By SLGFD at 8:03 am, Feb 01, 2022

Town of Columbia
Financial Statements
June 30, 2021





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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and The Board of Aldermen Town of Columbia, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Columbia, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, 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 Town of Columbia, North Carolina as of June 30, 2021, and the respective changes in financial position, and cash flows, where appropriate, thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, on pages 46 and 47, respectively, and the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, on page 48, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our 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 introductory information, individual fund statements, budgetary schedules, other schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements, budgetary schedules, other schedules, and the schedule of expenditures of federal and State awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the individual fund financial statements, budgetary schedules, other schedules, and the schedule of expenditures of federal and State awards 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*, we have also issued our report dated January 25, 2022 on our consideration of the Town of Columbia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Columbia's internal control over financial reporting and compliance.

Jeff Best, CPA, PLLC

Belhaven, North Carolina January 25, 2022

As management of the Town of Columbia, we offer readers of the Town of Columbia's financial statements this narrative overview and analysis of the financial activities of the Town of Columbia for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

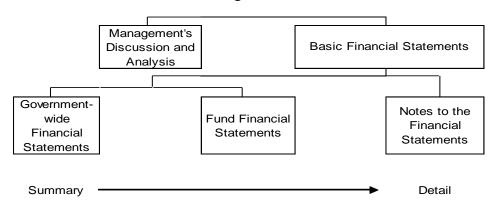
Financial Highlights

- The assets and deferred outflows of resources of the Town of Columbia exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$12,131,027 (net position).
- The government's total net position increased by \$967,098, primarily due to the increase in the business-type activities net position.
- As of the close of the current fiscal year, the Town of Columbia's governmental funds reported combined ending fund balances of \$1,031,126 with a net change of \$172,591 in fund balance. Approximately 5.25 percent of this total amount, or \$54,158, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$976,968, or 159.68 percent of total general fund expenditures for the fiscal year.
- The Town of Columbia's total debt decreased by \$47,199 (2.18%) during the current fiscal year.
 The key factor in this decrease was principal payments on installment purchases and revenue bonds.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of Columbia's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Columbia.

Required Components of Annual Financial Report Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 9) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide financial statements. The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, cultural and recreation, and general administration. Property taxes and State

and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town of Columbia.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund financial statements. The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Columbia, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Columbia can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Columbia adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds. Town of Columbia has one proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of Columbia uses enterprise funds to account for its water and sewer operations. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 23-45 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Columbia's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 46 of this report.

Interdependence with Other Entities: The Town depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

The Town of Columbia's Net Position Figure 2

	Governmental		Business-type									
		Activ	/itie	S	Activities			Total				
		2021		2020		2021		2020		2021		2020
Current and other assets	\$	1,104,806	\$	932,380	\$	3,742,106	\$	2,907,930	\$	4,846,912	\$	3,840,310
Capital assets		516,125		487,592		10,330,730		9,597,365		10,846,855		10,084,957
Deferred outflows of resources		167,512		106,441		109,920		61,460		277,432		167,901
Total assets and deferred outflows of resources		1,788,443		1,526,413		14,182,756		12,566,755		15,971,199		14,093,168
Long-term liabilities outstanding		465,766		380,140		2,395,823		2,353,676		2,861,589		2,733,816
Other liabilities		50,390		28,188		899,276		125,354		949,667		153,542
Deferred inflows of resources		17,510		26,289		11,407		15,592		28,917		41,881
Total liabilities and deferred inflows of resources		533,666		434,617		3,306,506		2,494,622		3,840,173		2,929,239
Net position:												
Net investment in capital assets		516,125		487,592		8,215,943		7,435,379		8,732,068		7,922,971
Restricted		54,158		52,610		71,232		61,056		125,390		113,666
Unrestricted		684,494		551,594		2,589,075		2,575,698		3,273,569		3,127,292
Total net position	\$	1,254,777	\$	1,091,796	\$	10,876,250	\$	10,072,133	\$	12,131,027	\$	11,163,929

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Columbia exceeded liabilities and deferred inflows by \$12,131,027 as of June 30, 2021. The Town's net position increased by \$967,098 for the fiscal year ended June 30, 2021. However, the largest portion, 71.98%, reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Columbia uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Columbia's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An

additional portion of the Town of Columbia's net position, \$125,390 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,273,569 is unrestricted.

Several particular aspects of the Town financial operations positively influenced the total unrestricted governmental net position:

- Continued efforts to seek grants such as Community Development Block Grants, grants for repairs and renovations to the Town's water and wastewater system, sewer line rehabilitation, waterfront access and boating access grants, and State and federal funds to advance planning efforts and defray local costs of infrastructure projects.
- Efforts to work with the NC Department of Transportation and Tyrell County to resolve street flooding issues, develop multi-use paths and to secure discretionary funds for sidewalks as well as resurfacing, curb, and guttering of streets located within the Town.
- Non-developed annexed areas will eventually add to the tax base, especially as they are developed for planned residential or repurposed commercial activity, resulting in new business properties that add to Columbia's tax base.

Town of Columbia Changes in Net Position Figure 3

		nmental vities		ss-type vities	To	tal
	2021	2020	2021	2020	2021	2020
Revenues:	-		-		-	
Program revenues						
Charges for services	\$ 86,810	\$ 21,129	\$ 563,336	\$ 509,485	\$ 650,146	\$ 530,614
Operating grants and contributions	128,432	119,637	157,796	113,604	286,228	233,241
Capital grants and contributions	-	-	1,088,871	39,150	1,088,871	39,150
General revenues:						
Property taxes	344,639	345,042	-	-	344,639	345,042
Other taxes	1,520	1,840	-	-	1,520	1,840
Other	204,041	211,325	32,685	22,105	236,726	233,430
Total revenues	765,442	698,973	1,842,688	684,344	2,608,130	1,383,317
Expenses:						
General government	299,005	268,069	-	-	299,005	268,069
Public safety	126,250	126,250	-	-	126,250	126,250
Highways/streets	129,875	114,183	-	-	129,875	114,183
Economic and physical development	-	46,069	-	-	-	46,069
Environmental protection	350	2,415	-	-	350	2,415
Culture and recreation	46,981	98,534	-	-	46,981	98,534
Water and sewer	-	-	1,038,571	993,528	1,038,571	993,528
Total expenses	602,461	655,520	1,038,571	993,528	1,641,032	1,649,048
Increase (decrease) in net position	162,981	43,453	804,117	(309,184)	967,098	(265,731)
Net position, July 1	1,091,796	1,048,343	10,072,133	10,176,086	11,163,929	11,224,429
Restatement	-	-	-	205,231	-	205,231
Net position, beginning, restated	1,091,796	1,048,343	10,072,133	10,381,317	11,163,929	11,429,660
Net position, June 30	\$ 1,254,777	\$ 1,091,796	\$ 10,876,250	\$ 10,072,133	\$ 12,131,027	\$ 11,163,929

Governmental activities: Governmental activities increased the Town net position by \$162,981. The key elements of the increase are as follows:

• The Town's ability to control expenditures during the fiscal year compiled with aggressive collection of past due taxes.

Business-type activities: Business-type activities increased the Town of Columbia's net position by \$804,117. Key elements of this decrease are as follows:

- The efficient operation of the water and sewer systems helps control operational costs. The Town's staff makes repairs wherever possible, rather than using outside contractors which helps control operational costs. Recent increases in water and sewer rates brought revenues in line with the increasing costs of providing these utilities and expanded water and sewer facilities, while allowing the Town to expand the wastewater and water systems of the Town.
- Paying down of wastewater system debt continues to increase the Town's business-type activity net position, which includes a USDA loan used to expand the Town's waste water treatment plant.
- The Town will continue to use grants such as the CDBG-Infrastructure program to upgrade sewer collection facilities throughout the Town, providing for even more efficient and costeffective operations. The Town is contracting with Tyrrell County to treat raw sewage from their Alligator Community sewer service made possible because of the recent expansion of the Columbia Waste Water Treatment Plant.

Financial Analysis of the Town's Funds

As noted earlier, the Town of Columbia uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Columbia's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Columbia's financing requirements.

The general fund is the chief operating fund of the Town of Columbia. At the end of the current fiscal year, the Town of Columbia's fund balance available in the General Fund was \$976,968, while total fund balance reached \$1,031,126. The Governing Body of the Town of Columbia has determined that the Town should maintain an available fund balance of 20% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 159.68% of general fund expenditures, while total fund balance represents 168.53% of the same amount.

At June 30, 2021, the governmental funds of the Town of Columbia reported a combined fund balance of \$1,031,126 with a net increase in fund balance of \$172,591.

General Fund Budgetary Highlights

During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Expenditures were held in check to comply with the Town's budgetary requirements.

Proprietary funds. The Town of Columbia's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$2,589,075. The total change in net position for the fund was \$804,117. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town of Columbia's investment in capital assets for its governmental and business—type activities as of June 30, 2021, totals \$10,846,855 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Town of Columbia's Capital Assets Figure 4 (net of depreciation)

	Governmental			Business-type						
	Activ	vitie	S	Activ	/itie	!S	Total			
	2021		2020	2021		2020		2021		2020
Land	\$ 148,345	\$	148,345	\$ 32,652	\$	32,652	\$	180,997	\$	180,997
Buildings and systems	15,650		17,073	8,931,967		9,310,351		8,947,617		9,327,424
Improvements other than										
buildings	220,402		241,092	-		-		220,402		241,092
Machinery and equipment	117,195		81,082	5,221		10,082		122,416		91,164
Vehicles and motorized										-
equipment	14,533		-	27,739		-		42,272		-
Construction in progress	-		-	1,333,151		244,280		1,333,151		244,280
Total	\$ 516,125	\$	487,592	\$ 10,330,730	\$	9,597,365	\$:	10,846,855	\$	10,084,957

Additional information on the Town's capital assets can be found in Note II.A.4 of the Basic Financial Statements.

Long-term Debt. The Town of Columbia's total debt decreased by \$47,199 (2.12%) during the past fiscal year, primarily due to principal payments on installment purchase and revenue bonds.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Columbia is \$4,450,915.

Additional information regarding the Town of Columbia's long-term debt can be found in Note II.B.5 beginning on page 42 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town:

- Annexed areas that have not been developed will eventually increase the Town of Columbia's tax base and potential for business and residential growth.
- The Covid pandemic reversed the growth trend resulting in the loss of three businesses.
- Improvements to the boardwalk and a new waterfront shower facility made Columbia more attractive for transient boaters exploring the inner Albemarle Sound and its tributaries, bringing additional customers to downtown businesses. Repairs to these facilities are ongoing to maintain use and Columbia's desirability as a stop on the Albemarle Sound.
- The multi-lane US-64 through Columbia continues to attract business and recreational travelers who stop and visit the downtown businesses and historic areas. The expanded parking lot at the Tyrrell County Visitor's Center provides an attractive stop-over to the Town and encourages travelers to stop and visit in Columbia.
- Announced plans by the State of North Carolina to close the Tyrrell Prison Work Farm will
 result in a \$220,000 annual loss in revenues in the prior year. This was devastating to the
 water/sewer fund and significantly impacted day-to-day operations and the ability to act
 quickly when repairs are needed as well as meet debt obligations. The Town continues to
 lobby State officials to reverse this decision. Even though there has been some repopulation
 of inmates, revenues from the prison are 50% below previous capacity.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: The distressed economy continues to require a cautious approach to fiscal management. Property taxes resulting from revalued properties and revenues from permits and fees are expected to lead to no increase in budgeted revenue. The Town will continue to finance programs currently in place and to administer added cost of reviewing subdivision submissions and planning activities. No new initiatives are planned.

Budgeted expenditures in the General Fund are expected to rise slightly. The largest increments are in law enforcement, fire protection, utilities, insurance, employee compensation, including funding compensation and benefits adjustments. Health insurance costs will continue to increase significantly providing reason for concern in the budgeting process.

Unknown factors may influence the Town of Columbia's budget, including actions that have been discussed by the North Carolina General Assembly that may reduce or eliminate additional revenue

sources to municipalities. As a coastal community the threat of hurricane damage looms over the Town. The Tyrrell County property tax re-evaluation completed in 2019, resulted in as much as a 30% decrease in property values. The Town has stretched to keep the tax rate at a revenue neutral rate.

Business – type Activities: Increases in the Town's water and sewer rates have helped make construction of an expanded wastewater treatment plant possible. Even with the down economy, costs continue to increase almost monthly, reflecting increased costs of utilities, chemical supplies and materials. The Town will continue to seek State economic development and infrastructure grants as well as Federal funds to reduce the amounts of the water and sewer renovations that will have to be shouldered by water and sewer customers.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed by mail to the Town Manager of the Town of Columbia, PO Box 361, Columbia, N.C. 27925, by telephone (252) 796-2781, or by email at rhett townofcolumbia@yahoo.com.

Town of Columbia Statement of Net Position June 30, 2021 Exhibit 1

	Primary Government				
	Governmental	Business-type			
	Activities	Activities	Total		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,026,713	\$ 2,583,419	\$ 3,610,132		
Taxes receivables (net)	23,935	-	23,935		
Accounts receivable (net)	-	80,417	80,417		
Due from other governments	54,158	-	54,158		
Grants receivable	-	975,043	975,043		
Restricted cash and cash equivalents	-	103,227	103,227		
Total current assets	1,104,806	3,742,106	4,846,912		
Non-current assets:					
Capital assets:					
Land, non-depreciable improvements, and					
construction in progress	148,345	1,365,803	1,514,148		
Other capital assets, net of depreciation	367,780	8,964,927	9,332,707		
Total capital assets	516,125	10,330,730	10,846,855		
Total non-current assets	516,125	10,330,730	10,846,855		
Total assets	1,620,931	14,072,836	15,693,767		
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	46,722	19,088	65,810		
OPEB deferrals	120,790	90,832	211,622		
Total deferred outflows of resources	167,512	109,920	277,432		
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	47,687	10,041	57,728		
Customer deposits	=	31,995	31,995		
Current portion of long-term liabilities	2,703	49,501	52,204		
Payable from restricted assets	=	807,739	807,739		
Total current liabilities	50,390	899,276	949,666		
Long-term liabilities:					
Due in more than one year	465,766	2,395,823	2,861,589		
Total liabilities	516,156	3,295,099	3,811,255		
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	617	252	869		
OPEB deferrals	14,835	11,155	25,990		
Prepaid taxes	2,058	-	2,058		
Total deferred inflows of resources	17,510	11,407	28,917		
NET POSITION					
Net investment in capital assets	516,125	8,215,943	8,732,068		
Restricted for:					
Stabilization by State Statute	54,158	-	54,158		
Pursuant to loan requirements	, -	71,232	71,232		
Unrestricted	684,494	2,589,075	3,273,569		
Total net position	\$ 1,254,777	\$ 10,876,250	\$ 12,131,027		

The accompanying notes are an integral part of these financial statements.

Town of Columbia Statement of Activities For the Fiscal Year Ended June 30, 2021 Exhibit 2

Net (Expense) Rev	enue and Chan	ges in Net
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		Program Revenues				Position	changes in Net
						nent	
			Operating	Capital Grants			
		Charges for	Grants and	and	Governme	ntal Business-type	•
Functions/Programs	Expenses	Services	Contributions	Contributions	Activitie	Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 299,005	\$ 86,810	\$ -	\$ -	\$ (212,1	.95) \$ -	\$ (212,195)
Public safety	126,250	-	-	-	(126,2	50) -	(126,250)
Transportation	129,875	-	128,432	-	(1,4	-43)	(1,443)
Economic and physical development	-	-	-	-			-
Environmental protection	350	-	-	-	(3	50) -	(350)
Cultural and recreation	46,981	-	-	=	(46,9	81) -	(46,981)
Total governmental							_
activities	602,461	86,810	128,432	-	(387,2	- 19)	(387,219)
Business-type activities:							
Water and sewer	1,038,571	563,336	157,796	1,088,871		- 771,432	771,432
Total business-type activities	1,038,571	563,336	157,796	1,088,871		- 771,432	771,432
Total primary government	\$ 1,641,032	\$ 650,146	\$ 286,228	\$ 1,088,871	\$ (387,2	19) \$ 771,432	\$ 384,213
	General rever	nues:					
	Taxes:						
	Property 1	taxes, levied fo	or general purpo	ose	344,6	- 39	344,639
	Other tax		0 1 1		1,5	- 20	1,520
	Grants and o	contributions r	not restricted to	specific programs			191,635
		d investment e			12,4		
	Miscellaneo		Ü		,	- 9,523	•
	Total ge	neral revenue	s not including t	transfers	550,2		
		in net position			162,9	•	
	Net position,	•			1,091,7	•	
	Net position,				\$ 1,254,7		
					. ,,.	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	

Town of Columbia Balance Sheet – Governmental Funds June 30, 2021 Exhibit 3

	M	lajor Funds		
				Total
			Go	vernmental
	Ge	neral Fund		Funds
ASSETS				
Cash and cash equivalents	\$	1,026,713	\$	1,026,713
Receivables, net:				
Taxes		23,935		23,935
Due from other governments		54,158		54,158
Total assets	\$	1,104,806	\$	1,104,806
LIABILITIES				
Liabilities:				
Accounts payable and accrued liabilities	\$	47,687	\$	47,687
Total liabilities		47,687		47,687
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable		23,935		23,935
Prepaid taxes		2,058		2,058
Total deferred inflows of resources		25,993		25,993
FUND BALANCES				
Restricted				
Stabilization by State Statute		54,158		54,158
Unassigned		976,968		976,968
Total fund balances		1,031,126		1,031,126
Total liabilities, deferred inflows of resources and fund balances	\$	1,104,806		

Town of Columbia Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds June 30, 2021 Exhibit 3

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances, governmental funds		1,031,126
Capital assets used in governmental activities are not financial resoutherefore are not reported in the funds.	urces and	
Gross capital assets at historical cost	1,047,824	
Accumulated depreciation	(531,699)	516,125
Deferred outflows of resources related to OPEB are not reported in the funds.		120,790
Deferred outflows of resources related to pensions are not reported in the funds.		46,722
Earned revenues considered deferred inflows of resources in fund statements.		23,935
Deferred inflows of resources related to pensions are not reported in the funds.		(617)
Deferred inflows of resources related to OPEB are not reported in the funds.		(14,835)
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
OPEB liability		(402,859)
Compensated absences		(10,811)
Net pension liability		(54,799)
Net position of governmental activities	\$	1,254,777

Town of Columbia Statement of Revenues, Expenditures, and Changes in Fund Balance –Governmental Funds For the Fiscal Year Ended June 30, 2021 Exhibit 4

858,535

1,031,126

\$

858,535

1,031,126

	Major Funds					
	Gei	neral Fund	Go	Total vernmental Funds		
REVENUES						
Ad valorem taxes	\$	363,616	\$	363,616		
Other taxes and licenses		1,520		1,520		
Unrestricted intergovernmental		191,635		191,635		
Restricted intergovernmental		128,432		128,432		
Permits and fees		7,414		7,414		
Sales and services		79,396		79,396		
Investment earnings		12,406		12,406		
Total revenues		784,419		784,419		
EXPENDITURES						
Current:						
General government		258,199		258,199		
Public safety		126,250		126,250		
Transportation		200,461		200,461		
Environmental protection		350		350		
Cultural and recreational		26,568		26,568		
Total expenditures		611,828	·	611,828		
Net change in fund balance		172,591		172,591		

Fund balance, beginning

Fund balance, ending

Town of Columbia

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities – Governmental Funds For Fiscal Year Ended June 30, 2021 Exhibit 5

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 172,591
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 and reported as depreciation expense.	
This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlay expenditures which were capitalized	70,586
Depreciation expense for governmental assets	(42,053)
Total	28,533
Contributions to the pension plan in the current fiscal year are not included on the	
Statement of Activities.	14,279
OPEB benefit payments and administrative costs made in the current fiscal year are not	
included on the Statement of Activities	13,136
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in unavailable revenue for tax revenues	(18,977)
Some expenses reported in the Statement of Activities do not require the use of current financial	
resources and therefore, are not reported as expenditures in governmental funds	
Compensated absences	(4,850)
Pension expense	(24,001)
OPEB Expense	(17,730)
Total	(46,581)
Total changes in net position of governmental activities	\$ 162,981

Town of Columbia General Fund Statement of Revenues, Expenditures, and Change in Fund Balance – Annual Budget and Actual For the Fiscal Year Ended June 30, 2021 Exhibit 6

	General Fund						
	 Budgeted Amounts Original Final		_ Actual _ Amounts		W E	ariance ith Final sudget - Positive legative)	
REVENUES						-	
Ad valorem taxes	\$ 305,342	\$	305,342	\$	363,616	\$	58,274
Other taxes and licenses	1,500		1,500		1,520		20
Unrestricted intergovernmental	109,133		109,133		191,635		82,502
Restricted intergovernmental	234,287		234,287		128,432		(105,855)
Permits and fees	9,195		9,195		7,414		(1,781)
Sales and services	5,250		86,708		79,396		(7,312)
Investment earnings	10,100		10,100		12,406		2,306
Total revenues	674,807		756,265		784,419		28,154
EXPENDITURES							
Current:							
General government	437,480		437,480		258,199		179,281
Transportation	143,824		253,632		200,461		53,171
Public safety	126,510		126,510		126,250		260
Environmental protection	350		350		350		-
Cultural and recreational	63,449		97,699		26,568		71,131
Total expenditures	771,613		915,671		611,828		303,843
Revenues over (under) expenditures	(96,806)		(159,406)	_	172,591		331,997
Fund balance appropriated	96,806		159,406		-		(159,406)
Net change in fund balance	\$ -	\$	-	•	172,591	\$	172,591
Fund balance, beginning					858,535		
Fund balance, ending				\$	1,031,126		

Town of Columbia Statement of Fund Net Position – Proprietary Fund June 30, 2021 Exhibit 7

	Major Enterprise Fund	
	Water and Sewer Fund	
ASSETS		
Current assets:		
Cash and equivalents	\$ 2,583,419	
Restricted cash and cash equivalents	103,227	
Accounts receivables (net)	80,417	
Grants receivable	975,043	
Total current assets	3,742,106	
Noncurrent assets:		
Capital assets:		
Land and construction in progress	1,365,803	
Other capital assets, net of depreciation	8,964,927	
Capital assets (net)	10,330,730	
Total noncurrent assets	10,330,730	
Total assets	\$ 14,072,836	
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals	19,088	
OPEB deferrals	90,832	
Total deferred outflows of resources	109,920	
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 10,041	
Customer deposits	31,995	
Compensated absences payable - current	1,302	
Installment purchase - current	12,199	
Revenue bond payable - current	36,000	
Liabilities payable from restricted assets:	007.720	
Accounts payable	807,739	
Total current liabilities	899,276	
Noncurrent liabilities: Compensated absences payable - noncurrent	3,905	
Other postemployment benefits	302,943	
Net pension liability	22,387	
Revenue bonds payable - noncurrent	1,969,000	
Installment purchase - noncurrent	97,588	
Total noncurrent liabilities	2,395,823	
Total liabilities	3,295,099	
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	252	
OPEB deferrals	11,155	
Total deferred inflows of resources	11,407	
NET POSITION		
Net investment in capital assets	8,215,943	
Pursuant to loan requirements	71,232	
Unrestricted	2,589,075	
Total net position	10,876,250	

The accompanying notes are an integral part of these financial statements.

Town of Columbia Statement of Revenues, Expenditures, and Changes in Fund Net Position – Proprietary Fund June 30, 2021 Exhibit 8

	Major Enterprise Fund
	Water and
	Sewer Fund
OPERATING REVENUES	
Charges for service	\$ 561,093
Water and sewer taps	2,243
Total operating revenues	563,336
OPERATING EXPENSES	
Administration	136,618
Water treatment plant	452,418
Depreciation	383,245
Total operating expenses	972,281
Operating income (loss)	(408,945)
NONOPERATING REVENUES (EXPENSES)	
Miscellaneous income	9,523
Interest and fees	(66,290)
Investment earnings	23,162
Public Safety grant	113,499
Coronavirus Relief Fund	26,812
FEMA Reimbursement	17,485
Total nonoperating revenues (expenses)	124,191
Income (loss) before contributions	(284,754)
Capital contributions	1,088,871
Total contributions	1,088,871
Change in net position	804,117
Net position, beginning	10,072,133
Net position, ending	\$ 10,876,250

Town of Columbia Statement of Cash Flows – Proprietary Fund For the Fiscal Year Ended June 30, 2021 Exhibit 9

	Major Enterprise Fund Water and Sewer Fund	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$	564,573
Cash paid for goods and services	·	(395,058)
Cash paid to or on behalf of employees for services		(152,919)
Customer deposits, net		975
Net cash provided (used) by operating activities		17,571
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Public Safety grant		113,499
Coronavirus Relief Fund		26,812
FEMA Reimbursement		17,485
Miscellaneous income		9,523
Net cash provided (used) by noncapital financing activities		167,319
CASH FLOWS FROM CAPITAL AND RELATED FINANCING		
ACTIVITIES		
Principal paid on long-term borrowings		(47,199)
Interest paid on long-term borrowings		(66,290)
Acquisition and construction of capital assets		(348,021)
Capital contributions		152,978
Net cash provided (used) by capital and related financing activit	ies	(308,532)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments		23,162
Net increase (decrease) in cash and cash equivalents		(100,480)
Balances, beginning		2,787,126
Balances, ending	\$	2,686,646
Reconciliation of operating income (loss) to net cash		
provided by operating activities:		
Operating income (loss)	\$	(408,945)
Adjustments to reconcile operating income to net cash		
provided by operating activities:		
Depreciation		383,245
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		1,237
(Increase) decrease in deferred outflows of resources - pensions	S	(6,813)
(Increase) decrease in deferred outflows of resources - OPEB		(41,647)
Increase (decrease) in net pension liability		9,914
Increase (decrease) in deferred inflows of resources - pensions		(81)
Increase (decrease) in deferred inflows of resources - OPEB		(4,104)
Increase (decrease) in accounts payable and accrued liabilities		3,147
Increase (decrease) in customer deposits		975
Increase (decrease) in compensated absences		844
Increase (decrease) in OPEB liability		79,799
Total adjustments		426,516
Net cash provided by operating activities	\$	17,571
1 1 0 ** * * * *		,

The accompanying notes are an integral part of these financial statements.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Columbia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Columbia is a municipal corporation that is governed by an elected mayor and a fivemember board.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and proprietary – are presented. The Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another

fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

NCHFA 2017 ESFRLP-DR Project Fund. This fund is used to account for the Essential Single-Family Rehabilitation Loan Pool — Disaster Recovery Project funded by the North Carolina Housing Finance Agency. This program provides funds via a "loan pool" to assist with the rehabilitation of owner-occupied homes damaged by Hurricane Matthew and Tropical Storms Julia and Hermine.

The Town reports the following major enterprise fund:

Water and Sewer Fund. This fund is used to account for the Town's water and sewer operations. The budgetary comparison for the Water and Sewer 2017 CDBG-I Fund has been included in the supplemental information.

2017 CDBG-I Project Fund. This fund is used to account for the 2017 Community Development Block Grant — Infrastructure Project funded by the Department of Commerce. This program provides funds used for sewer improvements to the Town of Columbia. For reporting purposes, this fund is combined with the Water and Sewer Fund.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost

of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Columbia because the tax is levied by Tyrrell County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of

accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. The Town Manager is authorized by the budget ordinance to transfer appropriations between line items within a department without limitation. These changes should not result in increases in recurring obligations such as salaries. During the year, amendments to the budget were necessary.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity

1. Deposits and Investments

All deposits of the Town are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)], authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. The NCCMT-Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2021, the Term Portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

The Town is required by USDA to set aside ten percent (10%) of the current year's note payment as restricted cash in a separate account for ten years or until one payment has accrued or the note is paid out. For the fiscal year ended June 30, 2021, the Town has accumulated \$71,232 in this account and it is shown as restricted assets for 'Pursuant to Loan Requirements'. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

Business-type Activities:

Water and Sewer Fund

Pursuant to loan requirements	\$ 71,232
Customer deposits	31,995
Total business-type restricted cash	103,227
Total restricted cash	\$ 103,227

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2015. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	50 years
Buildings	30 years
Other improvements	25 years
Equipment and furniture	10 years
Vehicles and motorized equipment	5 years
Computer equipment	3 years

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, pension deferrals and OPEB deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category- prepaid taxes, property taxes receivable, pension deferrals, and OPEB deferrals.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to twenty (20) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out, method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for the unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance — This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. There was no nonspendable fund balance at June 30, 2021.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

Restricted for USDA Reserve – portion of fund balance that is restricted by revenue source for certain debt related expenditures.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Columbia's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end

of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. There was no committed fund balance at June 30, 2021.

Assigned Fund Balance – portion of fund balance that the Town of Columbia intends to use for specific purposes. There was no assigned fund balance at June 30, 2021.

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town of Columbia has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, and town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed inorder by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

The Town of Columbia has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 20% of budgeted expenditures. Any portion of the general fund balance in excess of 20% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

11. Subsequent Events – Date of Management Evaluation

Management has evaluated subsequent events through January 25, 2022, the date on which the financial statements were available to be issued.

12. Defined Benefit Cost-Sharing Plan

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Columbia's employer contributions are recognized when due and the Town of Columbia has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

NOTE II – DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the units' name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the Town's deposits had a carrying amount of \$3,392,170 and a bank balance of \$3,426,802. Of the bank balance, \$305,546 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2021, the Town's petty cash fund totaled \$100.

2. Investments

At June 30, 2021, the Town of Columbia had \$321,089 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Town has no formal policy regarding credit risk of its investments.

3. Receivables – Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2021 are net of the following allowances for doubtful accounts:

Fund	June 30, 2021	
General Fund:		
Taxes receivable	\$	27,800
Total		27,800
Enterprise Funds:		
Water and Sewer Fund - Accounts receivable		20,746
Total	\$	48,546

4. Capital Assets

Primary Government. Capital asset activity for the Primary Government for the year ended June 30, 2021, was as follows:

	Beginning			Ending		
	Balances		Increases	Decreases	Balances	
Governmental activities:						
Capital assets not being depreciated:						
Land	\$	148,345	\$ -	\$ -	\$	148,345
Total capital assets not being depreciated		148,345	-	-		148,345
Capital assets being depreciated:						
Buildings		71,138	-	-		71,138
Other improvements		504,866	-	-		504,866
Equipment		178,889	70,586	-		249,475
Vehicles and motorized equipment		74,000	-	-		74,000
Total capital assets being depreciated		828,893	70,586	-		899,479
Less accumulated depreciation for:						
Buildings		54,065	1,423	-		55,488
Other improvements		263,774	20,690	-		284,464
Equipment		119,877	12,403	-		132,280
Vehicles and motorized equipment		51,930	7,537	-		59,467
Total accumulated depreciation		489,646	42,053	-		531,699
Total capital assets being depreciated, net		339,247				367,780
Governmental activity capital assets, net	\$	487,592	.		\$	516,125

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

General government	\$ 21,640
Culture and recreational	20,413
Total depreciation expense	\$ 42,053

	Beginning					Ending	
	Balances		Increases		Decreases		Balances
Business-type activities:							
Water and Sewer Fund							
Capital assets not being depreciated:							
Land	\$	32,652	\$	-	\$	-	\$ 32,652
Construction in progress		244,280	1,08	8,871		-	1,333,151
Total capital assets not being depreciated	276,932		1,08	8,871		-	1,365,803
Capital assets being depreciated:							
Substations, lines, and related equipment	1	4,001,566		-		-	14,001,566
Furniture and maintenance equipment		127,827		-		-	127,827
Vehicles		56,354	2	7,739		-	84,093
Total capital assets being depreciated	1	4,185,747	2	7,739		-	14,213,486
Less accumulated depreciation for:							
Substations, lines, and related equipment		4,691,215	37	8,384		-	5,069,599
Furniture and maintenance equipment		117,745		4,861		-	122,606
Vehicles		56,354		-		-	56,354
Total accumulated depreciation	•	4,865,314	38	3,245	•	-	5,248,559
Total capital assets being depreciated, net	•	9,320,433	_				8,964,927
Business-type activities capital assets, net	\$	9,597,365	=				\$ 10,330,730

5. Construction commitments

The Town has active construction projects as of June 30, 2021. At year-end the Town's commitments with contractors are as follows:

			Re	emaining
Project	Sp	ent-to-date	Cor	mmitment
NCHFA 2017 ESFRLP-DR Project	\$	46,069	\$	103,931
2017 CDBG-I Project		1,333,151		631,849
Total	\$	1,379,220	\$	735,780

B. Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Columbia is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North

Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Columbia employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Columbia's contractually required contribution rate for the year ended June 30, 2021, was 10.15% of compensation for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Columbia were \$23,474 for the year ended June 30, 2021.

Refunds of Contributions – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2021, the Town reported a liability of \$77,186 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's

proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Town's proportion was 0.00216%, which was an increase of 0.00057% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$33,849. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred		Def	erred
	Out	Outflows of		ows of
	Re	sources	Res	ources
Differences between expected and actual experience	\$	9,747	\$	-
Changes of assumptions		5,744		-
Net difference between projected and actual earnings on				
pension plan investments		10,862		-
Changes in proportion and differences between employer				
contributions and proportionate share of contributions		15,983		869
Employer contributions subsequent to the measurement				
date		23,474		-
Total	\$	65,810	\$	869

\$23,474 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2022	\$ 13,531
2023	15,081
2024	9,641
2025	3,214
2026	-
Thereafter	-
Total	\$ 41,467

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and
	productivity factor
Investment rate of return	7.00 percent, net of pension plan investment
	expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

		Long-Term
	Target	Expected Real
Asset Class	Allocation	Rate of Return
Fixed Income	29.0%	6 1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	<u>6</u>

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will

be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1%	Discount		1%
	ecrease	R	ate	Increase
	(6.00%)		00%)	(8.00%)
Town's proportionate share of the net				
pension liability (asset)	\$ 156,602	\$	77,186	\$ 11,186

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

b. Other Post employment Benefit

Healthcare Benefits

Plan Description. Under the terms of a Town resolution, the Town administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The Board of Alderman has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. This plan provides postemployment healthcare benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System and have at least five years of creditable service with the Town. The Town pays the full cost of coverage for these benefits through private insurers. The Town Board may amend the benefit provisions. A separate report was not issued for the plan. Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates.

Membership of the HCB Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

	General
	Employees
Retirees and dependents receiving benefits	4
Active plan members	6
Total	10

Total OPEB Liability

The Town's total OPEB liability of \$705,802 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General employees	3.50 percent to 7.75 percent
Municipal bond index rate	
Prior measurement date	3.50 percent
Measurement date	2.21 percent
Healthcare trends	
Pre-Medicare	7.00 percent for 2019 decreasing to an
	ultimate rate of 4.50 percent by 2026
Medicare	5.00 percent for 2019 decreasing to an
	ultimate rate of 4.50 percent by 2021
Dental	4.00 percent
Vison	2.50 percent

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ 567,864
Changes for the year	
Service Cost	14,190
Interest	19,757
Differences between expected and actual experience	21,721
Changes in assumptions or other inputs	117,684
Benefit payments and implicit subsidy credit	(35,414)
Net changes	137,938
Balance at June 30, 2020	\$ 705,802

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results for an actuarial experience study for the period January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1%	1% Decrease		Discount Rate		% Increase
		1.21%		2.21%		3.21%
Total OPEB liability	\$	824,476	Ś	705.802	\$	611.699

Sensitivity of the total OPEB liability to changes in the healthcare cost trends. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease Current		Current	1% Increase		
Total OPEB liability	\$	601,322	\$	705,802	\$	840.295

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Town recognized OPEB expense of \$79,166. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	D	eferred	D	eferred
	Ou	tflows of	In	flows of
	Re	esources	Re	esources
Differences between expected and actual experience	\$	80,324	\$	-
Changes of assumptions		90,998		25,990
Benefit payments and administrative costs made				
subsequent to the measurement date		40,300		-
Total	\$	211,622	\$	25,990

\$40,300 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ 45,219
2023	47,881
2024	39,271
2025	12,961
2026	-
Thereafter	-
Total	\$ 145,332

2. Other Employment Benefit

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. The Town considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

Deferred outflows of resources are comprised of the following:

Contributions to pension plan in current fiscal year	\$ 23,474
Benefit payments and administrative expenses for OPEB	
made subsequent to measurement date	40,300
Differences between expected and actual experience	90,071
Changes of assumptions	96,742
Net difference between projected and actual earnings	
on pension plan investments	10,862
Changes in proportion and differences between employer	
contributions and proportionate share of contributions	15,983
Total	\$ 277,432

Deferred inflows of resources at year-end are comprised of the following:

			Ger	neral Fund
	State	ement of	l	Balance
	Net	Position		Sheet
Taxes receivable (General Fund), less penalties	\$	-	\$	23,935
Prepaid taxes (General Fund)		2,058		2,058
Changes of assumptions		25,990		-
Differences between expected and actual experience		869		-
Total	\$	28,917	\$	25,993

4. 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 participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to the statutory limits, and employee health coverage up to a \$2 million lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of \$500,000 and \$300,000 up to statutory limits for workers' compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. The property liability pool has as aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Town carries commercial coverage for all other risks of loss. There have been no significant

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reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town does not carry any flood insurance because the benefit of carrying flood insurance does not outweigh the costs of carrying flood insurance.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through commercial surety bond. The finance officer and tax collector are each individually bonded for \$125,000. The remaining employees that have access to funds are bonded under a blanket bond for \$150,000.

5. Long-Term Obligations

a. Installment Purchase

In March 2011, the Town entered into a \$245,701 direct placement contract to finance construction of a water well. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires 20 annual principal payments of \$12,199 beginning in May 2011. The interest rate is 0%.

Annual debt payments of the installment purchase as of June 30, 2021 are as follows:

	Bus	Business-type			
	А	ctivities			
Year Ending June 30	Р	rincipal			
2022	\$	12,199			
2023		12,199			
2024		12,199			
2025		12,199			
2026		12,199			
2027-2030		48,792			
Total	\$	109,787			

At June 30, 2021, the Town of Columbia had a legal debt margin of \$4,450,915.

b. Revenue Bonds

\$2,200,000 Water and Sewer Revenue Bonds, Series 2014, issued for water and sewer system improvements. Principal installments are due annually on June 1 with annual interest payments due on June 1, at an annual interest rate of 3.25%.

The future payments of the revenue bond are as follows:

Year Ending June 30	F	Principal	Interest	
2022	\$	36,000	\$ 65,162	
2023		38,000	63,993	
2024		39,000	62,758	
2025		40,000	61,490	
2026		41,000	60,190	
2027-2031		229,000	279,890	
2032-2036		268,000	240,207	
2037-2041		315,000	193,701	
2042-2046		369,000	139,166	
2047-2051		435,000	75,074	
2052-2053		195,000	9,554	
Total	\$	2,005,000	\$ 1,251,185	

The Town is in compliance with the covenants as to service charges in Section 5.01 of the Bond Order, authorizing the issuance of the Water and Sewer Revenue Bonds, Series, 2014. Section 5.01 of the Bond Order requires the debt service coverage ratio to be no less than 110%. The debt service coverage ratio calculation for the year ended June 30, 2021, is as follows:

Operating revenues	\$ 563,336
Operating expenses *	589,036
Operating income	(25,700)
Nonoperating revenues (expenses) **	 190,481
Income available for debt service	164,781
Debt service, principal and interest paid	
(revenue bond only)	101,290
Debt service coverage ratio	163%

^{*} Per rate covenants, this does not include the depreciation expense of \$383,245

The Town has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$2,200,000 in water and sewer revenue bonds issued in May 2014. Proceeds from the bonds provided financing for improvements to the water and sewer system. The bonds are payable solely from water and sewer customer net revenues and are payable through 2053. Annual principal and interest payments on the bonds are expected to require less than 6% net revenues. The total principal and interest remaining to be paid on the bonds is \$3,256,185. Principal

^{**} Per rate covenants, this does not include the revenue bond interest paid of \$66,290

and interest paid for the current year and total customer net revenues were \$101,290 and \$(25,700), respectively.

c. Changes in Long-Term Liabilities

									(Current
	1		Balance	Po	ortion of					
	Ju	July 1, 2020 Increases Decrease				ecreases	Jui	ne 30, 2021	В	alance
Governmental activities:										
Compensated absences	\$	5,961	\$	4,850	\$	-	\$	10,811	\$	2,703
Total OPEB liability		344,720		58,139		-		402,859		-
Net pension liability (LGERS)		30,949		23,850		-		54,799		-
Governmental activity long-term liabilities	\$	381,630	\$	86,839	\$	-	\$	468,469	\$	2,703
Business-type activities:										
Direct placement installment purchase	\$	121,986	\$	-	\$	12,199	\$	109,787	\$	12,199
Revenue bonds		2,040,000		-		35,000		2,005,000		36,000
Compensated absences		4,363		844		-		5,207		1,302
Total OPEB liability		223,144		79,799		-		302,943		-
Net pension liability (LGERS)		12,473		9,914		-		22,387		-
Business-type activity long-term liabilities	\$	2,401,966	\$	90,557	\$	47,199	\$	2,445,324	\$	49,501

Compensated absences for governmental activities have typically been liquidated in the General Fund.

C. Net Investment in Capital Assets

	Governmental							
Capital Assets	\$	516,125	\$	10,330,730				
less: long-term debt		-		2,114,787				
Net investment in capital assets	\$	516,125	\$	8,215,943				

D. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriations:

Total fund balance - General Fund	\$ 1,031,126
Less:	
Stabilization by State Statute	54,158
Working Capital / Fund Balance Policy	183,134
Remaining Fund Balance	793,834

The Town of Columbia has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 20% of budgeted expenditures.

NOTE III – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Town of Columbia Local Government Employees' Retirement System Required Supplementary Information Schedule of Proportionate Share of Net Pension Liability (Asset) Last Seven Fiscal Years Schedule 1

	2021 2020 2019 2018 2017		2017	2016	2015				
Columbia's proportion of the net pension liability (asset) (%)	0.00216%		0.00159%	0.00289%	0.00279%		0.00286%	0.00259%	-0.00206%
Columbia's proportion of the net pension liability (asset) (\$)	\$ 77,186	\$	43,422	\$ 68,561	\$ 42,623	\$	60,699	\$ 11,624	5 (11,370)
Columbia's covered-employee payroll	\$ 224,247	\$	268,437	\$ 267,290	\$ 247,858	\$	194,328	\$ 184,578	168,853
Columbia's proportionate share of the net position liability (asset) as a percentage of its covered-employee payroll	34.42%		16.18%	25.65%	17.20%		31.24%	6.30%	-6.73%
Plan fiduciary net position as a percentage of the total pension liability	88.61%		90.86%	91.63%	94.18%		91.47%	98.09%	102.64%

Town of Columbia Local Government Employees' Retirement System Required Supplementary Information Schedule of Town Contributions Last Seven Fiscal Years Schedule 2

	2021	2020	2019	19 2018		2017		2016	2015	
Contractually required contribution	\$ 23,474	\$ 20,070	\$ 20,804	\$	19,991	\$	17,970	\$	16,395	\$ 16,972
Contributions in relation to the contractually required contribution	23,474	20,070	20,804		19,991		17,970		16,395	16,972
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$	-	\$	-	\$	-	\$ -
Columbia's covered-employee payroll	\$ 231,272	\$ 224,247	\$ 268,437	\$	267,290	\$	247,858	\$	194,328	\$ 184,578
Contributions as a percentage of covered-employee payroll	10.15%	8.95%	7.75%		7.48%		7.25%		8.44%	9.20%

Town of Columbia Other Postemployment Benefits Required Supplementary Information Schedule of Changes in the Total OPEB Liability and Related Ratios Schedule 3

Total OPEB Liability	2021	2020	2019	2018
Service cost	\$ 14,190 \$	13,733 \$	14,720 \$	16,942
Interest	19,757	17,088	16,074	14,323
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	21,721	114,239	1,172	1,899
Changes of assumptions	117,684	(3,433)	(24,415)	(43,625)
Benefit payments	(35,414)	(25,850)	(13,866)	(13,866)
Net change in total OPEB liability	137,938	115,777	(6,315)	(24,327)
Total OPEB liability - beginning	567,864	452,087	458,402	482,729
Total OPEB liability - ending	\$ 705,802 \$	567,864 \$	452,087 \$	458,402
Covered payroll	231,272	224,247	268,437	267,290
Total OPEB liability as a percentage of covered payroll	305.18%	253.23%	168.41%	171.50%

Notes to the Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period.

<u>Fiscal Year</u>	Rate
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

Town of Columbia General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual For the Fiscal Year Ended June 30, 2021 Schedule 4

	1	Budget	zet Actual			ariance ositive egative)
Revenues:	•	- augut		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	c _B uttre,
Ad valorem taxes:						
Taxes			\$	354,412		
Interest				9,204		
Total	\$	305,342		363,616	\$	58,274
Other taxes and licenses:						
Privilege licenses				1,520		
Total		1,500		1,520		20
Unrestricted intergovernmental:						
Local option sales taxes				114,358		
Payments in lieu of taxes				4,224		
Telecommunications sales tax				6,561		
Utility sales tax				42,621		
Piped natural gas sales tax				2,588		
Video franchise fee				18,113		
Beer and wine tax				3,170		
Total		109,133		191,635		82,502
Restricted intergovernmental:						
Powell Bill allocation				20,631		
FEMA reimbursement				36,292		
Coronavirus Relief Fund				71,509		
Total		234,287		128,432		(105,855)
Permits and fees:						
Building and inspection permits				4,552		
Tax collection fees				2,862		
Total		9,195		7,414		(1,781)
Sales and services:						
Miscellaneous				79,396		
Total		86,708		79,396		(7,312)
Investment earnings		10,100		12,406		2,306
Total revenues		756,265		784,419		28,154

Town of Columbia General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual For the Fiscal Year Ended June 30, 2021 Schedule 4

Expenditures: General government: 350 Governing body: 18,350 Salaries and employee benefits 19,070 19,070 Total 19,070 19,070 - Administration: 31,006 -				Variance Positive	
General government: 3000000000000000000000000000000000000	Evacadituses	Budget	Actual	(Negative)	
Salaries and employee benefits 18,350 19,070 19,0	-				
Salaries and employee benefits 18,350 Board member expenses 720 Total 19,070 19,070 - Administration: 222,799 - Salaries and employee benefits 32,406 - Operating expenditures 46,658 - Reimbursement - proprietary funds (80,000) - Total 399,410 221,863 177,547 Public building and grounds: 17,266 - - Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: - - Salaries and employee benefits 38,424 - - Street lights 42,418 - </td <td></td> <td></td> <td></td> <td></td>					
Board member expenses 720 Total 19,070 19,070 - Administration: 31,076 -			10.250		
Total 19,070 19,070 - Administration: Salaries and employee benefits 222,799 Professional fees 32,406 Operating expenditures 46,658 Reimbursement - proprietary funds (80,000) Total 399,410 221,863 177,547 Public building and grounds: Operating expenditures 17,266 1,734 Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: 38,424 Street lights 42,418					
Administration: 222,799 Salaries and employee benefits 222,799 Professional fees 32,406 Operating expenditures 46,658 Reimbursement - proprietary funds (80,000) Total 399,410 221,863 177,547 Public building and grounds: 17,266 1734 Operating expenditures 17,266 1,734 Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: 38,424 512<	·	10.070			
Salaries and employee benefits 222,799 Professional fees 32,406 Operating expenditures 46,658 Reimbursement - proprietary funds (80,000) Total 399,410 221,863 177,547 Public building and grounds: Operating expenditures 17,266 1,734 Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: Salaries and employee benefits 38,424 Street lights 42,418 42,418 Operating expenditures 119,619 19 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Total transportation 29,884 10 Animal control: Salaries and employee benefits - - Total 250 - 250 <td colspa<="" td=""><td>Total</td><td>19,070</td><td>19,070</td><td></td></td>	<td>Total</td> <td>19,070</td> <td>19,070</td> <td></td>	Total	19,070	19,070	
Professional fees 32,406 Operating expenditures 46,658 Reimbursement - proprietary funds (80,000) Total 399,410 221,863 177,547 Public building and grounds: Operating expenditures 17,266 1,734 Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: Salaries and employee benefits 38,424 Street lights 42,418 Operating expenditures 119,619 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Total 29,884 10 Animal control: Salaries and employee benefits - - Total 250 </td <td>Administration:</td> <td></td> <td></td> <td></td>	Administration:				
Operating expenditures 46,658 (80,000) Total 399,410 221,863 177,547 Public building and grounds: Operating expenditures 17,266 1,734 Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: Salaries and employee benefits 38,424 Street lights 42,418 42,418 Operating expenditures 119,619 119,619 Total 253,632 200,461 53,171 Total transportation 29,884 10 Animal control: Salaries and employee benefits - - Total 250 - 250	Salaries and employee benefits		222,799		
Reimbursement - proprietary funds (80,000) Total 399,410 221,863 177,547 Public building and grounds: Operating expenditures 17,266 170 de 1,7266 1,734 Total general government 437,480 258,199 179,281 Total general government 437,480 258,199 179,281 Transportation: Street and highways: Salaries and employee benefits 38,424 Street lights 42,418 42,418 Operating expenditures 119,619 53,171 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: Fire Department 29,884 10 Animal control: Salaries and employee benefits - - 29,884 10 Animal control: Salaries and employee benefits - - - - <td>Professional fees</td> <td></td> <td>32,406</td> <td></td>	Professional fees		32,406		
Total 399,410 221,863 177,547 Public building and grounds: Operating expenditures 17,266 1,734 Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: Salaries and employee benefits 38,424 Street lights 42,418 42,418 Operating expenditures 119,619 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: Fire Department 29,884 Total 29,884 Total 29,884 10 Animal control: Salaries and employee benefits - - 250 - 250 Sheriff: Sheriff Department 96,366 - - - - - - - - - - - -	Operating expenditures		46,658		
Public building and grounds: Operating expenditures 17,266 Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: Salaries and employee benefits 38,424 Street lights 42,418 Operating expenditures 119,619 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: Fire Department 29,884 Total 29,884 10 Animal control: Salaries and employee benefits - - 250 Sheriff: Sheriff Department 96,366 - Total 96,366 - - - - - - - - - - - -	Reimbursement - proprietary funds		(80,000)		
Operating expenditures 17,266 Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: Salaries and employee benefits 38,424 Street lights 42,418 Operating expenditures 119,619 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: Fire Department 29,884 10 Animal control: Salaries and employee benefits - - - 250 Sheriff: Sheriff Department 96,366 - - Sheriff Department 96,366 96,366 -	Total	399,410	221,863	177,547	
Operating expenditures 17,266 Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: Salaries and employee benefits 38,424 Street lights 42,418 Operating expenditures 119,619 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: Fire Department 29,884 10 Animal control: Salaries and employee benefits - - - 250 Sheriff: Sheriff Department 96,366 - - Sheriff Department 96,366 96,366 -	Public building and grounds:				
Total 19,000 17,266 1,734 Total general government 437,480 258,199 179,281 Transportation: Street and highways: 38,424 Street lights 42,418			17,266		
Transportation: Street and highways: Salaries and employee benefits 38,424 Street lights 42,418 Operating expenditures 119,619 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: Fire Department 29,884 Total 29,884 10 Animal control: Salaries and employee benefits - - - 250 Sheriff: Sheriff Department 96,366 - <td></td> <td>19,000</td> <td></td> <td>1,734</td>		19,000		1,734	
Street and highways: 38,424 Street lights 42,418 Operating expenditures 119,619 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: Fire Department 29,884 10 Total 29,894 29,884 10 Animal control: Salaries and employee benefits - - Total 250 - 250 Sheriff: Sheriff Department 96,366 - Total 96,366 96,366 -	Total general government	437,480	258,199	179,281	
Street and highways: 38,424 Street lights 42,418 Operating expenditures 119,619 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: Fire Department 29,884 10 Total 29,894 29,884 10 Animal control: Salaries and employee benefits - - Total 250 - 250 Sheriff: Sheriff Department 96,366 - Total 96,366 96,366 -	Transportation:				
Salaries and employee benefits 38,424 Street lights 42,418 Operating expenditures 119,619 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: Fire Department 29,884 10 Total 29,894 29,884 10 Animal control: Salaries and employee benefits - - Total 250 - 250 Sheriff: Sheriff Department 96,366 - - Total 96,366 96,366 -					
Street lights 42,418 Operating expenditures 119,619 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: \$\$\$\$\$\$ 170 \$			38 424		
Operating expenditures 119,619 Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire:	• •		-		
Total 253,632 200,461 53,171 Total transportation 253,632 200,461 53,171 Public Safety: Fire: Fire Department 29,884 Total 29,894 29,884 10 Animal control: Salaries and employee benefits - - Total 250 - 250 Sheriff: Sheriff Department 96,366 Total 96,366 - - 250	_				
Total transportation 253,632 200,461 53,171 Public Safety: Fire: Sire: Eire: 29,884 Total 29,884 10 Animal control: Salaries and employee benefits - Total 250 - 250 Sheriff: Sheriff Department 96,366 Total 96,366 - 250		253,632		53,171	
Public Safety: Fire: Fire Department 29,884 Total 29,894 29,884 10 Animal control: Salaries and employee benefits - - Total 250 - 250 Sheriff: Sheriff Department 96,366 - Total 96,366 96,366 -	Total transportation				
Fire: Fire Department 29,884 Total 29,894 29,884 10 Animal control: Salaries and employee benefits - - Total 250 - 250 Sheriff: Sheriff Department 96,366 - - Total 96,366 96,366 -		·	•	·	
Fire Department 29,884 Total 29,894 29,884 10 Animal control: Salaries and employee benefits - - - 250 - 250 - 250 - - 250 - - 250 - <td>•</td> <td></td> <td></td> <td></td>	•				
Total 29,894 29,884 10 Animal control: Salaries and employee benefits -			29 884		
Animal control: - Salaries and employee benefits - Total 250 - 250 Sheriff: - - 96,366 - Total 96,366 96,366 -		29,894		10	
Salaries and employee benefits - Total 250 - 250 Sheriff: Sheriff Department 96,366 - Total 96,366 96,366 -		·	·		
Total 250 - 250 Sheriff: Sheriff Department 96,366 - Total 96,366 96,366 -					
Sheriff: 96,366 Total 96,366 -	·	250	-	250	
Sheriff Department 96,366 Total 96,366 -	ıotai	250	-	250	
Sheriff Department 96,366 Total 96,366 -	Sheriff:				
Total 96,366 96,366 -			96,366		
Total public safety 126 510 126 250 260		96,366			
10-601 public duries y 120,010 120,200 200	Total public safety	126,510	126,250	260	

Town of Columbia General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual For the Fiscal Year Ended June 30, 2021 Schedule 4

			Variance
			Positive
	Budget	Actual	(Negative)
Environmental protection:			
Mosquito control:			
Operating expenditures		350	
Total	350	350	
Total environmental protection	350	350	
Culture and recreation:			
Parks and recreation:			
Hurricane cleanup project		25,250	
Operating expenditures		1,318	
Total	97,699	26,568	71,131
Total cultural and recreational	97,699	26,568	71,131
Total expenditures	915,671	611,828	303,843
Revenues over (under) expenditures	(159,406)	172,591	331,997
Fund balance appropriated	159,406	-	(159,406)
Net change in fund balance	\$ -	172,591	\$ 172,591
Fund balance, beginning		858,535	
Fund balance, ending		\$ 1,031,126	

Town of Columbia NCHFA – 2017 ESFRLP-DR Project Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual From Inception and For the Fiscal Year Ended June 30, 2021 Schedule 5

			Actual						١	/ariance		
		Project	Prior Current			Total		ı	Positive			
	Aut	horization	Years		Year		Year		to Date		۱)	legative)
Revenues:												
Restricted intergovernmental:												
NC Housing Finance Agency	\$	150,000	\$ 46,069	\$		-	\$	46,069	\$	(103,931)		
Total revenues		150,000	46,069			-		46,069		(103,931)		
Expenditures:												
Current:												
Economic and physical development		150,000	46,069			-		46,069		103,931		
Total expenditures		150,000	46,069			-		46,069		103,931		
Revenue over (under) expenditures	\$	-	\$ -	\$		-	\$	-	\$			

Town of Columbia Water and Sewer Fund Schedule of Revenues and Expenditures – Budget and Actual (Non- GAAP) For the Year Ended June 30, 2021 Schedule 6

				ariance Positive
	Budget	Actual	(1	legative)
Revenues:				
Operating revenues:				
Charges for services		\$ 561,093		
Water and sewer taps		2,243		
Total operating revenues	\$ 428,076	563,336	\$	135,260
Nonoperating revenues:				
Public Safety grant		113,499		
Coronavirus Relief Fund		26,812		
FEMA Reimbursement		17,485		
Miscellaneous		9,523		
Investment earnings		23,162		
Total nonoperating revenues	21,402	190,481		169,079
Total revenues	449,478	753,817		304,339
Expenditures:				
Water and sewer administration:				
Postage and telephone		6,105		
Office supplies		443		
Operating supplies		50,070		
Other operating expenditures		80,000		
Total water and sewer administration	144,905	136,618		8,287
Waste treatment plant:				
Salaries and employee benefits		152,919		
Electricity		63,905		
Supplies and repairs		101,588		
Other expenses		96,094		
Total waste treatment plant	589,016	414,506		174,510
Debt service:				_
Bond principal and other debt retirements		47,199		
Interest and other charges		66,290		
Total debt service	113,489	113,489		_
Capital outlay:	27,739			27,739
Total expenditures	875,149	664,613		210,536
·				
Revenues over (under) expenditures	(425,671)	89,204		514,875
Fund balance appropriated	425,671	-		(425,671)
Revenues and fund balance appropriated over (under)				
expenditures	\$ 	89,204	\$	89,204

Town of Columbia Water and Sewer Fund Schedule of Revenues and Expenditures – Budget and Actual (Non- GAAP) For the Year Ended June 30, 2021 Schedule 6

Reconciliation from budgetary basis (modified accrual) to full accrual:

Revenues over (under) expenditures	89,204
Reconciling items:	
Bond principal and other debt retirements	47,199
Capital contributions	1,088,871
(Increase) decrease in compensated absences	(844)
Increase (decrease) in deferred outflows of resources - OPEB	41,647
(Increase) decrease in deferred inflows of resources - OPEB	4,104
(Increase) decrease in OPEB liability	(79,799)
Increase (decrease) in deferred outflows of resources - pensions	6,813
(Increase) decrease in net pension liability	(9,914)
(Increase) decrease in deferred inflows of resources - pensions	81
Depreciation	(383,245)
Total reconciling items	714,913
Changes in net position	\$ 804,117

Town of Columbia Community Development Block Grant – Infrastructure Project Fund Schedule of Revenues and Expenditures – Budget and Actual (Non- GAAP) From Inception and For the Year Ended June 30, 2021 Schedule 7

			Actual		Variance
	Project	Prior	Prior Current		Positive
	Authorization	Years	Year	to Date	(Negative)
Revenues:					
Restricted intergovernmental:					
Community Development Block Grant	\$ 1,965,000	\$ 244,280	\$ 1,088,871	\$ 1,333,151	\$ (631,849)
Total revenues	1,965,000	244,280	1,088,871	1,333,151	(631,849)
Expenditures:					
Current:					
Economic and physical development:					
C-1 Sewer Improvements	1,768,500	130,500	1,083,166	1,213,666	554,834
C-1 Administration	196,500	113,780	5,705	119,485	77,015
Total expenditures	1,965,000	244,280	1,088,871	1,333,151	631,849
Revenue over (under) expenditures	-	-	-	-	-
Other Financing Sources (Uses):					
Transfer from Water and Sewer Fund	-	101	-	101	101
Total other financing sources (uses)	-	101	-	101	101
Revenue and other sources over (under) expenditures	\$ -	\$ 101	\$ -	\$ 101	\$ 101

Town of Columbia Schedule of Ad Valorem Taxes Receivable June 30, 2021 Schedule 8

	Unco	llected					Un	collected
	Ва	Balance					E	Balance
Fiscal Year	June	30, 2020	Α	dditions	an	d Credits	Jun	e 30, 2021
2020-2021	\$	-	\$	334,375	\$	324,880	\$	9,495
2019-2020		20,657		-		16,863		3,794
2018-2019		8,805		-		2,139		6,666
2017-2018		8,667		2,116		-		10,783
2016-2017		12,058		-		9,371		2,687
2015-2016		7,058		2,576		-		9,634
2014-2015		1,999		-		354		1,645
2013-2014		1,797		121		-		1,918
2012-2013		1,307		137		-		1,444
2011-2012		3,767		-		99		3,668
2010-2011		4,140		-		4,140		-
Totals	\$	70,255	\$	339,325	\$	357,846	\$	51,734
Less allowance for uncollectible accounts:								
General Fund								27,800
Ad valorem taxes receivable - net							\$	23,935
Reconcilement with revenues:								
Ad valorem taxes - General Fund							\$	363,616
Reconciling items:								
Interest collected								(9,204)
Adjustment								(706)
Taxes written off								4,140
Subtotal								(5,770)
Total collections and credits		•					\$	357,846

Town of Columbia Analysis of Current Tax Levy – Town Wide Levy For the Fiscal Year Ended June 30, 2021 Schedule 9

	Town-Wide						Total Levy			
				Р	roperty					
						E	xcluding			
						Re	egistered	Re	gistered	
		Property					Motor		Motor	
	,	Valuation	Rate	To	otal Levy	V	/ehicles	V	ehicles	
Original levy:										
Property taxed at current year rate	\$	55,861,065	0.601	\$	335,725	\$	311,254	\$	24,471	
Discoveries		427,621	0.601		2,570		2,570		-	
Abatements		(652,246)	0.601		(3,920)		(3,920)			
Total property valuation		55,636,439								
Net levy					334,375		309,904		24,471	
Unpaid (by taxpayer) taxes at June 30, 2021					(9,495)		(9,495)			
Current year's taxes collected				\$	324,880	\$	300,409	\$	24,471	
Current levy collection percentage					97.16%		96.94%		100.00%	



Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

To the Honorable Mayor and The Board of Aldermen Town of Columbia, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Columbia, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the Town of Columbia's basic financial statements, and have issued our report thereon dated January 25, 2022.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 21-01 through 21-03 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 21-04 to be a significant deficiency.

Compliance and Other Matters

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

Town of Columbia's Response to Findings

The Town of Columbia's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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

Belhaven, North Carolina

January 25, 2022



Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Honorable Mayor and The Board of Aldermen Town of Columbia, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Town of Columbia, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Columbia's major federal programs for the year ended June 30, 2021. The Town of Columbia's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Columbia's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Columbia's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Columbia's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Columbia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Town of Columbia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Columbia's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Belhaven, North Carolina

January 25, 2022

Town of Columbia Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

Section I Summary of Auditor's Results

<u>Financial Statements:</u>				
Type of auditors' report issued on whether the financial statements audited were prepared in accordance to GAAP:		U	nmodifie	d
Internal control over financial reporting:				
Material weakness(es) identified?	X	Yes		_ No
Significant deficiency(s) identified that are not considered to be material weaknesses	X	Yes		_ None Reported
Noncompliance material to financial statements noted		Yes	X	_ No
Federal Awards:				
Internal control over major federal programs:				
Material weakness(es) identified?		Yes	X	_ No
Significant deficiency(s) identified that are not considered to be material weaknesses		Yes	X	_ None Reported
Noncompliance material to federal award noted		Yes	X	_ No
Type of auditor's report issued on compliance for major federal prog	grams:	Unmo	odified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133		Yes	X	_ No
Identification of major federal programs				

Names of Federal Program or Cluster

U.S. Department of Housing and Urban Development

CDBG-Infrastructure 17-I-2958

CFDA #14.228

Town of Columbia Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

Section II Financial Statement Findings

Material Weaknesses

21-01 Accounts Payable

Criteria: The Town should review their accounting records to ensure all expenditures and

payables are properly recorded.

Condition: The Town was not reviewing their accounting records to ensure all expenditures

and payables are properly recorded. Incorrect entries were made in the General

Fund and the Water and Sewer Fund.

Effect: Accounts payables in the Water and Sewer Fund were understated by \$28,425.

The Town had recorded a current year expense that was previously recorded as an accounts payable. Accounts payable in the General fund were understated by

\$5,250. This was an accounts payable that was not recorded at year end.

<u>Cause:</u> The Town was not reviewing their accounting records to ensure all expenditures

and payables are properly recorded.

Recommendation: We recommend the Town thoroughly review all invoices to ensure the

expenditure and payable is recorded.

Auditee's response: The Town agrees with this finding and will immediately put procedures in place

to ensure the inclusion of all expenditures and payables.

21-02 Bank Reconciliations

<u>Criteria:</u> The Town should prepare bank reconciliations monthly and maintain accurate

financial records.

<u>Condition:</u> The Town did not prepare timely bank reconciliations and incorrect entries were

made in the General Fund which resulted in the net effect of overstating

revenues and cash.

Effect: The Town's operating account was overstated by \$8,885 because deposits in

transit were recorded incorrectly. The operating account was understated by \$5,447 because a deposit was not recorded. A certificate of deposit was

overstated by \$4,368 because interest income was incorrectly recorded.

Cause: The Town is not preparing bank reconciliations timely and properly reviewing

their financial records.

<u>Recommendation:</u> The Town should prepare all bank reconciliations timely.

Auditee's response: The Town agrees with this finding and will immediately put procedures in place

to ensure the bank reconciliations are timely prepared.

Town of Columbia Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

21-03 Timely Financial Reporting

Criteria: The Town should have a system in place to ensure the timeliness of financial

reporting.

Condition: Effective financial reporting requires timely access to information for

management and other users of the financial statements.

Effect: The Town's management and other users of the financial statements do not have

timely financial information for decision-making and monitoring of the Town's financial position and adherence to laws, regulations, and other requirements.

<u>Cause:</u> Fund revenue and expenditures were not properly booked by the Town, causing

a delay in obtaining a complete trial balance.

Recommendation: We recommend the Town thoroughly review all its revenues and expenditures

for grant projects to ensure they are properly recorded.

<u>Auditee's response:</u> The Town agrees with this finding and implemented the recommendation.

Significant Deficiencies

21-04 Segregation of Duties

Criteria: Duties should be segregated to provide reasonable assurance that transactions

are handled appropriately.

<u>Condition:</u> There is a lack of segregation of duties among Town personnel in the cash

receipts and governmental fund receipts, revenues, and receivables functions.

Effect: Transactions could be mishandled.

<u>Cause:</u> There are a limited number of personnel for certain functions.

Recommendation: The duties should be separated as much as possible and alternative controls

should be used to compensate for the lack of separation.

Auditee's response: The Town agrees with this finding and has developed procedures to segregate

duties as much as possible

Section II Federal Awards Findings and Questioned Costs

None Noted

Town of Columbia Corrective Action Plan For the Year Ended June 30, 2021



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Section II Financial Statement Findings

Material Weaknesses

21-01 Accounts Payable

Name of Contact Person: Rhett White, Town Manager

Corrective Action: The Town will put procedures in place to ensure that theindusion of all expenditures

and payables.

Proposed Completion Date: March 1, 2022

21-02 Bank Reconciliations

Name of Contact Person: Rhett White, Town Manager

Corrective Action: The Town will put procedures in place to ensure that the bank reconciliations are

timely prepared.

Proposed Completion Date: March 1, 2022

21-03 Timely Financial Reporting

Name of Contact Person: Rhett White, Town Manager

<u>Corrective Action:</u> The Town has hired additional staff to ensure the financial records will be available in a

timely manner.

Proposed Completion Date: March 1, 2022

21-04 Segregation of Duties

Name of Contact Person: Rhett White, Town Manager

Corrective Action: The duties will be separated as much as possible and alternative controls will be used

to compensate for lack of separation.

Proposed Completion Date: March 1, 2022

Town of Columbia Summary of Prior Year Findings For the Year Ended June 30, 2021

Section II Financial Statement Findings
Material Weaknesses
20-01 Improper Billing
Corrected
20-02 Improper Recording
Corrected
20-03 Improper Recording
Corrected
20-04 Prior Period Adjustment-Community Development Block Grant not Recorded Properly
Corrected
20-05 Timely Financial Reporting
See Finding 21-03
Significant Deficiencies
20-06 Incorrect Billing Code
Corrected
20-07 Segregation of Duties
See Finding 21-04
Noncompliance
20-08 Compliance with Covenants
Corrected

Town of Columbia Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2021

		State	Federal	
	Federal	Pass-through	Direct and	
Grantor/Pass-through	CFDA	Grantor's	Pass-through	State
Grantor/Program Title	Number	Number	Expenditures	Expenditures
Federal Awards:				
U.S. Department of State Treasury				
Passed-through the Office of State Budget and				
Management:				
NC Pandemic Recovery Office				
Passed-through Tyrrell County:				
Coronavirus Relief Fund	21.019	XXXX	98,321	-
U.S. Department of Homeland Security				
Passed-through NC Department of Public Safety				
Disaster Grants - Public Assistance				
(Presidentially Declared Disasters)	97.036	XXXX	53,777	-
U.S. Department of Housing and Urban Development				
Passed-through N.C. Department of Commerce				
CDBG-Infrastructure 17-I-2958	14.228	XXXX	1,088,871	
Total Federal Awards			1,240,969	
State Awards:				
N.C. Department of Public Safety				
Public Safety Grant		XXXX	-	113,499
N.C. Dept. of Transportation				
Powell Bill		XXXX	-	20,631
Total State Awards				134,130
Total Federal and State Awards			\$ 1,240,969	\$ 134,130

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

1 Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Town of Columbia under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Deferral Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of the Town of Columbia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Columbia.

2 <u>Summary of Significant Accounting Policies</u>

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3 Indirect Cost Rate

The Town of Columbia has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.