

**TOWN OF WOODSBORO, TEXAS**

**FINANCIAL STATEMENTS**

**For the Year Ended July 31, 2016**

**TOWN OF WOODSBORO, TEXAS  
FINANCIAL STATEMENTS  
For the Year Ended July 31, 2016**

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**TOWN OF WOODSBORO, TEXAS  
FINANCIAL STATEMENTS  
For the Year Ended July 31, 2016**

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## **INTRODUCTORY SECTION**

**TOWN OF WOODSBORO, TEXAS  
LIST OF PRINCIPAL OFFICIALS  
July 31, 2016**

Mayor	Larry Jochetz
Mayor Pro-tem	Debra Bolcik
Council Members	Debra Bolcik Johnny Cisneros Ralph Cisneros (August 2015-May 2016) Elix Ortiz (May 2016-July 2016) Freddie Arriaga Richard Sanchez
City Attorney	Donald Kubicek
City Engineer	Robert Viera (LNV Engineering)
Tax Assessor and Collector	Ida M. Turner
Municipal Police Officer	(August 2015-January 2016) Robert Lee Valdez (May 2016-July 2016) Martin Diaz DeLeon
City Secretary	Ruby H. DeLaGarza
City Clerk/Water Clerk	Viola Meza
Municipal Court Clerk/Office Clerk	Raquel Flores
Municipal Judge	(August 2015-May 2016) Diego Bustillo (June 2016-July 2016) Emi Riemenschneider
Public Works Director	Gabriel Thomas

## FINANCIAL SECTION

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

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## *Certified Public Accountants*

DONALD G. GOLDMAN, CPA  
D. DALE HUNT, CPA  
JAMIE K. NOTZ, CPA, CVA\*

MEMBERS OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

TEXAS SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

KEITH H. COX, CPA, CISA\*  
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SUE N. GUTHRIE, CPA  
STEPHANIE S. KOCH, CPA

\*CERTIFIED VALUATION ANALYST

\*CERTIFIED INFORMATION SYSTEMS AUDITOR

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

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

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Town of Woodsboro, Texas, as of and for the year ended July 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Town of Woodsboro, Texas, as of July 31, 2016, 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*

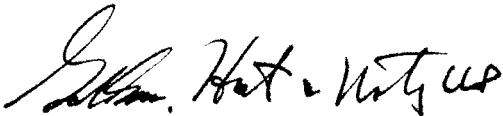
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Texas Municipal Retirement System (TMRS) information on pages 4-9 and 44-47 be presented to supplement the basic financial statements. 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 Town of Woodsboro, Texas's basic financial statements. The Supplementary Information for Rural Development and Individual Grant Information sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Individual Grant Information 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.

October 4, 2016



**TOWN OF WOODSBORO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
July 31, 2016**

This discussion and analysis is intended to be an easily readable analysis of Town of Woodsboro, Texas'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 Town of Woodsboro, Texas's financial performance provides an overall review of the Town's financial activities for the year ended July 31, 2016. 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, 2016**

**Financial Highlights**

- The assets of Town of Woodsboro, Texas exceeded its liabilities at the close of the year ended July 31, 2016 by \$5,842,171. Of this amount, \$2,764,483 of unrestricted net assets is available to meet the Town's ongoing obligations to citizens and creditors.
- At July 31, 2016, the Town's governmental funds reported combined ending fund balances of \$1,230,679, of which \$81,540 is unassigned fund balance for the General Fund.
- At July 31, 2016, unassigned fund balance for the General Fund was \$81,540 or 9% of total General Fund expenditures.
- The total cost of all Town activities was \$1,705,360 for the year. Net revenue of all activities was \$39,933.
- During the year, the Town's program revenues exceeded net expenses of the governmental activities by \$91,451.

**Town as a Whole**

*Government-Wide Financial Statements*

A condensed version of the Statement of Net Assets at July 31, 2016 and 2015 follows:

**Town of Woodsboro, Texas  
Components of Net Position  
July 31, 2016  
With Comparative Totals for July 31, 2015  
(in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>		<b>Amount Change</b>	<b>% Change</b>
	<b>July 31, 2016</b>	<b>July 31, 2015</b>	<b>July 31, 2016</b>	<b>July 31, 2015</b>	<b>July 31, 2016</b>	<b>July 31, 2015</b>		
Cash	\$ 1,382	\$ 1,175	\$ 278	\$ 281	\$ 1,660	\$ 1,456	\$ 204	14.0%
Restricted assets	33	33	884	703	917	736	181	24.6%
Other assets	468	508	256	260	724	768	(44)	-5.7%
Capital assets	441	362	3,429	3,440	3,870	3,802	68	1.8%
<b>Total assets</b>	<b>2,324</b>	<b>2,078</b>	<b>4,847</b>	<b>4,684</b>	<b>7,171</b>	<b>6,762</b>	<b>409</b>	<b>6.0%</b>
Deferred outflows of resources	21	4	18	2	39	6	33	550.0%
Other liabilities	264	273	122	93	386	366	20	5.5%
Long term debt	-	-	975	1,012	975	1,012	(37)	-3.7%
<b>Total liabilities</b>	<b>264</b>	<b>273</b>	<b>1,097</b>	<b>1,105</b>	<b>1,361</b>	<b>1,378</b>	<b>16</b>	<b>1.2%</b>
Deferred inflows of resources	4	30	3	20	7	50	(43)	-86.0%
Net position:								
Invested in capital assets, net of related debt	442	362	2,454	2,428	2,896	2,790	106	3.8%
Restricted	21	23	161	161	182	184	(2)	-1.1%
Unrestricted	1,614	1,394	1,150	972	2,764	2,366	398	16.8%
<b>Total net position</b>	<b>\$ 2,077</b>	<b>\$ 1,779</b>	<b>\$ 3,765</b>	<b>\$ 3,561</b>	<b>\$ 5,842</b>	<b>\$ 5,340</b>	<b>\$ 502</b>	<b>9.4%</b>

**TOWN OF WOODSBORO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
July 31, 2016**

**Financial Highlights (Continued)**

During the year ended July 31, 2016 the net position of the Town increased approximately \$502,000. Cash (unrestricted and restricted) increased by \$383,000, inventory decreased by \$12,000, fixed asset purchases were \$276,000, depreciation expense was \$207,000, decrease in long-term debt of \$37,000, decrease in accounts payable-trade of \$20,000 and other increases were \$5,000.

A condensed version of the Statement of Activities follows:

**Town of Woodsboro, Texas  
Condensed Statement of Activities  
For the Year Ended July 31, 2016  
With Comparative Totals for the Year Ended July 31, 2015  
(in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>		<b>Amount Change</b>	<b>% Change</b>
	<u>July 31, 2016</u>	<u>July 31, 2015</u>	<u>July 31, 2016</u>	<u>July 31, 2015</u>	<u>July 31, 2016</u>	<u>July 31, 2015</u>		
Revenues								
Program revenues								
Charges for services	\$ 758	\$ 789	\$ 786	\$ 769	\$ 1,544	\$ 1,558	\$ (14)	-0.9%
General revenues								
Taxes	427	432	-	-	427	432	(5)	-1.2%
Interest	3	2	2	2	5	4	1	100.0%
Intergovernmental revenue	200	99	-	-	200	99	101	102.0%
Total revenues	<u>1,388</u>	<u>1,322</u>	<u>788</u>	<u>771</u>	<u>2,176</u>	<u>2,093</u>	<u>83</u>	<u>4.0%</u>
Expenses								
General government	687	442	-	-	687	442	245	55.4%
Public safety/municipal court	80	93	-	-	80	93	(13)	-14.0%
Streets	72	73	-	-	72	73	(1)	-1.4%
Animal control	17	17	-	-	17	17	-	0.0%
Recreation	10	9	-	-	10	9	1	11.1%
Water and sewer	-	-	681	617	681	617	64	10.4%
Sanitation	-	-	157	148	157	148	9	6.1%
Total expenses	<u>866</u>	<u>634</u>	<u>838</u>	<u>765</u>	<u>1,704</u>	<u>1,399</u>	<u>305</u>	<u>21.8%</u>
Excess (deficiency) before non operating revenues, expenses, and transfers	522	688	(50)	6	472	694	(222)	-32.0%
Non operating revenues	-	30	-	22	-	52	(52)	-100.0%
Non operating expenses	(2)	-	32	-	30	-	30	100.0%
Transfers	(222)	(118)	222	118	-	-	-	100.0%
Change in net position	298	600	204	146	502	746	(244)	-32.7%
Beginning net position	<u>1,779</u>	<u>1,205</u>	<u>3,561</u>	<u>3,433</u>	<u>5,340</u>	<u>4,638</u>	<u>702</u>	<u>15.1%</u>
Impact of prior period adjustment	-	(26)	-	(18)	-	(44)	44	100.0%
Ending net position	<u>\$ 2,077</u>	<u>\$ 1,779</u>	<u>\$ 3,765</u>	<u>\$ 3,561</u>	<u>\$ 5,842</u>	<u>\$ 5,340</u>	<u>\$ 502</u>	<u>8.6%</u>

**TOWN OF WOODSBORO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
July 31, 2016**

**Financial Highlights (Concluded)**

**Governmental Activities**

Revenues

Revenues increased by \$66,000. Ad valorem taxes increased \$3,000, sales taxes decreased \$3,000, franchise fees decreased \$4,000, licenses, permits and fees decreased \$1,000, intergovernmental revenue increased \$102,000, fines decreased \$30,000, and miscellaneous income decreased \$1,000.

Expenses

Expenses and other charges increased approximately \$232,000. The largest increase was general government expenditures, primarily due to salary increases and pass-through grant expenditures, in the current year of \$243,000. There also was an increase in park expenditures of \$2,000. Decreases consisted of \$8,000 in public safety, \$2,000 in streets, \$8,000 in municipal court and \$5,000 in capital outlay.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Prior Period Adjustment

Deferred outflows and deferred inflows were understated during 2015 by \$4,000 and \$30,000, respectively. Net position as previously report was \$1,805,000 for 2015. Net position as restated during 2016 is \$1,779,000 for 2015. Additional information on the prior period adjustment can be found in the notes to the financial statements.

**Business-type Activities**

Revenues

Program revenues increased by \$18,000 due to increased water sales of \$9,000, an increase in sanitation sales of \$8,000 and an increase in other operating revenues of \$1,000. Sewer sales remained the same.

Expenses

Expenses increased by approximately \$73,000.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Prior Period Adjustment

Deferred outflows and deferred inflows were understated during 2015 by \$2,000 and \$20,000, respectively. Net position as previously report was \$3,579,000 for 2015. Net position as restated during 2016 is \$3,561,000 for 2015. 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, 2016. Actual revenues in the General Fund were higher than budgeted revenues by approximately \$539,000, primarily due to amusement revenues. Actual General Fund expenditures were higher than budgeted amounts by approximately \$135,000, primarily due to pass-through grant expenditures.

**TOWN OF WOODSBORO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
July 31, 2016**

**Capital Assets**

At July 31, 2016 the Town had \$3,870,000 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 \$68,000 or more than 1% compared to last year.

**Town of Woodsboro, Texas  
Capital Assets  
July 31, 2016  
With Comparative Totals for July 31, 2015  
(in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>		<b>Amount Change</b>	<b>% Change</b>
	July 31, 2016	July 31, 2015	July 31, 2016	July 31, 2015	July 31, 2016	July 31, 2015		
Construction in progress	\$ -	\$ -	\$ 39	\$ -	\$ 39	\$ -	\$ 39	100.0%
Land	82	82	-	-	82	82	-	0.0%
Buildings and improvements	214	97	-	-	214	97	117	120.6%
Machinery and equipment	502	498	5,193	5,095	5,695	5,593	102	1.8%
Streets	126	126	-	-	126	126	-	0.0%
Subtotal	924	803	5,232	5,095	6,156	5,898	258	4.4%
Accumulated depreciation	(483)	(441)	(1,803)	(1,655)	(2,286)	(2,096)	(190)	9.1%
Capital assets, net	<u>\$ 441</u>	<u>\$ 362</u>	<u>\$ 3,429</u>	<u>\$ 3,440</u>	<u>\$ 3,870</u>	<u>\$ 3,802</u>	<u>\$ 68</u>	1.8%

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

**Debt Administration**

At year-end, the Town had \$975,000 in Certificates of Obligation outstanding versus \$1,012,000 in Certificates of Obligation last year. The Town paid \$37,000 in principal reductions.

**Town of Woodsboro, Texas  
Debt Outstanding  
July 31, 2016  
With Comparative Totals for July 31, 2015  
(in thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>		<b>Amount Change</b>	<b>% Change</b>
	July 31, 2016	July 31, 2015	July 31, 2016	July 31, 2015	July 31, 2016	July 31, 2015		
Certificates of Obligation	\$ -	\$ -	\$ 975	\$ 1,012	\$ 975	\$ 1,012	\$ (37)	-3.7%
Total bonds and notes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 975</u>	<u>\$ 1,012</u>	<u>\$ 975</u>	<u>\$ 1,012</u>	<u>\$ (37)</u>	-3.7%

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

**TOWN OF WOODSBORO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
July 31, 2016**

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

- Anticipate that the Town's effective tax rate will approximate the 2016 rate of 0.7542/\$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.
- Anticipates construction of a new Town hall.
- The budget for the fiscal year ending July 31, 2017 will be as follows:

FUND	REVENUE	EXPENDITURE/ EXPENSES
General Fund	\$820,250	\$820,250
Enterprise Fund - Water	\$340,900	\$340,900
Enterprise Fund - Sewer	\$267,400	\$267,400
Enterprise Fund - Sanitation	\$198,000	\$198,000

**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, 2016**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 1,381,695	\$ 277,977	\$ 1,659,672
Receivables			
Sales tax	6,517	-	6,517
Service accounts	-	107,184	107,184
Franchise tax	10,735	-	10,735
Ad valorem taxes	61,351	-	61,351
Grants	256,784	-	256,784
Prepaid expenses	15,270	-	15,270
Inventory	4,733	45,003	49,736
Restricted cash	32,925	883,678	916,603
Net pension asset	112,647	103,981	216,628
Capital assets			
Construction in process	-	39,750	39,750
Property, plant and equipment	925,362	5,193,061	6,118,423
Less: accumulated depreciation	(483,778)	(1,803,472)	(2,287,250)
Total assets	<u>2,324,241</u>	<u>4,847,162</u>	<u>7,171,403</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Difference in projected and actual earnings on pension assets	17,159	15,839	32,998
Difference in expected and actual pension experience	4,144	2,762	6,906
Total deferred outflows of resources	<u>21,303</u>	<u>18,601</u>	<u>39,904</u>
<b>LIABILITIES</b>			
Accounts payable	261,878	47,660	309,538
Accrued interest	-	18,198	18,198
Accrued vacation	2,538	2,806	5,344
Customer deposits payable	-	53,860	53,860
Noncurrent liabilities:			
Bonds payable - due within one year	-	44,000	44,000
Bonds payable - due in more than one year	-	931,000	931,000
Total liabilities	<u>264,416</u>	<u>1,097,524</u>	<u>1,361,940</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Amortization of prior year deferred inflows	4,318	2,878	7,196
Total deferred inflows of resources	<u>4,318</u>	<u>2,878</u>	<u>7,196</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	441,584	2,454,339	2,895,923
Restricted for:			
Law enforcement	20,795	-	20,795
Bond payments	-	160,970	160,970
Unrestricted	1,614,431	1,150,052	2,764,483
Total net position	<u>\$ 2,076,810</u>	<u>\$ 3,765,361</u>	<u>\$ 5,842,171</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, 2016

Functions/Programs Primary Government	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital		Total
			Grants and Contributions	Governmental Activities	
Governmental activities:					
General government	\$ 687,345	\$ 710,122	\$ 200,662	\$ 223,439	\$ 223,439
Public safety/municipal court	80,813	47,575	-	(33,238)	(33,238)
Streets	71,625	-	-	(71,625)	(71,625)
Animal control	16,859	-	-	(16,859)	(16,859)
Recreation	10,266	-	-	(10,266)	(10,266)
Total governmental activities	866,908	757,697	200,662	91,451	91,451
Business-type activities:					
Water and sewer	681,034	616,434	-	(64,600)	(64,600)
Sanitation	157,418	170,500	-	13,082	13,082
Total business-type activities	838,452	786,934	-	(51,518)	(51,518)
Total primary government	\$ 1,705,360	\$ 1,544,631	\$ 200,662	91,451	39,933
General revenues:					
Taxes:					
Property taxes, levied for general purposes			277,774	-	277,774
Franchise taxes			61,767	-	61,767
Sales taxes			87,924	-	87,924
Transfers in/(out)			(221,665)	221,665	-
Interest income			2,775	1,934	4,709
(Increase)/decrease in net pension asset			(1,841)	32,057	30,216
Total general revenues and transfers			206,734	255,656	462,390
Change in net position			298,185	204,138	502,323
Net position - beginning, as restated			1,778,625	3,561,223	5,339,848
Net position - ending			\$ 2,076,810	\$ 3,765,361	\$ 5,842,171

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, 2016**

	<u>General Fund</u>	<u>Police Department Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Cash - unrestricted	\$ 1,381,695	\$ -	\$ 1,381,695
Receivables:			
Sales tax	6,517	-	6,517
Franchise tax	10,735	-	10,735
Ad valorem taxes	61,351	-	61,351
Grants	256,784	-	256,784
Restricted cash	12,130	20,795	32,925
Net pension asset	112,647	-	112,647
Prepaid expenses	15,270	-	15,270
Inventory	4,733	-	4,733
Total assets	<u>1,861,862</u>	<u>20,795</u>	<u>1,882,657</u>
Deferred outflows of resources:			
Difference in projected and actual earnings on pension assets	17,159	-	17,159
Difference in expected and actual pension experience	4,144	-	4,144
	<u>21,303</u>	<u>-</u>	<u>21,303</u>
Total assets and deferred outflows of resources	<u>\$ 1,883,165</u>	<u>\$ 20,795</u>	<u>\$ 1,903,960</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 261,878	\$ -	\$ 261,878
Accrued vacation	2,538	-	2,538
Total liabilities	<u>264,416</u>	<u>-</u>	<u>264,416</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	59,726	-	59,726
Unavailable revenue - amusement fees	344,821	-	344,821
Amortization of prior year deferred inflows	4,318	-	4,318
Total deferred inflows of resources	<u>408,865</u>	<u>-</u>	<u>408,865</u>
Fund balances:			
Non-spendable	20,003	-	20,003
Restricted	12,130	20,795	32,925
Committed	1,096,211	-	1,096,211
Unassigned	81,540	-	81,540
Total fund balances	<u>1,209,884</u>	<u>20,795</u>	<u>1,230,679</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,883,165</u>	<u>\$ 20,795</u>	<u>\$ 1,903,960</u>

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, 2016**

Total governmental fund balances (page 12)	\$ 1,230,679
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.	441,584
Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	408,865
Deferred inflows related to pensions:	
Amortization of prior year deferred inflows	<u>(4,318)</u>
Net position of governmental activities	<u><u>\$ 2,076,810</u></u>

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

**TOWN OF WOODSBORO, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended July 31, 2016**

	<u>General Fund</u>	<u>Police Department Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Taxes:			
Ad valorem taxes, penalty and interest	\$ 276,347	\$ -	\$ 276,347
City sales tax	87,924	-	87,924
Franchise taxes	61,767	-	61,767
Licenses, permits and fees	662,686	-	662,686
Fines	47,575	-	47,575
Rent income	2,100	-	2,100
Interest income	2,728	47	2,775
Intergovernmental - grant revenue	200,662	-	200,662
Miscellaneous	8,409	-	8,409
Total revenues	<u>1,350,198</u>	<u>47</u>	<u>1,350,245</u>
<b>EXPENDITURES</b>			
Current:			
General government	671,873	-	671,873
Public safety	47,118	250	47,368
Streets	58,133	-	58,133
Animal control	16,859	-	16,859
Municipal court	16,576	-	16,576
Parks	8,852	-	8,852
Capital outlay	126,835	-	126,835
Total expenditures	<u>946,246</u>	<u>250</u>	<u>946,496</u>
Excess (deficiency) of revenues over (under) expenditures	<u>403,952</u>	<u>(203)</u>	<u>403,749</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,547	-	1,547
Transfers out	(221,665)	(1,547)	(223,212)
Decrease in net pension asset	(1,841)	-	(1,841)
Total other financing sources (uses)	<u>(221,959)</u>	<u>(1,547)</u>	<u>(223,506)</u>
Net change in fund balances	181,993	(1,750)	180,243
Fund balances - beginning, as restated	1,027,891	-	1,027,891
Fund balances - beginning	<u>-</u>	<u>22,545</u>	<u>22,545</u>
Fund balances - ending	<u>\$ 1,209,884</u>	<u>\$ 20,795</u>	<u>\$ 1,230,679</u>

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, 2016**

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

Net change in fund balances - total governmental funds (page 14)	\$ 180,243
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.	126,835
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.	(47,247)
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.	1,427
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.	<u>36,927</u>
Change in net assets of governmental activities	<u><u>\$ 298,185</u></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, 2016**

	<b>Business-type Activities - Enterprise Fund</b>	
	<b><u>Water, Sewer and Sanitation Fund</u></b>	<b><u>Total Enterprise Fund</u></b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 277,977	\$ 277,977
Accounts receivable - customers	107,184	107,184
Inventory	45,003	45,003
Total current assets	<u>430,164</u>	<u>430,164</u>
Restricted assets		
Cash and cash equivalents	<u>883,678</u>	<u>883,678</u>
Total restricted assets	<u>883,678</u>	<u>883,678</u>
Noncurrent assets		
Capital assets		
Construction in process	39,750	39,750
Property, plant and equipment	5,193,061	5,193,061
Less: accumulated depreciation	<u>(1,803,472)</u>	<u>(1,803,472)</u>
Total capital assets, net of accumulated depreciation	3,429,339	3,429,339
Net pension asset	<u>103,981</u>	<u>103,981</u>
Total noncurrent assets	<u>3,533,320</u>	<u>3,533,320</u>
Total assets	<u>4,847,162</u>	<u>4,847,162</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Difference in projected and actual earnings on pension assets	15,839	15,839
Difference in expected and actual pension experience	<u>2,762</u>	<u>2,762</u>
Total deferred outflows of resources	<u>18,601</u>	<u>18,601</u>

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



**TOWN OF WOODSBORO, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUND (CONTINUED)  
July 31, 2016**

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Water, Sewer and Sanitation Fund</b>	<b>Total Enterprise Fund</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	47,660	47,660
Accrued interest	18,198	18,198
Accrued vacation	2,806	2,806
Customer deposits payable	53,860	53,860
Bonds payable - current portion	44,000	44,000
Total current liabilities	<u>166,524</u>	<u>166,524</u>
Noncurrent liabilities		
Bonds payable	<u>931,000</u>	<u>931,000</u>
Total noncurrent liabilities	<u>931,000</u>	<u>931,000</u>
Total liabilities	<u>1,097,524</u>	<u>1,097,524</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Amortization of prior year deferred inflows	<u>2,878</u>	<u>2,878</u>
Total deferred inflows of resources	<u>2,878</u>	<u>2,878</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	2,454,339	2,454,339
Restricted for bond payments	160,970	160,970
Unrestricted	<u>1,150,052</u>	<u>1,150,052</u>
Total net position	<u>\$ 3,765,361</u>	<u>\$ 3,765,361</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, 2016**

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Water, Sewer, and Sanitation Fund</b>	<b>Total Enterprise Fund</b>
<b>OPERATING REVENUES</b>		
Charges for services:		
Water sales	\$ 308,947	\$ 308,947
Sewer	263,183	263,183
Sanitation	170,500	170,500
Late charges	25,908	25,908
Reconnect fees	5,475	5,475
Transfer and other fees	8,834	8,834
Miscellaneous	4,087	4,087
Total operating revenues	<u>786,934</u>	<u>786,934</u>
<b>OPERATING EXPENSES</b>		
Salaries	188,707	188,707
Sanitation charges	157,418	157,418
Repairs and maintenance	50,007	50,007
Materials, asphalt and caliche	43,591	43,591
Truck expenses	4,217	4,217
Sewer plant	24,797	24,797
Postage, office supplies and fees	38,538	38,538
Professional fees	24,040	24,040
Insurance	45,549	45,549
Utilities and telephone	42,354	42,354
Uniforms	3,863	3,863
Payroll taxes	14,222	14,222
Depreciation	159,474	159,474
Retirement	529	529
Total operating expenses	<u>797,306</u>	<u>797,306</u>
Operating income	<u>(10,372)</u>	<u>(10,372)</u>
<b>NON OPERATING REVENUES (EXPENSES)</b>		
Interest income	1,934	1,934
Increase in net pension asset	32,057	32,057
Interest expense	(41,146)	(41,146)
Total non operating revenues (expenses)	<u>(7,155)</u>	<u>(7,155)</u>
Income before transfers	(17,527)	(17,527)
Transfers in	221,665	221,665
Transfers out	-	-
Change in net position	<u>204,138</u>	<u>204,138</u>
Net position, beginning, as restated	<u>3,561,223</u>	<u>3,561,223</u>
Net position, ending	<u>\$ 3,765,361</u>	<u>\$ 3,765,361</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, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 773,068
Cash paid to suppliers for goods and services	(406,217)
Cash paid to employees for services	<u>(186,430)</u>

Net cash provided (used) by operating activities	<u>180,421</u>
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**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Transfer from other funds	<u>221,665</u>
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Net cash provided (used) by noncapital financing activities	<u>221,665</u>
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**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchase of fixed assets	(148,760)
Principal payments on USDA Series 2000, 2000A and 2008 Certificates of Obligation	(37,000)
Interest paid	<u>(41,146)</u>

Net cash provided (used) by capital and related financing activities	<u>(226,906)</u>
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	<u>1,934</u>
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Net cash provided (used) by investing activities	<u>1,934</u>
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<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	177,114
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<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>984,541</u>
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<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 1,161,655</u></u>
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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, 2016**

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

Operating income	<u>\$ (10,372)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	159,474
(Increase) decrease in accounts receivable	(18,188)
Increase (decrease) in allowance account	4,322
(Increase) decrease in inventory	16,356
Increase (decrease) in accounts payable	25,389
Increase (decrease) in accrued interest payable	(589)
Increase (decrease) in accrued vacation payable	2,806
Increase (decrease) in accrued liabilities	109
Increase (decrease) in meter deposits payable	<u>1,114</u>
Total adjustments	<u>190,793</u>
Net cash provided (used) by operating activities	<u><u>\$ 180,421</u></u>

**RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS**

Cash and cash equivalents	\$ 277,977
Restricted cash and cash equivalents	<u>883,678</u>
Total cash and cash equivalents	<u><u>\$ 1,161,655</u></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, 2016**

**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, 2016**

**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.

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.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

**C. Proprietary Fund Financial Statements (Concluded)**

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 inventories 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.

**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.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

**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 Position**

In accordance with *Government Accounting Standards Board Statement No. 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 is restricted for USDA and TWDB bond payments, law enforcement, and pension obligations.

**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, 2016**

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

**I. Property Tax (Concluded)**

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, 2016, the Town levied an ad valorem tax for maintenance and operations at a rate of .7487 per \$100 of assessed value. A total tax levy of \$276,089 resulted, based on a net taxable valuation of \$36,875,790 for the 2015 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 \$203 of expenditures over revenues occurred in the Police Department Fund in the year ended July 31, 2016.

**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.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

**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 on the Statement of Net Position because their use is limited by applicable bond covenants or other restrictions.

**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.

**P. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

**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**

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The Town's deposits were fully collateralized at July 31, 2016. As of July 31, 2016, the carrying amount of the Town's deposits was \$2,574,746, and the bank balance was \$2,612,754. The entire bank balance was covered by federal depository insurance and other collateral.

Texas Government Code authorizes Town of Woodsboro, Texas to invest in the following eligible securities:

1. A surety bond;
2. An investment security;
3. An ownership or beneficial interest in an investment security, other than an option contract to purchase or sell an investment security;
4. A fixed-rate collateralized mortgage obligation that has an expected weighted average life of ten years or less and does not constitute a high-risk mortgage security;
5. A floating-rate collateralized mortgage obligation that does not constitute a high-risk mortgage security;
6. A letter of credit issued by a federal home loan bank.

Investment securities are defined as:

1. An obligation that in the opinion of the Attorney General of the United States is a general obligation of the United States and backed by its full faith and credit;
2. A general or special obligation issued by a public agency that is payable from taxes, revenues, or a combination of taxes and revenues;
3. A security in which a public entity may invest under Subchapter A, Chapter 2256 of Texas Statutes.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended July 31, 2016

**NOTE 3: CHANGES IN CAPITAL ASSETS**

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 82,341	\$ -	\$ -	\$ 82,341
Total capital assets not being depreciated	82,341	-	-	82,341
Other capital assets				
Buildings and improvements	97,266	117,190	-	214,456
Machinery and equipment	497,499	9,645	(4,707)	502,437
Streets	126,128	-	-	126,128
Total other capital assets at historical cost	720,893	126,835	(4,707)	843,021
Less accumulated depreciation for:				
Buildings and improvements	(43,338)	(3,956)	-	(47,294)
Machinery and equipment	(356,585)	(35,419)	4,707	(387,297)
Streets	(41,315)	(7,872)	-	(49,187)
Total accumulated depreciation	(441,238)	(47,247)	4,707	(483,778)
Other capital assets, net	279,655	79,588	-	359,243
Governmental activities capital assets, net	<u>\$ 361,996</u>	<u>\$ 79,588</u>	<u>\$ -</u>	<u>\$ 441,584</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	39,750	-	39,750
Total capital assets not being depreciated	-	39,750	-	39,750
Other capital assets				
Buildings and improvements	-	-	-	-
Machinery and equipment	5,095,170	109,010	(11,119)	5,193,061
Total other capital assets at historical cost	5,095,170	109,010	(11,119)	5,193,061
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Machinery and equipment	(1,655,117)	(159,474)	11,119	(1,803,472)
Total accumulated depreciation	(1,655,117)	(159,474)	11,119	(1,803,472)
Other capital assets, net	3,440,053	(50,464)	-	3,389,589
Business-type activities capital assets, net	<u>\$ 3,440,053</u>	<u>\$ (10,714)</u>	<u>\$ -</u>	<u>\$ 3,429,339</u>

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

Depreciation expense was charged to functions as follows:

	<u>Amount</u>
Governmental activities	
General government	\$ 15,472
Public safety	16,869
Streets	13,492
Parks	1,414
Total governmental activities depreciation expense	<u>\$ 47,247</u>
Business-type activities	
Water and sewer	<u>\$ 159,474</u>
Total business-type activities depreciation expense	<u>\$ 159,474</u>

**NOTE 4: LONG-TERM DEBT**

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

Long-term liability activity for the year ended July 31, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities					
Certificates of Obligation:					
Series 2000	\$ 460,000	\$ -	\$ (10,000)	\$ 450,000	\$ 11,000
Series 2000A	112,000	-	(2,000)	110,000	3,000
Series 2008	440,000	-	(25,000)	415,000	30,000
Total business-type activities	<u>1,012,000</u>	<u>-</u>	<u>(37,000)</u>	<u>975,000</u>	<u>44,000</u>
Total long-term liabilities	<u>\$ 1,012,000</u>	<u>\$ -</u>	<u>\$ (37,000)</u>	<u>\$ 975,000</u>	<u>\$ 44,000</u>

The interest paid for business-type activities was \$41,146 for bonds for the year ended July 31, 2016 and is charged to interest expense in the water, sewer and sanitation funds.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

**B. 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. During fiscal year ended July 31, 2013, \$5,000 was not issued due to a lapse in time, therefore, the total amount of Certificates issued was \$520,000. 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 fixed with a rate of 3.15% per annum.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

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

As of July 31, 2016, all interest and sinking funds, reserve funds, and repair and replacement funds have been properly established by the Town. The Town is in compliance with all covenants of all bond ordinances at July 31, 2016.

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

<u>Year Ended July 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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>\$ 450,000</u>	<u>\$ 295,200</u>	<u>\$ 745,200</u>

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

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

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

Year Ended July 31,	Principal	Interest	Total Requirements
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>\$ 110,000</u>	<u>\$ 71,865</u>	<u>\$ 181,865</u>



**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

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

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

<u>Year Ended July 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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>\$ 415,000</u>	<u>\$ 108,297</u>	<u>\$ 523,297</u>

**C. Five Year Schedules**

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

**Business-Type Activities**

<u>Year Ended July 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2017	\$ 44,000	\$ 40,470	\$ 84,470
2018	44,000	38,925	82,925
2019	45,000	37,350	82,350
2020	45,000	35,670	80,670
2021	51,000	33,945	84,945
2022-2026	276,000	138,712	414,712
2027-2031	189,000	83,465	272,465
2032-2036	143,000	50,940	193,940
2037-2040	138,000	15,885	153,885
	<u>\$ 975,000</u>	<u>\$ 475,362</u>	<u>\$ 1,450,362</u>

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

**NOTE 5: PENSION PLAN**

**A. Plan Description**

The Town participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

All eligible employees of the Town are required to participate in TMRS.

**B. Benefits Provided**

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the Town were as follows:

	Plan Year 2015
Employee deposit rate	5.0%
Matching ratio (city to employee)	1 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/25
Updated Service Credit	100% Repeating
Annuity Increase (to retirees)	70% of CPI Repeating

***Employees covered by benefit terms***

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	7
Active employees	12
Total	20

**TOWN OF WOODSBORO, TEXAS  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended July 31, 2016**

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

**C. Contributions**

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employees gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Town were required to contribute 5% of their annual gross earnings during the fiscal year 2016. The contribution rates for the Town were 0.20% and 0.00% in calendar years 2015 and 2016, respectively. The Town's contributions to TMRS for the year ended 2016 were \$1,095.

**D. Net Pension Liability**

The Town's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

***Actuarial assumptions:***

The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the Town, rates are multiplied by a factor of 95.0%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

**D. Net Pension Liability (Continued)**

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7.0% to 6.75%. The Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100.0%	

***Discount Rate***

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended July 31, 2016

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

**D. Net Pension Liability (Concluded)**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2014	\$ 338,556	\$ 601,948	\$ (263,392)
Changes for the year:			
Service cost	38,084	-	38,084
Interest	24,744	-	24,744
Difference between expected and actual experience	3,564	-	3,564
Changes in assumptions	4,814	-	4,814
Contributions - employer	-	928	(928)
Contributions - employee	-	23,194	(23,194)
Net investment income	-	888	(888)
Benefit payments, including refunds of employee contributions	(8,221)	(8,221)	-
Administrative expense	-	(541)	541
Other changes	-	(27)	27
Net changes	62,985	16,221	46,764
<b>Balance at 12/31/2015</b>	<b>\$ 401,541</b>	<b>\$ 618,169</b>	<b>\$ (216,628)</b>

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Town's net pension liability(asset)	\$(154,100)	\$(216,628)	\$(267,437)

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

**E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended July 31, 2016, the Town recognized pension expense of \$592.

At July 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 626	
Changes in actuarial assumptions	\$ 846	
Difference between projected and actual investment earnings	\$8,250	
Contributions subsequent to the measurement date December 31, 2015	\$ 0	
Total	\$9,722	

Deferred outflows of resources, related to pensions resulting from contributions subsequent to the measurement date, will not be recognized as a reduction of the net pension liability for the year ending July 31, 2016 due to immateriality. Also, due to immateriality, other amounts reported as deferred outflows and inflows of resources related to pensions will not be recognized in pension expense as follows:

Year ended December 31:	Net deferred outflows (inflows) of resources
2016	\$2,526
2017	2,526
2018	2,526
2019	1,042
2020	(5,793)
Thereafter	0
Total	\$2,829

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

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

**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 2015	Plan Year 2016
Active employees	Yes	Yes
Retirees	Yes	Yes

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 2016, 2015, and 2014 were \$536, \$544, and \$725, respectively, which equaled the required contributions each year.

**Schedule of Contribution Rates:**

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

Plan/ Calendar Year	Annual Required Contribution (ARC) (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2013	0.10%	0.10%	100.0%
2014	0.12%	0.12%	100.0%
2015	0.09%	0.09%	100.0%

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

**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, 2016.

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

A local agreement was made and entered into by and between Town of Woodsboro, Texas 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, Town of Woodsboro, Texas 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.

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



**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

**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, 2016 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 1,547	\$ (221,665)
Police Department	-	(1,547)
Enterprise	221,665	-
Total transfers	<u>\$ 223,212</u>	<u>\$ (223,212)</u>

**NOTE 9: FUND BALANCES**

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

- Amount reported in non-spendable form - inventory: \$4,733
- 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 Town hall	\$670,531	Town Council action
Street maintenance	\$153,525	Town Council action
Dodson field	\$100,055	Town Council action
Drainage	\$ 20,000	Town Council action
Parks	\$ 32,100	Town Council action
Dump truck	\$ 80,000	Town Council action
Police truck	\$ 40,000	Town Council action

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

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

**NOTE 9: FUND BALANCES (Concluded)**

A schedule of fund balances is provided below:

	General Fund	Police Department Fund	Total Governmental Funds
<b>FUND BALANCES:</b>			
Non-spendable:			
Inventory	\$ 4,733	\$ -	\$ 4,733
Prepaid expenses	15,270	-	15,270
Restricted for:			
Law enforcement purposes	-	20,795	20,795
Municipal court building security	7,730	-	7,730
Municipal court technical fund	4,400	-	4,400
Committed to:			
Future Town hall	670,531	-	670,531
Street maintenance	153,525	-	153,525
Dodson field	100,055	-	100,055
Drainage	20,000	-	20,000
Parks	32,100	-	32,100
Dump truck	80,000	-	80,000
Police truck	40,000	-	40,000
Unassigned	81,540	-	81,540
Total fund balances	<u>\$ 1,209,884</u>	<u>\$ 20,795</u>	<u>\$ 1,230,679</u>

**NOTE 10: FEDERAL AND STATE AWARDS**

On July 3, 2013, Town of Woodsboro, Texas entered into a grant agreement with Texas Department of Housing and 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. During the year ended July 31, 2016, two homes were constructed associated with this grant.

As of July 31, 2016, FEMA Grant #FEMA-DR-1791 Project #61, \$256,784 in expenditures is pending approval for reimbursement. This grant was reopened due to the failure of inspection, and repairs were required to effect compliance. This grant is a pass-through grant in which the Town receives the federal funds and passes the funds through to the sub-recipient, Woodsboro Independent School District.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2016**

**NOTE 11: RESTATEMENT OF BEGINNING BALANCES**

During the current year, it was determined that deferred inflows and deferred outflows related to pensions should have been recorded for fiscal year ended July 31, 2015, as per *Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. To correct this error, the net positions and fund balances of the Town's governmental and business-type activities have been restated. The impact of this restatement on net position is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net position, July 31, 2015, as previously stated	\$ 1,805,188	\$ 3,578,931	\$ 5,384,119
Restatement of deferred inflows/outflows related to pension assets	<u>(26,563)</u>	<u>(17,708)</u>	<u>(44,271)</u>
Net position, July 31, 2015, as restated	<u><u>\$ 1,778,625</u></u>	<u><u>\$ 3,561,223</u></u>	<u><u>\$ 5,339,848</u></u>

The impact of this restatement on fund balance is as follows:

	<u>General Fund</u>
Fund balance, July 31, 2015, as previously stated	\$ 1,054,454
Restatement of deferred inflows/outflows related to pension assets	<u>(26,563)</u>
Fund balance, July 31, 2015, as restated	<u><u>\$ 1,027,891</u></u>

**NOTE 12: SUBSEQUENT EVENT**

At the September 6, 2016 Town Council meeting, the Council approved a bid for a new elevated water storage tank in the amount of \$539,953. Subsequent to the September 6, 2016 meeting, a motion was carried to increase the size of the new elevated water storage tank from 100,000 to 125,000 gallons, increasing the price by \$49,941 for a total project cost of \$589,894.

## **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, 2016**

	<b>Original and Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property taxes	\$ 253,500	\$ 276,347	\$ 22,847
Sales tax revenue	95,300	87,924	(7,376)
Franchise fees	67,500	61,767	(5,733)
Municipal court	80,030	47,575	(32,455)
Intergovernmental - grant revenue	-	200,662	200,662
Animal control	300	325	25
Christmas in the Square	1,600	2,515	915
Permits and licenses	600	2,888	2,288
Amusement permits	260,000	659,473	399,473
Rent income	-	2,100	2,100
Interest income	1,650	2,728	1,078
Miscellaneous	50,950	5,894	(45,056)
Total revenues	<u>811,430</u>	<u>1,350,198</u>	<u>538,768</u>
<b>EXPENDITURES</b>			
Salaries	342,953	347,948	(4,995)
Insurance	59,850	50,424	9,426
Vehicle services	29,000	11,434	17,566
Town Square	10,150	6,914	3,236
Street materials	65,500	20,435	45,065
Supplies	12,350	13,394	(1,044)
Rent	2,200	3,035	(835)
Utilities	32,500	37,698	(5,198)
Training	4,150	1,129	3,021
Professional fees	20,300	12,120	8,180
Capital outlay	19,268	87,610	(68,342)
Capital outlay - Future Town Hall	54,105	39,225	14,880
Municipal court	29,370	16,576	12,794
Animal control	16,719	16,859	(140)
Fire protection	30,000	30,000	-
Intergovernmental - grant expenditures	-	191,118	(191,118)
Miscellaneous expense	83,015	60,327	22,688
Total expenditures	<u>811,430</u>	<u>946,246</u>	<u>(134,816)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>403,952</u>	<u>\$ 403,952</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in		1,547	
Transfers out		(221,665)	
Decrease in net pension asset		(1,841)	
Total other financing sources (uses)		<u>(221,959)</u>	
Net change in fund balances		181,993	
Fund balances - beginning, as restated		1,027,891	
Fund balances - ending		<u>\$ 1,209,884</u>	

**TOWN OF WOODSBORO, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (unaudited)**  
**For the Year Ended July 31, 2016**

	<u>2014</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ 28,152	\$ 38,084
Interest (on the total pension liability)	26,117	24,744
Changes of benefit terms	-	-
Difference between expected and actual experience	(58,879)	3,564
Change of assumptions	-	4,814
Benefit payments, including refunds of employee contributions	<u>(31,727)</u>	<u>(8,221)</u>
<b>Net change in total pension liability</b>	(36,337)	62,985
<b>Total pension liability - beginning</b>	<u>374,893</u>	<u>338,556</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 338,556</u></u>	<u><u>\$ 401,541</u></u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 3,673	\$ 928
Contributions - employee	18,084	23,194
Net investment income	33,129	888
Benefit payments, including refunds of employee contributions	(31,727)	(8,221)
Administrative expense	(346)	(541)
Other	<u>(28)</u>	<u>(27)</u>
<b>Net change in plan fiduciary net position</b>	22,785	16,221
<b>Plan fiduciary net position - beginning</b>	<u>579,163</u>	<u>601,948</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 601,948</u></u>	<u><u>\$ 618,169</u></u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ (263,392)	\$ (216,628)
<b>Plan fiduciary net position as a percentage of total pension liability (asset)</b>	177.80 %	153.95 %
<b>Covered employee payroll</b>	\$ 361,677	\$ 463,872
<b>Net pension liability (asset) as a percentage of covered employee payroll</b>	(72.83) %	(46.70) %

**TOWN OF WOODSBORO, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS (unaudited)  
For the Year Ended July 31, 2016**

	<u>2014</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,953	\$ 436
Contributions in relation to the actuarially determined contribution	<u>3,264</u>	<u>436</u>
Contribution deficiency (excess)	\$ (311)	\$ -
Covered employee payroll	\$ 303,484	\$ 485,011
Contributions as a percentage of covered employee payroll	1.08 %	0.09 %

**TOWN OF WOODSBORO, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
NOTES TO SCHEDULE OF CONTRIBUTIONS (unaudited)  
For the Year Ended July 31, 2016**

**Valuation Date:** Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level of percent of payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**Other Information:**

**Notes** There were no benefit changes during the year.



**TOWN OF WOODSBORO, TEXAS**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended July 31, 2016**

**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.

## **SUPPLEMENTARY INFORMATION FOR RURAL DEVELOPMENT**

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

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## Certified Public Accountants

DONALD G. GOLDMAN, CPA  
D. DALE HUNT, CPA  
JAMIE K. NOTZ, CPA, CVA\*

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### **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of Town of Woodsboro, Texas (the Town), as of and for the year ended July 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 4, 2016.

#### **Internal Control Over Financial Reporting**

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

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

#### Lack of Controls over Annual Financial Reporting

We have drafted the annual financial statements and related note disclosures of the Town at the Town's request. This was done because, due to its limited resources, the Town's internal personnel did not possess all of the skills and competencies necessary to prepare its own annual financial statements in accordance with the highly technical pronouncements and requirements of generally accepted accounting principles. However, we cannot be considered part of the Town's internal controls – specifically, we cannot be a part of the financial reporting internal control that addresses the preparation of accurate annual financial statements and related note disclosures. Consequently, the inability of the Town to prepare its own financial statements and related note disclosures is considered to be a control deficiency. The fact that we prepare the financial statements may give users more confidence that the financial statements are correct; however, it does not eliminate the control deficiency.

To remedy the control deficiency related to the preparation of the annual financial statements, the Town would need to ensure that sufficient personnel are in place and that they have the appropriate knowledge and tools (i.e., current accounting literature, current disclosure checklist, etc.) to be an effective element of the internal control process over financial reporting. We understand that this is not feasible because of the Town's size and limited resources. Management may make a conscious decision to accept the degree of risk in this control deficiency because of cost or other considerations.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

October 4, 2016

**TOWN OF WOODSBORO, TEXAS**  
**SUPPLEMENTARY INFORMATION FOR RURAL DEVELOPMENT**  
**COMPARATIVE SCHEDULE**  
**WATER, SEWER AND SANITATION FUND**  
**For the Years Ended July 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Current assets	\$ 430,164	\$ 436,225
Long-term assets	<u>4,416,998</u>	<u>4,248,401</u>
Total assets	<u>4,847,162</u>	<u>4,684,626</u>
Current liabilities	166,524	130,695
Long-term liabilities	<u>931,000</u>	<u>975,000</u>
Total liabilities	<u>1,097,524</u>	<u>1,105,695</u>
Net position	<u>\$ 3,749,638</u>	<u>\$ 3,578,931</u>
Operating income:		
Charges for water service	\$ 308,947	\$ 300,735
Charges for sewer service	263,183	263,181
Charges for sanitation service	170,500	162,939
Other operating income	<u>44,304</u>	<u>42,307</u>
Total operating income	786,934	769,162
Non operating income	<u>1,934</u>	<u>1,662</u>
Gross revenue	<u>788,868</u>	<u>770,824</u>
Depreciation	159,474	138,921
All other operating and maintenance expense (excluding interest)	<u>605,775</u>	<u>560,172</u>
Total operating and maintenance expense	<u>765,249</u>	<u>699,093</u>
Net from operations	<u>\$ 23,619</u>	<u>\$ 71,731</u>
USDA debt service:		
Principal	\$ 12,000	\$ 12,000
Interest	25,151	25,779
Other debt service:		
Principal	25,000	37,574
Interest	<u>15,995</u>	<u>18,153</u>
Total debt service	<u>\$ 78,146</u>	<u>\$ 93,506</u>

## **INDIVIDUAL GRANT INFORMATION**

**TOWN OF WOODSBORO, TEXAS  
GRANT REVENUE AND EXPENSE SCHEDULE  
For the Year Ended July 31, 2016**

Home Investment Partnership Program  
Homeowner Rehabilitation Assistance  
Federal Grantor: U.S. Department of Housing and Urban Development  
State Grantor: Texas Department of Housing Community Affairs  
CFDA Number: 14.239  
Contract Number: 1001923  
Contract Period: July 3, 2013 to July 10, 2015

	Budget	Prior Year	Current Year	Total
<b>Revenue:</b>				
Federal/State	\$ 195,504	\$ -	\$ 191,918	\$ 191,918
Total revenue	195,504	-	191,918	191,918
<b>Expenditures</b>				
Federal/State				
Demolition and disposal cost	17,000	-	17,000	17,000
Base construction project hard cost	137,700	-	137,300	137,300
Other closing requirements	5,000	-	2,214	2,214
Alternative item costs	11,200	-	10,800	10,800
Project soft cost	18,000	-	18,000	18,000
Grant administration	6,604	-	6,604	6,604
Total expenditures	195,504	-	191,918	191,918
Excess revenue over expenditures	\$ -	\$ -	\$ -	\$ -

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2016**

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 Budget	Final Amended Budget	Prior Year	Current 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>Expenditures</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 expenditures	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, 2016**

Operation Stonegarden Grant Program

Federal Grantor: Department of Homeland Security, Bureau of Customs and Border Protection

Pass Through Grantor: Texas Department of Public Safety

CFDA Number: 97.067

Contract Number: 15-RGVRGV-10-006 Version 2

Contract Period: October 1, 2014 to August 31, 2016

	Original Budget	Prior Year	Current Year	Total
<b>Revenue:</b>				
Federal/State	\$ 10,000	\$ -	\$ 8,744	\$ 8,744
Total revenue	10,000	-	8,744	8,744
<b>Expenditures</b>				
Federal/State				
Overtime amount	7,407	-	7,407	7,407
Fringe amount	593	-	593	593
Mileage amount	2,000	-	744	744
Total expenditures	10,000	-	8,744	8,744
Excess revenue over expenditures	\$ -	\$ -	\$ -	\$ -