

TOWN OF COLUMBIA
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended
June 30, 2023

TOWN OF COLUMBIA
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended June 30, 2023

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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, 2023, 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 respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Columbia, as of June 30, 2023, 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 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 12; the budgetary comparison information on page 46; and the schedule of proportionate share of the net pension liability and schedule of contributions related to the Municipal Employees' Retirement System on pages 47 and 48 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 accompanying Schedule of Compensation, Benefits, and Other Payments to Mayor and Town Council on page 51, the Justice System Funding Schedule - Collecting/Disbursing Entity on page 52, and the Schedule of Prior Year Findings on page 53 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

MAYOR AND TOWN COUNCIL
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with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits, and Other Payments to Mayor and Town Council, the Justice System Funding Schedule - Collecting/Disbursing Entity, and the Schedule of Prior Year Findings are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated November 15, 2023, 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 7, 2023, 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 15, 2023

TOWN OF COLUMBIA
Columbia, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

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, 2023. 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, 2023

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 \$153,865 for the year ended June 30, 2023. 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	
	2023	2022	2023	2022	2023	2022
Assets						
Current assets	\$1,045,245	\$926,003	\$958,248	\$830,578	\$2,003,493	\$1,756,581
Restricted assets	12,250		146,535	154,716	158,785	154,716
Capital assets	804,660	669,406	2,190,866	2,315,557	2,995,526	2,984,963
Total assets	<u>1,862,155</u>	<u>1,595,409</u>	<u>3,295,649</u>	<u>3,300,851</u>	<u>5,157,804</u>	<u>4,896,260</u>
Deferred Outflow of Resources - pensions	<u>43,122</u>	<u>27,225</u>	<u>NONE</u>	<u>NONE</u>	<u>43,122</u>	<u>27,225</u>
Liabilities						
Current liabilities	21,926	21,488	74,224	80,824	96,150	102,312

TOWN OF COLUMBIA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Long-term liabilities	\$272,265	\$96,364	\$902,902	\$926,959	\$1,175,167	\$1,023,323
Total liabilities	294,191	117,852	977,126	1,007,783	1,271,317	1,125,635
Deferred Inflow of Resources - pensions	5,783	27,889	NONE	NONE	5,783	27,889
Net Position						
Net investment in capital assets	657,660	669,406	1,263,455	1,364,634	1,921,115	2,034,040
Restricted	12,250		146,535	154,716	158,785	154,716
Unrestricted	935,393	807,487	908,533	773,718	1,843,926	1,581,205
Total net position	<u>\$1,605,303</u>	<u>\$1,476,893</u>	<u>\$2,318,523</u>	<u>\$2,293,068</u>	<u>\$3,923,826</u>	<u>\$3,769,961</u>

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Program revenue						
Charges for services	\$24,689	\$25,953	\$401,420	\$411,420	\$426,109	\$437,373
Operating grants and contributions	148,231	138,225			148,231	138,225
Capital grants and contributions			12,386	25,000	12,386	25,000
General revenue						
Property taxes	66,443	58,871			66,443	58,871
Sales taxes	260,738	239,095			260,738	239,095
Other taxes	85,375	90,270			85,375	90,270
Licenses and permits	48,661	34,174			48,661	34,174
Investment earnings	1,360	1,197	238	203	1,598	1,400
Other general revenue	446	541			446	541
Loss on disposal of capital assets	(652)				(652)	
Total revenue	635,291	588,326	414,044	436,623	1,049,335	1,024,949
Transfers	50,000	50,000	(50,000)	(50,000)		
Total revenue and transfers	685,291	638,326	364,044	386,623	1,049,335	1,024,949
Program expenses						
General government	361,409	317,064			361,409	317,064
Public safety	105,193	110,637			105,193	110,637

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Public works	\$38,922	\$96,029			\$38,922	\$96,029
Culture and recreation	46,643	48,647			46,643	48,647
Debt service	4,714				4,714	
Water			\$178,384	\$155,687	178,384	155,687
Sewer			88,564	108,231	88,564	108,231
Gas			71,641	78,735	71,641	78,735
Total expenses	<u>556,881</u>	<u>572,377</u>	<u>338,589</u>	<u>342,653</u>	<u>895,470</u>	<u>915,030</u>
Change in net position	128,410	65,949	25,455	43,970	153,865	109,919
Net position - beginning	<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>
Net position - ending	<u>\$1,605,303</u>	<u>\$1,476,893</u>	<u>\$2,318,523</u>	<u>\$2,293,068</u>	<u>\$3,923,826</u>	<u>\$3,769,961</u>

The Town's total revenue increased \$24,386 from prior year due to an increase in property taxes, sales taxes, and licenses and permits. The Town's total expenses decreased \$19,560.

Governmental Activities

Total revenue and transfers for governmental activities increased \$46,965 due to increases in property taxes, sales taxes, and licenses and permits. The expenses of the governmental activities decreased \$15,496 due to a \$57,107 decrease in public works expenses.

Business-Type Activities

The Town's charges for services for its business-type activities were \$10,000 less than in the prior year. Total expenses decreased approximately \$4,064.

OVERALL FINANCIAL POSITION

The Town's net position increased \$153,865 as a result of this year's operations. The business-type activities had an increase in net position of \$25,455 and the governmental activities had an increase of \$128,410. Unrestricted net position (those assets available to finance the daily operations of the Town) was \$1,843,926 at year end. The increase in unrestricted net position was \$26,860 from the prior year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

amount. The net investment in capital assets was \$1,921,115 and restricted net position was \$158,785 at year end.

TOWN'S FUNDS

At the end of the year, the Town's General Fund reported a fund balance of \$1,046,634 of which \$736,581 was unassigned. General Fund fund balance increased \$142,120 for the year primarily due to \$80,293 in federal funding from the U.S. Department of the Treasury, Coronavirus State and Local Fiscal Recovery Funds and increases in property taxes, sales taxes, and licenses and permits. The Water Enterprise Fund reported total net position of \$1,392,672 at year end. The increase in net position was \$3,170 for the year. The Sewer Enterprise Fund reported total net position of \$575,240 at year end. The increase in net position was \$9,921 for the year. The Gas Enterprise Fund reported total net position of \$350,611 at year end. The increase in net position was \$12,364 for the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town amended its General Fund budget one time during the year ended June 30, 2023. At year end, actual revenue and other financing sources were \$108,915 more than budgeted revenue and other financing sources and actual expenditures were \$104,972 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 \$2,995,526. 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, 2023, the General Fund purchased a new office building and made improvements for a total cost of \$170,339. The Town also purchased a new fence and equipment totaling \$16,386. Additional information about the Town's capital assets is presented in the notes to the financial statements.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

Long-Term Liabilities

At June 30, 2023, the Town reported \$6,503 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.

During the year ended June 30, 2023, the Town issued limited tax bonds in the amount of \$150,000. The proceeds from the bonds were used to purchase the new office building. Principal in the amount of \$3,000 and interest expense in the amount of \$3,152 was paid during the year. The Town reported the outstanding principal of \$147,000 as long-term liabilities on the statement of net position for governmental activities. The Town also incurred \$2,798 in bond issuance costs in connection with the limited tax bond issue. Additional information about the Town's debt is presented in the notes to the financial statements.

At June 30, 2023, the Town reported \$291,727 in outstanding sewer revenue bonds payable and \$635,684 in outstanding water revenue bonds on the statement of net position for business-type activities. Interest expense on all outstanding debt for business-type activities was \$50,759 for the year. Additional information about the Town's debt is presented in the notes to the financial statements.

In accordance with *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*, the Town is reporting a net pension liability of \$128,265 on the statement of net position for governmental activities at June 30, 2023. 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, 2024, to be approximately \$110,798 less than the General Fund revenue for the year ended June 30, 2023, due to expected decreases in federal grant funds and decreases in taxes. The Town expects to receive approximately \$50,000 in state funding for the purpose of making street improvements. General Fund expenditures for the year ending June 30, 2024, are expected to be approximately \$41,778 less than the General Fund expenditures for the year ended June 30, 2023 due to decrease in capital outlay expenditures. The General Fund expects to receive approximately \$50,000 in transfers from the Water, Sewer, and Gas funds during the year ending June 30, 2024. 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, 2024 as they were for the year ended June 30, 2023.

BASIC FINANCIAL STATEMENTS

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF NET POSITION
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$724,313	\$920,899	\$1,645,212
Investments	289,423	8,558	297,981
Receivables (net of allowances for uncollectibles)	31,509	28,791	60,300
Restricted cash	12,250	146,535	158,785
Capital assets (net of accumulated depreciation)	<u>804,660</u>	<u>2,190,866</u>	<u>2,995,526</u>
Total assets	<u>1,862,155</u>	<u>3,295,649</u>	<u>5,157,804</u>
DEFERRED OUTFLOWS OF RESOURCES			
Resources related to pensions	<u>43,122</u>	NONE	<u>43,122</u>
LIABILITIES			
Accounts payable	7,580	4,767	12,347
Payroll liabilities payable	3,281		3,281
Accrued interest payable	1,562	3,758	5,320
Customer meter deposits		41,190	41,190
Long-term liabilities other than pensions:			
Due within one year	9,503	24,509	34,012
Due in more than one year	144,000	902,902	1,046,902
Net pension liability	<u>128,265</u>		<u>128,265</u>
Total liabilities	<u>294,191</u>	<u>977,126</u>	<u>1,271,317</u>
DEFERRED INFLOWS OF RESOURCES			
Resources related to pensions	<u>5,783</u>	NONE	<u>5,783</u>
NET POSITION			
Net investment in capital assets	657,660	1,263,455	1,921,115
Restricted:			
Grantor	10,000		10,000
Debt service	2,250	146,535	148,785
Unrestricted	<u>935,393</u>	<u>908,533</u>	<u>1,843,926</u>
Total net position	<u>\$1,605,303</u>	<u>\$2,318,523</u>	<u>\$3,923,826</u>

See accompanying notes and independent auditor's report.

TOWN OF COLUMBIA
Columbia, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Program Revenue.....			Net (Expense) Revenue andChanges in Net Position.....		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:						
General government	\$361,409	\$600	\$6,745	(\$354,064)		(\$354,064)
Public safety	105,193	24,089	20,470	(60,634)		(60,634)
Public works	38,922		67,793	28,871		28,871
Culture and recreation	46,643		53,223	6,580		6,580
Debt service	4,714			(4,714)		(4,714)
Total governmental activities	<u>556,881</u>	<u>24,689</u>	<u>148,231</u>	<u>(383,961)</u>		<u>(383,961)</u>
BUSINESS-TYPE ACTIVITIES:						
Water service	178,384	184,082		\$12,386	\$18,084	18,084
Sewer service	88,564	118,367			29,803	29,803
Gas service	71,641	98,971			27,330	27,330
Total business-type activities	<u>338,589</u>	<u>401,420</u>	<u>NONE</u>	<u>12,386</u>	<u>75,217</u>	<u>75,217</u>
Total government	<u>\$895,470</u>	<u>\$426,109</u>	<u>\$148,231</u>	<u>(383,961)</u>	<u>75,217</u>	<u>(308,744)</u>
GENERAL REVENUE AND TRANSFERS						
General revenue:						
Property taxes				66,443		66,443
Sales taxes				260,738		260,738
Other taxes				85,375		85,375
Licenses and permits				48,661		48,661
Investment earnings				1,360	238	1,598
Other general revenues				446		446
Loss on disposal of capital assets				(652)		(652)
Transfers (net)				50,000	(50,000)	
Total general revenue and transfers				<u>512,371</u>	<u>(49,762)</u>	<u>462,609</u>
CHANGE IN NET POSITION				128,410	25,455	153,865
NET POSITION - BEGINNING				1,476,893	2,293,068	3,769,961
NET POSITION - ENDING				<u>\$1,605,303</u>	<u>\$2,318,523</u>	<u>\$3,923,826</u>

See accompanying notes and independent auditor's report.

TOWN OF COLUMBIA
Columbia, Louisiana

BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2023

	General
ASSETS	
Cash	\$724,313
Investments	289,423
Receivables	31,509
Restricted cash	12,250
TOTAL ASSETS	\$1,057,495
LIABILITIES	
Accounts payable	\$7,580
Payroll liabilities payable	3,281
Total liabilities	10,861
FUND BALANCES	
Restricted:	
Debt service	2,250
Public safety - fire department	10,000
Assigned:	
Vehicles	168,539
Office equipment	16,654
Street improvements	105,812
Employee benefits	6,798
Unassigned	736,581
Total fund balance	1,046,634
TOTAL LIABILITIES AND FUND BALANCES	\$1,057,495
Reconciliation of the Balance Sheet of Governmental Fund To the Statement of Net Position:	
Total fund balance - Governmental Fund	\$1,046,634
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.	804,660
Long-term liabilities, including bonds payable, accrued interest payable, and compensated absences, are not due and payable in the current period and therefore are not reported in the fund.	(155,065)
Net pension liability does not require the use of current financial resources and therefore is not reported in the fund.	(128,265)
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 fund.	37,339
Net position of governmental activities (Statement A)	\$1,605,303

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, 2023

	<u>General Fund</u>
REVENUE	
Taxes:	
Property	\$66,443
Sales	260,738
Franchise	17,281
Beer	1,206
Insurance premium	66,888
Licenses and permits	48,661
Intergovernmental revenue:	
Federal grant	80,293
State grants	10,470
Local grants	53,223
Fines	18,277
Fire protection fees	5,812
Mowing	600
Investment earnings	1,360
Other revenue	446
Total revenue	<u>631,698</u>
EXPENDITURES	
Current:	
General government	353,043
Public safety	85,451
Public works	27,950
Culture and recreation	46,643
Capital outlay	170,339
Debt service	6,152
Total expenditures	<u>689,578</u>
EXCESS (Deficiency) OF REVENUE OVER EXPENDITURES	<u>(57,880)</u>
OTHER FINANCING SOURCES	
Transfer from Water Fund	15,000
Transfer from Sewer Fund	20,000
Transfer from Gas Fund	15,000
Proceeds of long-term debt	150,000
Total other financing sources	<u>200,000</u>
NET CHANGE IN FUND BALANCE	142,120
FUND BALANCE AT BEGINNING OF YEAR	<u>904,514</u>
FUND BALANCE AT END OF YEAR	<u><u>\$1,046,634</u></u>

(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, 2023

	<u>General Fund</u>
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities:	
Net change in fund balance - Governmental Fund	\$142,120
Amount reported for governmental activities in the Statement of Activities (Statement B) is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense in the current period.	135,907
The loss on disposal of capital assets does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(652)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.	(147,000)
Interest on long-term liabilities is recognized when due in the governmental funds; therefore accrued interest does not require the use of current financial resources.	(1,562)
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.	(4,977)
The Town's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and, therefore, are not reported as revenue in the governmental funds.	4,245
The decrease in compensated absences payable does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	<u>329</u>
Change in net position of governmental activities (Statement B)	<u><u>\$128,410</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, 2023

	Water Fund	Sewer Fund	Gas Fund	Total
ASSETS				
Current assets:				
Cash	\$382,821	\$300,801	\$237,277	\$920,899
Investments			8,558	8,558
Receivable (net of allowance for doubtful accounts)	15,115	9,636	4,040	28,791
Total current assets	<u>397,936</u>	<u>310,437</u>	<u>249,875</u>	<u>958,248</u>
Noncurrent assets:				
Restricted cash	73,592	72,943		146,535
Capital assets (net of accumulated depreciation)	1,587,811	486,127	116,928	2,190,866
Total assets	<u>2,059,339</u>	<u>869,507</u>	<u>366,803</u>	<u>3,295,649</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,418	1,857	1,492	4,767
Accrued interest payable	3,075	683		3,758
Current portion of long-term debt	8,163	16,346		24,509
Customer deposits	26,490		14,700	41,190
Total current liabilities	<u>39,146</u>	<u>18,886</u>	<u>16,192</u>	<u>74,224</u>
Noncurrent liabilities:				
Long-term debt - revenue bonds payable	627,521	275,381	NONE	902,902
Total liabilities	<u>666,667</u>	<u>294,267</u>	<u>16,192</u>	<u>977,126</u>
NET POSITION				
Net investment in capital assets	952,127	194,400	116,928	1,263,455
Restricted for debt service	73,592	72,943		146,535
Unrestricted	366,953	307,897	233,683	908,533
Total net position	<u>\$1,392,672</u>	<u>\$575,240</u>	<u>\$350,611</u>	<u>\$2,318,523</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, 2023

	Water Fund	Sewer Fund	Gas Fund	Total
OPERATING REVENUE				
Service fees	\$173,145	\$117,071	\$96,069	\$386,285
Penalties	2,085	1,296	798	4,179
Safe drinking water fees	3,731			3,731
Other	5,121		2,104	7,225
Total operating revenue	<u>184,082</u>	<u>118,367</u>	<u>98,971</u>	<u>401,420</u>
OPERATING EXPENSES				
Office supplies	274	444		718
Sales tax	1,488			1,488
Repairs and maintenance	44,959	5,529	5,305	55,793
Utilities	5,145	11,467	394	17,006
Safe drinking water fee	3,537			3,537
Dues and memberships	375	600	670	1,645
Miscellaneous	567	107	1,480	2,154
Chemicals		5,022		5,022
Testing fees		2,789		2,789
Supplies			2,575	2,575
Travel, meals, and lodging		862		862
Professional training		298	1,705	2,003
Gas purchases			51,160	51,160
Depreciation	84,725	48,001	8,352	141,078
Total operating expenses	<u>141,070</u>	<u>75,119</u>	<u>71,641</u>	<u>287,830</u>
OPERATING INCOME	<u>43,012</u>	<u>43,248</u>	<u>27,330</u>	<u>113,590</u>
NON-OPERATING REVENUE (Expenses)				
Interest earned on deposits	86	118	34	238
State grant	12,386			12,386
Interest expense	(37,314)	(13,445)		(50,759)
Total non-operating revenues (expenses)	<u>(24,842)</u>	<u>(13,327)</u>	34	<u>(38,135)</u>
TRANSFERS TO GENERAL FUND	<u>(15,000)</u>	<u>(20,000)</u>	<u>(15,000)</u>	<u>(50,000)</u>
CHANGE IN NET POSITION	3,170	9,921	12,364	25,455
NET POSITION - BEGINNING	<u>1,389,502</u>	<u>565,319</u>	<u>338,247</u>	<u>2,293,068</u>
NET POSITION - ENDING	<u>\$1,392,672</u>	<u>\$575,240</u>	<u>\$350,611</u>	<u>\$2,318,523</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, 2023

	Water Fund	Sewer Fund	Gas Fund	Total Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$184,734	\$118,599	\$100,350	\$403,683
Customer meter deposits (net)	882		201	1,083
Payments to suppliers	<u>(61,593)</u>	<u>(26,644)</u>	<u>(66,693)</u>	<u>(154,930)</u>
Net cash provided by operating activities	<u>124,023</u>	<u>91,955</u>	<u>33,858</u>	<u>249,836</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to General Fund	<u>(15,000)</u>	<u>(20,000)</u>	<u>(15,000)</u>	<u>(50,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on capital debt	(7,558)	(15,953)		(23,511)
Interest paid on capital debt	(37,291)	(13,520)		(50,811)
Purchase of capital assets	(16,386)			(16,386)
Grant proceeds	<u>12,386</u>			<u>12,386</u>
Net cash used by capital and related financing activities	<u>(48,849)</u>	<u>(29,473)</u>	NONE	<u>(78,322)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	86	118	34	238
(Increase) decrease in restricted cash	<u>9,825</u>	<u>(1,644)</u>		<u>8,181</u>
Net cash provided (used) by investing activities	<u>9,911</u>	<u>(1,526)</u>	<u>34</u>	<u>8,419</u>
NET INCREASE IN CASH	<u>70,085</u>	<u>40,956</u>	<u>18,892</u>	<u>129,933</u>
CASH AT BEGINNING OF YEAR	<u>312,736</u>	<u>259,845</u>	<u>218,385</u>	<u>790,966</u>
CASH AT END OF YEAR	<u>\$382,821</u>	<u>\$300,801</u>	<u>\$237,277</u>	<u>\$920,899</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	<u>\$43,012</u>	<u>\$43,248</u>	<u>\$27,330</u>	<u>\$113,590</u>
Adjustments:				
Depreciation	84,725	48,001	8,352	141,078
Decrease (increase) in accounts receivable	598	194	1,281	2,073
Decrease (increase) in Due from General Fund	54	38	98	190
Increase (decrease) in customer meter deposits	882		201	1,083
Increase (decrease) in accounts payable	<u>(5,247)</u>	<u>474</u>	<u>(3,405)</u>	<u>(8,178)</u>
Total adjustments	<u>81,012</u>	<u>48,707</u>	<u>6,527</u>	<u>136,246</u>
Net cash provided by operating activities	<u>\$124,024</u>	<u>\$91,955</u>	<u>\$33,857</u>	<u>\$249,836</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, 2023

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 7 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 net position presents information on all of the Town’s assets and liabilities, with the difference between the two reported as net position. 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.

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)

TOWN OF COLUMBIA
Notes to the Financial Statements

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.

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. Property taxes are recognized as revenue in the year for which they are levied. 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. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes are considered measurable at the time of levy whereas such items as sales and insurance premium taxes are considered measurable when in the hands of the collecting agency and are recognized as revenue at that time. Substantially all other non-intergovernmental revenue is susceptible to accrual and is recognized when earned or the underlying transaction occurs.

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.

The Town applies all applicable GASB pronouncements in accounting and reporting for its government-wide and business-type activities and its enterprise funds as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins.

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.

TOWN OF COLUMBIA
Notes to the Financial Statements

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 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, 2023, 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, 2023, 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

TOWN OF COLUMBIA
Notes to the Financial Statements

Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the year ended June 30, 2023, 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.

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 long-term debt agreements as well as assets that are restricted by constraints placed by grantors are classified as restricted assets on the statement of net position because their use is limited.

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.

Capital assets are not reported in the governmental fund financial statements.

TOWN OF COLUMBIA
Notes to the Financial Statements

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives. Estimated useful life is management’s estimate of how long the asset is expected to meet service demands.

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

G. Compensated Absences

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

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

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

In the government-wide financial statements and business-type activities enterprise fund financial statements, long-term debt and other long-term obligations are reported as

liabilities in the applicable governmental activities, business-type activities, or business-type activities enterprise funds statement of net position. Debt issuance costs are recognized as an expense in the period incurred.

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use externally restricted resources first, then committed, assigned, and unassigned in order as needed.

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.

**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, 2023.

TOWN OF COLUMBIA
Notes to the Financial Statements

3. DEPOSITS IN FINANCIAL INSTITUTIONS

At June 30, 2023, the Town has cash, restricted cash, and investments (book balances) as follows:

Petty cash	\$150
Checking accounts	1,395,557
Savings accounts	408,290
Certificates of deposit	<u>297,981</u>
Total	<u><u>\$2,101,978</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, 2023, the Town has \$2,110,533 in deposits (collected bank balances). These deposits are secured from risk by \$752,803 of federal deposit insurance and \$1,371,679 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, 2023:

	General Fund	Water Enterprise Fund	Sewer Enterprise Fund	Gas Enterprise Fund	Total
Taxes	\$23,862				\$23,862
Grants	7,159				7,159
Charges for services	488	\$15,664	\$10,065	\$4,194	30,411
Allowance for doubtful accounts		<u>(549)</u>	<u>(429)</u>	<u>(154)</u>	<u>(1,132)</u>
Total	<u>\$31,509</u>	<u>\$15,115</u>	<u>\$9,636</u>	<u>\$4,040</u>	<u>\$60,300</u>

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2023, is as follows:

TOWN OF COLUMBIA
Notes to the Financial Statements

	Balance at July 1, 2022	Increases	Decreases	Balance at June 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$107,966			\$107,966
Construction in progress	310,766			310,766
Total capital assets not being depreciated	<u>\$418,732</u>	NONE	NONE	<u>\$418,732</u>
Capital assets being depreciated:				
Buildings	357,145	\$170,339		527,484
Vehicles and equipment	549,083		(\$22,382)	526,701
Total capital assets being depreciated	<u>906,228</u>	<u>170,339</u>	<u>(22,382)</u>	<u>1,054,185</u>
Less accumulated depreciation for:				
Buildings	262,438	11,606		274,044
Vehicles and equipment	393,117	22,826	(21,730)	394,213
Total accumulated depreciation	<u>655,555</u>	<u>34,432</u>	<u>(21,730)</u>	<u>668,257</u>
Total assets being depreciated, net	<u>250,673</u>	<u>135,907</u>	<u>(652)</u>	<u>385,928</u>
Total assets, net	<u><u>\$669,405</u></u>	<u><u>\$135,907</u></u>	<u><u>(\$652)</u></u>	<u><u>\$804,660</u></u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$26,624	NONE	NONE	\$26,624
Capital assets being depreciated:				
Water system and improvements	3,023,160	\$4,000		3,027,160
Sewer system and improvements	2,115,989			2,115,989
Gas system and improvements	731,975			731,975
Buildings	31,575			31,575

TOWN OF COLUMBIA
Notes to the Financial Statements

	Balance at July 1, 2022	Increases	Decreases	Balance at June 30, 2023
Vehicles and equipment	<u>\$71,655</u>	<u>\$12,386</u>		<u>\$84,041</u>
Total capital assets being depreciated	<u>5,974,354</u>	<u>16,386</u>	NONE	<u>5,990,740</u>
Less accumulated depreciation for:				
Water system and improvements	1,409,848	77,705		1,487,553
Sewer system and improvements	1,599,860	48,001		1,647,861
Gas system and improvements	607,294	8,352		615,646
Buildings	31,575			31,575
Vehicles and equipment	<u>36,843</u>	<u>7,020</u>		<u>43,863</u>
Total accumulated depreciation	<u>3,685,420</u>	<u>141,078</u>	NONE	<u>3,826,498</u>
Total assets being depreciated, net	<u>2,288,934</u>	<u>(124,692)</u>	NONE	<u>2,164,242</u>
Total assets, net	<u><u>\$2,315,558</u></u>	<u><u>(\$124,692)</u></u>	<u><u>NONE</u></u>	<u><u>\$2,190,866</u></u>

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

Governmental Activities:	
General government	\$3,718
Public safety	19,742
Public works	<u>10,972</u>
Total depreciation expense - governmental activities	<u><u>\$34,432</u></u>
Business-Type Activities:	
Water Fund	\$84,725
Sewer Fund	48,001
Gas Fund	<u>8,352</u>
Total depreciation expense - business-type activities	<u><u>\$141,078</u></u>

TOWN OF COLUMBIA
Notes to the Financial Statements

6. INTERFUND TRANSFERS

The following is a summary of interfund transfers during the year ended June 30, 2023:

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

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

7. LONG-TERM LIABILITIES

The following is a summary of long-term liability activity for the year ended June 30, 2023:

	<u>Balance at July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2023</u>	<u>Due within One Year</u>
Governmental activities:					
Direct borrowings -					
Limited tax bonds	NONE	\$150,000	(\$3,000)	\$147,000	\$3,000
Compensated absences	\$6,832		(329)	6,503	6,503
Net pension liability	<u>89,532</u>	<u>38,733</u>		<u>128,265</u>	
Total governmental activities	<u>\$96,364</u>	<u>\$188,733</u>	<u>(\$3,329)</u>	<u>\$281,768</u>	<u>\$9,503</u>
Business-type activities - direct borrowings:					
Water revenue bonds	\$643,242		(\$7,558)	\$635,684	\$8,163
Sewer revenue bonds	<u>307,680</u>		<u>(15,953)</u>	<u>291,727</u>	<u>16,346</u>

TOWN OF COLUMBIA
Notes to the Financial Statements

Total business-type activities	<u>\$950,922</u>	<u>NONE</u>	<u>(\$23,511)</u>	<u>\$927,411</u>	<u>\$24,509</u>
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Governmental activities:

On October 3, 2022, the Town issued \$150,000 of Limited Tax Bonds, Series 2022, for the purpose of acquiring a building to serve as the new town hall. The bonds are secured by and payable from the irrevocable pledge and dedication of the proceeds of the Town’s 8.70 mill ad valorem tax that is authorized to be levied and collected annually pursuant to Section 27(A) of Article VI of the Louisiana Constitution of 1974. Bond principal and interest are due in annual payments of \$8,355 to \$9,765 through April 1, 2052. The bonds bear interest at 4.25%. The annual loan payments are made from the General Fund.

Business-type activities:

	2021	1996	1996
	\$643,242	\$521,000	\$20,000
	Water	Sewer	Sewer
	Revenue	Revenue	Revenue
	Bonds	Bonds	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	\$712,253	\$99,354	\$3,814
Principal outstanding	\$635,684	\$280,943	\$10,784
Funding source	Water revenue	Sewer revenue	Sewer revenue

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 agreements. The bonds are secured by the pledge of revenue generated by business-type activities. Additionally, the United States Department of Agriculture issued a loan note guarantee to Live Oak Bank covering the 2021 Water Revenue Bonds.

Principal and interest on direct borrowings are due as follows:

TOWN OF COLUMBIA
Notes to the Financial Statements

Governmental activities:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2024	\$3,000	\$6,247	\$9,247
2025	3,000	6,120	9,120
2026	3,000	5,992	8,992
2027	3,000	5,865	8,865
2028	3,000	5,737	8,737
2029 - 2033	17,000	26,733	43,733
2034 - 2038	21,000	22,738	43,738
2039 - 2043	27,000	17,808	44,808
2044 - 2048	33,000	11,560	44,560
2049 - 2052	34,000	3,698	37,698
Total	\$147,000	\$112,498	\$259,498

Business-type activities:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2024	\$24,509	\$49,814	\$74,323
2025	25,724	48,599	74,323
2026	27,000	47,323	74,323
2027	28,340	45,983	74,323
2028	29,749	44,574	74,323
2029 - 2033	172,493	199,122	371,615
2034 - 2038	172,082	152,324	324,406
2039 - 2043	108,038	116,210	224,248
2044 - 2048	143,715	80,533	224,248
2049 - 2052	195,761	30,939	226,700
Total	\$927,411	\$815,421	\$1,742,832

8. BOND COVENANT REQUIREMENTS

Governmental activities:

The ordinance providing for the incurring of debt and the issuance of \$150,000 Limited Tax Bonds, Series 2022, discussed in Note 7 above, requires the Town to establish and maintain a fund known as the “Columbia Limited Tax Bonds (2022) Sinking Fund”. The Town must deposit in the Sinking Fund the first revenues from the 8.70 mill ad valorem tax that is authorized to be levied and collected annually

TOWN OF COLUMBIA
Notes to the Financial Statements

pursuant to Section 27(A) of Article VI of the Louisiana Constitution of 1974, an amount equal to the principal and/or interest falling due on the bonds in that calendar year, together with such additional proportionate sum as may be required to pay said principal and interest as the same become due and any amount required to pay the charges of the paying agent. Funds must be transferred from the Sinking Fund to the paying agent at least one day in advance of each interest payment date, that are fully sufficient to pay promptly the principal and interest falling due on such date. The Town entered into a paying agent agreement with Caldwell Bank & Trust Company in October 2022.

The following is a summary of transactions in the Sinking Fund for the year ended June 30, 2023:

	Columbia Limited Tax Bonds (2022) <u>Sinking Fund</u>
Balance at July 1, 2022	NONE
Deposits	\$8,400
Interest earnings	2
Transfers to paying agent	<u>(6,152)</u>
Balance at June 30, 2023	<u><u>\$2,250</u></u>

Business-type activities:

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

1996 Sewer Revenue Bonds

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

TOWN OF COLUMBIA
Notes to the Financial Statements

The loan agreement with Live Oak Bank for the water revenue bonds discussed in Note 7 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, 2023:

	Water Enterprise Fund	Sewer Enterprise Fund	Total
Balance at July 1, 2022	\$83,417	\$71,299	\$154,716
Deposits	79,789	1,572	81,361
Interest earnings	85	72	157
Withdrawals	(89,699)		(89,699)
Balance at June 30, 2023	<u>\$73,592</u>	<u>\$72,943</u>	<u>\$146,535</u>

9. MULTIPLE-EMPLOYER COST-SHARING BENEFIT PLAN

Municipal Employees' Retirement System

Plan Description:

Eligible employees of the Town 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.

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 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 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.

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, 2023, was 15.5% of covered payroll. Contributions to the pension plan were \$16,659 for the year ended June 30, 2023. The System also receives ad valorem taxes and state revenue sharing funds that are recognized as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The amount of non-employer contributions recognized as revenue in the government-wide governmental activities statement of activities was \$4,245 for the year ended June 30, 2023.

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

At June 30, 2023, the Town reported a total of \$128,265 for its proportionate share of the net pension liability of MERS. The net pension liability was measured as of June 30, 2022 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

TOWN OF COLUMBIA
Notes to the Financial Statements

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, 2022, the Town's proportion was .146% which was a decrease of .008 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town recognized pension expense of \$4,977 for MERS. At June 30, 2023, 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	\$1,373
Net difference between projected and actual earnings on pension plan investments	23,588
Changes in proportion	1,502
Employer contributions subsequent to the measurement date	<u>16,659</u>
Total deferred outflows of resources	<u><u>\$43,122</u></u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$1,631
Changes in proportion	<u>4,152</u>
Total deferred outflows of resources	<u><u>\$5,783</u></u>

The \$16,659 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, 2024. 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:

2024	\$5,024
2025	2,531
2026	2,543
2027	<u>10,580</u>
Total	<u><u>\$20,678</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, 2022 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, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method	Entry age normal
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%
	6.85%, net of
	investment
	expense, including
Investment rate of return	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:

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

TOWN OF COLUMBIA
Notes to the Financial Statements

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, 2022, 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 %

The discount rate used to measure the total pension liability was 6.85 % for June 30, 2022. 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):

TOWN OF COLUMBIA
Notes to the Financial Statements

	Changes in Discount Rate		
	Plan B:		
	1% Decrease	Current Discount Rate	1% Increase
	5.85%	6.85%	7.85%
Net pension liability	\$174,850	\$128,265	\$88,866

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 or on the Louisiana Legislative Auditor’s website, www.la.gov.

10. ON-BEHALF PAYMENTS FOR SALARIES

For the year ended June 30, 2023, the Town recognized revenue and expenditures of \$7,200 in salary supplements from the State of Louisiana paid directly to an employee of the police department.

11. GRANTS

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

12. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance to reduce the various risks of loss. 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.

13. SUBSEQUENT EVENTS

In July 2023, the Town received \$50,000 in state grant funds for the purpose of making street improvements.

TOWN OF COLUMBIA
Notes to the Financial Statements

The Town has evaluated subsequent events through November 15, 2023, the date which the financial statements were available to be issued. Based on this evaluation, it was determined that no additional subsequent events occurred that require recognition or disclosure in the financial statements.

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, 2023

	BudgetedAmounts.....		Actual Amounts (Budgetary Basis - GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
Taxes:				
Property	\$55,000	\$55,000	\$66,443	\$11,443
Sales	220,000	220,000	260,738	40,738
Franchise	14,000	14,000	17,281	3,281
Beer taxes	1,900	1,000	1,206	206
Insurance premium	50,000	50,000	66,888	16,888
Licenses and permits	32,500	33,100	48,661	15,561
Intergovernmental revenue:				
Federal grant	67,000	67,683	80,293	12,610
State grants	8,600	9,300	10,470	1,170
Local grants	50,000	50,000	53,223	3,223
Fines	30,000	15,000	18,277	3,277
Fire protection fees	6,500	5,500	5,812	312
Mowing	200	200	600	400
Investment earnings	2,000	2,000	1,360	(640)
Other revenue	200		446	446
Total revenue	<u>537,900</u>	<u>522,783</u>	<u>631,698</u>	<u>108,915</u>
EXPENDITURES				
General government	341,600	391,950	353,043	38,907
Public safety:				
Fire Department	15,600	16,400	15,682	718
Police Department	98,500	74,250	69,769	4,481
Public works - street department	95,050	91,550	27,950	63,600
Culture and recreation - Main Street	45,700	47,400	46,643	757
Capital outlay	2,000	173,000	170,339	2,661
Debt service			6,152	(6,152)
Total expenditures	<u>598,450</u>	<u>794,550</u>	<u>689,578</u>	<u>104,972</u>
EXCESS (Deficiency) OF REVENUE OVER EXPENDITURES	<u>(60,550)</u>	<u>(271,767)</u>	<u>(57,880)</u>	<u>213,887</u>
OTHER FINANCING SOURCES:				
Transfers from Water, Sewer, and Gas Funds	50,000	50,000	50,000	
Proceeds from long-term debt		150,000	150,000	
Total other financing sources	<u>50,000</u>	<u>200,000</u>	<u>200,000</u>	<u>NONE</u>
NET CHANGE IN FUND BALANCE	(10,550)	(71,767)	142,120	213,887
FUND BALANCE AT BEGINNING OF YEAR	<u>631,000</u>	<u>760,000</u>	<u>904,514</u>	<u>144,514</u>
FUND BALANCE AT END OF YEAR	<u>\$620,450</u>	<u>\$688,233</u>	<u>\$1,046,634</u>	<u>\$358,401</u>

There was one budget amendment during the year ended June 30, 2023.

TOWN OF COLUMBIA
Columbia, Louisiana

SCHEDULE OF PROPORTIONATE SHARE OF NET
PENSION LIABILITY
June 30, 2023

	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered- employee payroll	Proportionate share of the net pension liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Municipal Employees Retirement System:					
For the year ended June 30:					
2023	0.15%	\$128,265	\$107,477	119.00%	69.56%
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, 2023

	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:					
2023	\$16,659	\$16,659	\$0	\$107,477	15.50%
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, 2023

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

For the Year Ended June 30, 2023

Agency Head - Hannah Springer, Mayor:	
Compensation	\$2,125
Compensation:	
Penny Brown	1,300
Sonja Carroll	1,250
Bonnie Crockett	1,250
Hannah Springer	1,125
James Stuart	1,300
Weston Williamson	<u>1,050</u>
Total	<u><u>\$9,400</u></u>

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

Entity Name	Town of Columbia	
LLA Entity ID #	2234	
Date that reporting period ended	06/30/23	
	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 06/30/23
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e., cash on hand)	<u>\$1,926</u>	<u>\$275</u>
Add: Collections:		
Criminal Court Costs/Fees	5,256	4,178
Criminal Fines - Contempt	300	600
Criminal Fines - Other	4,835	3,245
Other	78	
Subtotal Collections	<u>10,469</u>	<u>8,023</u>
Less: Disbursements to Governments and Nonprofits:		
Louisiana Commission on Law Enforcement - Criminal Fines - Other	435	208
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund - Criminal Fines - Other	195	100
North Louisiana Criminalistics Laboratory Commission - Criminal Fines - Other	1,270	630
Treasurer, State of Louisiana - CMIS - Criminal Court Costs/Fees	43	21
37 th JDC Indigent Defender Fund - Criminal Court Costs/Fees	420	210
Louisiana Supreme Court - Criminal Court Costs/Fees	21	10
Less: Amounts Retained by Collecting Agency:		
Amounts "Self-Disbursed" to Collecting Agency:		
Criminal Court Costs/Fees	5,854	3,714
Criminal Fines - Contempt	330	600
Criminal Fines - Other	3,465	2,040
Other	87	
Subtotal Disbursements/Retainage	<u>12,120</u>	<u>7,533</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e., cash on hand)	<u><u>\$275</u></u>	<u><u>\$765</u></u>
Ending Balance of "Partial Payments" Collected but not Disbursed	<u><u>\$275</u></u>	<u><u>\$429</u></u>
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	None	None
Total Waivers During the Fiscal Period	None	None

TOWN OF COLUMBIA
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SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2023

Finding Number	Fiscal Year Finding Initially Occurred	Description of Finding	Status of Finding
2022-001	2015	Inadequate Segregation of Accounting Duties	Unresolved - see 2023-001 in current year findings.
2022-002	2022	Inadequate Control over Employee Leave Records	Resolved.

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

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

M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. 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
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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, 2023, 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 15, 2023.

Report on Internal Control Over Financial Reporting

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

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

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MAYOR AND TOWN COUNCIL
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Independent Auditor's Report
on Internal Control, etc.,
June 30, 2023

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified a certain deficiency in internal control, described in the accompanying Schedule of Current Year Findings and Management's Planned Corrective Action as item 2023-001 that I consider to be a material weakness.

Report on 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 finding 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.

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 15, 2023

TOWN OF COLUMBIA
Columbia, Louisiana

Schedule of Current Year Findings and
Management's Planned Corrective Action
For the Year Ended June 30, 2023

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

Section II - Financial Statement Findings

2023-001. Inadequate Segregation of Accounting Duties

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

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

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

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

Recommendation: None.

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

**Management's Planned
Corrective Action:**

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

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, 2022 through June 30, 2023. 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, 2022 through June 30, 2023. 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:

1) Written Policies and Procedures

- A. 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:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - ii. ***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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- iii. **Disbursements**, including processing, reviewing, and approving.
- iv. **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).
- v. **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.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **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).
- ix. **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.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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- xi. ***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 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.
- xii. ***Prevention of 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: No exceptions were found as a result of this procedure.

2) Board or Finance Committee

- A. 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:
 - i. 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.
 - ii. 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.
 - iii. 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.

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- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

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

No written updates on the progress of resolving audit findings were noted in the minutes of the monthly Town Council meetings.

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

3) Bank Reconciliations

A. 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:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- ii. 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
- iii. 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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4) Collections (excluding electronic funds transfers)

- A. 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).
- B. 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:
- i. Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii. 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.
 - iii. 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.
 - iv. 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.
- C. 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.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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:

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- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual bank deposit per bank statement.
- iv. 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

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

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.

Property taxes in the amount of \$666 were not deposited within one day of receipt.

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

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

- A. 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).
- B. For each location selected under procedure #5A 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:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. 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.
 - iv. 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.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A 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:

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- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards), for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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- B. 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
- i. 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. (those instances requiring such approval that may constrain the legal authority of certain public officials such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6B 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 inspection). 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: The listing of active credit cards included a card number that is assigned to the former mayor.

There were credit card transactions that were not supported by documentation of the business/public purpose.

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

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

- A. 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:
- i. If reimbursed using a per diem, observe that the approved 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).
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. 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 Policies and Procedures (procedure #1A(vii)).
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Results of procedure: One travel reimbursement included a mileage reimbursement as well as a reimbursement for a fuel purchase.

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

8) Contracts

- A. 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:

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- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- iii. 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, the documented approval).
- iv. 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: The Town’s contracting policy requires approval of contracts by the town council with documentation of approval in minutes. For the selected contract, the town council’s approval was not documented in the minutes.

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

9. Payroll and Personnel

- A. 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

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- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - ii. Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe that the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing 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.
- D. 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.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A above, obtain ethics documentation from management, and:

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- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

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

11) Debt Service

- A. 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 as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and 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 as required by R.S. 24:523.

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- B. 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.

Results of procedure: The required notice was posted on the premises and the Town’s website on November 7, 2023.

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

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C above. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

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14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A 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 as required by R.S. 42:343.
- B. 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).
- C. 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:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results of procedure: The policy and complaint procedure was posted on the Town's website on November 7, 2023.

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

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Management's Response

- Procedure 2(A)(ii) Effective for the year ending June 30, 2024, the town council will receive quarterly budget-to-actual reports for the Water Enterprise Fund, the Sewer Enterprise Fund, and the Gas Enterprise Fund.
- Procedure 2(A)(iv) For all future audit findings, the town council will receive written updates on the progress of resolving the finding until the finding is considered fully resolved.
- Procedure 4(B)(i-iv) Due to the small size of the Town, it is not feasible to have adequate segregation of duties over collections.
- Procedure 4(D)(iv) Deposits are made in a timely manner.
- Procedure 5(B)(i, iii, iv) Due to the small size of the Town, it is not feasible to have adequate segregation of duties over disbursements.
- Procedure 6(A) The Town's current credit card agreement will be cancelled.
- Procedure 6(C) All travel-related credit card transactions will be supported by a travel reimbursement form that will indicate the business/public purpose of the travel.
- Procedure 7(A)(I) This will not occur in the future.
- Procedure 8(A)(ii) The contract in question was approved by the town council in an open meeting. The minutes failed to document this approval.

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.

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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.

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 7, 2023