

TOWN OF WOODSBORO, TEXAS

FINANCIAL STATEMENTS

For the Year Ended July 31, 2019

TOWN OF WOODSBORO, TEXAS
FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

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FINANCIAL STATEMENTS
For the Year Ended July 31, 2019**

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INTRODUCTORY SECTION

**TOWN OF WOODSBORO, TEXAS
LIST OF PRINCIPAL OFFICIALS
July 31, 2019**

Mayor	Kay Roach
Mayor Pro-tem	Johnny Cisneros
Council Members	(August 2018-May 2019) Tony Abila Freddie Arriaga (August 2018-May 2019) Ralph Cisneros (May 2019-July 2019) John Schlabach (May 2019-July 2019) Robbie Stephenson Rosemary Vega
City Attorney	(August 2018-January 2019) Donald Kubicek (February 2019-July 2019) Desiree Voth
City Engineer	Robert Viera (LNV Engineering)
Tax Assessor and Collector	Ida M. Turner
Municipal Police Officer	Martin Diaz DeLeon
City Secretary	Ruby H. DeLaGarza
City Clerk/Water Clerk	Viola Meza
Municipal Court Clerk/Office Clerk	(August 2018-December 2018) John Rivera (December 2018-July 2019) Vickie Lewis
Municipal Judge	Emi Riemenschneider
Public Works Director	Gabriel Thomas

FINANCIAL SECTION

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

Certified Public Accountants

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

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

KEITH H. COX, CPA, CISA*
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TREY A. PARMA, CPA

*CERTIFIED VALUATION ANALYST

TEXAS SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

*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, each major fund, and the aggregate remaining fund information of the Town of Woodsboro, Texas, as of and for the year ended July 31, 2019, 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, each major fund, and the aggregate remaining fund information of Town of Woodsboro, Texas, as of July 31, 2019, 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 52-58 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, Other Supplementary Information 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 and the Other Supplementary information are the responsibility of management and were 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 and Other Supplementary Information are 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.

December 3, 2019

TOWN OF WOODSBORO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2019

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, 2019. 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, 2019**

Financial Highlights

- The assets of Town of Woodsboro, Texas exceeded its liabilities at the close of the year ended July 31, 2019 by \$6,025,028. Of this amount, \$1,331,128 of unrestricted net assets is available to meet the Town's ongoing obligations to citizens and creditors.
- At July 31, 2019, the Town's governmental funds reported combined ending fund balances of \$1,522,402, of which \$406,236 is unassigned fund balance for the General Fund.
- At July 31, 2019, unassigned fund balance for the General Fund was \$406,236 or 34% of total General Fund expenditures.
- The total cost of all Town activities was \$1,804,585 for the year. Net revenue of all activities was \$137,044.
- During the year, the Town's program revenues exceeded expenditures of the governmental activities by \$284,030.

Town as a Whole

Government-Wide Financial Statements

A condensed version of the Statement of Net Assets at July 31, 2019 and 2018 follows:

**Town of Woodsboro, Texas
Components of Net Position
July 31, 2019
With Comparative Totals for July 31, 2018
(in thousands)**

	Governmental Activities		Business-type Activities		Total Government		Amount Change	% Change
	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018		
Cash	\$ 1,054	\$ 947	\$ 60	\$ 23	\$ 1,114	\$ 970	\$ 144	14.8%
Restricted assets	477	34	596	722	1,073	756	317	41.9%
Other assets	201	247	251	231	452	478	(26)	-5.4%
Capital assets	835	472	3,892	3,848	4,727	4,320	407	9.4%
Total assets	2,567	1,700	4,799	4,824	7,366	6,524	842	12.9%
Deferred outflows of resources	19	2	23	1	42	3	39	1300.0%
Other liabilities	185	12	117	99	302	111	191	172.1%
Long term debt	76	24	986	899	1,062	923	139	15.1%
Total liabilities	261	36	1,103	998	1,364	1,034	369	35.7%
Deferred inflows of resources	9	20	11	17	20	37	(17)	-45.9%
Net investment in capital assets	764	455	2,913	2,953	3,677	3,408	269	7.9%
Restricted	478	33	538	667	1,016	700	316	45.1%
Unrestricted	1,074	1,158	257	190	1,331	1,348	(17)	-1.3%
Total net position	\$ 2,316	\$ 1,646	\$ 3,708	\$ 3,810	\$ 6,024	\$ 5,456	\$ 568	10.4%

TOWN OF WOODSBORO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2019

Financial Highlights (Continued)

During the year ended July 31, 2019, the net position of the Town increased approximately \$568,000. Cash (unrestricted and restricted) increased by \$461,000 primarily due to the Town receiving donations and grants for Hurricane Harvey repairs, inventory increased by \$6,000 and other current assets increased by \$32,000. New asset purchases were \$671,000, \$8,000 in asset disposals and depreciation expense was \$256,000. Deferred outflows of resources increased \$39,000. Accounts payable increased \$32,000, accrued interest increased \$4,000, accrued expenses increased \$9,000 and other current liabilities increased \$146,000, including \$132,000 draws on a FEMA Community Disaster Loan (Line of Credit). The Town made principal payments of \$53,000 and received \$192,000 in loan proceeds which were used to purchase machinery and equipment. Deferred inflows of resources decreased \$17,000.

A condensed version of the Statement of Activities follows:

Town of Woodsboro, Texas
Condensed Statement of Activities
For the Year Ended July 31, 2019
With Comparative Totals for the Year Ended July 31, 2018
(in thousands)

	Governmental Activities		Business-type Activities		Total Government		Amount Change	% Change
	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018		
Revenues								
Program revenues								
Charges for services	\$ 431	\$ 277	\$ 807	\$ 750	\$ 1,238	\$ 1,027	\$ 211	20.5%
General revenues								
Taxes	453	440	-	-	453	440	13	3.0%
Interest	19	9	10	6	29	15	14	93.3%
Donation	340	-	-	-	340	-	340	100.0%
Intergovernmental revenue	363	23	-	-	363	23	340	1478.3%
Total revenues	<u>1,606</u>	<u>749</u>	<u>817</u>	<u>756</u>	<u>2,423</u>	<u>1,505</u>	<u>918</u>	<u>61.0%</u>
Expenses								
General government	537	493	-	-	537	493	44	8.9%
Public safety/municipal court	217	112	-	-	217	112	105	93.8%
Streets	73	75	-	-	73	75	(2)	-2.7%
Animal control	16	22	-	-	16	22	(6)	-27.3%
Recreation	7	10	-	-	7	10	(3)	-30.0%
Water and sewer	-	-	749	816	749	816	(67)	-8.2%
Sanitation	-	-	205	167	205	167	38	22.8%
Total expenses	<u>850</u>	<u>712</u>	<u>954</u>	<u>983</u>	<u>1,804</u>	<u>1,695</u>	<u>109</u>	<u>6.4%</u>
Excess (deficiency) before non operating revenues, expenses, and transfers	756	37	(137)	(227)	619	(190)	809	-425.8%
Non operating revenues	-	-	-	3	-	3	(3)	-100.0%
Non operating expenses	(8)	(22)	(43)	(97)	(51)	(119)	68	-57.1%
Transfers	(78)	(386)	78	386	-	-	-	-
Change in net position	670	(371)	(102)	65	568	(306)	874	-285.6%
Beginning net position	1,646	2,017	3,810	3,745	5,456	5,762	(306)	-5.3%
Ending net position	<u>\$ 2,316</u>	<u>\$ 1,646</u>	<u>\$ 3,708</u>	<u>\$ 3,810</u>	<u>\$ 6,024</u>	<u>\$ 5,456</u>	<u>\$ 568</u>	<u>10.4%</u>

**TOWN OF WOODSBORO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2019**

Financial Highlights (Concluded)

Governmental Activities

Revenues

Revenues increased by \$857,000. Ad valorem taxes increased \$28,000, sales taxes decreased \$16,000 as the electric service personnel that were in town after Hurricane Harvey were no longer needed, franchise fees increased \$1,000, licenses, permits and fees increased \$3,000, Municipal Court fines increased \$239,000 due to the Town hiring two police officers during the current fiscal year, interest income increased \$10,000 due to the increase in intergovernmental revenue and donations which increased cash balances. Intergovernmental revenue increased \$340,000 as grant funds for Hurricane Harvey began to be disbursed to the Town, Hurricane Harvey donations increased \$276,000, and miscellaneous income decreased \$24,000.

Expenditures

Expenses and other charges increased by \$138,000. General government expenditures increased by \$44,000. Public safety decreased by \$11,000 and municipal court expenditures increased by \$116,000 due to the increase in municipal court revenues and fees owed to the State. Street expenditures decreased \$2,000 and animal control decreased by \$6,000. Park expenditures decreased by \$3,000. The Town purchased \$418,000 more in machinery and equipment than in the prior year. The decrease in expenditures is due primarily to the General Fund not having to expend for Hurricane Harvey repairs as was necessary in the prior year.

Business-type Activities

Revenues

Program revenues increased by \$61,000 due to an increase in garbage rates. Interest income increased by \$4,000.

Expenses

Expenses decreased by approximately \$29,000 primarily due to the Town not having extensive repairs and maintenance on the Town's assets during the current fiscal year.

**TOWN OF WOODSBORO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2019**

Capital Assets

At July 31, 2019 the Town had \$4,727,000 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 \$407,000 or 9.4% compared to last year, due to an influx of new assets primarily to the governmental activities such as new buildings, machinery and equipment.

**Town of Woodsboro, Texas
Capital Assets
July 31, 2019
With Comparative Totals for July 31, 2018
(in thousands)**

	Governmental Activities		Business-type Activities		Total Government		Amount Change	% Change
	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018		
Construction in progress	\$ 18	\$ -	\$ -	\$ -	\$ 18	\$ -	\$ 18	
Land	82	82	-	-	82	82	-	0.0%
Buildings and improvements	473	228	-	-	473	228	245	107.5%
Machinery and equipment	431	541	5,877	5,750	6,308	6,291	17	0.3%
Streets	112	126	-	-	112	126	(14)	-11.1%
Subtotal	1,116	977	5,877	5,750	6,993	6,727	266	4.0%
Accumulated depreciation	(281)	(505)	(1,985)	(1,902)	(2,266)	(2,407)	141	-5.9%
Capital assets, net	<u>\$ 835</u>	<u>\$ 472</u>	<u>\$ 3,892</u>	<u>\$ 3,848</u>	<u>\$ 4,727</u>	<u>\$ 4,320</u>	<u>\$ 407</u>	9.4%

Additional information on the Town's capital assets 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, 2019. Actual revenues in the General Fund were higher than budgeted revenues by approximately \$839,000, primarily due to municipal court, as well as grant revenue and donations budgeted revenues being lower than actual. Actual General Fund expenditures were higher than budgeted amounts by approximately \$347,000, primarily due to a significant amount of capital outlay purchased during the fiscal year.

**TOWN OF WOODSBORO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2019**

Debt Administration

At year-end, the Town had \$1,062,000 in Long-Term Debt and Certificates of Obligation outstanding versus \$923,000 in Long-Term Debt and Certificates of Obligation last year. The Town received \$192,000 long-term debt proceeds for the purchase of machinery and equipment and also paid \$53,000 in principal reductions for other long-term debt and Certificates of Obligation debt.

**Town of Woodsboro, Texas
Debt Outstanding
July 31, 2019
With Comparative Totals for July 31, 2018
(in thousands)**

	Governmental Activities		Business-type Activities		Total Government		Amount Change	% Change
	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018		
Long-term debt	\$ 76	\$ 24	\$ 144	\$ 12	\$ 220	\$ 36	\$ 184	511.1%
Certificates of Obligation	-	-	842	887	842	887	(45)	-5.1%
Total	<u>\$ 76</u>	<u>\$ 24</u>	<u>\$ 986</u>	<u>\$ 899</u>	<u>\$ 1,062</u>	<u>\$ 923</u>	<u>\$ 139</u>	15.1%

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

Economic Factors and Next Year's Budgets and Rates

- Anticipate that the Town's effective tax rate will approximate the 2019/2020 rate of 0.8845/\$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 make needed repairs for damages sustained by Hurricane Harvey.
- Will continue to fund the street maintenance/improvement fund account funded by various sources.
- The budget for the fiscal year ending July 31, 2020 will be as follows:

FUND	REVENUE	EXPENDITURE/EXPENSES
General Fund	\$1,327,338	\$1,327,338
Enterprise Fund - Water	\$1,137,431	\$1,137,431
Enterprise Fund - Sewer	\$357,388	\$357,388
Enterprise Fund - Sanitation	\$235,950	\$235,950

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, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 1,053,890	\$ 60,090	\$ 1,113,980
Receivables			
Sales tax	5,901	-	5,901
Service accounts	-	107,039	107,039
Franchise tax	11,445	-	11,445
Ad valorem taxes	74,948	-	74,948
Other	2,174	-	2,174
Prepaid expenses	11,617	3,776	15,393
Due from other fund	360	-	360
Due from grant agency	8,963	-	8,963
Inventory	838	35,740	36,578
Restricted cash	477,192	596,060	1,073,252
Net pension asset	85,214	104,151	189,365
Capital assets			
Property, plant and equipment	1,115,667	5,876,785	6,992,452
Less: accumulated depreciation	(280,835)	(1,984,545)	(2,265,380)
Total assets	<u>2,567,374</u>	<u>4,799,096</u>	<u>7,366,470</u>
DEFERRED OUTFLOWS OF RESOURCES			
Excess investment returns - net pension	18,034	22,041	40,075
Difference in assumptions - net pension	643	786	1,429
Difference in experience - OPEB	543	664	1,207
Total deferred outflows of resources	<u>19,220</u>	<u>23,491</u>	<u>42,711</u>
LIABILITIES			
Accounts payable	32,922	29,200	62,122
Accrued expenses	9,704	-	9,704
Accrued interest	-	20,810	20,810
Accrued vacation	1,903	3,669	5,572
Accrued salaries	8,444	5,052	13,496
Due to other fund	360	-	360
Customer deposits payable	-	57,964	57,964
Noncurrent liabilities:			
Other post employment benefits obligation	5,870	7,175	13,045
Line of credit	132,000	-	132,000
Note payable - due within one year	16,694	26,930	43,624
Bonds payable - due within one year	-	45,000	45,000
Note payable - due in more than one year	53,116	110,080	163,196
Bonds payable - due in more than one year	-	797,000	797,000
Total liabilities	<u>261,013</u>	<u>1,102,880</u>	<u>1,363,893</u>

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

TOWN OF WOODSBORO, TEXAS
STATEMENT OF NET POSITION (CONTINUED)
July 31, 2019

	Primary Government	
	Governmental Activities	Business-type Activities
		Total
DEFERRED INFLOWS OF RESOURCES		
Difference in assumptions - OPEB	108	132
Difference in experience - net pension	9,009	11,011
Total deferred inflows of resources	9,117	11,143
NET POSITION		
Net investment in capital assets	765,022	2,913,230
Restricted for:		
Hurricane Harvey repairs	432,479	-
Law enforcement	10,478	-
Municipal court building security	16,010	-
Municipal court technology fund	18,585	-
Debt service	-	136,266
Utility replacement	-	401,830
Unrestricted	1,073,890	257,238
Total net position	\$ 2,316,464	\$ 3,708,564

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, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Primary Government	
					Business-type Activities	Total
Primary Government						
Governmental activities:						
General government	\$ 537,217	\$ 29,201	\$ 703,213	\$ 195,197	\$ -	\$ 195,197
Public safety/municipal court	216,870	402,067	-	185,197	-	185,197
Streets	73,383	-	-	(73,383)	-	(73,383)
Animal control	16,367	-	-	(16,367)	-	(16,367)
Recreation	6,614	-	-	(6,614)	-	(6,614)
Total governmental activities	<u>850,451</u>	<u>431,268</u>	<u>703,213</u>	<u>284,030</u>	<u>-</u>	<u>284,030</u>
Business-type activities:						
Water and sewer	749,157	578,725	-	-	(170,432)	(170,432)
Sanitation	204,977	228,423	-	-	23,446	23,446
Total business-type activities	<u>954,134</u>	<u>807,148</u>	<u>-</u>	<u>-</u>	<u>(146,986)</u>	<u>(146,986)</u>
Total primary government	<u>\$ 1,804,585</u>	<u>\$ 1,238,416</u>	<u>\$ 703,213</u>	<u>284,030</u>	<u>(146,986)</u>	<u>137,044</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				313,411	-	313,411
Franchise taxes				60,186	-	60,186
Sales taxes				80,328	-	80,328
Transfers in/(out)				(77,935)	77,935	-
Interest income				19,647	10,614	30,261
Interest expense				(945)	(41,735)	(42,680)
Loss on asset disposal				(7,456)	(1,319)	(8,775)
Total general revenues and transfers				<u>387,236</u>	<u>45,495</u>	<u>432,731</u>
Change in net position				<u>671,266</u>	<u>(101,491)</u>	<u>569,775</u>
Net position - beginning				<u>1,645,198</u>	<u>3,810,055</u>	<u>5,455,253</u>
Net position - ending				<u>\$ 2,316,464</u>	<u>\$ 3,708,564</u>	<u>\$ 6,025,028</u>

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, 2019**

	<u>General Fund</u>	<u>Police Department Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash - unrestricted	\$ 1,053,890	\$ -	\$ -	\$ 1,053,890
Receivables:				
Sales tax	5,901	-	-	5,901
Franchise tax	11,445	-	-	11,445
Ad valorem taxes	74,948	-	-	74,948
Other	2,174	-	-	2,174
Restricted cash	432,479	10,478	34,235	477,192
Prepaid expenses	11,617	-	-	11,617
Due from other government funds	-	-	360	360
Due from grant agency	8,963	-	-	8,963
Inventory	838	-	-	838
Total assets	<u>\$ 1,602,255</u>	<u>\$ 10,478</u>	<u>\$ 34,595</u>	<u>\$ 1,647,328</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 32,922	\$ -	\$ -	\$ 32,922
Accrued expenses	9,704	-	-	9,704
Accrued vacation	1,903	-	-	1,903
Accrued salaries	8,444	-	-	8,444
Due to other fund	360	-	-	360
Total liabilities	<u>53,333</u>	<u>-</u>	<u>-</u>	<u>53,333</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	71,593	-	-	71,593
Total deferred inflows of resources	<u>71,593</u>	<u>-</u>	<u>-</u>	<u>71,593</u>
Fund balances:				
Non-spendable	12,455	-	-	12,455
Restricted	432,479	10,478	34,595	477,552
Committed	626,159	-	-	626,159
Unassigned	406,236	-	-	406,236
Total fund balances	<u>1,477,329</u>	<u>10,478</u>	<u>34,595</u>	<u>1,522,402</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,602,255</u>	<u>\$ 10,478</u>	<u>\$ 34,595</u>	<u>\$ 1,647,328</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, 2019

Total governmental fund balances (page 13)	\$ 1,522,402
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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.	834,832
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Noncurrent assets are not available to pay for current period expenditures and, therefore, are not reported in the funds. These assets are comprised of the following:

Net pension asset	85,214
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Deferred outflows related to pensions:

Difference in projected and actual earnings on pension plan assets	18,034
Difference in assumptions	643

Deferred outflows related to OPEB:

Difference in expected and actual experience	543
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Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

	71,593
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Deferred inflows related to pensions:

Difference in experience	(9,009)
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Deferred inflows related to OPEB:

Difference in assumptions	(108)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities are comprised of the following:

Line of credit	(132,000)
Other post employment benefits obligation	(5,870)
Long-term debt	(69,810)

Net position of governmental activities	<u><u>\$ 2,316,464</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 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended July 31, 2019

	<u>General Fund</u>	<u>Police Department Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes:				
Ad valorem taxes, penalty and interest	\$ 303,465	\$ -	\$ -	\$ 303,465
City sales tax	80,328	-	-	80,328
Franchise taxes	60,186	-	-	60,186
Licenses, permits and fees	7,551	-	-	7,551
Fines	402,067	-	-	402,067
Rent income	3,600	-	-	3,600
Interest income	19,127	139	381	19,647
Intergovernmental - grant revenue	363,054	-	-	363,054
Donations	340,159	-	-	340,159
Miscellaneous	2,273	714	15,063	18,050
Total revenues	<u>1,581,810</u>	<u>853</u>	<u>15,444</u>	<u>1,598,107</u>
EXPENDITURES				
Current:				
General government	486,053	-	-	486,053
Public safety	43,530	2,515	-	46,045
Streets	52,612	-	-	52,612
Animal control	16,367	-	-	16,367
Municipal court	149,774	-	-	149,774
Parks	5,148	-	-	5,148
Capital outlay	438,394	1,790	-	440,184
Total expenditures	<u>1,191,878</u>	<u>4,305</u>	<u>-</u>	<u>1,196,183</u>
Excess (deficiency) of revenues over (under) expenditures	<u>389,932</u>	<u>(3,452)</u>	<u>15,444</u>	<u>401,924</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	189,670	-	-	189,670
Principal payment on loan	(6,183)	-	-	(6,183)
Interest expense	(945)	-	-	(945)
Transfers in	15,957	-	-	15,957
Transfers out	(93,892)	-	-	(93,892)
Total other financing sources (uses)	<u>104,607</u>	<u>-</u>	<u>-</u>	<u>104,607</u>
Net change in fund balances	494,539	(3,452)	15,444	506,531
Fund balances - beginning	<u>982,790</u>	<u>13,930</u>	<u>19,151</u>	<u>1,015,871</u>
Fund balances - ending	<u>\$ 1,477,329</u>	<u>\$ 10,478</u>	<u>\$ 34,595</u>	<u>\$ 1,522,402</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, 2019

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

Net change in fund balances - total governmental funds (page 15)	\$ 506,531
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.	440,184
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.	(70,842)
The net effect of capital asset disposition is to decrease net assets.	(7,456)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(189,670)
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.	9,946
Expenditures are recognized in the governmental funds when paid are due for items not normally paid with available financial resources. However, the statement of activities is presented on an accrual basis and expenses reported when incurred.	(23,610)
Principal payments on long-term debt are recorded as expenses in the governmental funds.	<u>6,183</u>
Change in net assets of governmental activities	<u><u>\$ 671,266</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, 2019

	Business-type Activities - Enterprise Fund	
	<u>Water, Sewer and Sanitation Fund</u>	<u>Total Enterprise Fund</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 60,090	\$ 60,090
Accounts receivable - customers, net	107,039	107,039
Prepaid expenses	3,776	3,776
Inventory	35,740	35,740
Total current assets	<u>206,645</u>	<u>206,645</u>
Restricted assets		
Cash and cash equivalents	<u>596,060</u>	<u>596,060</u>
Total restricted assets	<u>596,060</u>	<u>596,060</u>
Noncurrent assets		
Capital assets		
Property, plant and equipment	5,876,785	5,876,785
Less: accumulated depreciation	<u>(1,984,545)</u>	<u>(1,984,545)</u>
Total capital assets, net of accumulated depreciation	3,892,240	3,892,240
Net pension asset	<u>104,151</u>	<u>104,151</u>
Total noncurrent assets	<u>3,996,391</u>	<u>3,996,391</u>
Total assets	<u>4,799,096</u>	<u>4,799,096</u>
DEFERRED OUTFLOWS OF RESOURCES		
Excess investment returns - net pension	22,041	22,041
Difference in assumptions - net pension	786	786
Difference in experience - OPEB	<u>664</u>	<u>664</u>
Total deferred outflows of resources	<u>23,491</u>	<u>23,491</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, 2019

	Business-type Activities - Enterprise Fund	
	Water, Sewer and Sanitation Fund	Total Enterprise Fund
LIABILITIES		
Current liabilities		
Accounts payable	29,200	29,200
Accrued interest	20,810	20,810
Accrued vacation	3,669	3,669
Accrued salaries	5,052	5,052
Customer deposits payable	57,964	57,964
Note payable - current portion	26,930	26,930
Bonds payable - current portion	45,000	45,000
Total current liabilities	<u>188,625</u>	<u>188,625</u>
Noncurrent liabilities		
Other post employment benefits obligation	7,175	7,175
Note payable	110,080	110,080
Bonds payable	797,000	797,000
Total noncurrent liabilities	<u>914,255</u>	<u>914,255</u>
Total liabilities	<u>1,102,880</u>	<u>1,102,880</u>
DEFERRED INFLOWS OF RESOURCES		
Difference in assumptions - OPEB	132	132
Difference in experience - net pension	11,011	11,011
Total deferred inflows of resources	<u>11,143</u>	<u>11,143</u>
NET POSITION		
Invested in capital assets, net of related debt	2,913,230	2,913,230
Restricted for debt service	136,266	136,266
Restricted for utility replacement	401,830	401,830
Unrestricted	257,238	257,238
Total net position	<u>\$ 3,708,564</u>	<u>\$ 3,708,564</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 FUND NET POSITION
PROPRIETARY FUND
For the Year Ended July 31, 2019

	Business-type Activities - Enterprise Fund	
	Water, Sewer, and Sanitation Fund	Total Enterprise Fund
OPERATING REVENUES		
Charges for services:		
Water sales	\$ 293,811	\$ 293,811
Sewer	247,431	247,431
Sanitation	228,423	228,423
Late charges	24,332	24,332
Reconnect fees	5,139	5,139
Transfer and other fees	6,775	6,775
Miscellaneous	1,237	1,237
Total operating revenues	<u>807,148</u>	<u>807,148</u>
OPERATING EXPENSES		
Salaries	294,053	294,053
Sanitation charges	204,977	204,977
Repairs and maintenance	29,872	29,872
Materials, asphalt and caliche	11,981	11,981
Truck expenses	10,375	10,375
Sewer plant	32,013	32,013
Postage, office supplies and fees	61,363	61,363
Professional fees	30,267	30,267
Insurance	55,596	55,596
Utilities and telephone	27,941	27,941
Uniforms	2,716	2,716
Payroll taxes	22,030	22,030
Depreciation	185,090	185,090
Retirement	2,683	2,683
Total operating expenses	<u>970,957</u>	<u>970,957</u>
Operating income (loss)	<u>(163,809)</u>	<u>(163,809)</u>
NON OPERATING REVENUES (EXPENSES)		
Interest income	10,614	10,614
Increase in net pension asset	18,889	18,889
Decrease in other post employment benefits obligation	(2,066)	(2,066)
Loss on sale of asset	(1,319)	(1,319)
Interest expense	(41,735)	(41,735)
Total non operating revenues (expenses)	<u>(15,617)</u>	<u>(15,617)</u>
Income (loss) before transfers	(179,426)	(179,426)
Transfers in	93,892	93,892
Transfers out	(15,957)	(15,957)
Change in fund net position	<u>(101,491)</u>	<u>(101,491)</u>
Fund net position, beginning	<u>3,810,055</u>	<u>3,810,055</u>
Fund net position, ending	<u>\$ 3,708,564</u>	<u>\$ 3,708,564</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, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 792,555
Cash paid to suppliers for goods and services	(491,154)
Cash paid to employees for services	<u>(290,660)</u>
Net cash provided (used) by operating activities	<u>10,741</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfer from other funds	93,892
Transfer to other funds	<u>(15,957)</u>
Net cash provided (used) by noncapital financing activities	<u>77,935</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of fixed assets	(230,631)
Proceeds from long-term debt	131,584
Principal payments on note payable	(2,062)
Principal payments on USDA Series 2000, 2000A and 2008 Certificates of Obligation	(45,000)
Interest paid	<u>(41,735)</u>
Net cash provided (used) by capital and related financing activities	<u>(187,844)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>10,614</u>
Net cash provided (used) by investing activities	<u>10,614</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(88,554)
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CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>744,704</u>
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CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 656,150</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, 2019**

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

Operating income (loss)	<u>\$ (163,809)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	185,090
(Increase) decrease in accounts receivable	(14,833)
Increase (decrease) in allowance account	240
(Increase) decrease in prepaid expenses	(3,776)
(Increase) decrease in inventory	(10,184)
Increase (decrease) in accounts payable	4,683
Increase (decrease) in accrued interest payable	4,070
Increase (decrease) in accrued salaries and vacation payable	6,076
Increase (decrease) in accrued liabilities	843
Increase (decrease) in meter deposits payable	<u>2,341</u>
Total adjustments	<u>174,550</u>
Net cash provided (used) by operating activities	<u><u>\$ 10,741</u></u>

RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS

Cash and cash equivalents	\$ 60,090
Restricted cash and cash equivalents	<u>596,060</u>
Total cash and cash equivalents	<u><u>\$ 656,150</u></u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

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, 2019

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 and non-major funds aggregated. 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 Funds

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 position. 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, 2019

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, 2019

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.

	General Fund	Police Department Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES:				
Non-spendable:				
Inventory	\$ 838	\$ -	\$ -	\$ 838
Prepaid expenses	11,617	-	-	11,617
Restricted for:				
Hurricane Harvey repairs	432,479	-	-	432,479
Law enforcement purposes	-	10,478	-	10,478
Municipal court building security	-	-	16,010	16,010
Municipal court technical fund	-	-	18,585	18,585
Committed to:				
Future Town hall	350,922	-	-	350,922
Street maintenance	126,269	-	-	126,269
Dodson field	93,720	-	-	93,720
Drainage	20,516	-	-	20,516
Parks	34,559	-	-	34,559
Dump truck	173	-	-	173
Unassigned	406,236	-	-	406,236
Total fund balances	<u>\$ 1,477,329</u>	<u>\$ 10,478</u>	<u>\$ 34,595</u>	<u>\$ 1,522,402</u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Classification of Fund Balances and Net Position (Concluded)

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.

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.

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, 2019, the Town levied an ad valorem tax for maintenance and operations at a rate of .8397 per \$100 of assessed value. A total tax levy of \$306,615 resulted, based on a net taxable valuation of \$36,514,800 for the 2018 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

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Excess of Expenditures over Revenues in Governmental Funds

An excess of \$3,452 of expenditures over revenues occurred in the Police Department Fund in the year ended July 31, 2019.

L. Cash and Cash Equivalents

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

M. Restricted Assets

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

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. One is related to the deferred future pension expense related to the net pension liability and the other is related to the deferred future OPEB expense related to the total OPEB liability. Deferred future pension expense results from the difference in projected and actual experience on pension plan investments, difference in expected and actual experience, difference in assumption changes, and pension contributions remitted after the measurement date. Deferred future OPEB expense results from the difference in expected and actual experience, difference in assumption changes, and OPEB contributions remitted after the measurement date. All differences are based on actuarial gains or losses. These amounts are deferred and amortized over their respective remaining recognition period.

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 Town has two items that qualify for reporting in this category. One is related to the deferred future pension expense related to the net pension liability and the other is related to unearned revenue. Deferred future pension income results from the difference in projected and actual experience on pension plan investments, difference in expected and actual experience and difference in assumption changes. The second type 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 one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

O. 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.

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, 2019. As of July 31, 2019, the carrying amount of the Town's deposits was \$2,186,635, and the bank balance was \$2,220,353. The entire bank balance was covered by federal depository insurance and Letter of Credit in the amount of \$3,000,000 issued by the Federal Home Loan Bank Dallas.

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.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 2: CASH (Concluded)

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.

Investment Risks

As the Town does not have investments, it is not exposed to Credit Risk, Concentration of Credit Risk, or Interest Rate Risk.

NOTE 3: ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

At July 31, 2019, accounts receivable – customers for business-type activities were:

	<u>Amount</u>
Total accounts receivable - customers	\$ 109,751
Less: allowance for doubtful accounts	<u>(2,712)</u>
Accounts receivable - customers	<u><u>\$ 107,039</u></u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 4: CHANGES IN CAPITAL ASSETS

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 82,341	\$ -	\$ -	\$ 82,341
Construction in progress	-	17,750	-	17,750
Total capital assets not being depreciated	82,341	17,750	-	100,091
Other capital assets				
Buildings and improvements	228,317	282,848	(38,538)	472,627
Machinery and equipment	540,854	137,184	(247,430)	430,608
Streets	126,128	2,402	(16,189)	112,341
Total other capital assets at historical cost	895,299	422,434	(302,157)	1,015,576
Less accumulated depreciation for:				
Buildings and improvements	(56,194)	(9,671)	38,076	(27,789)
Machinery and equipment	(383,569)	(53,259)	240,436	(196,392)
Streets	(64,931)	(7,912)	16,189	(56,654)
Total accumulated depreciation	(504,694)	(70,842)	294,701	(280,835)
Other capital assets, net	390,605	351,592	(7,456)	734,741
Governmental activities capital assets, net	\$ 472,946	\$ 369,342	\$ (7,456)	\$ 834,832
Business-type activities:				
Capital assets not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Other capital assets				
Buildings and improvements	-	-	-	-
Machinery and equipment	5,750,020	230,631	(103,866)	5,876,785
Total other capital assets at historical cost	5,750,020	230,631	(103,866)	5,876,785
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Machinery and equipment	(1,902,002)	(185,090)	102,547	(1,984,545)
Total accumulated depreciation	(1,902,002)	(185,090)	102,547	(1,984,545)
Other capital assets, net	3,848,018	45,541	(1,319)	3,892,240
Business-type activities capital assets, net	\$ 3,848,018	\$ 45,541	\$ (1,319)	\$ 3,892,240

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 4: CHANGES IN CAPITAL ASSETS (Concluded)

Depreciation expense was charged to functions as follows:

	<u>Amount</u>
Governmental activities	
General government	\$ 27,554
Public safety	21,051
Streets	20,771
Parks	1,466
Total governmental activities depreciation expense	<u>\$ 70,842</u>
Business-type activities	
Water and sewer	\$ 185,090
Total business-type activities depreciation expense	<u>\$ 185,090</u>

NOTE 5: LINE OF CREDIT

In fiscal year-end 2018, the Town of Woodsboro, Texas entered into a \$396,920 Community Disaster Loan agreement with Federal Emergency Management Agency (FEMA) to help sustain the significant loss in revenue, due to Hurricane Harvey, that had or will adversely affect the Town's ability to provide essential municipal services. The loan shall be paid in increments to the Town as requested by the Town and approved by FEMA. The loan has a term of five years, and each advance will bear fixed interest at 3.0%. Principal and interest will be due on November 1, 2023. However, pursuant to Section 417 of the Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended, the principal and interest may be canceled if the Town provides to FEMA an inability to pay. There were \$132,000 draws associated with this loan during the fiscal year. The total amount of draws was used to pay salaries in both the General and the Enterprise Funds for fiscal year ended July 31, 2019.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 6: LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended July 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Notes from direct borrowings	\$ 18,323	\$ 57,670	\$ (6,183)	\$ 69,810	\$ 16,694
OPEB liability	6,032	-	(162)	5,870	-
Total governmental activities	<u>24,355</u>	<u>57,670</u>	<u>(6,345)</u>	<u>75,680</u>	<u>16,694</u>
Business-type activities					
Notes from direct borrowings	7,488	131,584	(2,062)	137,010	26,930
OPEB liability	4,935	2,240	-	7,175	-
General obligation bonds	887,000	-	(45,000)	842,000	45,000
Total business-type activities	<u>899,423</u>	<u>133,824</u>	<u>(47,062)</u>	<u>986,185</u>	<u>71,930</u>
Total long-term liabilities	<u>\$ 923,778</u>	<u>\$ 191,494</u>	<u>\$ (53,407)</u>	<u>\$ 1,061,865</u>	<u>\$ 88,624</u>

The interest paid for business-type activities was \$41,735 for bonds and equipment loan debt for the year ended July 31, 2019 and is charged to interest expense in the water, sewer and sanitation funds. The interest paid for governmental activities was \$945 for equipment loan debt for the year ended July 31, 2019.

B. Long-Term Debt – Governmental Activities

On October 2, 2018, the Town of Woodsboro, Texas entered into a five-year debt agreement with Government Capital Corporation to finance the acquisition of equipment. The loan is secured by the Town's Ad Valorem tax revenues. The asset and liability under the debt have been recorded at the fair value of the assets, which is equal to the present value of the minimal payments at the inception of the debt agreement. The total amount financed was \$189,254 with interest rate fixed at 4.292%. Principal and interest are due on September 28 on an annual basis. The final debt payment is due September 28, 2023. This direct borrowing debt contains (1) a provision that if the Town is unable to make payment, outstanding amounts are due immediately and (2) a provision that in the event of default, the timing of repayment of outstanding amounts become due within a period of 20 days after notice of default if a default of performance or debt covenant violation occurs. This direct borrowing debt also contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs. This debt is split with Business-type activities due to the proprietary fund assessing ownership of several equipment items with \$57,670 obligated from the governmental fund and \$131,584 obligated from the proprietary fund. The Town was not in compliance with all debt covenants of this debt at July 31, 2019, however, as of the date of this audit report, the Town is in the process of remedying the covenant violations. Therefore, debt will not be considered current at July 31, 2019.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 6: LONG-TERM DEBT (Continued)

B. Long-Term Debt – Governmental Activities

As of July 31, 2019, the remaining annual payments are as follows:

Year Ended July 31,	Loan Principal	Interest	Total Requirements
2020	\$ 10,506	\$ 2,329	\$ 12,835
2021	10,849	1,986	12,835
2022	11,315	1,520	12,835
2023	11,800	1,035	12,835
2024	13,200	528	13,728
	\$ 57,670	\$ 7,398	\$ 65,068

On March 15, 2017, the Town of Woodsboro, Texas entered into a four-year debt agreement with Government Capital Corporation to finance the acquisition of equipment. The loan is secured by the Town's Ad Valorem tax revenues. The asset and liability under the debt have been recorded at the fair value of the assets, which is equal to the present value of the minimal payments at the inception of the debt agreement. The total amount financed was \$33,725 with interest rate fixed at 5.11%. Principal and interest are due on March 15 on an annual basis. The final debt payment is due March 15, 2021. This direct borrowing debt contains (1) a provision that if the Town is unable to make payment, outstanding amounts are due immediately and (2) a provision that in the event of default, the timing of repayment of outstanding amounts become due within a period of 20 days after notice of default if a default of performance or debt covenant violation occurs. This direct borrowing debt also contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs. This debt is split with Business-type activities due to the proprietary fund assessing ownership of several equipment items with \$24,259 obligated from the governmental fund and \$9,466 obligated from the proprietary fund. The Town was not in compliance with all debt covenants of this debt at July 31, 2019, however, as of the date of this audit report, the Town is in the process of remedying the covenant violations. Therefore, debt will not be considered current at July 31, 2019.

As of July 31, 2019, the remaining annual payments are as follows:

Year Ended July 31,	Loan Principal	Interest	Total Requirements
2020	\$ 6,188	\$ 649	\$ 6,837
2021	5,952	333	6,285
	\$ 12,140	\$ 982	\$ 13,122

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 6: LONG-TERM DEBT (Continued)

C. Long-Term Debt – Business-type Activities

On October 2, 2018, the Town of Woodsboro, Texas entered into a five-year debt agreement with Government Capital Corporation to finance the acquisition of equipment. The loan is secured by the Town's Ad Valorem tax revenues. The asset and liability under the debt have been recorded at the fair value of the assets, which is equal to the present value of the minimal payments at the inception of the debt agreement. The total amount financed was \$189,254 with interest rate fixed at 4.292%. Principal and interest are due on September 28 on an annual basis. The final debt payment is due September 28, 2023. This direct borrowing debt contains (1) a provision that if the Town is unable to make payment, outstanding amounts are due immediately and (2) a provision that in the event of default, the timing of repayment of outstanding amounts become due within a period of 20 days after notice of default if a default of performance or debt covenant violation occurs. This direct borrowing debt also contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs. This debt is split with Business-type activities due to the proprietary fund assessing ownership of several equipment items with \$57,670 obligated from the governmental fund and \$131,584 obligated from the proprietary fund. The Town was not in compliance with all debt covenants of this debt at July 31, 2019, however, as of the date of this audit report, the Town is in the process of remedying the covenant violations. Therefore, debt will not be considered current at July 31, 2019.

As of July 31, 2019, the remaining annual payments are as follows:

<u>Year Ended July 31,</u>	<u>Loan Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2020	\$ 24,515	\$ 5,433	\$ 29,948
2021	25,314	4,634	29,948
2022	26,400	3,547	29,947
2023	27,534	2,414	29,948
2024	27,821	1,232	29,053
	<u>\$ 131,584</u>	<u>\$ 17,260</u>	<u>\$ 148,844</u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 6: LONG-TERM DEBT (Continued)

C. Long-Term Debt – Business-type Activities (Continued)

On March 15, 2017, the Town of Woodsboro, Texas entered into a four-year debt agreement with Government Capital Corporation to finance the acquisition of equipment. The loan is secured by the Town's Ad Valorem tax revenues. The asset and liability under the debt have been recorded at the fair value of the assets, which is equal to the present value of the minimal payments at the inception of the debt agreement. The total amount financed was \$33,725 with interest rate fixed at 5.11%. Principal and interest are due on March 15 on an annual basis. The final debt payment is due March 15, 2021. This direct borrowing debt contains (1) a provision that if the Town is unable to make payment, outstanding amounts are due immediately and (2) a provision that in the event of default, the timing of repayment of outstanding amounts become due within a period of 20 days after notice of default if a default of performance or debt covenant violation occurs. This direct borrowing debt also contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs. This debt is split with governmental activities due to the proprietary fund assessing ownership of several equipment items with \$9,466 obligated from the proprietary fund and \$24,259 obligated from the governmental fund. The Town was not in compliance with all debt covenants of this debt at July 31, 2019, however, as of the date of this audit report, the Town is in the process of remedying the covenant violations. Therefore, debt will not be considered current at July 31, 2019.

As of July 31, 2019, the remaining annual payments are as follows:

Year Ended July 31,	Loan Principal	Interest	Total Requirements
2020	\$ 2,415	\$ 253	\$ 2,668
2021	3,011	130	3,141
	<u>\$ 5,426</u>	<u>\$ 383</u>	<u>\$ 5,809</u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 6: LONG-TERM DEBT (Continued)

D. 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, 2019

NOTE 6: LONG-TERM DEBT (Continued)

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

As of July 31, 2019, all interest and sinking funds, reserve funds, and repair and replacement funds have been properly established by the Town.

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>
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>\$ 416,000</u>	<u>\$ 235,935</u>	<u>\$ 651,935</u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 6: LONG-TERM DEBT (Continued)

D. 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
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>\$ 101,000</u>	<u>\$ 57,420</u>	<u>\$ 158,420</u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 6: LONG-TERM DEBT (Continued)

D. 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>
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>\$ 325,000</u>	<u>\$ 65,262</u>	<u>\$ 390,262</u>

The Town is in compliance with all debt covenants of the USDA and TWDB Certificates of Obligations at July 31, 2019.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 6: LONG-TERM DEBT (Concluded)

E. Five Year Schedules

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

Year Ended July 31,	Governmental Activities	
	Notes from Direct Borrowings	
	Principal	Interest
2020	\$ 16,694	\$ 2,978
2021	16,801	2,319
2022	11,315	1,520
2023	11,800	1,035
2024	13,200	528
	<u>\$ 69,810</u>	<u>\$ 8,380</u>

Year Ended July 31,	Business-Type Activities			
	Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2020	\$ 45,000	\$ 35,670	\$ 26,930	\$ 5,686
2021	51,000	33,945	28,325	4,764
2022	51,000	31,965	26,400	3,547
2023	52,000	29,950	27,534	2,414
2024	54,000	27,872	27,821	1,232
2025-2029	259,000	103,770	-	-
2030-2034	131,000	63,000	-	-
2035-2039	162,000	30,780	-	-
2040	37,000	1,665	-	-
	<u>\$ 842,000</u>	<u>\$ 358,617</u>	<u>\$ 137,010</u>	<u>\$ 17,643</u>

F. Other Post Employment Benefits Obligation

The other post employment benefits obligation represents a liability for the amount of the actuarially required contribution for the retiree portion of the supplemental death benefits in excess of the actual contributions made.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 7: PENSION PLAN

A. Plan Description

The Town participates as one of 887 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.

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 2018
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, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	4
Active employees	12
Total	19

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 7: 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 2019. The contribution rates for the Town were 0.66% and 1.05% in calendar years 2018 and 2019, respectively. The Town's contributions to TMRS for the year ended 2019 were \$4,122.

D. Net Pension Asset

The Town's Net Pension Asset (NPA) was measured as of December 31, 2018, and the Total Pension Asset (TPA) used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Asset in the December 31, 2018 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, 2019

NOTE 7: PENSION PLAN (Continued)

D. Net Pension Asset (Continued)

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. 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). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
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 Asset.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 7: PENSION PLAN (Continued)

D. Net Pension Asset (Concluded)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2017	\$ 523,035	\$ 773,279	\$ (250,244)
Changes for the year:			
Service cost	41,106	-	41,106
Interest	35,490	-	35,490
Difference between expected and actual experience	(12,245)	-	(12,245)
Changes in assumptions	-	-	-
Contributions - employer	-	3,162	(3,162)
Contributions - employee	-	23,954	(23,954)
Net investment income	-	(23,174)	23,174
Benefit payments, including refunds of employee contributions	(35,623)	(35,623)	-
Administrative expense	-	(448)	448
Other changes	-	(22)	22
Net changes	28,728	(32,151)	60,879
Balance at 12/31/2018	\$ 551,763	\$ 741,128	\$ (189,365)

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

The following presents the net pension liability(asset) of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability(asset) 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)	\$(104,029)	\$(189,365)	\$(259,170)

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.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 7: PENSION PLAN (Concluded)

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

For the year ended July 31, 2019, the Town recognized pension expense of \$8,043.

At July 31, 2019, 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		\$20,020
Changes in actuarial assumptions	\$ 1,429	
Difference between projected and actual investment earnings	40,075	
Contributions subsequent to the measurement date December 31, 2018	0	0
Total	\$41,504	\$20,020

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, 2019 due to immateriality. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Net deferred outflows (inflows) of resources
2019	\$ 5,640
2020	(1,196)
2021	4,608
2022	14,248
2023	(1,815)
Thereafter	0
Total	\$21,485

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Town also participates in the TMRS' administered defined benefit group-term life insurance plan 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.

B. Benefits

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). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Employees covered by benefit terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	0
Active employees	12
Total	14

C. Contributions

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 retiree term life insurance during employees' entire careers.

The Town's contributions to the TMRS SDBF for the fiscal year ended 2019 were \$783, which equaled the required contributions each year.

D. Total OPEB Liability

The Town's total OPEB liability of \$13,045 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5% per year
Salary increases	3.5% to 10.5% including inflation
Discount rate	3.71%
Retirees' share of benefit-related costs	\$0

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

D. Total OPEB Liability (Concluded)

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

Salary increases were based on a graduated service-based scale. Mortality rates for service retirees 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 retirees, 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.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period of December 31, 2010 to December 31, 2014.

E. Changes in the Total OPEB Liability

Balance at 12/31/2017	\$ 10,967
Changes for the year:	
Service cost	1,437
Interest on total OPEB liability	386
Changes of benefit terms	-
Differences between expected and actual experience	1,357
Changes in assumptions and other inputs	(1,054)
Benefit payments	(48)
Administrative expense	-
Other changes	-
Net changes	<u>2,078</u>
Balance at 12/31/2018	<u>\$ 13,045</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.31 percent as of December 31, 2017 to 3.71 percent as of December 31, 2018.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

E. Changes in the Total OPEB Liability (Concluded)

Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, calculated using the discount rate of 3.71%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
Total OPEB liability	\$15,803	\$13,045	\$10,896

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

For the year ended July 31, 2019, the Town recognized OPEB expense of \$1,955.

At July 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 0	\$1,207
Changes in assumptions and other inputs	(240)	
Contributions made subsequent to measurement date	N/A	0
Total (excluding contributions made subsequent to measurement date)	(\$ 240)	\$1,207

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will not be recognized as a reduction of the total OPEB liability for the year ending July 31, 2019 due to immateriality. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Net deferred outflows (inflows) of resources
2019	\$132
2020	132
2021	132
2022	132
2023	132
Thereafter	132
Total	\$967

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 9: INTERFUND ASSETS/LIABILITIES

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."

Interfund assets/liabilities for the year ended July 31, 2019 are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General	\$ -	\$ (360)
MC Security	153	-
MC Technology	207	-
Total transfers	<u>\$ 360</u>	<u>\$ (360)</u>

NOTE 10: 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 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.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 10: SPECIAL REVENUE FUND - CONFISCATED FUNDS (Concluded)

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.

NOTE 11: 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, 2019 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 15,957	\$ (93,892)
Enterprise	93,892	(15,957)
Total transfers	<u>\$ 109,849</u>	<u>\$ (109,849)</u>

During the year, transfers were used to move FEMA Community Disaster Loan proceeds as well as funds for the new Scada System from the General Fund to the Enterprise Fund. Transfers were also used for the Enterprise Fund to reimburse the General Fund for principal and interest payments the General Fund had paid to First State Bank for the Elevated Storage Tank debt obligation, which the debt was paid in full during fiscal year ended 2018.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2019

NOTE 12: 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.

Hurricanes can cause flooding, particularly in coastal regions such as the area where the Town is located. Hurricanes can also cause windstorm and other damage and hurricane induced flooding can submerge roadways, thus preventing evacuation of people and/or property. If a hurricane (or any other natural disaster) destroyed all or part of the Town, the assessed value of property within the Town could be substantially reduced, with a corresponding decrease in tax revenues or increase in the tax rate. Further, there can be no assurance that a casualty loss will be covered by insurance (certain casualties, including flood and windstorm, are usually excluded unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged Town property. Even if insurance proceeds are available and the Town is rebuilt, there could be a lengthy period in which assessed values within the Town could be adversely affected. The Gulf Coast region in which the Town is located is subject to occasional destructive weather. There can be no assurance the Town will not endure damage from future meteorological events.

The Town operates in an industry regulated by Texas Commission on Environmental Quality (TCEQ). As a result, various lawsuits, claims, and legal and regulatory proceedings can be instituted or asserted against the Town.

During fiscal year ended July 31, 2017, the Town became a defendant in a lawsuit arising in the normal course of business. The Plaintiff is seeking monetary damages in a significant amount. As of July 31, 2019, there have been no further developments in the lawsuit and in the opinion of Counsel, based on current facts, the Plaintiff will not prevail.

NOTE 13: SUBSEQUENT EVENTS

Subsequent to fiscal year ended September 30, 2019, the Town was awarded the following FEMA reimbursement grants, however, no funds have been received or expended:

	<u>Amount</u>
Fire House	\$ 436,271
Critical facility generators	434,267
Street signs - city wide	<u>140,288</u>
	<u>\$ 1,010,826</u>

In preparing these financial statements, events and transactions have been evaluated for potential recognition or disclosure through December 3, 2019, the date the financial statements were available to be issued.

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, 2019

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property taxes	\$ 271,000	\$ 303,465	\$ 32,465
Sales tax revenue	95,000	80,328	(14,672)
Franchise fees	61,100	60,186	(914)
Municipal court	250,000	402,067	152,067
Intergovernmental - grant revenue	44,680	363,054	318,374
Animal control	350	323	(27)
Christmas in the Square	800	913	113
Permits and licenses	5,300	6,185	885
Rent income	3,600	3,600	-
Interest income	8,000	19,127	11,127
Donations	1,000	340,159	339,159
Miscellaneous	2,165	2,403	238
Total revenues	<u>742,995</u>	<u>1,581,810</u>	<u>838,815</u>
EXPENDITURES			
Salaries	368,167	307,538	(60,629)
Insurance	63,088	49,518	(13,570)
Vehicle services	22,000	29,305	7,305
Town Square	39,700	3,303	(36,397)
Street materials	71,500	22,570	(48,930)
Supplies	16,000	19,472	3,472
Rent	3,000	3,000	-
Utilities	37,000	30,042	(6,958)
Training	6,350	2,454	(3,896)
Professional fees	16,000	24,995	8,995
Capital outlay	-	438,394	438,394
Municipal court	60,195	149,774	89,579
Animal control	21,302	16,367	(4,935)
Fire protection	30,000	12,500	(17,500)
Miscellaneous expense	90,927	82,646	(8,281)
Total expenditures	<u>845,229</u>	<u>1,191,878</u>	<u>346,649</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(102,234)</u>	<u>389,932</u>	<u>492,166</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	15,957	15,957
Transfers out	-	(93,892)	(93,892)
Loan proceeds	-	189,670	189,670
Principal payment on loan	(4,103)	(6,183)	(2,080)
Interest expense	(662)	(945)	(283)
Total other financing sources (uses)	<u>(4,766)</u>	<u>104,607</u>	<u>109,373</u>
Net change in fund balances	<u>\$ (107,000)</u>	<u>494,539</u>	<u>\$ 601,539</u>
Fund balances - beginning		982,790	
Fund balances - ending		<u>\$ 1,477,329</u>	

TOWN OF WOODSBORO, TEXAS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended July 31, 2019

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.

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, 2019

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018
Total pension liability					
Service cost	\$ 28,152	\$ 38,084	\$ 39,754	\$ 46,271	\$ 41,106
Interest (on the total pension liability)	26,117	24,744	27,898	31,448	35,490
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(58,879)	3,564	(3,254)	9,501	(12,245)
Change of assumptions	-	4,814	-	-	-
Benefit payments, including refunds of employee contributions	<u>(31,727)</u>	<u>(8,221)</u>	<u>(16,237)</u>	<u>(13,887)</u>	<u>(35,623)</u>
Net change in total pension liability	(36,337)	62,985	48,161	73,333	28,728
Total pension liability - beginning	<u>374,893</u>	<u>338,556</u>	<u>401,541</u>	<u>449,702</u>	<u>523,035</u>
Total pension liability - ending (a)	<u>\$ 338,556</u>	<u>\$ 401,541</u>	<u>\$ 449,702</u>	<u>\$ 523,035</u>	<u>\$ 551,763</u>
Plan fiduciary net position					
Contributions - employer	\$ 3,673	\$ 928	\$ -	\$ 1,726	\$ 3,162
Contributions - employee	18,084	23,194	23,357	26,965	23,954
Net investment income	33,129	888	41,782	92,405	(23,174)
Benefit payments, including refunds of employee contributions	(31,727)	(8,221)	(16,237)	(13,887)	(35,623)
Administrative expense	(346)	(541)	(472)	(479)	(448)
Other	<u>(28)</u>	<u>(27)</u>	<u>(25)</u>	<u>(25)</u>	<u>(22)</u>
Net change in plan fiduciary net position	22,785	16,221	48,405	106,705	(32,151)
Plan fiduciary net position - beginning	<u>579,163</u>	<u>601,948</u>	<u>618,169</u>	<u>666,574</u>	<u>773,279</u>
Plan fiduciary net position - ending (b)	<u>\$ 601,948</u>	<u>\$ 618,169</u>	<u>\$ 666,574</u>	<u>\$ 773,279</u>	<u>\$ 741,128</u>
Net pension liability (asset) - ending (a) - (b)	\$ (263,392)	\$ (216,628)	\$ (216,872)	\$ (250,244)	\$ (189,365)
Plan fiduciary net position as a percentage of total pension liability (asset)	177.80 %	153.95 %	148.23 %	147.84 %	134.32 %
Covered employee payroll	\$ 361,677	\$ 463,872	\$ 467,148	\$ 539,294	\$ 479,085
Net pension liability (asset) as a percentage of covered employee payroll	(72.83) %	(46.70) %	(46.42) %	(46.40) %	(39.53) %

**TOWN OF WOODSBORO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS (unaudited)
For the Year Ended July 31, 2019**

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Actuarially determined contribution	\$ 2,953	\$ 436	\$ 1,274	\$ 3,205	\$ 4,122
Contributions in relation to the actuarially determined contribution	<u>3,264</u>	<u>436</u>	<u>971</u>	<u>2,559</u>	<u>4,122</u>
Contribution deficiency (excess)	\$ (311)	\$ -	\$ 303	\$ 646	\$ -
Covered employee payroll	\$ 303,484	\$ 485,011	\$ 503,403	\$ 509,279	\$ 469,038
Contributions as a percentage of covered employee payroll	1.08 %	0.09 %	0.19 %	0.50 %	0.88 %

**TOWN OF WOODSBORO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
NOTES TO SCHEDULE OF CONTRIBUTIONS (unaudited)
For the Year Ended July 31, 2019**

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
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (unaudited)
For the Year Ended July 31, 2019

	<u>2017</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 1,402	\$ 1,437
Interest on Total OPEB liability	342	386
Changes of benefit terms	-	-
Difference between expected and actual experience	-	1,357
Change of assumptions and other inputs	896	(1,054)
Benefit payments	<u>(54)</u>	<u>(48)</u>
Net change in total pension liability	2,586	2,078
Total OPEB liability - beginning	<u>8,381</u>	<u>10,967</u>
Total OPEB liability - ending	<u><u>\$ 10,967</u></u>	<u><u>\$ 13,045</u></u>
Covered employee payroll	\$ 539,294	\$ 479,085
Total OPEB liability as a percentage of covered employee payroll	2.03 %	2.72 %

**TOWN OF WOODSBORO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
NOTES TO SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (unaudited)
For the Year Ended July 31, 2019**

NOTE 1: CHANGE OF ASSUMPTIONS

Changes of assumptions and other inputs reflect the effect of change in the discount rate from 3.31 percent as of December 31, 2017 to 3.71 percent as of December 31, 2018.

NOTE 2: OTHER INFORMATION

The Supplemental Death Benefit Fund (SDBF) covers both active and retiree benefits with no segregation of assets, therefore does not meet the definition of a trust under GASB Statement No. 75, paragraph 4b.

SUPPLEMENTARY INFORMATION FOR RURAL DEVELOPMENT

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

Certified Public Accountants

DONALD G. GOLDMAN, CPA
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*CERTIFIED VALUATION ANALYST

TEXAS SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

*CERTIFIED INFORMATION SYSTEMS AUDITOR

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, each major fund and aggregate remaining fund information of Town of Woodsboro, Texas (the Town), as of and for the years ended July 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 3, 2019.

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.

December 3, 2019

TOWN OF WOODSBORO, TEXAS
SUPPLEMENTARY INFORMATION FOR RURAL DEVELOPMENT
WATER, SEWER AND SANITATION FUND
For the Year Ended July 31, 2019

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services:				
Water sales	\$ 293,811	\$ -	\$ -	\$ 293,811
Sewer	-	247,431	-	247,431
Sanitation	-	-	228,423	228,423
Fees:				
Late charges	16,509	7,823	-	24,332
Reconnect fees	3,487	1,652	-	5,139
Transfer and other fees	3,775	3,000	-	6,775
Miscellaneous	119	1,047	71	1,237
Total operating revenues	<u>317,701</u>	<u>260,953</u>	<u>228,494</u>	<u>807,148</u>
OPERATING EXPENSES				
Expenses (less depreciation)	348,764	232,126	204,977	785,867
Interest expense	11,875	29,860	-	41,735
Depreciation	121,186	63,904	-	185,090
Total operating expenses	<u>481,825</u>	<u>325,890</u>	<u>204,977</u>	<u>1,012,692</u>
Operating income (loss)	<u>(164,124)</u>	<u>(64,937)</u>	<u>23,517</u>	<u>(205,544)</u>
NON OPERATING REVENUES				
(EXPENSES)				
Interest income	8,059	2,555	-	10,614
Loss on sale of asset	(927)	(392)	-	(1,319)
Change in OPEB	(1,033)	(1,033)	-	(2,066)
Change in net pension	9,444	9,445	-	18,889
Total non operating revenues (expenses)	<u>15,543</u>	<u>10,575</u>	<u>-</u>	<u>26,118</u>
Net income (loss)	<u>(148,581)</u>	<u>(54,362)</u>	<u>23,517</u>	<u>(179,426)</u>
Equity beginning of period	<u>2,667,698</u>	<u>659,720</u>	<u>81,732</u>	<u>3,409,150</u>
Equity end of period	<u>\$ 2,519,117</u>	<u>\$ 605,358</u>	<u>\$ 105,249</u>	<u>\$ 3,229,724</u>

**TOWN OF WOODSBORO, TEXAS
SUPPLEMENTARY INFORMATION FOR RURAL DEVELOPMENT
WATER AND SEWER SYSTEMS INFORMATION
For the Year Ended July 31, 2019**

RESIDENTIAL is defined as having 4 residential units or less

COMMERCIAL is defined as anything that is not RESIDENTIAL and for profit except as described for entities within the Town Limits

All rates are metered

WATER SYSTEMS

RESIDENTIAL	661
COMMERCIAL	43
TOTAL	704
TOTAL GALLONS - RESIDENTIAL	34,967,300
TOTAL GALLONS - ALL USERS	39,164,000

SEWER SYSTEMS

RESIDENTIAL	636
COMMERCIAL	39
TOTAL	675
TOTAL GALLONS - RESIDENTIAL	33,232,600
TOTAL GALLONS - ALL USERS	37,142,500

OTHER SUPPLEMENTARY INFORMATION

**TOWN OF WOODSBORO, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
July 31, 2019**

	<u>MC Security</u>	<u>MC Tech- nology</u>	<u>Total Non- Major Govern- mental Funds</u>
ASSETS			
Cash - restricted	\$ 15,857	\$ 18,378	\$ 34,235
Due from other government funds	153	207	360
Total assets	<u>\$ 16,010</u>	<u>\$ 18,585</u>	<u>\$ 34,595</u>
LIABILITIES			
	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted:			
Municipal court building security	16,010	-	16,010
Municipal court technical fund	-	18,585	18,585
Total fund balances	<u>16,010</u>	<u>18,585</u>	<u>34,595</u>
Total liabilities and fund balances	<u>\$ 16,010</u>	<u>\$ 18,585</u>	<u>\$ 34,595</u>

TOWN OF WOODSBORO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended July 31, 2019

	<u>MC Security</u>	<u>MC Tech- nology</u>	<u>Total Non- Major Govern- mental Funds</u>
REVENUES			
Interest income	\$ 179	\$ 202	\$ 381
Miscellaneous income	6,454	8,609	15,063
Total revenues	<u>6,633</u>	<u>8,811</u>	<u>15,444</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	<u>6,633</u>	<u>8,811</u>	<u>15,444</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	6,633	8,811	15,444
FUND BALANCES, beginning of year	<u>9,377</u>	<u>9,774</u>	<u>19,151</u>
FUND BALANCES, end of year	<u>\$ 16,010</u>	<u>\$ 18,585</u>	<u>\$ 34,595</u>

INDIVIDUAL GRANT INFORMATION

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2019

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

Grant Number: HS 3194202

Contract Period: December 1, 2016 to August 31, 2018

	Original Budget	Prior Year	Current Year	Total
Revenue:				
Federal/State	\$ 26,695	\$ 13,006	\$ 6,510	\$ 19,516
Total revenue	26,695	13,006	6,510	19,516
Expenditures				
Federal/State				
Overtime amount	25,285	13,006	6,510	19,516
Supplies amount	1,410	-	-	-
Total expenditures	26,695	13,006	6,510	19,516
Excess revenue over expenditures	\$ -	\$ -	\$ -	\$ -

**TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2019**

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

Grant Number: HS 3194203

Contract Period: April 1, 2018 to May 31, 2019

	Original Budget	Prior Year	Current Year	Total
Revenue:				
Federal/State	\$ 24,089	\$ -	\$ 24,089	\$ 24,089
Total revenue	24,089	-	24,089	24,089
Expenditures				
Federal/State				
Equipment	6,955	-	6,955	6,955
Personnel	17,134	-	17,134	17,134
Total expenditures	24,089	-	24,089	24,089
Excess revenue over expenditures	\$ -	\$ -	\$ -	\$ -

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2019

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

Grant Number: HS 3194204

Contract Period: March 1, 2019 to February 29, 2020

	Original Budget	Prior Year	Current Year	Total
Revenue:				
Federal/State	\$ 125,000	\$ -	\$ 3,786	\$ 3,786
Total revenue	125,000	-	3,786	3,786
Expenditures				
Federal/State				
Personnel	65,100	-	3,786	3,786
Equipment	57,500	-	-	-
Mileage amount	2,400	-	-	-
Total expenditures	125,000	-	3,786	3,786
Excess revenue over expenditures	\$ -	\$ -	\$ -	\$ -

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2019

Local Border Security Grant Program

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

Pass Through Grantor: Texas Ranger Division, Texas Department of Public Safety

CFDA Number: 97.067

Grant Number: 3406802

Contract Period: September 1, 2018 to August 31, 2019

	Original Budget	Prior Year	Current Year	Total
Revenue:				
Federal/State	\$ 5,000	\$ -	\$ 4,997	\$ 4,997
Total revenue	5,000	-	4,997	4,997
Expenditures				
Federal/State				
Equipment	5,000	-	4,997	4,997
Total expenditures	5,000	-	4,997	4,997
Excess revenue over expenditures	\$ -	\$ -	\$ -	\$ -

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2019

National Incident Based Reporting System (NIBRS) Grant Program
Federal Grantor: Department of Justice, Bureau of Justice Statistics
Pass Through Grantor: Texas Office of the Governor
CFDA Number: 16.734
Grant Number: NB 3269001
Contract Period: March 1, 2017 to April 30, 2019

	Original Budget	Prior Year	Current Year	Total
Revenue:				
Federal/State	\$ 7,500	\$ -	\$ 7,500	\$ 7,500
Total revenue	7,500	-	7,500	7,500
Expenditures				
Federal/State				
NIBRS upgrade	7,500	-	7,500	7,500
Total expenditures	7,500	-	7,500	7,500
Excess revenue over expenditures	\$ -	\$ -	\$ -	\$ -

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2019

Public Assistance Grant Program
Federal Grantor: Federal Emergency Management Agency
Pass Through Grantor: Texas Division of Emergency Management
CFDA Number: 97.036
Grant Number: 4332-DR, Texas Hurricane Harvey
Contract Period: August 25, 2017 to February 25, 2019

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
Revenue:				
Federal/State	<u>\$ 316,172</u>	<u>\$ -</u>	<u>\$ 316,172</u>	<u>\$ 316,172</u>
Total revenue	<u>316,172</u>	<u>-</u>	<u>316,172</u>	<u>316,172</u>
Expenditures				
Federal/State				
Lift station fence	3,812	-	-	-
Backhoe barn storage building	17,993	-	-	-
Wasterwater treatment plant	78,857	-	-	-
City building	20,129	-	-	-
Town square	9,874	-	-	-
Stockpile yard fence	12,450	12,450	-	12,450
Elevated water storage tank	8,757	-	-	-
Baseball field/concession stand	53,679	-	-	-
WWTP contents	11,546	-	-	-
Ditches/City wide	<u>99,075</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>316,172</u>	<u>12,450</u>	<u>-</u>	<u>12,450</u>
Excess revenue over expenditures	<u>\$ -</u>	<u>\$ (12,450)</u>	<u>\$ 316,172</u>	<u>\$ 303,722</u>