

TOWN OF COLUMBIA, LOUISIANA

**Financial Statements
As of and For the Year Ended June 30, 2014**

TOWN OF COLUMBIA
Financial Statements
As of and for the Year Ended June 30, 2014

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INDEPENDENT AUDITORS' REPORT

**Town of Columbia
Columbia, Louisiana**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, of the Town of Columbia, Louisiana (the Town) as of and for the year ended June 30, 2014, 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.

Auditors' 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

**Town of Columbia
Columbia, Louisiana**

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–12 and page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Comparative Statements of Net Assets – Proprietary Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

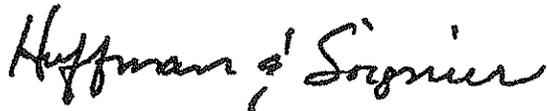
Other Information

The Schedule of Compensation Paid Councilmen, Schedule of Utility Customers, Schedule of Water and Sewer Rates, and Schedule of Insurance comprise other information and has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Town of Columbia
Columbia, Louisiana**

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2014 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of 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* and should be considered in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Huffman & Sorrier". The signature is written in a cursive, flowing style.

**(A Professional Accounting Corporation)
December 23, 2014**

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

TOWN OF COLUMBIA

Management's Discussion and Analysis (MD&A) (unaudited) June 30, 2014

As management of the Town of Columbia (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2014. It is designed to assist the reader in focusing on significant financial issues, identifying changes in the Town's financial position, and identifying material deviations and individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, (*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*). Certain comparative information is required to be presented in the MD&A.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$3,109,475 (*net position*). Of this amount, \$884,848 (*unrestricted net position*) represents the portion of net position which is not invested in capital assets or otherwise restricted.
- The government's total net position decreased by \$136,435.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$649,731 a decrease of \$5,982 in comparison with the prior year. Of the previously mentioned fund balance, \$434,296 is available for spending at the government's discretion (*unassigned fund balance*).
- The Town's total debt decreased by \$30,141 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases

TOWN OF COLUMBIA

Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2014

in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety and public works. The business-type activities of the Town include water, sewer, and gas systems.

Fund financial statements

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

TOWN OF COLUMBIA

Management's Discussion and Analysis (MD&A) (unaudited) June 30, 2014

The Town of Columbia maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain require-ed supplementary information concerning the Town's compliance with budget for its major fund.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by approximately \$3,109,000 at the close of the most recent fiscal year.

By far the largest amount of the Town's net position (\$2,019,391) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF COLUMBIA

Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2014

Condensed Financial Statements are as follows:

**Town of Columbia
Net Position
June 30, 2014 and June 30, 2013**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 662,931	\$ 687,198	\$ 498,996	\$ 489,844	\$ 1,161,927	\$ 1,177,042
Capital assets	289,242	318,670	2,525,515	2,658,839	2,814,757	2,977,509
Total assets	<u>952,173</u>	<u>1,005,868</u>	<u>3,024,511</u>	<u>3,148,683</u>	<u>3,976,684</u>	<u>4,154,551</u>
Current and other liabilities	13,200	31,485	58,643	78,969	71,843	110,454
Long-term liabilities	-	-	795,366	798,187	795,366	798,187
Total liabilities	<u>13,200</u>	<u>31,485</u>	<u>854,009</u>	<u>877,156</u>	<u>867,209</u>	<u>908,641</u>
Net position						
Net investment in						
Capital assets	289,242	318,670	1,730,149	1,833,332	2,019,391	2,152,002
Restricted	-	-	205,236	185,080	205,236	185,080
Unrestricted	649,731	655,713	235,117	253,115	884,848	908,828
Total net position	<u>\$ 938,973</u>	<u>\$ 974,383</u>	<u>\$ 2,170,502</u>	<u>\$ 2,271,527</u>	<u>\$ 3,109,475</u>	<u>\$ 3,245,910</u>

The balance of \$3,109,475 in net position represents the accumulated results of all past years' operations. The changes in net position are discussed later in this MD&A.

TOWN OF COLUMBIA

Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2014

Governmental activities

Governmental activities decreased the Town's net position by \$35,410. Key elements of the changes in net position are as follows:

Town of Columbia						
Changes in Net Position						
June 30, 2014 and June 30, 2013						
	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	Activities	Activities
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 24,117	\$ 37,226	\$ 308,859	\$ 265,696	\$ 332,976	\$ 302,922
Operating grants and contributions	63,099	83,802	32,337	-	95,436	83,802
General revenues						
Property taxes	41,920	43,756	-	-	41,920	43,756
Sales taxes	126,486	126,244	-	-	126,486	126,244
Other taxes	103,678	95,282	-	-	103,678	95,282
Other general revenues	21,789	25,369	8,760	36,253	30,549	61,622
Total revenues	<u>381,089</u>	<u>411,679</u>	<u>349,956</u>	<u>301,949</u>	<u>731,045</u>	<u>713,628</u>
Expenses						
General government	163,552	145,782	-	-	163,552	145,782
Public safety	146,706	147,202	-	-	146,706	147,202
Public works	106,241	136,373	-	-	106,241	136,373
Interest on long-term debt	-	-	41,620	45,917	41,620	45,917
Water	-	-	136,435	173,852	136,435	173,852
Sewer	-	-	164,663	132,266	164,663	132,266
Gas	-	-	108,263	115,931	108,263	115,931
Total expenses	<u>416,499</u>	<u>429,357</u>	<u>450,981</u>	<u>467,966</u>	<u>867,480</u>	<u>897,323</u>
Increase (decrease) in net position	<u><u>\$(35,410)</u></u>	<u><u>\$(17,678)</u></u>	<u><u>\$(101,025)</u></u>	<u><u>\$(166,017)</u></u>	<u><u>\$(136,435)</u></u>	<u><u>\$(183,695)</u></u>

Expenses are classified by functions/programs. General government accounts for approximately \$164,000 while public safety and public works accounts for approximately \$147,000 and \$106,000 respectively for the fiscal year 2014.

The related program revenues for fiscal 2014 directly related to these expenses totaled \$87,216 which resulted in net program expenses of \$329,283. The remaining balance of expenses

TOWN OF COLUMBIA

Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2014

represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Sales tax revenues are the largest and most significant source of revenue for the Town. It provides approximately \$126,000 of general fund revenue.
- Other taxes (Beer, Occupational License, Insurance Premium and Franchise taxes) are the second largest revenue source to the Town, generating approximately \$110,000 of general fund revenue.

Business-type activities

Business-type activities decreased the Town's net position by approximately \$101,000. Key elements of this decrease are as follows.

- Water Fund activities decreased the Town's net position by approximately \$28,000.
- Sewer Fund activities decreased net position by approximately \$98,000.
- Gas Fund activities increased net position by approximately \$26,000.

Financial Analysis of the Government's Funds

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

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$649,731, a decrease of \$5,982 in comparison with the prior year. Of this amount \$434,296 constitutes spendable fund balance, which is available for spending at the Town's discretion.

TOWN OF COLUMBIA

Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2014

General Fund Budgetary Highlights

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA- R.S 39:1301 et seq), the Town must adopt a budget for the General Fund and all Special Revenue funds prior to June 30. The original budget for the Town was adopted on May 14, 2013, and the final budget amendment was adopted on May 13, 2014.

Revenues: Overall revenues for the General Fund were projected to decrease during fiscal year 2014 by \$5,000 from the previous year. Property and Sales taxes together were projected to increase by approximately \$5,000, while other tax revenues were expected to decrease by approximately \$12,000 and fines were expected to decrease by approximately \$700. All other revenues and funding sources were projected to increase by approximately \$1,300.

Expenditures: General governmental expenditures comprise 42% of the General Fund's appropriations, police and fire expenditures account for approximately 33%, and public works accounted for 22%.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business type activities as of June 30, 2014, amounts to \$2,814,757 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment.

**Capital Assets
June 30, 2014**

Land	\$	94,994
Buildings and improvements		351,959
Furniture and equipment		504,743
Gas system		737,769
Sewer system		2,156,913
Water system		<u>2,327,514</u>
Total		6,173,892
Less: accumulated depreciation		<u>(3,359,135)</u>
Total capital assets	\$	<u><u>2,814,757</u></u>

TOWN OF COLUMBIA

Management's Discussion and Analysis (MD&A)
(unaudited)
June 30, 2014

Debt Administration. The Town's outstanding debt consists of revenue bonds:

**Outstanding Debt
June 30, 2014**

Revenue Bonds	\$ <u>795,366</u>
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Economic Factors and Next Year's Budgets and Rates

The Town expects the economic factors affecting the 2015 budget to remain fairly constant except for possible increases in fuel, utility and insurance costs.

Requests for Information

This financial report is designed to provide a general overview of the Town of Columbia's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Clerk, Post Office Drawer 10, Columbia, Louisiana 71418.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

TOWN OF COLUMBIA
Columbia, Louisiana

Statement of Net Position

June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 549,255	\$ 441,396	\$ 990,651
Investments	-	110,872	110,872
Receivables	26,284	26,048	52,332
Prepaid expenses	8,072	-	8,072
Internal balances	79,320	(79,320)	-
Capital assets, net	289,242	2,525,515	2,814,757
Total assets	952,173	3,024,511	3,976,684
Liabilities			
Accounts payable and accrued expenses	13,200	11,162	24,362
Deposits held	-	35,045	35,045
Accrued interest payable	-	12,436	12,436
Long-term liabilities			
Due within one year	-	28,873	28,873
Due in more than one year	-	766,493	766,493
Total liabilities	13,200	854,009	867,209
Net position			
Net investment in capital assets	289,242	1,730,149	2,019,391
Restricted for			
Debt service	-	125,140	125,140
Capital improvements	-	80,096	80,096
Unrestricted	649,731	235,117	884,848
Total net position	\$ 938,973	\$ 2,170,502	\$ 3,109,475

The accompanying notes are an integral part of this statement.

TOWN OF COLUMBIA
Columbia, Louisiana

Statement of Activities

For the Year Ended June 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Functions/programs						
Primary government						
Governmental activities						
General government	\$ 163,552	\$ -	\$ 49,897	\$ (113,655)	\$ -	\$ (113,655)
Public safety	146,706	24,117	13,202	(109,387)	-	(109,387)
Public works	106,241	-	-	(106,241)	-	(106,241)
Total governmental activities	416,499	24,117	63,099	(329,283)	-	(329,283)
Business-type activities						
Water	159,624	103,563	24,551	-	(31,510)	(31,510)
Sewer	183,094	73,165	7,786	-	(102,143)	(102,143)
Gas	108,263	132,131	-	-	23,868	23,868
Total business-type activities	450,981	308,859	32,337	-	(109,785)	(109,785)
Total primary government	<u>\$ 867,480</u>	<u>\$ 332,976</u>	<u>\$ 95,436</u>	<u>(329,283)</u>	<u>(109,785)</u>	<u>(439,068)</u>
General revenues						
Taxes						
Ad valorem taxes				41,920	-	41,920
Sales taxes				126,486	-	126,486
Other Taxes				110,406	-	110,406
Licenses and permits				3,277	-	3,277
Use of money and property				2,133	1,805	3,938
Miscellaneous				9,651	6,955	16,606
Total general revenues				<u>293,873</u>	<u>8,760</u>	<u>302,633</u>
Change in net position				(35,410)	(101,025)	(136,435)
Net position at beginning of year				<u>974,383</u>	<u>2,271,527</u>	<u>3,245,910</u>
Net position at end of year				<u>\$ 938,973</u>	<u>\$ 2,170,502</u>	<u>\$ 3,109,475</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TOWN OF COLUMBIA
Columbia, Louisiana
Governmental Funds
Balance Sheet
June 30, 2014

		<u>Major Fund</u> <u>General</u> <u>Fund</u>
Assets		
Cash & cash equivalents	\$	549,255
Receivables		
Sales taxes		13,833
Other taxes		6,368
Other receivables		6,083
Prepaid expenses		8,072
Due from other funds		79,320
Total assets	\$	<u>662,931</u>
 Liabilities and fund balances		
Liabilities		
Accounts payable and accrued expenses	\$	13,200
Total liabilities		<u>13,200</u>
 Fund balances		
Nonspendable		
Prepaid expenses		8,072
Assigned		
Public safety		117,115
Equipment		45,598
Street improvements		29,005
Employee retirement		9,046
Recreation		6,599
Unassigned		434,296
Total fund balance		<u>649,731</u>
Total liabilities and fund equity	\$	<u>662,931</u>

The accompanying notes are an integral part of this statement.

TOWN OF COLUMBIA
Columbia, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position

June 30, 2014

Fund balances - total governmental funds		\$	649,731
Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the governmental funds			
Governmental capital assets	\$	925,072	
Less: Accumulated depreciation		<u>(635,830)</u>	<u>289,242</u>
Net position of governmental activities		\$	<u>938,973</u>

The accompanying notes are an integral part of this statement.

TOWN OF COLUMBIA
Columbia, Louisiana

Governmental Funds
Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended June 30, 2014

	Major Fund
	General
	Fund
Revenues	
Taxes	
Ad valorem	\$ 41,920
Sales	126,486
Other	110,406
Licenses, permits, and assessments	3,277
Intergovernmental	
State	13,202
Local	49,897
Fines and forfeitures	24,117
Use of money and property	2,133
Other revenues	9,651
Total revenues	381,089
Expenditures	
Current	
General government	161,845
Public safety	130,560
Public works	86,815
Capital outlay	7,851
Total expenditures	387,071
Net change in fund balance	(5,982)
Fund balances - beginning of year (restated note 10)	655,713
Fund balances - end of year	\$ 649,731

The accompanying notes are an integral part of this statement.

TOWN OF COLUMBIA
Columbia, Louisiana

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds
to the Statement of Activities

For the Year Ended June 30, 2014

Net change in fund balances - total governmental funds	\$	(5,982)
Amount reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	\$	7,851
Depreciation expense		<u>(37,279)</u> <u>(29,428)</u>
Change in net position of governmental activities	\$	<u><u>(35,410)</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF COLUMBIA

Columbia, Louisiana

Proprietary Funds
Statement of Net Position

June 30, 2014

	Business-type Activities - Enterprise Funds			
	Major Funds			Total
	Water Fund	Sewer Fund	Gas Fund	
Assets				
Current assets				
Cash and cash equivalents	\$ 96,131	\$ 62,848	\$ 51,974	\$ 210,953
Investments	1,377	70,661	28,997	101,035
Accounts receivable - net	7,591	5,730	4,941	18,262
Due from other governments	-	7,786	-	7,786
Total current assets	105,099	147,025	85,912	338,036
Restricted assets				
Cash and cash equivalents	163,906	53,496	13,041	230,443
Investments	7,393	-	2,444	9,837
Total restricted assets	171,299	53,496	15,485	240,280
Capital assets				
Land	7,875	18,749	-	26,624
Depreciable assets	2,327,514	2,156,914	737,769	5,222,197
Total capital assets	2,335,389	2,175,663	737,769	5,248,821
Accumulated depreciation	1,080,581	1,099,448	543,277	2,723,306
Net capital assets	1,254,808	1,076,215	194,492	2,525,515
Total assets	1,531,206	1,276,736	295,889	3,103,831
Liabilities				
Current liabilities				
Accounts payable	7,286	3,192	684	11,162
Due to other funds	79,320	-	-	79,320
Total current liabilities	86,606	3,192	684	90,482
Liabilities payable from restricted assets				
Accrued interest payable	11,368	1,068	-	12,436
Customer deposits	19,560	-	15,485	35,045
Current portion of revenue bonds payable	17,804	11,069	-	28,873
Total restricted liabilities	48,732	12,137	15,485	76,354
Noncurrent liabilities				
Revenue bonds payable	365,057	401,436	-	766,493
Total noncurrent liabilities	365,057	401,436	-	766,493
Total liabilities	500,395	416,765	16,169	933,329
Net position				
Net investment in capital assets	871,947	663,710	194,492	1,730,149
Restricted for debt service	99,234	25,906	-	125,140
Restricted for capital improvements	52,506	27,590	-	80,096
Unrestricted	7,124	142,765	85,228	235,117
Total net position	\$ 1,030,811	\$ 859,971	\$ 279,720	\$ 2,170,502

The accompanying notes are an integral part of this statement.

TOWN OF COLUMBIA
Columbia, Louisiana

Proprietary Funds
Statement of Revenues, Expenses
and Changes in Net Position

For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	Major Funds			Total
	Water Fund	Sewer Fund	Gas Fund	
Operating revenues				
Charges for services	\$ 103,563	\$ 73,165	\$ 132,131	\$ 308,859
Miscellaneous revenues	2,731	2,659	1,565	6,955
Total operating revenues	<u>106,294</u>	<u>75,824</u>	<u>133,696</u>	<u>315,814</u>
Operating expenses				
Materials, repairs and supplies	53,438	21,394	62,806	137,638
Utilities and communications	7,341	13,818	951	22,110
Depreciation and amortization	61,560	71,795	8,951	142,306
Insurance	3,564	3,517	1,514	8,595
Professional fees	6,561	6,471	6,471	19,503
Administrative chargeback	-	40,000	20,000	60,000
Other operating expenses	3,971	7,668	7,570	19,209
Total operating expenses	<u>136,435</u>	<u>164,663</u>	<u>108,263</u>	<u>409,361</u>
Operating income (loss)	(30,141)	(88,839)	25,433	(93,547)
Nonoperating revenues (expenses)				
Grants	24,551	7,786	-	32,337
Investment earnings	355	1,087	363	1,805
Interest expense	(23,189)	(18,431)	-	(41,620)
Total nonoperating revenues (expenses)	<u>1,717</u>	<u>(9,558)</u>	<u>363</u>	<u>(7,478)</u>
Change in net position	(28,424)	(98,397)	25,796	(101,025)
Net position beginning of year	<u>1,059,235</u>	<u>958,368</u>	<u>253,924</u>	<u>2,271,527</u>
Net position end of year	<u>\$ 1,030,811</u>	<u>\$ 859,971</u>	<u>\$ 279,720</u>	<u>\$ 2,170,502</u>

The accompanying notes are an integral part of this statement.

TOWN OF COLUMBIA

Columbia, Louisiana

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds			
	Major Funds			
	Water Fund	Sewer Fund	Gas Fund	Total
Cash flows from operating activities				
Cash received from customers	\$ 105,783	\$ 75,864	\$ 133,455	\$ 315,102
Cash payments to suppliers for goods and services	(67,589)	(89,676)	(98,628)	(255,893)
Net cash provided (used) by operating activities	<u>38,194</u>	<u>(13,812)</u>	<u>34,827</u>	<u>59,209</u>
Cash flows from capital and related financing activities				
Principal paid on debt	(18,031)	(12,110)	-	(30,141)
Interest paid on debt	(24,264)	(17,363)	-	(41,627)
Net cash provided (used) for financing activities	<u>(42,295)</u>	<u>(29,473)</u>	<u>-</u>	<u>(71,768)</u>
Cash flows from non-capital and related financing activities				
Grant received	24,551	-	-	24,551
Change in due to other funds	79,320	-	-	79,320
Net cash provided (used) by non-capital financing activities	<u>103,871</u>	<u>-</u>	<u>-</u>	<u>103,871</u>
Cash flows from investing activities				
Interest received on investments	355	1,087	363	1,805
Purchase of capital assets	(2,994)	(2,994)	(2,994)	(8,982)
Purchase of investments	-	(680)	(6,409)	(7,089)
Net cash provided (used) by investing activities	<u>(2,639)</u>	<u>(2,587)</u>	<u>(9,040)</u>	<u>(14,266)</u>
Net increase (decrease) in cash and cash equivalents	97,131	(45,872)	25,787	77,046
Cash and cash equivalents, July 1, 2013	<u>162,906</u>	<u>162,216</u>	<u>39,228</u>	<u>364,350</u>
Cash and cash equivalents, June 30, 2014	<u>\$ 260,037</u>	<u>\$ 116,344</u>	<u>\$ 65,015</u>	<u>\$ 441,396</u>
Shown on the accompanying statement of net position as				
Cash and cash equivalents	\$ 96,131	\$ 62,848	\$ 51,974	\$ 210,953
Restricted assets				
Cash and cash equivalents	<u>163,906</u>	<u>53,496</u>	<u>13,041</u>	<u>230,443</u>
Total	<u>\$ 260,037</u>	<u>\$ 116,344</u>	<u>\$ 65,015</u>	<u>\$ 441,396</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income (loss)	\$ (30,141)	\$ (88,839)	\$ 25,433	\$ (93,547)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	61,560	71,795	8,951	142,306
Change in assets and liabilities				
Accounts receivable	71	40	3,338	3,449
Accounts payable	7,286	3,192	684	11,162
Customer deposits	(582)	-	(3,579)	(4,161)
Net cash provided (used) by operating activities	<u>\$ 38,194</u>	<u>\$ (13,812)</u>	<u>\$ 34,827</u>	<u>\$ 59,209</u>

The accompanying notes are an integral part of this statement.

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

Note 1 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the Town, for reporting purposes, the Town of Columbia is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement 14, *The Financial Reporting Entity*, sets forth criteria for determining which, if any, component units should be considered part of the Town of Columbia for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which include:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the Town to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority, but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the potential component unit were not included because of the nature or significance of the relationship.

The Town considered the criteria above and determined there were no component units that are required to be included in its financial statements.

TOWN OF COLUMBIA

Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

B. Basis of Presentation

The Town's basic financial statements consist of the government-wide statements on all of the activities of the government and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions are recognized when the Town has an enforceable legal claim to the revenues, expenses, gains, losses, assets and liabilities.

Governmental Activities represent programs which normally are supported by taxes and intergovernmental revenues.

Business-Type Activities are financed in whole or in part by fees charged to external parties for goods and services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes dedicated resources such as a restricted property tax.

Fund Financial Statements

The Town uses funds, both major and non-major, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

Emphasis of fund reporting is on the major fund level in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the provision of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The Town's current operations require the use of the governmental and proprietary categories. The fund types used by the Town are described as follows:

Governmental activities presented as Governmental Funds in the fund financial statements:

General Fund - This fund is the general operating fund of the Town. It is used to account for all financial resources of the Town except for those required to be accounted for in another fund.

Business-type activities presented as Enterprise Funds in the fund financial statements:

Enterprise Funds - These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Enterprise funds are presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements. All three enterprise funds are reported as major funds in the fund financial statements.

Revenues

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). Measurable means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in October or November and are billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year; however, by precedent, this is normally extended until February 1. Revenues from ad valorem taxes are budgeted in the year billed to the extent collections are expected. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Caldwell Parish. The ad valorem tax millage for fiscal year 2014 is 10.89 mills with 7.89 mills for general purposes and 3.00 mills for street maintenance.

Sales taxes are considered "measurable" when in the hands of the intermediary collecting governments and are recognized as revenue at that time. Interest earnings on time deposits are recognized as revenue when the time deposits have matured and the interest is available. Substantially all other revenues are recognized when actually received by the Town.

Operating revenues consist of taxes, fees for service provided, commissions for services, licenses and permits, intergovernmental revenues, fines and other miscellaneous revenues. All revenues not meeting the previously mentioned definitions are reported as nonoperating revenues.

TOWN OF COLUMBIA
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Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

Expenditures

Expenditures in the governmental funds are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Operating expenditures and expenses consist of amounts paid for wages and related benefits, contractual services, supplies used, equipment and facility maintenance and operations, and other items directly or indirectly required for the provision of services. All expenses not meeting the previously mentioned definitions are reported as nonoperating expenses and expenditures.

The Town has not established a formal policy regarding order of spending fund balances that are restricted, committed or assigned. The Town's informal policy for the spending prioritization of fund balances is that *restricted* would receive top priority, followed by *committed*. *Assigned* would receive the least priority and would be authorized to be spent if adequate funds were available. If expenditures incurred exceed the amounts that have been committed or assigned to the specific purpose, amounts assigned or committed would be reduced to eliminate the deficit.

Proprietary

All proprietary funds are accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

C. Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Town Clerk prepares a proposed budget and submits it to the Mayor and Town Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

TOWN OF COLUMBIA
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Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding the public hearing and completing all action necessary to finalize and implement the budget, the budget is adopted by passing an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Town Council.
6. All legally adopted budgets of the Town are adopted on a basis consistent with generally accepted accounting principles (GAAP). A budget is adopted for the General Fund.
7. Encumbrance accounting, under which purchase orders are recorded to reserve that portion of the applicable appropriation, is not employed by the Town.

For the year ended June 30, 2014, the Town adopted a budget for the General Fund.

D. Assets, Liabilities, and Fund Equity

Cash, Cash Equivalents, and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Town's investment policy allow the Town to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool and mutual funds consisting solely of government backed securities. Deposits with original maturity dates exceeding 90 days are classified as investments. Investments are reported at fair value. The Town's investment policy is to only have certificates of deposit.

Accounts Receivables

Receivables consist of revenues earned at year-end but not yet received. Major receivable balances for the governmental activities include sales taxes, occupational licenses and franchise fees. Business-type activities report customer's utility service receivables as its major receivables.

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

Restricted Assets

Restricted assets include cash and interest-bearing deposits and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and the utility meter deposits.

Interfund Receivables and Payables

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as “due from/to other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Capital Assets

Capital assets, which include land, buildings, other improvements, machinery and equipment, vehicles, furniture and fixtures, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town capitalizes items with a cost of \$500 or more and a life greater than or equal to one year. As permitted by GASB Statement No. 34, the Town has elected not to report infrastructure assets retroactively. Beginning with the year ended June 30, 2005, the Town began capitalizing infrastructure as expenditures were incurred.

All purchased capital assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Donated fixed assets are valued at their fair market value on the date received. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized at completion of construction projects.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on enterprise fund balance sheets. Depreciation on all capital assets, excluding land has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings	30-40 years
Improvements	40 years
Equipment	3-10 years
Sewer System	20-40 years
Infrastructure	20 years

TOWN OF COLUMBIA
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Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

Long-Term Liabilities

In the government-wide statement of net position and in the proprietary funds' financial statements, long-term debt is reported as liabilities. The Town has no long-term liabilities financed by governmental funds. Long-term liabilities expected to be financed from enterprise fund operations are accounted for in those enterprise funds.

Compensated Absences and Other Post-Employment Benefits

The Town has no provision for vesting of vacation and sick leave or other post-employment benefits. Consequently, the financial statements of the Town reflect no such liabilities.

Fund Equity of Fund Financial Statements

GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as prepaid expenses.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers such as federal or state regulations for future use or through enabling legislation and are, therefore, not available for future appropriation or expenditure.

Committed: Fund balance that can only be used for specific purposes determined by the Town's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of either a policy of the Town or motions passed by the Town Council committing the funds. The Town does not have any such fund balances in the current fiscal year.

Assigned: Fund balance that is constrained by the Town Council's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Council.

Unassigned: Fund balance that is the residual classification for the general fund. The Town has not established benchmarks for unassigned fund balance requirements.

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

The Town Council has not established a formal policy regarding the order of spending fund balances that are restricted, committed, or assigned. The Town's informal policy for the spending prioritization of fund balances is that restricted would receive top priority followed by committed. Assigned balances receive the least priority and would be authorized to be spent only if adequate funds were available. If expenditures incurred exceed the amount that have been committed or assigned to a specific purpose, amounts unassigned would be reduced to eliminate the deficit.

Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

Net investment in capital assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets.

Restricted net position: Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.

Unrestricted net position: All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

The Town Council has not established a formal policy regarding the order of spending net position when both restricted and unrestricted resources are available for use but informally, restricted resources are used first and followed by unrestricted if needed.

E. Electrical System Operating Agreement

On July 14, 2000, the Town Council renewed an operating agreement between the Town and Entergy for Entergy to operate the electric system within the corporate limits of the Town for a period of twenty-five years. The agreement provides that Entergy will pay the Town two percent of total revenue collected from the sale of electric service to residential and commercial customers within the Town.

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

F. Bad Debts

Uncollectible amounts for ad valorem taxes and other receivables in governmental funds are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible and the result is substantially the same as that provided by use of the allowance method. For enterprise funds, an allowance is used based on management's best estimate of uncollectibility.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Town to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events

Management has evaluated subsequent events through December 23, 2014, the date which the financial statements were available to be issued and determined that no events occurred that require disclosure.

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

Note 2 - Cash, Cash Equivalents, and Investments

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. At June 30, 2014, the Town has cash and cash equivalents totaling \$960,651 as follows:

Petty cash	\$ 150
Demand deposits	990,501
Total	<u>\$ 990,651</u>

At June 30, 2014, the Town had the following investments stated at cost, which approximates market:

Certificates of deposit	\$ <u>110,872</u>
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Custodial credit risk – deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are pledged to the Town and held by a custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances other than these backed by the U.S. government) and investments at June 30, 2014, of \$1,121,828 are secured, as follows:

Federal deposit insurance	\$ 758,525
Pledged securities	363,303
Total	<u>\$ 1,121,828</u>

For purposes of the Statement of Cash Flows, cash equivalents include all highly liquid investments (including restricted assets) with a maturity date of three months or less when purchased.

Credit risk. Under state law, the Town may invest funds in obligations of the United States, in federally-insured investments, or in time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Town's investments consists of certificates of deposit, therefore the Town is exposed to no credit risk.

TOWN OF COLUMBIA
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Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

Concentration of credit risk. The Town does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

Interest rate risk. The Town manages its exposure to declines in fair values by limiting the maturity of its investments to no longer than one year.

Note 3 - Accounts Receivable

Receivables are primarily composed of amounts due from residential customers living in the Town. Accounts receivable, net of allowance for doubtful accounts, are \$44,546 as of June 30, 2014 and are comprised of the following:

	General Fund	Enterprise Fund	Total
Accounts Receivable			
Sales taxes	\$ 13,833	\$ -	\$ 13,833
Other taxes	6,368	-	6,368
Other receivables	6,083	7,786	13,869
Customer receivables	-	19,396	19,396
Less: Allowance for doubtful accounts	-	(1,134)	(1,134)
Total	\$ 26,284	\$ 26,048	\$ 55,332

The Town has 233 residential and 88 commercial water customers; 171 residential and 86 commercial sewer customers; and 130 residential and 34 commercial gas customers.

A substantial portion (94%) of the \$18,262 in utility customer receivables are current and are classified as follows: Water, \$7,591; Sewer, \$5,730 and Gas, \$4,941.

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

Note 4 - Changes in Capital Assets

The following schedule presents changes in capital assets for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 68,370	\$ -	\$ -	\$ 68,370
Total nondepreciable assets	68,370	-	-	68,370
Depreciable assets:				
Buildings and improvements	351,959	-	-	351,959
Equipment	506,382	7,851	(9,490)	504,743
Total capital assets being depreciated	858,341	7,851	(9,490)	856,702
Less: accumulated depreciation	(608,041)	(37,279)	9,490	(635,830)
Total capital assets being depreciated, net	250,300	(29,428)	-	220,872
Total governmental activities capital assets, net	\$ 318,670	\$ (29,428)	\$ -	\$ 289,242
Business-type activities:				
Nondepreciable assets:				
Land	\$ 26,624	\$ -	\$ -	\$ 26,624
Total nondepreciable assets	26,624	-	-	26,624
Depreciable assets:				
Gas System	739,995	2,994	(5,221)	737,768
Sewer System	2,155,433	2,995	(1,513)	2,156,915
Water System	2,326,033	2,994	(1,513)	2,327,514
Total capital assets being depreciated	5,221,461	8,983	(8,247)	5,222,197
Less: accumulated depreciation	(2,589,246)	(142,307)	8,247	(2,723,306)
Total capital assets being depreciated, net	2,632,215	(133,324)	-	2,498,891
Total business-type activities capital assets, net	\$ 2,658,839	\$ (133,324)	\$ -	\$ 2,525,515

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

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

Governmental Activities:	
General Government	\$ 1,707
Public Safety	16,146
Public Works	<u>19,426</u>
Total depreciation expense - governmental activities	<u>\$ 37,279</u>
Business-Type Activities:	
Water Fund	\$ 61,560
Sewer Fund	71,795
Gas Fund	<u>8,951</u>
Total depreciation expense - business-type activities	<u>\$ 142,306</u>

Note 5 - Restricted Assets and Related Reserves

Under terms of the bond indenture and by resolution of the Town Council, the Water Fund and Sewer Fund are required to establish and maintain three restricted accounts which are as follows:

1. Sinking - to accumulate monthly an amount equal to 1/12th of the principal and interest falling due on the next annual payment date for the bonds.
2. Reserve - to accumulate monthly a sum equal to 5% of the monthly payment being made into the sinking account until \$42,294 in the Water fund and \$29,744 in the Sewer fund have been accumulated therein. The reserve will be used solely for the purpose of paying principal and interest on such bonds as to which there would otherwise be a default.
3. Contingency - to accumulate a sum of \$330 per month in the Water Fund and \$131 in the Sewer Fund until all principal and interest have been paid. The contingency will be used for the purpose of caring for depreciation, extensions, additions, improvements and replacements necessary to properly operate the water system (Water Fund Contingency Account) and/or the sewer system (Sewer Fund Contingency Account) of the Town.

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

A Schedule of Changes in Restricted Accounts related to bond indentures is as follows:

	<u>Sinking</u>	<u>Reserve</u>	<u>Total Restricted for Debt Svc</u>	<u>Contingency Restricted for Capital Improvements</u>
Beginning Balance				
At July 1, 2013	\$ 34,266	\$ 87,101	\$ 121,367	\$ 74,448
Add: Monthly Deposits	42,289	3,592	45,881	5,532
Interest Earned	53	133	195	116
Less: Disbursements	<u>(42,294)</u>	<u>-</u>	<u>(42,294)</u>	<u>-</u>
Ending Balance				
At June 30, 2014	<u>\$ 34,314</u>	<u>\$ 90,826</u>	<u>\$ 125,140</u>	<u>\$ 80,096</u>

Customer deposit policies were established by resolution of the Town Council. Customer deposits are refunded to the customer on final billing provided there are no unpaid balances due the Town. Customer deposits of \$35,045 are included the accompanying balance sheet as Restricted Assets-Cash (\$25,208) and in Restricted Assets-Investments (\$9,837).

Note 5 - Employment Retirement Systems

Substantially all employees of the Town of Columbia are members of the either the Municipal Employees Retirement System of Louisiana or the Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

Municipal Employees' Retirement System of Louisiana (MERS)

Plan Description: The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in MERS. Under Plan A, employees who retire at or after age

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final compensation for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. MERS also provides death and disability benefits. Benefits are established or amended by state statute.

MERS issues an annual publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70806, or by calling (225) 929-4810.

Funding Policy: Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salaries and the Town is required to contribute at an actuarially determined rate. The current rate is 17.0% of annual covered payroll. Contributions to the MERS also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of the parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contributions requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation from the previous year. The Town's contributions to the MERS under Plan A for the for the years ended June 30, 2014, 2013, and 2012 were \$6,121, \$8,894, and \$7,544, respectively, equal to the required contributions for each year.

Municipal Police Employees' Retirement System (MPERS)

Plan Description: All full-time police officers engaged in law enforcement are required to participate in the MPERS. Employees who retire at or after age 50, with at least 20 years of creditable service, or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit payable monthly for life, equal to 3 1/3% of the member's final average salary for each year of creditable service. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. MPERS also provides death and disability benefits. Benefits are established by state statute.

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

MPERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Municipal Police Employee's Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, LA 70809-7601 or by calling 800-443-4248 or 225-929-7411.

Funding Policy: Plan members are required to contribute 7.5% of their annual covered salaries and the Town is required to contribute at an actuarially determined rate. The current rate is 31% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the MPERS for the years ended June 30, 2014, 2013, and 2012, were \$20,928, \$24,545, and \$26,407, respectively, equal to the statutorily required contributions for each year.

Note 6 - Long-Term Obligations

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2014:

	Revenue Bonds
Balance at Beginning of Year	\$ 825,507
Retirements	<u>(30,141)</u>
Balance at End of Year	\$ <u>795,366</u>

Long-term debt is comprised of the following individual issues at June 30, 2014:

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

Revenue Bonds:

\$600,000 Water Revenue bonds dated January 12, 1998; due in annual installments through January 12, 2028; interest at 6.375%	\$ 382,861
\$541,000 Sewer Revenue bonds dated October 22, 1996; due in monthly installments through October 22, 2037; interest at 4.6%	<u>412,505</u>
Total Revenue Bonds	<u><u>\$ 795,366</u></u>

The annual requirements to amortize all bonds outstanding as of June 30, 2014, including interest payments of \$450,165, are as follows:

Year Ended June 30,	Principal	Interest	Total Annual Payments
2015	\$ 28,873	\$ 42,895	71,768
2016	30,517	41,251	71,768
2017	32,256	39,512	71,768
2018	34,096	37,672	71,768
2019	36,045	35,723	71,768
2020-2024	213,674	145,166	358,840
2025-2029	239,076	76,176	315,252
2030-2034	119,003	28,367	147,370
2035-2037	61,826	3,403	65,229
TOTAL	<u><u>\$ 795,366</u></u>	<u><u>\$ 450,165</u></u>	<u><u>\$ 1,245,531</u></u>

Note 7 - Interfund Receivables/Payables

The only individual balances due from/to other funds at June 30, 2014 consisted of administrative expenses and grant monies due to the General Fund from the Water Fund in the amount of \$79,320.

Note 8 - Risk Financing Activities

The Town is a participating member in the Louisiana Risk Management Agency's Group Self-Insurance Fund for Municipal Liability Risk Sharing and Group Self-Insurance Fund for Workmen's Compensation and Employer Liability (the Agency). The Agency functions as a

TOWN OF COLUMBIA
Columbia, Louisiana

Notes To The Financial Statements

As of And For The Year Ended June 30, 2014

Public Entity Risk Pool (PERP) formed to pool the risk of public liability exposure to its members. The Town insures its premises operations, product and completed operations, general liability, vehicle, law enforcement officers' comprehensive liability and errors and omissions through its participation in the Agency pools. The coverage provided by the pools is subject to \$1,000 deductibles for certain coverages and provides coverages up to \$500,000 for each type of insured risk. Premiums for coverage are retroactively rated based on experience and premiums are calculated based on the ultimate cost of the experience to date of the pool participants.

Note 9 - On-Behalf Payments

Certain Town employees in the Police Department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24 "*Accounting and Financial Reporting for Certain Grants and Other Awards*", the Town has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$10,000 and the related expenditures were recorded to the Police Salaries account.

Note 10 - Restatement

During fiscal year 2014, management reevaluated its operation of the Grant Capital Project Fund due to it not meeting the requirements of a true capital project fund. As a result of this review, management combined the grant capital project fund with the general fund effective July 1, 2013. The net effect of the combination of the grant capital project fund with the general fund is as follows:

	<u>General Fund</u>	<u>Grant Capital Project Fund</u>
Fund Balance, June 30, 2013, previously reported	\$ 611,637	\$ 44,076
Combination of two funds	<u>44,076</u>	<u>(44,076)</u>
Fund Balance, June 30, 2013, restated	\$ <u>655,713</u>	\$ <u>-0-</u>

**REQUIRED SUPPLEMENTAL INFORMATION
(PART B)**

Town of Columbia
Columbia, Louisiana

General Fund
Budgetary Comparison Schedule (GAAP Basis)
(unaudited)
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	
Budgetary fund balance at beginning of year	\$ 557,768	\$ 611,637	\$ 655,713	\$ 44,076
Resources (inflows)				
Taxes				
Ad valorem	44,000	42,000	41,920	(80)
Sales	131,000	121,000	126,486	5,486
Other	82,800	87,500	110,406	22,906
License and permits	2,860	3,280	3,277	(3)
Intergovernmental revenue	56,647	55,700	53,099	(2,601)
State salary supplement - police	12,000	10,000	10,000	-
Fines and forfeitures	38,000	24,000	24,117	117
Interest income	2,000	2,500	2,133	(367)
Miscellaneous	8,225	14,330	9,651	(4,679)
Total Resources	<u>377,532</u>	<u>360,310</u>	<u>381,089</u>	<u>20,779</u>
Amounts available for appropriations	<u>935,300</u>	<u>971,947</u>	<u>1,036,802</u>	<u>64,855</u>
Charges to appropriations (outflows)				
Current				
General government	159,400	187,975	161,845	26,130
Public safety				
Police department	123,400	120,600	120,790	(190)
Fire department	12,100	10,300	9,770	530
Public Works				
Main Street department	48,400	43,000	49,855	(6,855)
Street department	60,100	29,500	36,960	(7,460)
Capital outlay	-	-	7,851	(7,851)
Total Charges to Appropriations	<u>403,400</u>	<u>391,375</u>	<u>387,071</u>	<u>4,304</u>
Budgetary fund balance at end of year	<u>\$ 531,900</u>	<u>\$ 580,572</u>	<u>\$ 649,731</u>	<u>\$ 69,159</u>

OTHER SUPPLEMENTAL INFORMATION

TOWN OF COLUMBIA
Columbia, Louisiana

Proprietary Funds
Water Fund
Statements of Net Position

	June 30,	
	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 96,131	\$ 5,664
Investments	1,377	-
Accounts receivable - (net of \$550 and \$661 allowances, respectively)	7,591	7,662
Total current assets	105,099	13,326
Restricted assets		
Cash	163,906	157,242
Investments	7,393	8,770
Total restricted assets	171,299	166,012
Capital assets		
Land	7,875	7,875
Depreciable assets	2,327,514	2,326,033
Total capital assets	2,335,389	2,333,908
Accumulated depreciation	1,080,581	1,020,534
Net capital assets	1,254,808	1,313,374
Total assets	1,531,206	1,492,712
Liabilities		
Current liabilities		
Accounts payable	7,286	-
Due to other funds	79,320	-
Total current liabilities	86,606	-
Liabilities payable from restricted assets		
Accrued interest payable	11,368	12,443
Customer deposits	19,560	20,142
Current portion of revenue bonds payable	17,804	16,738
Total restricted liabilities	48,732	49,323
Noncurrent liabilities		
Revenue bonds payable	365,057	384,154
Total noncurrent liabilities	365,057	384,154
Total liabilities	500,395	433,477
Net position		
Net investment in capital assets	871,947	912,482
Restricted	151,740	145,445
Unrestricted	7,124	1,308
Total net position	\$ 1,030,811	\$ 1,059,235

TOWN OF COLUMBIA
Columbia, Louisiana

Proprietary Funds
Sewer Fund
Statements of Net Position

	June 30,	
	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 62,848	\$ 111,846
Investments	70,661	69,981
Accounts receivable - (net of \$429 and \$661 allowances, respectively)	5,730	5,770
Due from other governments	7,786	-
Total current assets	147,025	187,597
Restricted assets		
Cash	53,496	50,370
Total restricted assets	53,496	50,370
Capital assets		
Land	18,749	18,749
Depreciable assets	2,156,914	2,155,433
Total capital assets	2,175,663	2,174,182
Accumulated depreciation	1,099,448	1,029,166
Net capital assets	1,076,215	1,145,016
Total assets	1,276,736	1,382,983
Liabilities		
Current liabilities		
Accounts payable	3,192	-
Total current liabilities	3,192	-
Liabilities payable from restricted assets		
Accrued interest payable	1,068	-
Current portion of revenue bonds payable	11,069	10,582
Total restricted liabilities	12,137	10,582
Noncurrent liabilities		
Revenue bonds payable	401,436	414,033
Total noncurrent liabilities	401,436	414,033
Total liabilities	416,765	424,615
Net position		
Net investment in capital assets	663,710	720,401
Restricted	53,496	50,370
Unrestricted	142,765	187,597
Total net position	\$ 859,971	\$ 958,368

TOWN OF COLUMBIA
Columbia, Louisiana

Proprietary Funds
Gas Fund
Statements of Net Position

	June 30,	
	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 51,974	\$ 27,439
Investments	28,997	22,588
Accounts receivable - (net of \$155 and \$186 allowances, respectively)	4,941	2,165
Total current assets	85,912	52,192
Restricted assets		
Cash	13,041	11,789
Investments	2,444	8,558
Total restricted assets	15,485	20,347
Capital assets		
Depreciable assets	737,769	739,995
Total capital assets	737,769	739,995
Accumulated depreciation	543,277	539,546
Net capital assets	194,492	200,449
Total assets	295,889	272,988
Liabilities		
Current liabilities		
Accounts payable	684	-
Total current liabilities	684	-
Liabilities payable from restricted assets		
Customer deposits	15,485	19,064
Total restricted liabilities	16,169	19,064
Net position		
Net investment in capital assets	194,492	200,449
Restricted	-	1,283
Unrestricted	85,228	52,192
Total net position	\$ 279,720	\$ 253,924

Other Information

TOWN OF COLUMBIA
Columbia, Louisiana

Schedule of Compensation Paid Councilmen
(unaudited)

For the Year Ended June 30, 2014

	<u>TERM OF OFFICE</u>	<u>SALARY</u>
Ken Brockner	July 1, 2012 - June 30, 2016	\$ 1,275
Bruce Frazier	July 1, 2012 - June 30, 2016	1,325
Bonnie Crockett	July 1, 2012 - June 30, 2016	1,325
Richard Meredith	July 1, 2012 - June 30, 2016	1,325
Melvin Robinson	July 1, 2012 - June 30, 2016	<u>1,200</u>
TOTAL		\$ <u><u>6,450</u></u>

TOWN OF COLUMBIA
Columbia, Louisiana

Schedule of Utility Customers
(unaudited)

For the Year Ended June 30, 2014

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Water	233	88	321
Sewer	171	86	257
Gas	130	34	164

Schedule of Water and Sewer Rates
(unaudited)

For the Year Ended June 30, 2014

	<u>Residential</u>	<u>Commercial</u>
Water	First 2,500 gallons - \$14.00	First 2,500 gallons - \$14.00
	Next 2,000 gallons - \$4.50/1,000 gallons	Next 2,000 gallons - \$4.50/1,000 gallons
	Over 4,500 gallons - \$4.00/1,000 gallons	Over 4,500 gallons - \$4.00/1,000 gallons
Sewer	First 2,500 gallons - \$12.50	First 2,500 gallons - \$12.50
	Next 2,000 gallons - \$4.06/1,000 gallons	Next 2,000 gallons - \$4.06/1,000 gallons
	Over 4,500 gallons - \$3.63/1,000 gallons	Over 4,500 gallons - \$3.63/1,000 gallons

TOWN OF COLUMBIA

Columbia, Louisiana

Schedule of Insurance
(unaudited)

June 30, 2014

<u>Property or Risk and Insurance Company</u>	<u>Kind of Insurance and Term</u>	<u>Maximum Coverage</u>
Property America First Insurance	Commercial Property 11/27/13 to 11/27/14	\$ 1,500,000
Vehicles LA Municipal Risk Management Agency	Auto Liability 5/1/14 to 5/1/15	\$ 500,000
Essex Insurance Company	Physical Damage 5/5/14 to 5/5/15	\$ 70,000
General Liability LA Municipal Risk Management Agency	General Liability 5/1/14 to 5/1/15	\$ 500,000
Employees Western Surety Company	Fidelity Bond 4/15/13 to 4/15/14	\$ 100,000
Essex Insurance Company	Physical Damage 5/5/14 to 5/5/15	\$ 51,706
CNA Surety	Continuous Bond 3/26/14 to 3/26/15	\$ 150,000

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA
Lynn Andries, CPA, CGMA
Esther Atteberry, CPA
Lori Woodard, MBA, CPA, CGMA, CITP
Fernando Cordova, CPA

INDEPENDENT AUDITORS' 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*

**Town of Columbia
Columbia, Louisiana**

We have audited, in accordance with the 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Columbia, Louisiana (the Town), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 23, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

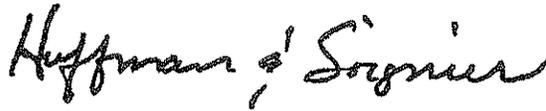
Town of Columbia
Columbia, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 amounts. 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*.

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 results 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.

A handwritten signature in cursive script that reads "Huffman & Signier".

(A Professional Accounting Corporation)

December 23, 2014