

**TOWN OF WOODSBORO, TEXAS**

**FINANCIAL STATEMENTS**

**For the Year Ended July 31, 2014**

**TOWN OF WOODSBORO, TEXAS  
FINANCIAL STATEMENTS  
For the Year Ended July 31, 2014**

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**TOWN OF WOODSBORO, TEXAS  
FINANCIAL STATEMENTS  
For the Year Ended July 31, 2014**

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## **INTRODUCTORY SECTION**

**TOWN OF WOODSBORO, TEXAS**  
**LIST OF PRINCIPAL OFFICIALS**  
**July 31, 2014**

|                            |  |
|----------------------------|--|
| Mayor                      | Larry Jochetz  |
| Mayor Pro-tem              | (August – June) Jimmy Blaschke<br>(June – July) Debra Bolcik   |
| Council Members            | (August – June) Debra Bolcik<br>Johnny Cisneros<br>Ralph Cisneros<br>Elix Ortiz<br>(June – July) Richard Sanchez |
| City Attorney              | Donald Kubicek   |
| City Engineer              | Robert Viera (LNV Engineering)   |
| Tax Assessor and Collector | Ida M. Turner  |
| Municipal Police Officer   | (August – January) Joseph Roberts<br>(July) Robert Lee Valdez  |
| City Secretary             | Ruby H. DeLaGarza  |
| City Clerk/Water Clerk     | (May – July) Viola Meza  |
| Municipal Court Clerk      | (August – May) Deborah LePore<br>(May – July) Ruby H. DeLaGarza  |
| Deputy Court Clerk         | (May – July) Raquel Flores   |
| Municipal Judge            | Diego Bustillo   |
| Public Works Director      | Gabriel Thomas   |

## **FINANCIAL SECTION**

# *Goldman, Hunt & Notz, L.L.P.*

## *Certified Public Accountants*

DONALD G. GOLDMAN, CPA

D. DALE HUNT, CPA

JAMIE K. NOTZ, CPA, CVA\*

\*CERTIFIED VALUATION ANALYST

MEMBERS OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

TEXAS SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

KEITH H. COX, CPA, CISA

SYLVIA H. GORIS, CPA

SUE N. GUTHRIE, CPA

STEPHANIE S. KOCH, CPA

### **INDEPENDENT AUDITOR'S REPORT**

October 7, 2014

To the Honorable Mayor  
and Members of the Town Council  
Town of Woodsboro, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Woodsboro, Texas, as of and for the year ended July 31, 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.

#### ***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. 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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Woodsboro, Texas, as of July 31, 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 4 – 9 and 39 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Woodsboro, Texas's basic financial statements. The individual grant section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The individual grant section 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 it.



Goldman, Hunt & Notz, L.L.P.

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2014**

This discussion and analysis is intended to be an easily readable analysis of the Town of Woodsboro's (Town) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

### **Report Layout**

In addition to the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements required supplementary information and individual grant information. The first several statements are highly condensed and present a government-wide view of the Town's finances. Within this view, all Town operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as general government, public safety, municipal court, streets, animal control and recreation. The Town's business-type activity provides water, sewer and sanitation services to the citizens. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Town.

### **Basic Financial Statements**

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts invested in capital assets net of related debt, restricted for specific purposes and unrestricted amounts.
- The Statement of Activities focuses gross and net costs of Town programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The Town's major governmental funds are presented in their own columns. Statements for the Town's proprietary fund follow the governmental funds and include net position, revenue, expenses and changes in net position, and cash flow.
- The notes to the financial statements provide additional disclosure required by governmental accounting standards and provide information to assist the reader in understanding the Town's financial condition.

The discussion and analysis of the Town of Woodsboro's financial performance provides an overall review of the Town's financial activities for the year ended July 31, 2014. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; readers should also review the basic financial statements to enhance their understanding of the Town's financial performance.

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2014**

**Financial Highlights**

- The assets of the Town of Woodsboro, Texas exceeded its liabilities at the close of the year ended July 31, 2014 by \$4,433,669. Of this amount, \$1,495,517 of unrestricted net assets is available to meet the Town's ongoing obligations to citizens and creditors.
- At July 31, 2014, the Town's governmental funds reported combined ending fund balances of \$589,789, of which \$538,089 is available for governmental discretion (unassigned and committed fund balances).
- At July 31, 2014, unassigned fund balance for the General Fund was \$72,290 or 12% of total General Fund expenditures.
- The total cost of all Town activities was \$1,287,294 for the year. Net revenue of all activities was \$94,258.
- During the year, the Town's program revenues exceeded net expenses of the government activities by \$53,126.

**Town as a Whole**

*Government-Wide Financial Statements*

A condensed version of the Statement of Net Assets at July 31, 2014 and 2013 follows:

**Town of Woodsboro, Texas**  
**Components of Net Position**  
**July 31, 2014**  
**With Comparative Totals for July 31, 2013**  
(in thousands)

|   | Governmental Activities |               | Business-type Activities |                 | Total Government |                 | Amount Change | % Change     |
|---|-------------------------|---------------|--------------------------|-----------------|------------------|-----------------|---------------|--------------|
|   | July 31, 2014           | July 31, 2013 | July 31, 2014            | July 31, 2013   | July 31, 2014    | July 31, 2013   |               |              |
| Cash  | \$ 690                  | \$ 389        | \$ 380                   | \$ 226          | \$ 1,070         | \$ 615          | \$ 455        | 74.0%        |
| Other assets                                    | 396                     | 403           | 587                      | 625             | 983              | 1,028           | (45)          | -4.4%        |
| Capital assets                                  | 277                     | 225           | 3,535                    | 3,540           | 3,812            | 3,765           | 47            | 1.2%         |
| <b>Total assets</b>                             | <b>1,363</b>            | <b>1,017</b>  | <b>4,502</b>             | <b>4,391</b>    | <b>5,865</b>     | <b>5,408</b>    | <b>457</b>    | <b>8.5%</b>  |
| Other liabilities                               | 280                     | 271           | 89                       | 96              | 369              | 367             | 2             | 0.5%         |
| Long term debt                                  | -                       | -             | 1,062                    | 1,105           | 1,062            | 1,105           | (43)          | -3.9%        |
| <b>Total liabilities</b>                        | <b>280</b>              | <b>271</b>    | <b>1,151</b>             | <b>1,201</b>    | <b>1,431</b>     | <b>1,472</b>    | <b>(41)</b>   | <b>-2.8%</b> |
| Net position:                                   |                         |               |                          |                 |                  |                 |               |              |
| Invested in capital assets, net of related debt | 277                     | 225           | 2,473                    | 2,435           | 2,750            | 2,660           | 90            | 3.4%         |
| Restricted                                      | 28                      | 31            | 161                      | 150             | 189              | 181             | 8             | 4.4%         |
| Unrestricted                                    | 778                     | 490           | 717                      | 605             | 1,495            | 1,095           | 400           | 36.5%        |
| <b>Total net position</b>                       | <b>\$ 1,083</b>         | <b>\$ 746</b> | <b>\$ 3,351</b>          | <b>\$ 3,190</b> | <b>\$ 4,434</b>  | <b>\$ 3,936</b> | <b>\$ 498</b> | <b>12.7%</b> |

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2014**

**Financial Highlights (Continued)**

During the year ended July 31, 2014 the net position of the Town increased approximately \$498,000. Cash increased by \$455,000, inventory decreased by \$77,000, fixed asset purchases were \$212,000, depreciation expense was \$165,000, decrease in long-term debt of \$43,000 and other increases were \$30,000.

A condensed version of the Statement of Activities follows:

**Town of Woodsboro, Texas**  
**Condensed Statement of Activities**  
**For the Year Ended July 31, 2014**  
**With Comparative Totals for the Year Ended July 31, 2013**  
(in thousands)

|   | Governmental Activities |                      | Business-type Activities |                        | Total Government       |                        | Amount Change        | % Change            |
|---|-------------------------|----------------------|--------------------------|------------------------|------------------------|------------------------|----------------------|---------------------|
|   | July 31, 2014           | July 31, 2013        | July 31, 2014            | July 31, 2013          | July 31, 2014          | July 31, 2013          |                      |                     |
| <b>Revenues</b>   |                         |                      |                          |                        |                        |                        |                      |                     |
| Program revenues  |                         |                      |                          |                        |                        |                        |                      |                     |
| Charges for services  | \$ 582                  | \$ 194               | \$ 795                   | \$ 714                 | \$ 1,377               | \$ 908                 | \$ 469               | 51.7%               |
| General revenues  |                         |                      |                          |                        |                        |                        |                      |                     |
| Taxes   | 400                     | 394                  |                          |                        | 400                    | 394                    | 6                    | 1.5%                |
| Interest  | 1                       | -                    | 1                        | -                      | 2                      | -                      | 2                    | 100.0%              |
| Donation  |                         |                      |                          | 500                    | -                      | 500                    | (500)                | 100.0%              |
| Intergovernmental revenue   | 5                       | 677                  |                          |                        | 5                      | 677                    | (672)                | -99.3%              |
| Total revenues  | <u>988</u>              | <u>1,265</u>         | <u>796</u>               | <u>1,214</u>           | <u>1,784</u>           | <u>2,479</u>           | <u>(695)</u>         | <u>-28.0%</u>       |
| <b>Expenses</b>   |                         |                      |                          |                        |                        |                        |                      |                     |
| General government  | 374                     | 1,020                |                          |                        | 374                    | 1,020                  | (646)                | -63.3%              |
| Public safety/municipal   |                         |                      |                          |                        |                        |                        |                      |                     |
| court   | 60                      | 42                   |                          |                        | 60                     | 42                     | 18                   | 42.9%               |
| Streets   | 71                      | 67                   |                          |                        | 71                     | 67                     | 4                    | 6.0%                |
| Animal control  | 17                      | 17                   |                          |                        | 17                     | 17                     | -                    | 0.0%                |
| Recreation  | 11                      | 7                    |                          |                        | 11                     | 7                      | 4                    | 57.1%               |
| Water and sewer   |                         |                      | 608                      | 589                    | 608                    | 589                    | 19                   | 3.2%                |
| Sanitation  |                         |                      | 145                      | 148                    | 145                    | 148                    | (3)                  | -2.0%               |
| Total expenses  | <u>533</u>              | <u>1,153</u>         | <u>753</u>               | <u>737</u>             | <u>1,286</u>           | <u>1,890</u>           | <u>(604)</u>         | <u>-32.0%</u>       |
| <b>Excess (deficiency) before non operating revenues, expenses, and transfers</b> |                         |                      |                          |                        |                        |                        |                      |                     |
| Transfers   | 455                     | 112                  | 43                       | 477                    | 498                    | 589                    | (91)                 | -15.4%              |
| Change in net position  | (118)                   | (121)                | 118                      | 121                    | -                      | -                      | -                    | 0.0%                |
| Beginning net position  | 337                     | (9)                  | 161                      | 598                    | 498                    | 589                    | (91)                 | -15.4%              |
| Ending net position   | <u>746</u>              | <u>755</u>           | <u>3,190</u>             | <u>2,592</u>           | <u>3,936</u>           | <u>3,347</u>           | <u>589</u>           | <u>17.6%</u>        |
|   | <u><u>\$ 1,083</u></u>  | <u><u>\$ 746</u></u> | <u><u>\$ 3,351</u></u>   | <u><u>\$ 3,190</u></u> | <u><u>\$ 4,434</u></u> | <u><u>\$ 3,936</u></u> | <u><u>\$ 498</u></u> | <u><u>12.7%</u></u> |

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2014**

**Financial Highlights (Concluded)**

**Governmental Activities**

**Revenues**

Revenues decreased by \$277,000. Ad valorem taxes decreased \$2,000, sales taxes increased \$2,000, franchise taxes increased \$5,000, licenses, permits and fees increased \$367,000, primarily due to amusement machine permits, fines increased \$23,000, intergovernmental revenue decreased \$671,000 and miscellaneous income decreased \$1,000.

**Expenses**

Expenses and other charges decreased approximately \$620,000. The largest decrease was pass-through grant expenditures in the prior year of \$663,000. There also was a decrease in salary of \$20,000 and other decreases of \$23,000.

**Business-type Activities**

**Revenues**

Program revenues decreased by \$418,000 due to increased water sales of \$17,000, an increase in sewer sales of \$62,000, an increase in sanitation sales of \$3,000 and a \$500,000 decrease in donated fixed assets.

**Expenses**

Expenses increased by approximately \$16,000.

**Prior Period Adjustment**

Capital assets were understated by \$481,000 during 2013. Net position previously reported was \$2,709,000. Net position as restated during 2014 is \$3,190,000. Additional information on the prior period adjustment can be found in the notes to the financial statements.

**Budgetary Highlights**

The Town did not revise its budget for the General Fund during the year ended July 31, 2014. Actual revenues in the General Fund were higher than budgeted revenues by approximately \$320,000, primarily due to municipal court and amusement revenues. Actual General Fund expenditures were higher than budgeted amounts by approximately \$24,000, primarily due to capital improvements expenditures.

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2014**

**Capital Assets**

At July 31, 2014 the Town had \$3,812,000 invested in capital assets, including police, fire equipment, park and recreation facilities, buildings, roads, and water and sewer lines. This amount represents a net increase (additions, deletions, and depreciation) of \$47,000 or 1.2% more than last year.

**Town of Woodsboro, Texas**  
**Capital Assets**  
**July 31, 2014**  
**With Comparative Totals for July 31, 2013**  
(in thousands)

|                            | Governmental     |                  | Business-type    |                  | Total            |                  | Amount<br>Change | %<br>Change |  |  |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|--|--|
|                            | Activities       |                  | Activities       |                  | Government       |                  |                  |             |  |  |
|                            | July 31,<br>2014 | July 31,<br>2013 | July 31,<br>2014 | July 31,<br>2013 | July 31,<br>2014 | July 31,<br>2013 |                  |             |  |  |
| Construction in progress   | \$ -             | \$ 14            | \$ -             | \$ -             | \$ -             | \$ 14            | \$ (14)          | 100.0%      |  |  |
| Land                       | 82               | 82               | -                | -                | 82               | 82               | -                | 0.0%        |  |  |
| Buildings and improvements | 81               | 53               | -                | -                | 81               | 53               | 28               | 52.8%       |  |  |
| Machinery and equipment    | 431              | 416              | 5,054            | 4,926            | 5,485            | 5,342            | 143              | 2.7%        |  |  |
| Streets                    | 120              | 68               | -                | -                | 120              | 68               | 52               | 76.5%       |  |  |
| Subtotal                   | 714              | 633              | 5,054            | 4,926            | 5,768            | 5,559            | 209              | 3.8%        |  |  |
| Accumulated depreciation   | (437)            | (408)            | (1,519)          | (1,386)          | (1,956)          | (1,794)          | (162)            | 9.0%        |  |  |
| Capital assets, net        | <u>\$ 277</u>    | <u>\$ 225</u>    | <u>\$ 3,535</u>  | <u>\$ 3,540</u>  | <u>\$ 3,812</u>  | <u>\$ 3,765</u>  | <u>\$ 47</u>     | 1.2%        |  |  |

Additional information on the Town's capital assets can be found in the notes to the financial statements.

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2014**

**Debt Administration**

At year-end, the Town had \$1,062,000 in certificates of obligation and capital leases outstanding versus \$1,105,000 last year. The Town paid \$43,000 in principal reductions.

**Town of Woodsboro, Texas**  
**Debt Outstanding**  
**July 31, 2014**  
**With Comparative Totals for July 31, 2013**  
(in thousands)

|                            | Governmental Activities |               | Business-type Activities |                 | Total Government |                 | Amount Change  | % Change     |
|----------------------------|-------------------------|---------------|--------------------------|-----------------|------------------|-----------------|----------------|--------------|
|                            | July 31, 2014           | July 31, 2013 | July 31, 2014            | July 31, 2013   | July 31, 2014    | July 31, 2013   |                |              |
| Capital leases             | \$ -                    | \$ -          | \$ 18                    | \$ 34           | \$ 18            | \$ 34           | \$ (16)        | -47.1%       |
| Certificates of obligation | \$ -                    | \$ -          | 1,044                    | 1,071           | 1,044            | 1,071           | (27)           | -2.5%        |
| Total bonds and notes      | <u>\$ -</u>             | <u>\$ -</u>   | <u>\$ 1,062</u>          | <u>\$ 1,105</u> | <u>\$ 1,062</u>  | <u>\$ 1,105</u> | <u>\$ (43)</u> | <u>-3.9%</u> |

More detailed information on the Town's long-term liabilities is presented in the notes to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

- Anticipate that the Town's effective tax rate will approximate the 2014 rate of 0.7396/\$100 valuation.
- Anticipate the Town's water and sewer rates will be studied to ensure that rates keep up with expenses and inflation.
- Will continue to replace old steel water lines with plastic lines, using money out of the new line replacement fund.
- Will continue to fund the street maintenance/improvement fund account funded by various sources.
- The budget for the fiscal year ending July 31, 2015 will be as follows:

| FUND                         | REVENUE   | EXPENDITURE/ EXPENSES |
|------------------------------|-----------|-----------------------|
| General Fund                 | \$729,700 | \$729,700             |
| Enterprise Fund - Water      | \$401,247 | \$401,247             |
| Enterprise Fund - Sewer      | \$235,400 | \$235,400             |
| Enterprise Fund - Sanitation | \$183,398 | \$183,398             |

**Financial Contact**

The Town's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about the report or need additional financial information, please contact the City Secretary at 121 N. Wood Avenue, Woodsboro, Texas 78393.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TOWN OF WOODSBORO, TEXAS**  
**STATEMENT OF NET POSITION**  
**July 31, 2014**

|   | <b>Primary Government</b>      |                     |                                 |
|---|--------------------------------|---------------------|---------------------------------|
|   | <b>Governmental Activities</b> |                     | <b>Business-type Activities</b> |
|   |                                |                     | <b>Total</b>                    |
| <b>ASSETS</b>                                   |                                |                     |                                 |
| Cash  | \$ 689,598                     | \$ 379,731          | \$ 1,069,329                    |
| Receivables                                     |                                |                     |                                 |
| Sales tax                                       | 7,933                          |                     | 7,933                           |
| Service accounts                                |                                | 93,994              | 93,994                          |
| Franchise tax                                   | 13,372                         |                     | 13,372                          |
| Ad valorem taxes                                | 60,107                         |                     | 60,107                          |
| Grants  | 263,562                        |                     | 263,562                         |
| Prepaid expenses                                | 15,270                         |                     | 15,270                          |
| Inventory                                       | 678                            | 75,149              | 75,827                          |
| Committed cash                                  |                                | 257,774             | 257,774                         |
| Restricted cash                                 | 35,752                         | 160,513             | 196,265                         |
| Capital assets                                  |                                |                     |                                 |
| Property, plant and equipment                   | 714,375                        | 5,053,671           | 5,768,046                       |
| Less: accumulated depreciation                  | (437,497)                      | (1,518,957)         | (1,956,454)                     |
| Total assets                                    | <u>1,363,150</u>               | <u>4,501,875</u>    | <u>5,865,025</u>                |
| <b>LIABILITIES</b>                              |                                |                     |                                 |
| Accounts payable                                | 275,864                        | 18,817              | 294,681                         |
| Accrued interest                                |                                | 19,289              | 19,289                          |
| Accrued vacation                                | 4,465                          |                     | 4,465                           |
| Customer deposits payable                       |                                | 51,347              | 51,347                          |
| Noncurrent liabilities:                         |                                |                     |                                 |
| Note payable - due within one year              |                                | 17,574              | 17,574                          |
| Bonds payable - due within one year             |                                | 32,000              | 32,000                          |
| Bonds payable - due in more than one year       |                                | 1,012,000           | 1,012,000                       |
| Total liabilities                               | <u>280,329</u>                 | <u>1,151,027</u>    | <u>1,431,356</u>                |
| <b>NET POSITION</b>                             |                                |                     |                                 |
| Invested in capital assets, net of related debt | 276,878                        | 2,473,140           | 2,750,018                       |
| Restricted for:                                 |                                |                     |                                 |
| Law enforcement                                 | 27,621                         |                     | 27,621                          |
| Bond payments                                   |                                | 160,513             | 160,513                         |
| Unrestricted                                    | 778,322                        | 717,195             | 1,495,517                       |
| Total net position                              | <u>\$ 1,082,821</u>            | <u>\$ 3,350,848</u> | <u>\$ 4,433,669</u>             |

The notes to the financial statements are an integral part of this statement.

**TOWN OF WOODSBORO, TEXAS**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended July 31, 2014

| Functions/Programs<br>Primary Government    | Program Revenues    |                            |  | Net (Expense) Revenue and<br>Changes in Net Position |                     |                     |
|---|---------------------|----------------------------|--|--|---------------------|---------------------|
|   | Expenses            | Charges for<br>Services    | Capital<br>Grants and<br>Contributions | Primary Government                                   |                     | Total               |
|   |                     | Governmental<br>Activities | Business-type<br>Activities            |  |                     |                     |
| <b>Governmental activities:</b>             |                     |                            |  |  |                     |                     |
| General government                          | \$ 374,254          | \$ 518,677                 | \$ 5,278                               | \$ 149,701   | \$ -                | \$ 149,701          |
| Public safety/ municipal court              | 59,968              | 62,865                     |  | 2,897  |                     | 2,897               |
| Streets                                     | 71,246              |                            |  | (71,246)   |                     | (71,246)            |
| Animal control                              | 16,859              |                            |  | (16,859)   |                     | (16,859)            |
| Recreation                                  | 11,367              |                            |  | (11,367)   |                     | (11,367)            |
| <b>Total governmental activities</b>        | <b>533,694</b>      | <b>581,542</b>             | <b>5,278</b>                           | <b>53,126</b>  | <b>-</b>            | <b>53,126</b>       |
| <b>Business-type activities:</b>            |                     |                            |  |  |                     |                     |
| Water and sewer                             | 608,142             | 635,036                    | -                                      |  | 26,894              | 26,894              |
| Sanitation                                  | 145,458             | 159,696                    | -                                      |  | 14,238              | 14,238              |
| <b>Total business-type activities</b>       | <b>753,600</b>      | <b>794,732</b>             | <b>-</b>                               | <b>-</b>   | <b>41,132</b>       | <b>41,132</b>       |
| <b>Total primary government</b>             | <b>\$ 1,287,294</b> | <b>\$ 1,376,274</b>        | <b>\$ 5,278</b>                        | <b>53,126</b>  | <b>41,132</b>       | <b>94,258</b>       |
| General revenues:                           |                     |                            |  |  |                     |                     |
| Taxes:                                      |                     |                            |  |  |                     |                     |
| Property taxes, levied for general purposes |                     |                            |  | 247,414  |                     | 247,414             |
| Franchise taxes                             |                     |                            |  | 65,980   |                     | 65,980              |
| Sales taxes                                 |                     |                            |  | 86,489   |                     | 86,489              |
| Transfers                                   |                     |                            |  | (117,708)  |                     | -                   |
| Interest income                             |                     |                            |  | 1,391  | 1,277               | 2,668               |
| Total general revenues and transfers        |                     |                            |  | <b>283,566</b>                                       | <b>118,985</b>      | <b>402,551</b>      |
| Change in net position                      |                     |                            |  | <b>336,692</b>                                       | <b>160,117</b>      | <b>496,809</b>      |
| Net position - beginning, as restated       |                     |                            |  | <b>746,129</b>                                       | <b>3,190,731</b>    | <b>3,936,860</b>    |
| Net position - ending                       |                     |                            |  | <b>\$ 1,082,821</b>                                  | <b>\$ 3,350,848</b> | <b>\$ 4,433,669</b> |

The notes to the financial statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

**TOWN OF WOODSBORO, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**July 31, 2014**

|   | <b>General<br/>Fund</b>    | <b>Police<br/>Department<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|----------------------------|---------------------------------------|---|
| <b>ASSETS</b>   |                            |                                       |   |
| Cash - unrestricted   | \$ 689,598                 | \$ -                                  | \$ 689,598                              |
| Receivables:  |                            |                                       |   |
| Sales tax   | 7,933                      |                                       | 7,933                                   |
| Franchise tax   | 13,372                     |                                       | 13,372                                  |
| Ad valorem taxes  | 60,107                     |                                       | 60,107                                  |
| Grants  | 263,562                    |                                       | 263,562                                 |
| Restricted cash   | 8,131                      | 27,621                                | 35,752                                  |
| Prepaid expenses  | 15,270                     |                                       | 15,270                                  |
| Inventory   | 678                        |                                       | 678                                     |
| <b>Total assets</b>   | <b><u>\$ 1,058,651</u></b> | <b><u>\$ 27,621</u></b>               | <b><u>\$ 1,086,272</u></b>              |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>      |                            |                                       |   |
| Liabilities:  |                            |                                       |   |
| Accounts payable  | \$ 275,864                 | \$ -                                  | \$ 275,864                              |
| Accrued vacation  | 4,465                      |                                       | 4,465                                   |
| <b>Total liabilities</b>  | <b><u>280,329</u></b>      | <b><u>-</u></b>                       | <b><u>280,329</u></b>                   |
| Deferred inflows of resources:  |                            |                                       |   |
| Unavailable revenue - property taxes                                      | 56,946                     | -                                     | 56,946                                  |
| Unavailable revenue - amusement fees                                      | 159,208                    |                                       | 159,208                                 |
| <b>Total unavailable revenue</b>  | <b><u>216,154</u></b>      | <b><u>-</u></b>                       | <b><u>216,154</u></b>                   |
| Fund balances:  |                            |                                       |   |
| Non-spendable   | 15,948                     |                                       | 15,948                                  |
| Restricted  | 8,131                      | 27,621                                | 35,752                                  |
| Committed   | 465,799                    |                                       | 465,799                                 |
| Unassigned  | 72,290                     |                                       | 72,290                                  |
| <b>Total fund balances</b>  | <b><u>562,168</u></b>      | <b><u>27,621</u></b>                  | <b><u>589,789</u></b>                   |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b><u>\$ 1,058,651</u></b> | <b><u>\$ 27,621</u></b>               | <b><u>\$ 1,086,272</u></b>              |

The notes to the financial statements are an integral part of this statement.

**TOWN OF WOODSBORO, TEXAS**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**July 31, 2014**

|  |            |
|--|------------|
| Total governmental fund balances (page 12) | \$ 589,789 |
|--|------------|

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

|  |         |
|--|---------|
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 276,878 |
|--|---------|

|   |                |
|---|----------------|
| Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. | <u>216,154</u> |
|---|----------------|

|   |                            |
|---|----------------------------|
| Net position of governmental activities | <u><u>\$ 1,082,821</u></u> |
|---|----------------------------|

**TOWN OF WOODSBORO, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended July 31, 2014**

|  | <b>General<br/>Fund</b> | <b>Police<br/>Department<br/>Fund</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|---------------------------------------|---|
| <b>REVENUES</b>  |                         |                                       |   |
| Taxes:   |                         |                                       |   |
| Ad valorem taxes, penalty and interest                       | \$ 248,676              | \$ -                                  | \$ 248,676                              |
| City sales tax   | 86,489                  |                                       | 86,489                                  |
| Franchise taxes  | 65,980                  |                                       | 65,980                                  |
| Licenses, permits and fees                                   | 382,108                 |                                       | 382,108                                 |
| Fines  | 62,865                  |                                       | 62,865                                  |
| Interest income  | 1,357                   | 34                                    | 1,391                                   |
| Intergovernmental - grant revenue                            | 5,278                   |                                       | 5,278                                   |
| Miscellaneous  | 25,278                  |                                       | 25,278                                  |
| Total revenues   | 878,031                 | 34                                    | 878,065                                 |
| <b>EXPENDITURES</b>  |                         |                                       |   |
| Current:   |                         |                                       |   |
| General government   | 369,809                 |                                       | 369,809                                 |
| Public safety  | 34,298                  | 1,500                                 | 35,798                                  |
| Streets  | 58,578                  |                                       | 58,578                                  |
| Animal control   | 16,859                  |                                       | 16,859                                  |
| Municipal court  | 13,795                  |                                       | 13,795                                  |
| Parks  | 9,779                   |                                       | 9,779                                   |
| Capital outlay   | 79,088                  | 1,450                                 | 80,538                                  |
| Total expenditures   | 582,206                 | 2,950                                 | 585,156                                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | 295,825                 | (2,916)                               | 292,909                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                                       |   |
| Transfers in   | 7,747                   | -                                     | 7,747                                   |
| Transfers out  | (125,455)               | -                                     | (125,455)                               |
| Total other financing sources (uses)                         | (117,708)               | -                                     | (117,708)                               |
| Net change in fund balances                                  | 178,117                 | (2,916)                               | 175,201                                 |
| Fund balances - beginning                                    | 384,051                 | 30,537                                | 414,588                                 |
| Fund balances - ending                                       | \$ 562,168              | \$ 27,621                             | \$ 589,789                              |

The notes to the financial statements are an integral part of this statement.

**TOWN OF WOODSBORO, TEXAS**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended July 31, 2014**

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

|  |                   |
|--|-------------------|
| Net change in fund balances - total governmental funds (page 14)   | \$ 175,201        |
| Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. | 80,538            |
| Depreciation expense on capital assets reported in the government-wide statement of activities and changes in net assets, does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.  | (29,076)          |
| Some property taxes will not be collected for several months after the Town's fiscal year end, and are not considered "available" revenues in the governmental funds.  | (1,262)           |
| Some amusement fees will not be recognized until after the Town's fiscal year end, and are not considered "available" revenues in the governmental funds.  | 111,291           |
| Change in net assets of governmental activities  | <u>\$ 336,692</u> |

The notes to the financial statements are an integral part of this statement.

**TOWN OF WOODSBORO, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**July 31, 2014**

|   | <b>Business-type Activities - Enterprise Fund</b> |                                      |
|---|---|--------------------------------------|
|   | <b>Water,<br/>Sewer and<br/>Sanitation Fund</b>   | <b>Total<br/>Enterprise<br/>Fund</b> |
| <b>ASSETS</b>                                   |   |                                      |
| Current assets                                  |   |                                      |
| Cash  | \$ 379,731  | \$ 379,731                           |
| Accounts receivable - customers                 | 93,994  | 93,994                               |
| Inventory                                       | 75,149  | 75,149                               |
| Total current assets                            | <u>548,874</u>                                    | <u>548,874</u>                       |
| Noncurrent assets                               |   |                                      |
| Committed cash                                  | 257,774   | 257,774                              |
| Restricted cash                                 | 160,513   | 160,513                              |
| Capital assets                                  |   |                                      |
| Property, plant and equipment                   | 5,053,671   | 5,053,671                            |
| Less: accumulated depreciation                  | (1,518,957)                                       | (1,518,957)                          |
| Total noncurrent assets                         | <u>3,953,001</u>                                  | <u>3,953,001</u>                     |
| Total assets                                    | <u>4,501,875</u>                                  | <u>4,501,875</u>                     |
| <b>LIABILITIES</b>                              |   |                                      |
| Current liabilities                             |   |                                      |
| Accounts payable                                | 18,817  | 18,817                               |
| Accrued interest                                | 19,289  | 19,289                               |
| Customer deposits payable                       | 51,347  | 51,347                               |
| Note payable - current portion                  | 17,574  | 17,574                               |
| Bonds payable - current portion                 | 32,000  | 32,000                               |
| Total current liabilities                       | <u>139,027</u>                                    | <u>139,027</u>                       |
| Noncurrent liabilities                          |   |                                      |
| Bonds payable                                   | <u>1,012,000</u>                                  | <u>1,012,000</u>                     |
| Total noncurrent liabilities                    | <u>1,012,000</u>                                  | <u>1,012,000</u>                     |
| Total liabilities                               | <u>1,151,027</u>                                  | <u>1,151,027</u>                     |
| <b>NET POSITION</b>                             |   |                                      |
| Invested in capital assets, net of related debt | 2,473,140   | 2,473,140                            |
| Restricted for bond payments                    | 160,513   | 160,513                              |
| Unrestricted                                    | 717,195   | 717,195                              |
| Total net position                              | <u>\$ 3,350,848</u>                               | <u>\$ 3,350,848</u>                  |

The notes to the financial statements are an integral part of this statement.

**TOWN OF WOODSBORO, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**PROPRIETARY FUND**  
**For the Year Ended July 31, 2014**

|  | <b>Business-type Activities - Enterprise Fund</b> |                                      |
|--|---|--------------------------------------|
|  | <b>Water,<br/>Sewer, and<br/>Sanitation Fund</b>  | <b>Total<br/>Enterprise<br/>Fund</b> |
| <b>OPERATING REVENUES</b>                |   |                                      |
| Charges for services:                    |   |                                      |
| Water sales                              | \$ 331,138  | \$ 331,138                           |
| Sewer                                    | 273,144   | 273,144                              |
| Sanitation                               | 159,696   | 159,696                              |
| Late charges                             | 14,171  | 14,171                               |
| Reconnect fees                           | 3,830   | 3,830                                |
| Transfer and other fees                  | 7,958   | 7,958                                |
| Miscellaneous                            | 4,795   | 4,795                                |
| Total operating revenues                 | <u>794,732</u>                                    | <u>794,732</u>                       |
| <b>OPERATING EXPENSES</b>                |   |                                      |
| Salaries                                 | 131,189   | 131,189                              |
| Sanitation charges                       | 145,458   | 145,458                              |
| Repairs and maintenance                  | 18,040  | 18,040                               |
| Materials, asphalt and caliche           | 64,226  | 64,226                               |
| Truck expenses                           | 14,415  | 14,415                               |
| Sewer plant                              | 20,985  | 20,985                               |
| Postage, office supplies and fees        | 44,788  | 44,788                               |
| Professional fees                        | 26,295  | 26,295                               |
| Fire protection                          | 12,500  | 12,500                               |
| Insurance                                | 28,318  | 28,318                               |
| Utilities and telephone                  | 49,181  | 49,181                               |
| Uniforms                                 | 4,082   | 4,082                                |
| Payroll taxes                            | 9,964   | 9,964                                |
| Depreciation                             | 136,352   | 136,352                              |
| Retirement                               | 1,569   | 1,569                                |
| Total operating expenses                 | <u>707,362</u>                                    | <u>707,362</u>                       |
| Operating income                         | <u>87,370</u>                                     | <u>87,370</u>                        |
| <b>NON OPERATING REVENUES (EXPENSES)</b> |   |                                      |
| Interest income                          | 1,277   | 1,277                                |
| Interest expense                         | (46,238)  | (46,238)                             |
| Total non operating revenues (expenses)  | <u>(44,961)</u>                                   | <u>(44,961)</u>                      |
| Income before transfers                  | 42,409  | 42,409                               |
| Transfers in                             | 125,455   | 125,455                              |
| Transfers out                            | (7,747)   | (7,747)                              |
| Change in net position                   | 160,117   | 160,117                              |
| Net position, beginning, as restated     | <u>3,190,731</u>                                  | <u>3,190,731</u>                     |
| Net position, ending                     | <u>\$ 3,350,848</u>                               | <u>\$ 3,350,848</u>                  |

The notes to the financial statements are an integral part of this statement.

**TOWN OF WOODSBORO, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**For the Year Ended July 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|  |                  |
|--|------------------|
| Cash received from customers                     | \$ 800,397       |
| Cash paid to suppliers for goods and services    | (371,984)        |
| Cash paid to employees for services              | <u>(133,666)</u> |
| Net cash provided (used) by operating activities | <u>294,747</u>   |

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

|   |                |
|---|----------------|
| Transfer from other funds                                   | 125,455        |
| Transfer to other funds                                     | <u>(7,747)</u> |
| Net cash provided (used) by noncapital financing activities | <u>117,708</u> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|   |                  |
|---|------------------|
| Purchase of fixed assets  | (131,209)        |
| Principal payments on note payable  | (16,102)         |
| Principal payments on USDA Series 2000, 2000A and 2008 certificates of obligation | (27,000)         |
| Interest paid   | <u>(46,238)</u>  |
| Net cash provided (used) by capital and related financing activities              | <u>(220,549)</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|  |              |
|--|--------------|
| Interest income                                  | <u>1,277</u> |
| Net cash provided (used) by investing activities | <u>1,277</u> |

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

|   |                          |
|---|--------------------------|
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b> | <u>193,183</u>           |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>       | <u><b>\$ 798,018</b></u> |

The notes to the financial statements are an integral part of this statement.

**TOWN OF WOODSBORO, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND (CONTINUED)  
For the Year Ended July 31, 2014**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED  
(USED) BY OPERATING ACTIVITIES**

|  |                   |
|--|-------------------|
| Operating income   | \$ 87,370         |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: |                   |
| Depreciation   | 136,352           |
| (Increase) decrease in accounts receivable   | 3,520             |
| Increase (decrease) in allowance account   | 2,145             |
| (Increase) decrease in prepaid fire protection   | 12,500            |
| (Increase) decrease in inventory   | 59,344            |
| Increase (decrease) in accounts payable  | (6,816)           |
| Increase (decrease) in accrued interest payable  | (597)             |
| Increase (decrease) in accrued vacation payable  | (908)             |
| Increase (decrease) in accrued liabilities   | 10                |
| Increase (decrease) in meter deposits payable  | <u>1,827</u>      |
| Total adjustments  | <u>207,377</u>    |
| Net cash provided (used) by operating activities   | <u>\$ 294,747</u> |

**RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS**

|                                      |                   |
|--------------------------------------|-------------------|
| Cash and cash equivalents            | \$ 379,731        |
| Committed cash and cash equivalents  | 257,774           |
| Restricted cash and cash equivalents | <u>160,513</u>    |
| Total cash and cash equivalents      | <u>\$ 798,018</u> |

The notes to the financial statements are an integral part of this statement.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Woodsboro, Texas (Town) was incorporated in 1928 and provides the following services: general government, public safety/municipal court, streets, animal control, recreation, and water, sewer and sanitation services.

**Basis of Accounting/Measurement Focus**

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflow of resources, fund balance/net position, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and reporting policies of the Town relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standards Board (when applicable). As allowed in GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Town has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the Town are described below.

**A. Government-Wide Financial Statements**

The Town Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the Town accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the Town are reported in two categories: 1) charges for services, 2) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Governmental Fund Financial Statements**

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the Government-Wide financial statements. The Town has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Town, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The following are the Town's Governmental Fund types:

**General Fund**

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

**Special Revenue Fund**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

**C. Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary funds are accounted for using the “economic resources measurement focus and the accrual basis of accounting.” Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The Town reports the following major proprietary fund.

**Water, Sewer and Sanitation**

The Water, Sewer, and Sanitation Fund accounts for the activities necessary to provide water, wastewater and sanitation services to the residents of the Town. These activities include administration, water and wastewater system operations and maintenance, collection of waste, new construction, financing and related debt service.

**D. Budget**

The Town Council follows these procedures in establishing the Town budget:

1. Thirty to sixty days prior to the beginning of each fiscal year, the department supervisors submit to the Town Council a proposed budget for the fiscal year beginning on the following fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at which comments concerning the budget are heard.
3. The budget is legally enacted by the Town Council prior to the beginning of the fiscal year.
4. The City Secretary is authorized to transfer budgeted amounts between the departments within any fund, however any revisions that alter the total expenditures of any fund must be approved by the Town Council. The budget was not amended during this fiscal year.

**E. Inventory**

The General and Enterprise Funds inventory are valued at actual cost. Material and supplies, which constitute the bulk of the inventory, are charged to expense when used. Inventory on hand at the balance sheet date is appropriately adjusted and recorded as a current asset in the General and Enterprise Funds.

**TOWN OF WOODSBORO, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended July 31, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Vacation and Sick Leave**

Vacation is accumulated after the first year of employment and can be used thereafter. Employees shall receive one week of vacation time after one year of employment; two weeks of vacation time two to fourteen years of employment and three weeks of vacation time fifteen years and over. Earned vacation time must be used by December 15 of each year; however, the Town will reimburse employees for a maximum of five unused vacation days accrued during the current year. The Town allows employees twelve sick days each calendar year. Up to thirty-six days of sick leave can be accumulated. Employees can sell back up to five days of sick leave each year. Sick leave is paid only upon illness while in the employment of the Town. Employees leaving the services of the Town shall not be paid for accumulated sick leave.

**G. Restricted Resources**

The Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**H. Classification of Fund Balances and Net Assets**

In accordance with *Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions*, the Town classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Town Council.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Net position had been restricted for USDA and TWDB bond payments.

**I. Property Tax**

Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 and attach as an enforceable lien on the property as of July 1 of the following year. The Refugio County Tax Assessor Collector bills and collects taxes for the Town. Property taxes not collected within 60 days are deemed not to be material to the financial statements, so no allowance for doubtful accounts has been established.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Property Tax (Continued)**

The Town reports deferred inflow of resources on its General Fund balance sheet. Deferred inflow of resources arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflow of resources also arises when the Town receives resources before it has legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for deferred inflow of resources is removed from the combined balance sheet and revenue is recognized.

During the year ended July 31, 2014, the Town levied an ad valorem tax for maintenance and operations at a rate of .7352 per \$100 of assessed value. A total tax levy of \$246,307 resulted, based on a net taxable valuation of \$33,502,000 for the 2013 tax year.

**J. Capital Assets**

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

|                        |               |
|------------------------|---------------|
| Buildings              | 10 – 40 years |
| Equipment              | 5 – 10 years  |
| Other improvements     | 7 – 15 years  |
| Streets                | 10 years      |
| Software               | 3 – 5 years   |
| Vehicles               | 5 – 20 years  |
| Water and sewer assets | 5 – 50 years  |

**K. Excess of Expenditures over Revenues in Governmental Funds**

An excess of \$2,916 of expenditures over revenues occurred in the Police Department Fund in the year ended July 31, 2014.

**L. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and in banks. The Town also considers all highly liquid investments with maturity of twelve months or less when purchased to be cash equivalents. Carrying values of cash and cash equivalents approximate fair value due to the short-term nature of the instruments.

**M. Restricted Assets**

Certain resources of the Town have been set aside in the Enterprise Fund and General Fund for bond requirements, infrastructure and equipment repair or replacement, and law enforcement. These resources are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants or other restrictions.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

**N. Risk Management**

The Town is exposed to various risks of loss due to torts, theft of, damage to and destruction of assets, errors and omissions, the health of and injuries to employees and natural disasters. The Town uses commercial insurance to manage these risks. Claims have not exceeded its insurance coverage.

**O. Deferred Inflows of Resources**

In addition to liabilities, the balance sheet 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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and amusement fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**NOTE 2: CASH**

The Town maintains cash that is available for use by all funds, except as restricted. Each fund types' portion of these monies is displayed on the fund balance sheets with the description of "cash" under each fund's caption.

**Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of July 31, 2014, the Town's bank balance was \$1,558,028 and \$48,351 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. \$1,509,677 of the bank balance was covered by federal depository insurance and collateral with a fair market value of \$1,009,677, held in safekeeping at Independent Bankers Bank for First National Bank of Woodsboro in the Town's name at year-end.

The Town, by State law, can invest its fund in the following:

1. Obligations of the United States or its agencies and instrumentality's;
2. Direct obligations of the State of Texas or its agencies;
3. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States;
4. Obligations of states, agencies, counties, cities, and other political subdivision of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.
5. Certificates of deposit issued by the state and national banks domiciled in this state that are:
  - a. guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or
  - b. secured by obligations of paragraphs 1 – 4 above and that have a market value of not less than the principal amount of certificates.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 3: CHANGES IN CAPITAL ASSETS**

|   | Primary Government   |                   |                  |                     |
|---|----------------------|-------------------|------------------|---------------------|
|   | Beginning<br>Balance | Increases         | Decreases        | Ending<br>Balance   |
| <b>Governmental activities:</b>               |                      |                   |                  |                     |
| Capital assets not being depreciated          |                      |                   |                  |                     |
| Land  | \$ 82,341            | \$ -              | \$ -             | \$ 82,341           |
| Construction in progress                      | 14,378               | -                 | 14,378           | -                   |
| Total capital assets not being depreciated    | <u>96,719</u>        | <u>-</u>          | <u>14,378</u>    | <u>82,341</u>       |
| Other capital assets                          |                      |                   |                  |                     |
| Buildings and improvements                    | 52,597               | 28,219            |                  | 80,816              |
| Machinery and equipment                       | 416,275              | 14,829            |                  | 431,104             |
| Streets                                       | 68,246               | 51,868            |                  | 120,114             |
| Total other capital assets at historical cost | <u>537,118</u>       | <u>94,916</u>     | <u>-</u>         | <u>632,034</u>      |
| Less accumulated depreciation for:            |                      |                   |                  |                     |
| Buildings and improvements                    | (37,598)             | (2,663)           |                  | (40,261)            |
| Machinery and equipment                       | (342,586)            | (21,207)          |                  | (363,793)           |
| Streets                                       | (28,237)             | (5,206)           |                  | (33,443)            |
| Total accumulated depreciation                | <u>(408,421)</u>     | <u>(29,076)</u>   | <u>-</u>         | <u>(437,497)</u>    |
| Other capital assets, net                     | 128,697              | 65,840            | -                | 194,537             |
| Governmental activities capital assets, net   | <u>\$ 225,416</u>    | <u>\$ 65,840</u>  | <u>\$ 14,378</u> | <u>\$ 276,878</u>   |
| <br><b>Business-type activities:</b>          |                      |                   |                  |                     |
| Capital assets not being depreciated          |                      |                   |                  |                     |
| Land  | \$ -                 | \$ -              | \$ -             | \$ -                |
| Construction in progress                      | -                    | -                 | -                | -                   |
| Total capital assets not being depreciated    | <u>-</u>             | <u>-</u>          | <u>-</u>         | <u>-</u>            |
| Other capital assets                          |                      |                   |                  |                     |
| Buildings and improvements                    |                      |                   |                  | -                   |
| Machinery and equipment                       | 4,925,961            | 131,209           | (3,499)          | 5,053,671           |
| Total other capital assets at historical cost | <u>4,925,961</u>     | <u>131,209</u>    | <u>(3,499)</u>   | <u>5,053,671</u>    |
| Less accumulated depreciation for:            |                      |                   |                  |                     |
| Buildings and improvements                    | -                    |                   |                  | -                   |
| Machinery and equipment                       | (1,386,104)          | (136,352)         | 3,499            | (1,518,957)         |
| Total accumulated depreciation                | <u>(1,386,104)</u>   | <u>(136,352)</u>  | <u>3,499</u>     | <u>(1,518,957)</u>  |
| Other capital assets, net                     | 3,539,857            | (5,143)           | -                | 3,534,714           |
| Business-type activities capital assets, net  | <u>\$ 3,539,857</u>  | <u>\$ (5,143)</u> | <u>\$ -</u>      | <u>\$ 3,534,714</u> |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 3: CHANGES IN CAPITAL ASSETS (Concluded)**

Depreciation expense was charged to functions as follows:

|   | <u>Amount</u>     |
|---|-------------------|
| Governmental activities                             |                   |
| General government                                  | \$ 4,445          |
| Public safety                                       | 10,375            |
| Streets   | 12,668            |
| Parks   | 1,588             |
| Total governmental activities depreciation expense  | <u>\$ 29,076</u>  |
| Business-type activities                            |                   |
| Water and sewer                                     | <u>\$ 136,352</u> |
| Total business-type activities depreciation expense | <u>\$ 136,352</u> |

**NOTE 4: LONG-TERM DEBT**

**A. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended July 31, 2014 was as follows:

|                                | Beginning<br>Balance | Additions   | Reductions         | Ending<br>Balance   | Due Within<br>One Year |
|--------------------------------|----------------------|-------------|--------------------|---------------------|------------------------|
| Business-type activities       |                      |             |                    |                     |                        |
| Capital lease - equipment      | \$ 33,676            | \$ -        | \$ (16,102)        | \$ 17,574           | \$ 17,574              |
| Certificates of obligation:    |                      |             |                    |                     |                        |
| Series 2000                    | 480,000              |             | (10,000)           | 470,000             | 10,000                 |
| Series 2000A                   | 116,000              |             | (2,000)            | 114,000             | 2,000                  |
| Series 2008                    | 475,000              |             | (15,000)           | 460,000             | 20,000                 |
| Total business-type activities | <u>1,104,676</u>     | <u>-</u>    | <u>(43,102)</u>    | <u>1,061,574</u>    | <u>49,574</u>          |
| Total long-term liabilities    | <u>\$ 1,104,676</u>  | <u>\$ -</u> | <u>\$ (43,102)</u> | <u>\$ 1,061,574</u> | <u>\$ 49,574</u>       |

The interest paid for business-type activities was \$3,081 for the capital lease and \$43,157 for bonds for the year ended July 31, 2014 and is charged to interest expense in the water, sewer and sanitation funds.

**B. Capital Lease Obligations – Business-type Activities**

**Purchase of Equipment**

On February 20, 2012, the Town of Woodsboro entered into a three-year lease agreement with Government Vehicle Leasing Company to finance the acquisition of equipment. The asset and liability under the capital lease have been recorded at the fair value of the asset, which is equal to the present value of the minimum lease payments at the inception of the lease. The total cost of the asset and the amount financed was \$67,610 with a fixed interest rate of 9.15%. The final lease payment is due on March 28, 2015.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 4: LONG-TERM DEBT (Continued)**

**B. Capital Lease Obligations – Business-type Activities (Concluded)**

Annual requirements to retire the capital lease – equipment through Government Vehicle Leasing Company are as follows:

| Year Ended<br>July 31, | Principal               | Interest               | Total<br>Requirements   |
|------------------------|-------------------------|------------------------|-------------------------|
| 2015                   | <u>\$ 17,574</u>        | <u>\$ 1,608</u>        | <u>\$ 19,182</u>        |
|                        | <u><u>\$ 17,574</u></u> | <u><u>\$ 1,608</u></u> | <u><u>\$ 19,182</u></u> |

**C. Certificates of Obligation – Business-type Activities**

During the fiscal year ended June 30, 2001, the Town of Woodsboro, Texas authorized the issuance of \$573,000, Series 2000, and \$137,000, Series 2000A, Combination Tax and Combined Waterworks and Sanitary Sewer System Revenue Certificates of Obligation and \$213,000 in grant proceeds for funding of water and wastewater improvements through an agreement with USDA Rural Development. This agreement resulted in \$923,000 in total loan and grant proceeds being committed for these improvements. As of June 30, 2002, all Certificates of Obligation for Series 2000 and Series 2000A were issued. Interest on the Certificates of Obligation is payable March 1 and September 1. Principal payments are due annually on March 1 and continue until March 1, 2040. The interest rate is fixed at 4.50% per annum.

The bond ordinance contains provisions which require that the Town maintain an operating or revenue fund, an interest and sinking fund, a reserve fund, and a repair and replacement fund. The operating fund is to be used for collection of revenues and for payment of day to day expenses for operation and maintenance of the system. The interest and sinking fund is to be used for payment of principal and interest on the bonds. The reserve fund is to be used for payment of principal and interest on the bonds when there are not sufficient funds in the interest and sinking fund. The repair and replacement fund is to be used to pay the cost of any repairs or extensions to the system when no other funds are available. Also, the repair and replacement fund is to be used for payment of principal and interest on the bonds when there are not sufficient funds in the interest and sinking fund or the reserve fund.

During the year ended July 31, 2008, the Town of Woodsboro, Texas authorized the issuance of \$525,000, Texas Water Development Board Series 2008, Combination Tax and Combined Waterworks and Sanitary Sewer System Revenue Certificates of Obligation for the Drinking Water State Revolving Fund Project #61273. The purpose of the loan is to fund the Town's matching part of a grant for funding of a ground storage water tank through an agreement with Texas Water Development Board to bring the water system into compliance with State and Federal regulations. The total \$520,000 Certificates were issued prior to the July 31, 2013 fiscal year. Interest on the Certificates of Obligation is payable March 1 and September 1. Principal payments are due annually on March 1 and continue until March 1, 2028. The interest rate is variable with an average rate of 3.658% per annum.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 4: LONG-TERM DEBT (Continued)**

**C. Certificates of Obligation – Business-type Activities (Continued)**

As of July 31, 2014, the interest and sinking fund, reserve fund, and repair and replacement fund had all been properly established by the Town. The Town is not in compliance with all covenants of the bond ordinance at July 31, 2014. The annual budget for repayment of Certificates of Obligation and pledged revenue requirements for the TWDB Series 2008 were not in compliance at July 31, 2014.

Annual requirements to retire the USDA 2000 Series Certificates of Obligation are as follows:

| <u>Year Ended<br/>July 31,</u> | <u>Principal</u>         | <u>Interest</u>          | <u>Total<br/>Requirements</u> |
|--------------------------------|--------------------------|--------------------------|-------------------------------|
| 2015                           | \$ 10,000                | \$ 21,150                | \$ 31,150                     |
| 2016                           | 10,000                   | 20,700                   | 30,700                        |
| 2017                           | 11,000                   | 20,250                   | 31,250                        |
| 2018                           | 11,000                   | 19,755                   | 30,755                        |
| 2019                           | 12,000                   | 19,260                   | 31,260                        |
| 2020                           | 12,000                   | 18,720                   | 30,720                        |
| 2021                           | 13,000                   | 18,180                   | 31,180                        |
| 2022                           | 13,000                   | 17,595                   | 30,595                        |
| 2023                           | 14,000                   | 17,010                   | 31,010                        |
| 2024                           | 15,000                   | 16,380                   | 31,380                        |
| 2025                           | 15,000                   | 15,705                   | 30,705                        |
| 2026                           | 16,000                   | 15,030                   | 31,030                        |
| 2027                           | 17,000                   | 14,310                   | 31,310                        |
| 2028                           | 18,000                   | 13,545                   | 31,545                        |
| 2029                           | 18,000                   | 12,735                   | 30,735                        |
| 2030                           | 19,000                   | 11,925                   | 30,925                        |
| 2031                           | 20,000                   | 11,070                   | 31,070                        |
| 2032                           | 21,000                   | 10,170                   | 31,170                        |
| 2033                           | 22,000                   | 9,225                    | 31,225                        |
| 2034                           | 23,000                   | 8,235                    | 31,235                        |
| 2035                           | 24,000                   | 7,200                    | 31,200                        |
| 2036                           | 25,000                   | 6,120                    | 31,120                        |
| 2037                           | 26,000                   | 4,995                    | 30,995                        |
| 2038                           | 27,000                   | 3,825                    | 30,825                        |
| 2039                           | 28,000                   | 2,610                    | 30,610                        |
| 2040                           | 30,000                   | 1,350                    | 31,350                        |
|                                | <u><u>\$ 470,000</u></u> | <u><u>\$ 337,050</u></u> | <u><u>\$ 807,050</u></u>      |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 4: LONG-TERM DEBT (Continued)**

**C. Certificates of Obligation – Business-type Activities (Continued)**

Annual requirements to retire the USDA 2000A Series Certificates of Obligation are as follows:

| <u>July 31,</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Requirements</u> |
|-----------------|-------------------|------------------|---------------------|
| 2015            | \$ 2,000          | \$ 5,130         | \$ 7,130            |
| 2016            | 2,000             | 5,040            | 7,040               |
| 2017            | 3,000             | 4,950            | 7,950               |
| 2018            | 3,000             | 4,815            | 7,815               |
| 2019            | 3,000             | 4,680            | 7,680               |
| 2020            | 3,000             | 4,545            | 7,545               |
| 2021            | 3,000             | 4,410            | 7,410               |
| 2022            | 3,000             | 4,275            | 7,275               |
| 2023            | 3,000             | 4,140            | 7,140               |
| 2024            | 4,000             | 4,005            | 8,005               |
| 2025            | 4,000             | 3,825            | 7,825               |
| 2026            | 4,000             | 3,645            | 7,645               |
| 2027            | 4,000             | 3,465            | 7,465               |
| 2028            | 4,000             | 3,285            | 7,285               |
| 2029            | 4,000             | 3,105            | 7,105               |
| 2030            | 5,000             | 2,925            | 7,925               |
| 2031            | 5,000             | 2,700            | 7,700               |
| 2032            | 5,000             | 2,475            | 7,475               |
| 2033            | 5,000             | 2,250            | 7,250               |
| 2034            | 6,000             | 2,025            | 8,025               |
| 2035            | 6,000             | 1,755            | 7,755               |
| 2036            | 6,000             | 1,485            | 7,485               |
| 2037            | 6,000             | 1,215            | 7,215               |
| 2038            | 7,000             | 945              | 7,945               |
| 2039            | 7,000             | 630              | 7,630               |
| 2040            | 7,000             | 315              | 7,315               |
|                 | <u>\$ 114,000</u> | <u>\$ 82,035</u> | <u>\$ 196,035</u>   |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 4: LONG-TERM DEBT (Concluded)**

**C. Certificates of Obligation – Business-type Activities (Concluded)**

Annual requirements to retire the TWDB 2008 Series Certificates of Obligation are as follows:

| <u>Year Ended<br/>July 31,</u> | <u>Principal</u>  | <u>Interest</u>   | <u>Total<br/>Requirements</u> |
|--------------------------------|-------------------|-------------------|-------------------------------|
| 2015                           | \$ 20,000         | \$ 16,545         | \$ 36,545                     |
| 2016                           | 25,000            | 15,995            | 40,995                        |
| 2017                           | 30,000            | 15,270            | 45,270                        |
| 2018                           | 30,000            | 14,355            | 44,355                        |
| 2019                           | 30,000            | 13,410            | 43,410                        |
| 2020                           | 30,000            | 12,405            | 42,405                        |
| 2021                           | 35,000            | 11,355            | 46,355                        |
| 2022                           | 35,000            | 10,095            | 45,095                        |
| 2023                           | 35,000            | 8,800             | 43,800                        |
| 2024                           | 35,000            | 7,487             | 42,487                        |
| 2025                           | 40,000            | 6,140             | 46,140                        |
| 2026                           | 40,000            | 4,580             | 44,580                        |
| 2027                           | 40,000            | 3,000             | 43,000                        |
| 2028                           | 35,000            | 1,400             | 36,400                        |
|                                | <u>\$ 460,000</u> | <u>\$ 140,837</u> | <u>\$ 600,837</u>             |

**D. Five Year Schedules**

Annual debt service requirements to maturity for all long-term debt is as follows:

**Business-Type Activities**

| <u>Year Ended<br/>July 31,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total<br/>Requirements</u> |
|--------------------------------|---------------------|-------------------|-------------------------------|
| 2015                           | \$ 49,574           | \$ 44,433         | \$ 94,007                     |
| 2016                           | 37,000              | 41,735            | 78,735                        |
| 2017                           | 44,000              | 40,470            | 84,470                        |
| 2018                           | 44,000              | 38,925            | 82,925                        |
| 2019                           | 45,000              | 37,350            | 82,350                        |
| 2020-2024                      | 253,000             | 159,402           | 412,402                       |
| 2025-2029                      | 259,000             | 103,770           | 362,770                       |
| 2030-2034                      | 131,000             | 63,000            | 194,000                       |
| 2035-2039                      | 162,000             | 30,780            | 192,780                       |
| 2040                           | 37,000              | 1,665             | 38,665                        |
|                                | <u>\$ 1,061,574</u> | <u>\$ 561,530</u> | <u>\$ 1,623,104</u>           |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 5: PENSION PLAN**

**Plan Description**

The Town provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the Town are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com).

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS. Plan provisions for the Town were as follows:

|  | Plan Year 2013       | Plan Year 2014       |
|--|----------------------|----------------------|
| Employee deposit rate  | 5.0%                 | 5.0%                 |
| Matching ratio (city to employee)                                    | 1 to 1               | 1 to 1               |
| Years required for vesting   | 5                    | 5                    |
| Service retirement eligibility (expressed as age / years of service) | 60/5, 0/25           | 60/5, 0/25           |
| Updated Service Credit   | 100% Repeating       | 100% Repeating       |
| Annuity Increase (to retirees)                                       | 70% of CPI Repeating | 70% of CPI Repeating |

**Contributions**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The Town contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the Town make contributions monthly. Since the Town needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., the December 31, 2013 valuation will determine the contribution rate beginning January 1, 2015).

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 5: PENSION PLAN (Continued)**

The annual pension cost and net pension obligation/(asset) are as follows:

|  |          |
|--|----------|
| 1. Annual Required Contribution (ARC)                | \$17,048 |
| 2. Interest on Net Pension Obligation                | 0        |
| 3. Adjustment to the ARC                             | 0        |
| 4. Annual Pension Cost (APC)                         | 17,048   |
| 5. Contributions Made                                | (17,048) |
| 6. Increase (decrease) in net pension obligation     | 0        |
| 7. Net Pension Obligation/(Asset), beginning of year | 0        |
| 8. Net Pension Obligation/(Asset), end of year       | \$ 0     |

**Three Year Trend Information**

| Fiscal Year Ending | Annual Pension Cost (APC) | Actual Contribution Made | Percentage of APC Contributed | Net Pension Obligation/ (Asset) |
|--------------------|---------------------------|--------------------------|-------------------------------|---------------------------------|
| 2011               | \$12,452                  | \$12,452                 | 100%                          | \$0                             |
| 2012               | \$16,810                  | \$16,810                 | 100%                          | \$0                             |
| 2013               | \$17,048                  | \$17,048                 | 100%                          | \$0                             |

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

|  |                            |                            |                            |
|--|----------------------------|----------------------------|----------------------------|
| Valuation Date                                     | 12/31/2011                 | 12/31/2012                 | 12/31/2013                 |
| Actuarial Cost Method                              | Projected Unit Credit      | Projected Unit Credit      | Entry Age Normal           |
| Amortization Method                                | Level percent of payroll   | Level percent of payroll   | Level percent of payroll   |
| GASB 25 Equivalent Single Amortization Period      | 24.8 years - closed period | 25.1 years - closed period | 25.0 years - closed period |
| Amortization Period for New Gains/Losses           | 25 years                   | 25 years                   | 25 years                   |
| Asset Valuation Method                             | 10-year Smoothed Market    | 10-year Smoothed Market    | 10-year Smoothed Market    |
| Actuarial Assumptions:                             |                            |                            |                            |
| Investment Rate of Return*                         | 7.0%                       | 7.0%                       | 7.0%                       |
| Projected Salary Increases*                        | Varies by age and service  | Varies by age and service  | Varies by age and service  |
| * Includes Inflation at Cost-of-Living Adjustments | 3.0%                       | 3.0%                       | 3.0%                       |
|  | 2.1%                       | 2.1%                       | 2.1%                       |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 5: PENSION PLAN (Continued)**

**Funded Status and Funding Progress**

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2013, the most recent actuarial valuation date, is presented as follows:

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Funded Ratio | Unfunded AAL (UAAL) | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------|---------------------------|-----------------------------------|--------------|---------------------|-----------------|---|
| 12/31/2013               | \$544,034                 | \$374,893                         | 145.1%       | \$(169,141)         | \$342,409       | (49.4)%                                 |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**Supplemental Death Benefits Fund**

The Town also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The Town elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The Town may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

| Your town offers supplemental death to: | Plan Year 2013 | Plan Year 2014 |
|---|----------------|----------------|
| Active employees                        | Yes            | Yes            |
| Retirees                                | Yes            | Yes            |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 5: PENSION PLAN (Concluded)**

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retirees' term life insurance during employees' entire careers.

The Town's contributions to the TMRS SDBF for the years ended 2014, 2013, and 2012 were \$725, \$1,440, and \$875, respectively, which equaled the required contributions each year.

**Schedule of Contribution Rates:**

**(RETIREE-only portion of the rate)**

| Plan/<br>Calendar<br>Year | Annual<br>Required<br>Contribution<br>(Rate) | Actual<br>Contribution<br>Made<br>(Rate) | Percentage<br>of ARC<br>Contributed |
|---------------------------|--|--|-------------------------------------|
| 2011                      | 0.08%  | 0.08%                                    | 100.0%                              |
| 2012                      | 0.09%  | 0.09%                                    | 100.0%                              |
| 2013                      | 0.10%  | 0.10%                                    | 100.0%                              |

**NOTE 6: INDIVIDUAL FUND DISCLOSURES**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." There are no interfund receivables or payables as of July 31, 2014.

**NOTE 7: SPECIAL REVENUE FUND - CONFISCATED FUNDS**

A local agreement was made and entered into by and between the Town of Woodsboro Police Department and the District Attorney of the 24th Judicial District of Texas for Refugio County, Texas in accordance with Article 59.06 of Chapter 59 of the Texas Code of Criminal Procedure regarding the effect of the disposition of contraband forfeited to the State of Texas.

In consideration for the services associated with the forfeiture of contraband, the Town of Woodsboro Police Department agrees that forty percent of all money forfeited and forty percent of the final sum received from the sale of real estate shall be retained by the prosecuting attorney to be used for the official purposes of the office. The prosecuting attorney is further entitled to forty percent of the final sum received from the sale of vehicles seized. If the vehicle is retained by the Police Department, the Police Department agrees to pay the prosecuting attorney forty percent of the vehicle's suggested "Blue Book" value.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 7: SPECIAL REVENUE FUND - CONFISCATED FUNDS (Concluded)**

The prosecuting attorney agrees that remaining contraband, after retention of the above stated portion for the prosecuting attorney, will be retained by the Town of Woodsboro Police Department for the law enforcement purposes.

In the event that the office of the prosecuting attorney, or any other law enforcement agency is required to expend significant time and effort in pre-seizure planning of a seizure and/or arrest, the case will be developed as a joint investigation with the percentage apportioned between the parties commensurate with the time and effort required by each of said parties, and an addendum to the agreement will be executed by the parties as it pertains to the particular seizure and/or arrest.

This agreement will apply to money or property seized and forfeited to the Town of Woodsboro Police Department on or after January 1, 2008. Money and property will be considered forfeited to the State once a judgment of forfeiture has become final, and no motion for new trial or notice of appeal has been taken. Payments to the prosecuting attorney will be made quarterly based on a calendar year. The prosecuting attorney will also be paid interest earned on each quarterly payment from the date of forfeiture until the end of the quarter. All costs of court proceedings will be paid by the Town of Woodsboro Police Department including the cost of titles searched and title policies issued.

The term of this agreement is for a period of one year from January 1, 2008. The agreement will automatically be renewed on a yearly basis after the initial one year term. The agreement may be terminated by either party upon thirty days prior written notice thereof to the other of its intention to terminate upon the date specified in such notice. Any pending forfeitures under this agreement filed prior to the termination date, however, will not be affected by such notices.

**NOTE 8: INTERFUND TRANSFERS**

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Interfund transfers for the year ended July 31, 2014 are as follows:

| Fund            | Transfers<br>In          | Transfers<br>Out           |
|-----------------|--------------------------|----------------------------|
| General Fund    | \$ 7,747                 | \$ (125,455)               |
| Enterprise Fund | 125,455                  | (7,747)                    |
| Total transfers | <u><u>\$ 133,202</u></u> | <u><u>\$ (133,202)</u></u> |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 9: FUND BALANCES**

The non-spendable fund balance is comprised of the following:

- Amount reported in non-spendable form - inventory: \$678
- Amount not in cash form - prepaid expenses: \$15,270

The Government committed the following fund balance types by taking the following action:

| <u>Committed Purpose</u> | <u>Amount</u> | <u>Action</u>                     |
|--------------------------|---------------|-----------------------------------|
| Future city hall         | \$368,381     | Town Council to ratify commitment |
| Street maintenance       | \$ 97,418     | Town Council to ratify commitment |

The Town uses *restricted/committed* amounts to be spent first when both restricted and unrestricted fund balance are available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar spending. Additionally, the Government would first use *committed, then assigned, and lastly unassigned* amounts of unrestricted fund balance when expenditures are made.

The Government does not have a formal minimum fund balance policy.

The purpose of each major special revenue fund and revenue source is listed below:

| <u>Major Special Revenue Fund</u> | <u>Revenue Source</u> |
|-----------------------------------|-----------------------|
| Police Department                 | Fines                 |

A schedule of fund balances is provided below:

|                                   | <u>General Fund</u> | <u>Police Department Fund</u> | <u>Total Governmental Funds</u> |
|-----------------------------------|---------------------|-------------------------------|---------------------------------|
| <b>FUND BALANCES:</b>             |                     |                               |                                 |
| <b>Non-spendable:</b>             |                     |                               |                                 |
| Inventory                         | \$ 678              | \$ -                          | \$ 678                          |
| Prepaid expenses                  | 15,270              |                               | 15,270                          |
| <b>Restricted for:</b>            |                     |                               |                                 |
| Law enforcement purposes          |                     | 27,621                        | 27,621                          |
| Municipal court building security | 6,004               |                               | 6,004                           |
| Municipal court technical fund    | 2,127               |                               | 2,127                           |
| <b>Committed to:</b>              |                     |                               |                                 |
| Future city hall                  | 368,381             |                               | 368,381                         |
| Street maintenance                | 97,418              |                               | 97,418                          |
| Unassigned                        | 72,290              |                               | 72,290                          |
| <b>Total fund balances</b>        | <b>\$ 562,168</b>   | <b>\$ 27,621</b>              | <b>\$ 589,789</b>               |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2014**

**NOTE 10: FEDERAL AND STATE AWARDS**

On July 3, 2013, the Town of Woodsboro, Texas entered into a grant agreement with the Texas Department of Housing Community Affairs to participate in the Home Investment Partnership Program. The contract period for this grant agreement is July 3, 2013 through July 10, 2015. As of July 31, 2014, there has been no activity associated with this grant.

**NOTE 11: PRIOR PERIOD ADJUSTMENT**

In the year ended July 31, 2013 the Town received capital assets from Refugio County in the amount of \$500,000. Refugio County received a grant from Texas Department of Agriculture to replace waterlines on four streets, replace a 200,000 gallon ground storage tank and for repairs on the water treatment plant. In the current year ended July 31, 2014, the error was discovered and a prior period adjustment was recorded to correct the error. The effect on the net position of the Proprietary Activities is shown below:

|   |                     |
|---|---------------------|
| Net position, July 31, 2013, as previously stated | \$ 2,709,788        |
| <hr/>   |                     |
| Net adjustments:                                  |                     |
| Prior period increases in capital assets          | <u>480,943</u>      |
| Net position, July 31, 2014, as restated          | <u>\$ 3,190,731</u> |

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF WOODSBORO, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For the Year Ended July 31, 2014**

|  | <u>Original<br/>and Final<br/>Budget</u> | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|--|---------------------------|---|
| <b>REVENUES</b>  |  |                           |   |
| Taxes:   |  |                           |   |
| Property taxes   | \$ 258,500                               | \$ 248,676                | \$ (9,824)  |
| Sales tax revenue  | 85,000                                   | 86,489                    | 1,489   |
| Franchise fees   | 65,000                                   | 65,980                    | 980   |
| Municipal court  | 48,725                                   | 62,865                    | 14,140  |
| Intergovernmental - grant revenue                            | -  | 5,278                     | 5,278   |
| Animal control   | 300                                      | 375                       | 75  |
| Future City Hall   | 7,350                                    | -                         | (7,350)   |
| Christmas in the Square                                      | 1,200                                    | 3,540                     | 2,340   |
| Permits and licenses   | 450                                      | 3,661                     | 3,211   |
| Amusement permits  | 70,000                                   | 378,072                   | 308,072   |
| Interest income  | -  | 1,357                     | 1,357   |
| Miscellaneous  | 21,500                                   | 21,738                    | 238   |
| Total revenues   | <u>558,025</u>                           | <u>878,031</u>            | <u>320,006</u>  |
| <b>EXPENDITURES</b>  |  |                           |   |
| Salaries   | 244,115                                  | 254,336                   | (10,221)  |
| Insurance  | 47,600                                   | 41,441                    | 6,159   |
| Vehicle services   | 24,200                                   | 12,499                    | 11,701  |
| Town Square  | 8,650                                    | 7,328                     | 1,322   |
| Street materials   | 34,000                                   | 17,196                    | 16,804  |
| Supplies   | 14,650                                   | 12,121                    | 2,529   |
| Rent   | 2,200                                    | 2,200                     | -   |
| Utilities  | 29,200                                   | 41,382                    | (12,182)  |
| Training   | 3,150                                    | 1,141                     | 2,009   |
| Professional fees  | 13,300                                   | 13,550                    | (250)   |
| Capital outlay   | 8,500                                    | 79,088                    | (70,588)  |
| Municipal court  | 26,635                                   | 13,795                    | 12,840  |
| Animal control   | 16,719                                   | 16,859                    | (140)   |
| Fire protection  | 30,000                                   | 17,500                    | 12,500  |
| Miscellaneous expense  | 55,106                                   | 51,770                    | 3,336   |
| Total expenditures   | <u>558,025</u>                           | <u>582,206</u>            | <u>(24,181)</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>\$ -</u>                              | <u>295,825</u>            | <u>\$ 295,825</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                           |   |
| Transfers in   |  | 7,747                     |   |
| Transfers out  |  | (125,455)                 |   |
| Total other financing sources (uses)                         |  | <u>(117,708)</u>          |   |
| Net change in fund balances                                  |  | 178,117                   |   |
| Fund balances - beginning                                    |  | 384,051                   |   |
| Fund balances - ending                                       |  | <u>\$ 562,168</u>         |   |

**TOWN OF WOODSBORO, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF FUNDING PROGRESS (unaudited)**  
**For the Year Ended July 31, 2014**

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Funded Ratio | Unfunded AAL (UAAL) | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------|---------------------------|-----------------------------------|--------------|---------------------|-----------------|---|
| 12/31/2011               | \$489,442                 | \$445,513                         | 109.9%       | (\$ 43,929)         | \$284,187       | (15.5%)                                 |
| 12/31/2012               | \$512,342                 | \$440,410                         | 116.3%       | (\$ 71,932)         | \$285,253       | (25.2%)                                 |
| 12/31/2013               | \$544,034                 | \$374,893                         | 145.1%       | (\$169,141)         | \$342,409       | (49.4%)                                 |

**TOWN OF WOODSBORO, TEXAS**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended July 31, 2014**

**NOTE 1: BUDGETS**

The budget for the Governmental Fund adopted during the fiscal year by the Town Council was prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles. The General Fund has a legally adopted budget. The Special Revenue Fund budgetary comparisons are not displayed because this budget was not legally adopted during the current fiscal year.

## **INDIVIDUAL GRANT INFORMATION**

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2014**

Community Development Block Grant

State Grantor: Texas Department of Agriculture

Pass Through Grantor: Office of Community Planning & Development

CFDA Number: 14.228

Contract Number: 712094

Contract Period: September 15, 2012 to September 14, 2014

|  | <u>Budget</u> | <u>Prior Year</u> | <u>Current Year</u> | <u>Total</u> |
|--|---------------|-------------------|---------------------|--------------|
| <b>Revenue:</b>  |               |                   |                     |              |
| Federal/State  | \$ 47,265     | \$ -              | \$ -                | \$ -         |
| Local match  | <u>4,727</u>  | <u>-</u>          | <u>-</u>            | <u>-</u>     |
| Total revenue  | <u>51,992</u> | <u>-</u>          | <u>-</u>            | <u>-</u>     |
| <b>Expenses:</b>   |               |                   |                     |              |
| Federal/State  |               |                   |                     |              |
| Certifications, presentations,<br>reports and publications | 750           | -                 | -                   | -            |
| Base mapping and studies                                   | 8,610         | -                 | -                   | -            |
| Water system   | 5,565         | -                 | -                   | -            |
| Wastewater system  | 5,565         | -                 | -                   | -            |
| Street and road system                                     | 3,255         | -                 | -                   | -            |
| Storm drainage system                                      | 5,565         | -                 | -                   | -            |
| Park, recreation and open space                            | 2,415         | -                 | -                   | -            |
| Economic development                                       | 3,255         | -                 | -                   | -            |
| Thoroughfare study   | 1,680         | -                 | -                   | -            |
| Central business district                                  | 3,570         | -                 | -                   | -            |
| Capital improvements plan                                  | 2,415         | -                 | -                   | -            |
| Subdivision ordinance                                      | 2,310         | -                 | -                   | -            |
| Zoning ordinance   | 2,310         | -                 | -                   | -            |
| Local match  |               |                   |                     |              |
| Base mapping and studies                                   | <u>4,727</u>  | <u>-</u>          | <u>-</u>            | <u>-</u>     |
| Total expenses   | <u>51,992</u> | <u>-</u>          | <u>-</u>            | <u>-</u>     |
| Excess revenue over expenditures                           | <u>\$ -</u>   | <u>\$ -</u>       | <u>\$ -</u>         | <u>\$ -</u>  |

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2014**

Operation Stonegarden Grant Program

Federal Grantor: Department of Homeland Security

Pass Through Grantor: State of Texas Governor's Division of Emergency Management

CFDA Number: 97.067

Contract Number: EMW-2012-SS-00018

Contract Period: September 1, 2012 to February 28, 2014

|                                  | Original<br>Budget | Prior<br>Year | Current<br>Year | Total        |
|----------------------------------|--------------------|---------------|-----------------|--------------|
| <b>Revenue:</b>                  |                    |               |                 |              |
| Federal/State                    | \$ 8,833           | \$ -          | \$ 5,278        | \$ 5,278     |
| Total revenue                    | <u>8,833</u>       | <u>-</u>      | <u>5,278</u>    | <u>5,278</u> |
| <br><b>Expenses:</b>             |                    |               |                 |              |
| Federal/State                    |                    |               |                 |              |
| Overtime/fringe benefits         | 7,239              | -             | 4,984           | 4,984        |
| Reimbursement for mileage        | 1,594              | -             | 294             | 294          |
| Total expenses                   | <u>8,833</u>       | <u>-</u>      | <u>5,278</u>    | <u>5,278</u> |
| Excess revenue over expenditures | <u>\$ -</u>        | <u>\$ -</u>   | <u>\$ -</u>     | <u>\$ -</u>  |

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2014**

Hazard Mitigation Grant Program

Federal Grantor: U. S. Department of Homeland Security

Pass Through Grantor: Texas Department of Public Safety

Sub-Recipient: Woodsboro Independent School District

CFDA Number: 97.039

Contract Number: FEMA-DR-1791 Project #61

Contract Period: December 17, 2009 to December 17, 2011

|                                  | Original<br>Budget | Amended<br>Budget | Prior<br>Year | Current<br>Year | Total        |
|----------------------------------|--------------------|-------------------|---------------|-----------------|--------------|
| <b>Revenue:</b>                  |                    |                   |               |                 |              |
| Federal/State                    | \$ 1,485,278       | \$2,038,164       | \$ 1,831,784  | \$ -            | \$ 1,831,784 |
| Local match                      | 495,093            | 525,000           | 525,000       | -               | 525,000      |
| Total revenue                    | 1,980,371          | 2,563,164         | 2,356,784     | -               | 2,356,784    |
| <b>Expenses:</b>                 |                    |                   |               |                 |              |
| Federal/State                    |                    |                   |               |                 |              |
| Woodsboro ISD                    | 1,485,278          | 2,038,164         | 1,831,784     | -               | 1,831,784    |
| Local match                      |                    |                   |               |                 |              |
| Woodsboro ISD                    | 495,093            | 525,000           | 525,000       | -               | 525,000      |
| Total expenses                   | 1,980,371          | 2,563,164         | 2,356,784     | -               | 2,356,784    |
| Excess revenue over expenditures | \$ -               | \$ -              | \$ -          | \$ -            | \$ -         |

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2014**

Energy Efficiency and Conservation Block Grant  
 SECO Stimulus American Recovery and Reinvestment Act  
 Federal Grantor: U.S. Department of Energy  
 CFDA Number: 81.128  
 DOE Award Number: DE-EE0000893  
 Sub-Award Number: 4757MM  
 Contract Period: May 20, 2010 to June 30, 2012

|                                  | <u>Budget</u> | <u>Prior Year</u> | <u>Current Year</u> | <u>Total</u>  |
|----------------------------------|---------------|-------------------|---------------------|---------------|
| <b>Revenue:</b>                  |               |                   |                     |               |
| Federal/State                    | \$ 23,030     | \$ 22,730         | \$ -                | \$ 22,730     |
| Local match                      | <u>-</u>      | <u>-</u>          | <u>-</u>            | <u>-</u>      |
| Total revenue                    | <u>23,030</u> | <u>22,730</u>     | <u>-</u>            | <u>22,730</u> |
| <br><b>Expenses:</b>             |               |                   |                     |               |
| Federal/State                    |               |                   |                     |               |
| Consultant                       | 1,500         | 1,500             | -                   | 1,500         |
| Subcontractor                    | 21,530        | 21,230            | -                   | 21,230        |
| Local match                      | <u>-</u>      | <u>-</u>          | <u>-</u>            | <u>-</u>      |
| General administrative           | <u>-</u>      | <u>-</u>          | <u>-</u>            | <u>-</u>      |
| Total expenses                   | <u>23,030</u> | <u>22,730</u>     | <u>-</u>            | <u>22,730</u> |
| Excess revenue over expenditures | <u>\$ -</u>   | <u>\$ -</u>       | <u>\$ -</u>         | <u>\$ -</u>   |

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2014**

Operation Stonegarden Grant Program

Federal Grantor: Department of Homeland Security, FEMA Grant Programs Directorate

Pass Through Grantor: Texas Department of Public Safety

CFDA Number: 97.067

Contract Number: EMW-2013-SS-00045

Contract Period: September 1, 2013 to February 28, 2015

|                                  | Original<br>Budget | Prior<br>Year | Current<br>Year | Total       |
|----------------------------------|--------------------|---------------|-----------------|-------------|
| <b>Revenue:</b>                  |                    |               |                 |             |
| Federal/State                    | \$ 54,499          | \$ -          | \$ -            | \$ -        |
|                                  |                    |               |                 |             |
| Total revenue                    | <u>54,499</u>      | <u>-</u>      | <u>-</u>        | <u>-</u>    |
|                                  |                    |               |                 |             |
| <b>Expenses:</b>                 |                    |               |                 |             |
| Federal/State                    |                    |               |                 |             |
| Overtime amount                  | 13,635             | -             | -               | -           |
| Fringe amount                    | 1,909              | -             | -               | -           |
| Mileage amount                   | 3,955              | -             | -               | -           |
| Vehicle purchases                | <u>35,000</u>      | <u>-</u>      | <u>-</u>        | <u>-</u>    |
|                                  |                    |               |                 |             |
| Total expenses                   | <u>54,499</u>      | <u>-</u>      | <u>-</u>        | <u>-</u>    |
|                                  |                    |               |                 |             |
| Excess revenue over expenditures | <u>\$ -</u>        | <u>\$ -</u>   | <u>\$ -</u>     | <u>\$ -</u> |