system. For another employee, 16 hours of vacation used, 96 hours of sick leave used, and 86 ½ hours of "other" leave reported on his time sheet were not recorded in the employee's leave records maintained in the payroll system.

Cause: The payroll system used to maintain records of accrued vacation and sick leave was difficult to update for salaried employees.

Effect: Employees may be paid for vacation and sick leave in excess of what they have earned.

Recommendation: Time sheets should reflect actual hours worked and leave taken and be signed by the employee. The records of vacation and sick leave earned and used maintained in the payroll system must accurately reflect the hours worked and leave taken as recorded on the employee's time sheet. Employees should not be paid for vacation and sick leave in excess of what they have earned.

**Management's Planned
Corrective Action:**

Employees will maintain accurate time sheets including vacation and and sick leave taken.

M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726

Independent Accountant's Report
On Applying Agreed-Upon Procedures

MAYOR AND TOWN COUNCIL
TOWN OF COLUMBIA
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LOUISIANA LEGISLATIVE AUDITOR:

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period July 1, 2021 through June 30, 2022. The Town of Columbia's (the "Town") management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

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- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- I) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that

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backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

- 1) *Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results of procedure: The Town’s written policies and procedures addressed all of the above categories and subcategories except for the following:

- 1) Written policies and procedures for the payroll/personnel category do not include a section on the approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 2) Written policies and procedures for the sexual harassment category do not include requirements for annual employee training and annual reporting.

No other exceptions were found as a result of this procedure.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board’s enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board’s enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

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- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results of procedure: Budget-to-actual comparisons for the Town's proprietary funds were not presented.

No other exceptions were found as a result of this procedure.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and bank reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results of procedure: No exceptions were found as a result of this procedure.

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Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results of procedure: No exceptions were found as a result of this procedure.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results of procedure: The two employees who are responsible for cash collections share the same cash drawer.

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The employee who is primarily responsible for cash collections also prepares the bank deposit; however, another employee is responsible for reconciling the collection documentation to the deposit.

The employee who is primarily responsible for cash collections can post collections to the subsidiary ledgers; however, another employee is responsible for reconciling subsidiary ledgers to the deposits and posting to the general ledger.

The employee responsible for reconciling cash collections to the general ledger and subsidiary ledgers may also collect cash without another employee verifying the reconciliation.

No other exceptions were found as a result of this procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Results of procedure: No exceptions were found as a result of this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual bank deposit per bank statement.

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- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results of procedure: Property taxes in the amount of \$239 were not deposited within one business day or receipt.

No other exceptions were found as a result of this procedure.

Non-Payroll Disbursements (excluding credit card purchases/ payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results of procedure: No exceptions were found as a result of this procedure.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

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- d) Either the employee/official responsible for signing checks mails the payments or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results of procedure: Purchases that are less than \$3,000 can be initiated by an employee without prior approval.

The employee responsible for processing payments is also responsible for adding/modifying vendor files.

The employee responsible for processing payments is also responsible for mailing the checks to vendors.

No other exceptions were found as a result of this procedure.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results of procedure: Three of the five selected disbursements did not include documentation that the deliverables were received by the entity.

No other exceptions were found as a result of this procedure.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), for the fiscal period, including the card numbers and the names of the persons who

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maintained possession of the cards. Obtain management's representation that the listing is complete.

Results of procedure: No exceptions were found as a result of this procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results of procedure: No exceptions were found as a result of this procedure.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results of procedure: One charge on the selected credit card statement was not supported by an itemized receipt. The charge was for the purchase of flags for the Main Street program. There are no compensating controls to address missing receipts.

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Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe that the reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Results of procedure: No exceptions were found as a result of this procedure.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

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- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results of procedure: No exceptions were found as a result of this procedure.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results of procedure: No exceptions were found as a result of this procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

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- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results of procedure: No exceptions were found as a result of this procedure.

18. Obtain a list of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or official's personnel files, and agree the termination payment to entity policy.

Results of procedure: No exceptions were found as a result of this procedure.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results of procedure: No exceptions were found as a result of this procedure.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

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- b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results of procedure: No exceptions were found as a result of this procedure.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

Results of procedure: No exceptions were found as a result of this procedure.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by the debt covenants (including contingency funds, short-lived asset funds, or other funds required by debt covenants).

Results of procedure: No exceptions were found as a result of this procedure.

Fraud Notice

23. Obtain a listing of misappropriations of public funds or assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation and observe that the entity reported the misappropriation (s) to the legislative auditor and the Town attorney of the parish in which the entity is domiciled.

Results of procedure: No exceptions were found as a result of this procedure.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1. concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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Results of procedure: No exceptions were found as a result of this procedure.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity’s computers currently in use, and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results of procedure: We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results of procedure: One of the five employees selected did not complete the required training.

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27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results of procedure: No exceptions were found as a result of this procedure.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results of procedure: The entity's sexual harassment report for the year ended June 30, 2022 was not dated.

No other exceptions were found as a result of this procedure.

Management's Response

Procedure 1 - The Town will update the written procedures to related to the payroll/personnel and sexual harassment categories.

Procedure 2 - General Fund comparisons of the budget to actual are provided monthly.

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Procedure 5 - The Town is a small entity and does not have the capability of providing enough employees to avoid this.

Procedure 7 - Deposits will be made in a timely manner.

Procedure 9 - The Town is a small entity and does not have the capability of providing enough employees to avoid this.

Procedure 10 - Invoices will be signed to acknowledge that deliverables have been received.

Procedure 13 - Employee was out and unable to provide invoice timely, but itemized receipt was eventually received. Invoices will be provided in the future.

Procedure 26 - Employees will be prompted to take sexual harassment training.

Procedure 28 - Future reports will be dated.

I was engaged by the Town to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Town and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

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This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

/s Carleen Dumas
Calhoun, Louisiana
November 9, 2022