

TOWN OF WOODSBORO, TEXAS

FINANCIAL STATEMENTS

For the Year Ended July 31, 2020

**TOWN OF WOODSBORO, TEXAS
FINANCIAL STATEMENTS
For the Year Ended July 31, 2020**

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FINANCIAL STATEMENTS
For the Year Ended July 31, 2020**

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INTRODUCTORY SECTION

TOWN OF WOODSBORO, TEXAS
LIST OF PRINCIPAL OFFICIALS
July 31, 2020

Mayor	Kay Roach
Mayor Pro-tem	Johnny Cisneros
Council Members	Freddie Arriaga John Schlabach Robbie Stephenson Rosemary Vega
City Attorney	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	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

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 Town of Woodsboro, Texas as of and for the year ended July 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Woodsboro, Texas, as of July 31, 2020, 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 53-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements 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 them.



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

December 15, 2020

TOWN OF WOODSBORO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2020

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, 2020. 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, 2020

Financial Highlights

- The assets of Town of Woodsboro, Texas exceeded its liabilities at the close of the year ended July 31, 2020 by \$6,049,349. Of this amount, \$1,078,270 of unrestricted net assets is available to meet the Town's ongoing obligations to citizens and creditors.
- At July 31, 2020, the Town's governmental funds reported combined ending fund balances of \$1,181,777, of which \$210,888 is unassigned fund balance for the General Fund.
- At July 31, 2020, unassigned fund balance for the General Fund was \$210,888 or 12% of total General Fund expenditures.
- The total cost of all Town activities was \$2,216,090 for the year. Net revenue of all activities was (\$175,595).
- During the year, the Town's program revenues exceeded expenditures of the governmental activities by \$14,058.

Town as a Whole

Government-Wide Financial Statements

A condensed version of the Statement of Net Assets at July 31, 2020 and 2019 follows:

Town of Woodsboro, Texas
Components of Net Position
July 31, 2020
With Comparative Totals for July 31, 2019
(in thousands)

	Governmental Activities		Business-type Activities		Total Government		Amount Change	% Change
	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019		
Cash	\$ 967	\$ 1,054	\$ 112	\$ 60	\$ 1,079	\$ 1,114	\$ (35)	-3.1%
Restricted assets	253	477	466	596	719	1,073	(354)	-33.0%
Other assets	310	201	323	251	633	452	181	40.0%
Capital assets	1,455	835	3,869	3,892	5,324	4,727	597	12.6%
Total assets	<u>2,985</u>	<u>2,567</u>	<u>4,770</u>	<u>4,799</u>	<u>7,755</u>	<u>7,366</u>	<u>389</u>	5.3%
Deferred outflows of resources	<u>3</u>	<u>19</u>	<u>3</u>	<u>23</u>	<u>6</u>	<u>42</u>	<u>(36)</u>	-85.7%
Current and other liabilities	516	375	252	283	768	658	110	16.7%
Long term debt outstanding	45	76	857	849	902	925	(23)	-2.5%
Total liabilities	<u>561</u>	<u>451</u>	<u>1,109</u>	<u>1,132</u>	<u>1,670</u>	<u>1,583</u>	<u>87</u>	5.5%
Deferred inflows of resources	<u>21</u>	<u>9</u>	<u>21</u>	<u>11</u>	<u>42</u>	<u>20</u>	<u>22</u>	110.0%
Net investment in capital assets	1,403	764	2,911	2,913	4,314	3,677	637	17.3%
Restricted	256	478	402	538	658	1,016	(358)	-35.2%
Unrestricted	747	884	330	228	1,077	1,112	(35)	-3.1%
Total net position	<u>\$ 2,406</u>	<u>\$ 2,126</u>	<u>\$ 3,643</u>	<u>\$ 3,679</u>	<u>\$ 6,049</u>	<u>\$ 5,805</u>	<u>\$ 244</u>	4.2%

TOWN OF WOODSBORO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2020

Financial Highlights (Continued)

During the year ended July 31, 2020, the net position of the Town increased approximately \$244,000. Cash (unrestricted and restricted) decreased by \$389,000 primarily due to the Town expending grant proceeds that were received in prior year for Hurricane Harvey repairs, inventory increased by \$6,000 and other current assets increased by \$175,000, primarily due to grant receivables. New asset purchases were \$889,000, \$6,000 in asset disposals and depreciation expense was \$286,000. Deferred outflows of resources decreased \$36,000. Accounts payable decreased \$99,000, accrued expenses stayed consistent with prior year, accrued interest decreased \$1,000, and other current liabilities stayed consistent with prior year. The change in OPEB obligation increased \$5,000. The Town drew \$220,000 on the FEMA Community Disaster Loan (Line of Credit), made principal payments of \$89,000 on long-term debt and received \$848,000 in loan proceeds which were used to refinance \$797,000 in bonds and certificates of obligation. Deferred inflows of resources increased \$22,000.

A condensed version of the Statement of Activities follows:

Town of Woodsboro, Texas
Condensed Statement of Activities
For the Year Ended July 31, 2020
With Comparative Totals for the Year Ended July 31, 2019
(in thousands)

	Governmental Activities		Business-type Activities		Total Government		Amount Change	% Change
	<u>July 31, 2020</u>	<u>July 31, 2019</u>	<u>July 31, 2020</u>	<u>July 31, 2019</u>	<u>July 31, 2020</u>	<u>July 31, 2019</u>		
Revenues								
Program revenues								
Charges for services	\$ 377	\$ 431	\$ 868	\$ 807	\$ 1,245	\$ 1,238	\$ 7	0.6%
General revenues								
Taxes	497	453	-	-	497	453	44	9.7%
Interest	9	19	5	10	14	29	(15)	-51.7%
Private grant	368	340	-	-	368	340	28	100.0%
Intergovernmental revenue	362	363	68	-	430	363	67	18.5%
Total revenues	<u>1,613</u>	<u>1,606</u>	<u>941</u>	<u>817</u>	<u>2,554</u>	<u>2,423</u>	<u>131</u>	<u>5.4%</u>
Expenses								
General government	718	537	-	-	718	537	181	33.7%
Public safety/municipal court	243	217	-	-	243	217	26	12.0%
Streets	104	73	-	-	104	73	31	42.5%
Animal control	21	16	-	-	21	16	5	31.3%
Recreation	7	7	-	-	7	7	-	0.0%
Water and sewer	-	-	908	749	908	749	159	21.2%
Sanitation	-	-	215	205	215	205	10	4.9%
Total expenses	<u>1,093</u>	<u>850</u>	<u>1,123</u>	<u>954</u>	<u>2,216</u>	<u>1,804</u>	<u>412</u>	<u>22.8%</u>
Excess (deficiency) before non operating revenues, expenses, and transfers	520	756	(182)	(137)	338	619	(281)	-45.4%
Non operating expenses	(3)	(8)	(91)	(43)	(94)	(51)	(43)	84.3%
Transfers	(237)	(78)	237	78	-	-	-	
Change in net position	280	670	(36)	(102)	244	568	(324)	-57.0%
Beginning net position	2,126	1,646	3,679	3,810	5,805	5,456	349	6.4%
Impact of prior period adjustment	-	(190)	-	(29)	-	(219)	219	-100.0%
Ending net position	<u>\$ 2,406</u>	<u>\$ 2,126</u>	<u>\$ 3,643</u>	<u>\$ 3,679</u>	<u>\$ 6,049</u>	<u>\$ 5,805</u>	<u>\$ 244</u>	<u>4.2%</u>

TOWN OF WOODSBORO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2020

Financial Highlights (Concluded)

Governmental Activities

Revenues

Revenues increased by \$7,000. Program revenues decreased \$54,000, in which general government revenues increased by \$10,000, primarily due to licenses, permits and fees increasing by \$13,000, and public safety/municipal court revenues decreased by \$65,000. General revenues increased by \$34,000, in which ad valorem taxes increased \$23,000, sales taxes increased \$21,000, franchise fees stayed consistent with 2019, and interest income decreased \$10,000 due to the Town expending the intergovernmental and private grant revenues during 2020 that were received during 2019. Private grant revenue increased \$28,000 and intergovernmental revenue decreased \$1,000 as grant funds from Hurricane Harvey destruction were beginning to be expended. Non-operating expenditures decreased \$5,000.

Expenditures

Expenditures increased by \$243,000. General government expenditures increased by \$181,000. The increase is due primarily to the General Fund expending grant revenues for Hurricane Harvey repairs. Public safety and municipal court expenditures increased by \$26,000 primarily due to the Town's use of augmentees in the Police Department. Street expenditures increased \$31,000 due to the beginning of street repairs from Hurricane Harvey destruction and animal control increased by \$5,000. Park expenditures stayed consistent with 2019. The Town purchased \$273,000 more in machinery and equipment than in the prior year.

Prior Period Adjustment

Current liabilities were understated during 2019 by \$190,000. Net position as previously reported was \$2,316,000 for 2019. Net position as restated during 2020 is \$2,126,000. Additional information on the prior period adjustment can be found in the notes to the financial statements.

Business-type Activities

Revenues

Revenues increased by \$124,000. Program revenues increased by \$61,000 due to an increase in utility customer base. Interest income decreased by \$5,000 due to the Town expending the intergovernmental revenues during 2020 that were received during 2019, thus decreasing cash balances. Intergovernmental revenue in the amount of \$68,000 was recognized during 2020.

Expenses

Expenses increased by \$169,000 primarily due to the Town expending grant revenues related to Hurricane Harvey destruction. Non-operating expenses increased \$48,000 due to an increase of interest expense by \$4,000 and the Town incurred \$44,000 in bond issuance costs for the refinance of the certificates of obligations.

Prior Period Adjustment

Current liabilities were understated during 2019 by \$29,000. Net position as previously reported was \$3,708,000 for 2019. Net position as restated during 2020 is \$3,679,000. Additional information on the prior period adjustment can be found in the notes to the financial statements.

COVID-19

The COVID-19 outbreak in the United States and our state has caused business disruption through mandated and voluntary closings of businesses. As a result, the related financial impact on the Town and the duration cannot be estimated at this time. Additional information on COVID-19 can be found in the notes to the financial statements.

**TOWN OF WOODSBORO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
July 31, 2020**

Capital Assets

At July 31, 2020 the Town had \$5,324,000 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 \$514,000 or 10.7% 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, 2020
With Comparative Totals for July 31, 2019
(in thousands)**

	Governmental Activities		Business-type Activities		Total Government		Amount Change	% Change
	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019		
Construction in progress	\$ 137	\$ 18	\$ 49	\$ -	\$ 186	\$ 18	\$ 168	933.3%
Land	82	82	-	-	82	82	-	0.0%
Buildings and improvements	494	473	-	-	494	473	21	4.4%
Machinery and equipment	477	431	5,996	5,877	6,473	6,308	165	2.6%
Streets	635	112	-	-	635	112	523	467.0%
Subtotal	1,825	1,116	6,045	5,877	7,870	6,993	877	12.5%
Accumulated depreciation	(370)	(281)	(2,176)	(1,985)	(2,546)	(2,266)	(280)	12.4%
Capital assets, net	<u>\$ 1,455</u>	<u>\$ 835</u>	<u>\$ 3,869</u>	<u>\$ 3,892</u>	<u>\$ 5,324</u>	<u>\$ 4,727</u>	<u>\$ 597</u>	12.6%

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, 2020. Actual revenues in the General Fund were higher than budgeted revenues by approximately \$706,000, primarily due to grant revenue and donations budgeted revenues being lower than actual. Actual General Fund expenditures were higher than budgeted amounts by approximately \$870,000, 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, 2020**

Debt Administration

At year-end, the Town had \$1,029,000 in Long-Term Debt and Certificates of Obligation outstanding versus \$1,062,000 in Long-Term Debt and Certificates of Obligation last year. The Town refinanced the Certificates of Obligation and also paid \$72,000 in principal reductions for other long-term debt and Certificates of Obligation debt.

**Town of Woodsboro, Texas
Debt Outstanding
July 31, 2020
With Comparative Totals for July 31, 2019
(in thousands)**

	Governmental Activities		Business-type Activities		Total Government		Amount Change	% Change
	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019		
Long-term debt	\$ 62	\$ 76	\$ 119	\$ 144	\$ 181	\$ 220	\$ (39)	-17.7%
Certificates of Obligation	-	-	848	842	848	842	6	0.7%
Total	<u>\$ 62</u>	<u>\$ 76</u>	<u>\$ 967</u>	<u>\$ 986</u>	<u>\$ 1,029</u>	<u>\$ 1,062</u>	<u>\$ (33)</u>	-3.1%

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 0.9600/\$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	\$1,536,648	\$1,536,648
Enterprise Fund - Water	\$886,523	\$886,523
Enterprise Fund - Sewer	\$576,747	\$576,747
Enterprise Fund - Sanitation	\$202,060	\$202,060

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, 2020

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash	\$ 966,587	\$ 111,739	\$ 1,078,326
Receivables			
Sales tax	8,422	-	8,422
Service accounts	-	114,710	114,710
Franchise tax	10,186	-	10,186
Ad valorem taxes	73,926	-	73,926
Prepaid expenses	26,399	3,962	30,361
Due from grant agency	61,035	32,775	93,810
Inventory	461	42,553	43,014
Restricted cash	253,164	466,068	719,232
Net pension asset	129,007	129,007	258,014
Capital assets, net of depreciation	1,456,200	3,869,282	5,325,482
Total assets	<u>2,985,387</u>	<u>4,770,096</u>	<u>7,755,483</u>
DEFERRED OUTFLOWS OF RESOURCES			
Difference in assumptions - net pension	1,627	1,627	3,254
Difference in assumptions - OPEB	1,398	1,398	2,796
Difference in experience - OPEB	232	232	464
Total deferred outflows of resources	<u>3,257</u>	<u>3,257</u>	<u>6,514</u>
LIABILITIES			
Accounts payable	129,036	54,116	183,152
Accrued expenses	9,414	-	9,414
Accrued interest	-	19,531	19,531
Accrued vacation	6,889	1,320	8,209
Accrued salaries	2,412	2,003	4,415
Customer deposits payable	-	64,495	64,495
Noncurrent liabilities:			
Other post employment benefits obligation	8,832	8,832	17,664
Line of credit	352,000	-	352,000
Note payable - due within one year	16,537	28,590	45,127
Bonds payable - due within one year	-	74,000	74,000
Note payable - due in more than one year	36,315	81,756	118,071
Bonds payable - due in more than one year	-	774,000	774,000
Total liabilities	<u>561,435</u>	<u>1,108,643</u>	<u>1,670,078</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, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Difference in investment returns	-	12,604	12,604
Difference in expected and actual experience	12,604	-	12,604
Difference in experience - net pension	8,681	8,681	17,362
Total deferred inflows of resources	<u>21,285</u>	<u>21,285</u>	<u>42,570</u>
NET POSITION			
Net investment in capital assets	1,403,348	2,910,936	4,314,284
Restricted for:			
Hurricane Harvey repairs	200,163	-	200,163
Law enforcement	10,100	-	10,100
Municipal court building security	20,910	-	20,910
Municipal court technology fund	24,049	-	24,049
Utility replacement	-	401,573	401,573
Unrestricted	747,354	330,916	1,078,270
Total net position	<u>\$ 2,405,924</u>	<u>\$ 3,643,425</u>	<u>\$ 6,049,349</u>

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

TOWN OF WOODSBORO, TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended July 31, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Primary Government						
Governmental activities:						
General government	\$ 718,147	\$ 39,017	\$ 731,066	\$ 51,936	\$ -	\$ 51,936
Public safety/municipal court	243,320	337,556	-	94,236	-	94,236
Streets	103,712	-	-	(103,712)	-	(103,712)
Animal control	21,302	-	-	(21,302)	-	(21,302)
Recreation	7,100	-	-	(7,100)	-	(7,100)
Total governmental activities	<u>1,093,581</u>	<u>376,573</u>	<u>731,066</u>	<u>14,058</u>	<u>-</u>	<u>14,058</u>
Business-type activities:						
Water and sewer	907,687	627,630	67,812	-	(212,245)	(212,245)
Sanitation	214,822	240,414	-	-	25,592	25,592
Total business-type activities	<u>1,122,509</u>	<u>868,044</u>	<u>67,812</u>	<u>-</u>	<u>(186,653)</u>	<u>(186,653)</u>
Total primary government	<u>\$ 2,216,090</u>	<u>\$ 1,244,617</u>	<u>\$ 798,878</u>	<u>14,058</u>	<u>(186,653)</u>	<u>(172,595)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				336,477	-	336,477
Franchise taxes				59,595	-	59,595
Sales taxes				101,161	-	101,161
Transfers in/(out)				(237,344)	237,344	-
Interest income				9,395	4,706	14,101
Interest expense				(3,006)	(46,275)	(49,281)
Bond issuance expense				-	(44,776)	(44,776)
Total general revenues and transfers				<u>266,278</u>	<u>150,999</u>	<u>417,277</u>
Change in net position				<u>280,336</u>	<u>(35,654)</u>	<u>244,682</u>
Net position - beginning, as restated				<u>2,125,588</u>	<u>3,679,079</u>	<u>5,804,667</u>
Net position - ending				<u>\$ 2,405,924</u>	<u>\$ 3,643,425</u>	<u>\$ 6,049,349</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, 2020

	<u>General Fund</u>	<u>Police Department Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash - unrestricted	\$ 966,587	\$ -	\$ -	\$ 966,587
Receivables:				
Sales tax	8,422	-	-	8,422
Franchise tax	10,186	-	-	10,186
Ad valorem taxes	73,926	-	-	73,926
Restricted cash	200,163	10,100	42,901	253,164
Prepaid expenses	26,399	-	-	26,399
Due from other government funds	-	-	2,058	2,058
Due from grant agency	61,035	-	-	61,035
Inventory	461	-	-	461
Total assets	<u>\$ 1,347,179</u>	<u>\$ 10,100</u>	<u>\$ 44,959</u>	<u>\$ 1,402,238</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 129,036	\$ -	\$ -	\$ 129,036
Accrued expenses	9,414	-	-	9,414
Accrued vacation	6,889	-	-	6,889
Accrued salaries	2,412	-	-	2,412
Due to other fund	2,058	-	-	2,058
Total liabilities	<u>149,809</u>	<u>-</u>	<u>-</u>	<u>149,809</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	70,652	-	-	70,652
Total deferred inflows of resources	<u>70,652</u>	<u>-</u>	<u>-</u>	<u>70,652</u>
Fund balances:				
Non-spendable	26,860	-	-	26,860
Restricted	200,163	10,100	44,959	255,222
Committed	688,807	-	-	688,807
Unassigned	210,888	-	-	210,888
Total fund balances	<u>1,126,718</u>	<u>10,100</u>	<u>44,959</u>	<u>1,181,777</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,347,179</u>	<u>\$ 10,100</u>	<u>\$ 44,959</u>	<u>\$ 1,402,238</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, 2020

Total governmental fund balances (page 13)	\$ 1,181,777
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.	1,456,200
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	129,007
Deferred outflows related to pensions:	
Difference in assumptions	1,627
Deferred outflows related to OPEB:	
Difference in assumptions	1,398
Difference in expected and actual experience	232
Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	70,652
Deferred inflows related to pensions:	
Difference in experience	(8,681)
Difference in expected and actual experience	(12,604)
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	(352,000)
Other post employment benefits obligation	(8,832)
Long-term debt	(52,852)
Net position of governmental activities	<u><u>\$ 2,405,924</u></u>

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

TOWN OF WOODSBORO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended July 31, 2020

	<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	\$ 337,417	\$ -	\$ -	\$ 337,417
City sales tax	101,161	-	-	101,161
Franchise taxes	59,595	-	-	59,595
Licenses, permits and fees	20,135	-	-	20,135
Fines	337,556	-	-	337,556
Rent income	1,500	-	-	1,500
Interest income	8,895	122	378	9,395
Intergovernmental - grant revenue	362,509	-	-	362,509
Private grant - Rebuild Texas	368,557	-	-	368,557
Miscellaneous	7,396	-	9,986	17,382
Total revenues	<u>1,604,721</u>	<u>122</u>	<u>10,364</u>	<u>1,615,207</u>
EXPENDITURES				
Current:				
General government	689,609	-	-	689,609
Public safety	87,613	500	-	88,113
Streets	79,906	-	-	79,906
Animal control	21,302	-	-	21,302
Municipal court	129,485	-	-	129,485
Parks	5,352	-	-	5,352
Capital outlay	713,881	-	-	713,881
Total expenditures	<u>1,727,148</u>	<u>500</u>	<u>-</u>	<u>1,727,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(122,427)</u>	<u>(378)</u>	<u>10,364</u>	<u>(112,441)</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	220,000	-	-	220,000
Principal payment on loan	(16,958)	-	-	(16,958)
Interest expense	(3,006)	-	-	(3,006)
Transfers out	(237,344)	-	-	(237,344)
Total other financing sources (uses)	<u>(37,308)</u>	<u>-</u>	<u>-</u>	<u>(37,308)</u>
Net change in fund balances	(159,735)	(378)	10,364	(149,749)
Fund balances - beginning, as restated	1,286,453	-	-	1,286,453
Fund balances - beginning	<u>-</u>	<u>10,478</u>	<u>34,595</u>	<u>45,073</u>
Fund balances - ending	<u>\$ 1,126,718</u>	<u>\$ 10,100</u>	<u>\$ 44,959</u>	<u>\$ 1,181,777</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, 2020

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

Net change in fund balances - total governmental funds (page 15)	\$ (149,749)
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.	713,881
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.	(92,514)
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.	(220,000)
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.	(940)
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.	12,700
Principal payments on long-term debt are recorded as expenses in the governmental funds.	16,958
Change in net assets of governmental activities	<u>\$ 280,336</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, 2020

	Business-type Activities - Enterprise Fund	
	Water, Sewer and Sanitation Fund	Total Enterprise Fund
ASSETS		
Current assets		
Cash and cash equivalents	\$ 111,739	\$ 111,739
Accounts receivable - customers, net	114,710	114,710
Grants receivable	32,775	32,775
Prepaid expenses	3,962	3,962
Inventory	42,553	42,553
Total current assets	<u>305,739</u>	<u>305,739</u>
Restricted assets		
Cash and cash equivalents	<u>466,068</u>	<u>466,068</u>
Total restricted assets	<u>466,068</u>	<u>466,068</u>
Noncurrent assets		
Capital assets		
Property, plant and equipment	6,045,290	6,045,290
Less: accumulated depreciation	<u>(2,176,008)</u>	<u>(2,176,008)</u>
Total capital assets, net of accumulated depreciation	3,869,282	3,869,282
Net pension asset	<u>129,007</u>	<u>129,007</u>
Total noncurrent assets	<u>3,998,289</u>	<u>3,998,289</u>
Total assets	<u>4,770,096</u>	<u>4,770,096</u>
DEFERRED OUTFLOWS OF RESOURCES		
Difference in assumptions - net pension	1,627	1,627
Difference in assumptions - OPEB	1,398	1,398
Difference in experience - OPEB	<u>232</u>	<u>232</u>
Total deferred outflows of resources	<u>3,257</u>	<u>3,257</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, 2020

	Business-type Activities - Enterprise Fund	
	Water, Sewer and Sanitation Fund	Total Enterprise Fund
LIABILITIES		
Current liabilities		
Accounts payable	54,116	54,116
Accrued interest	19,531	19,531
Accrued vacation	1,320	1,320
Accrued salaries	2,003	2,003
Customer deposits payable	64,495	64,495
Note payable - current portion	28,590	28,590
Bonds payable - current portion	74,000	74,000
Total current liabilities	<u>244,055</u>	<u>244,055</u>
Noncurrent liabilities		
Other post employment benefits obligation	8,832	8,832
Note payable	81,756	81,756
Bonds payable	774,000	774,000
Total noncurrent liabilities	<u>864,588</u>	<u>864,588</u>
Total liabilities	<u>1,108,643</u>	<u>1,108,643</u>
DEFERRED INFLOWS OF RESOURCES		
Difference in investment returns	12,604	12,604
Difference in experience - net pension	8,681	8,681
Total deferred inflows of resources	<u>21,285</u>	<u>21,285</u>
NET POSITION		
Invested in capital assets, net of related debt	2,910,936	2,910,936
Restricted for utility replacement	401,573	401,573
Unrestricted	330,916	330,916
Total net position	<u>\$ 3,643,425</u>	<u>\$ 3,643,425</u>

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

TOWN OF WOODSBORO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
PROPRIETARY FUND
For the Year Ended July 31, 2020

	Business-type Activities - Enterprise Fund	
	Water, Sewer, and Sanitation Fund	Total Enterprise Fund
OPERATING REVENUES		
Charges for services:		
Water sales	\$ 319,700	\$ 319,700
Sewer	255,077	255,077
Sanitation	240,414	240,414
Late charges	23,105	23,105
Reconnect fees	8,755	8,755
Transfer and other fees	19,865	19,865
Miscellaneous	1,128	1,128
Total operating revenues	<u>868,044</u>	<u>868,044</u>
OPERATING EXPENSES		
Salaries	246,403	246,403
Sanitation charges	214,822	214,822
Repairs and maintenance	199,116	199,116
Materials, asphalt and caliche	36,237	36,237
Truck expenses	8,791	8,791
Sewer plant	31,595	31,595
Postage, office supplies and fees	59,153	59,153
Professional fees	19,411	19,411
Insurance	54,827	54,827
Utilities and telephone	29,388	29,388
Uniforms	322	322
Payroll taxes	19,517	19,517
Depreciation	193,128	193,128
Retirement	2,622	2,622
Total operating expenses	<u>1,115,332</u>	<u>1,115,332</u>
Operating income (loss)	<u>(247,288)</u>	<u>(247,288)</u>

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

TOWN OF WOODSBORO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
PROPRIETARY FUND (CONTINUED)
For the Year Ended July 31, 2020

	Business-type Activities - Enterprise Fund	
	Water, Sewer, and Sanitation Fund	Total Enterprise Fund
NON OPERATING REVENUES (EXPENSES)		
Grant income	67,812	67,812
Interest income	4,706	4,706
Bond issuance expense	(44,776)	(44,776)
Increase in net pension asset	(6,618)	(6,618)
Decrease in other post employment benefits obligation	(559)	(559)
Interest expense	(46,275)	(46,275)
Total non operating revenues (expenses)	<u>(25,710)</u>	<u>(25,710)</u>
Income (loss) before transfers	(272,998)	(272,998)
Transfers in	244,989	244,989
Transfers out	<u>(7,645)</u>	<u>(7,645)</u>
Change in fund net position	(35,654)	(35,654)
Total net position, beginning, as restated	<u>3,679,079</u>	<u>3,679,079</u>
Total net position, ending	<u>\$ 3,643,425</u>	<u>\$ 3,643,425</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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 827,598
Cash paid to suppliers for goods and services	(679,495)
Cash paid to employees for services	<u>(254,423)</u>
Net cash provided (used) by operating activities	<u>(106,320)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfer from other funds	244,989
Transfer to other funds	<u>(7,645)</u>
Net cash provided (used) by noncapital financing activities	<u>237,344</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of fixed assets	(170,170)
Proceeds from long-term debt	848,000
Principal payments on note payable	(26,664)
Principal payments on USDA Series 2000, 2000A and 2008 Certificates of Obligation	(842,000)
Bond issuance expense	(44,776)
Interest paid	<u>(46,275)</u>
Net cash provided (used) by capital and related financing activities	<u>(281,885)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	4,706
Grant income	<u>67,812</u>
Net cash provided (used) by investing activities	<u>72,518</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (78,343)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 656,150

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 577,807

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, 2020**

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

Operating income (loss)	<u>\$ (247,288)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	193,128
(Increase) decrease in accounts receivable	(41,987)
Increase (decrease) in allowance account	1,541
(Increase) decrease in prepaid expenses	(186)
(Increase) decrease in inventory	(6,813)
Increase (decrease) in accounts payable	(4,920)
Increase (decrease) in accrued interest payable	(1,279)
Increase (decrease) in accrued salaries and vacation payable	(5,398)
Increase (decrease) in accrued liabilities	351
Increase (decrease) in meter deposits payable	<u>6,531</u>
Total adjustments	<u>140,968</u>
Net cash provided (used) by operating activities	<u><u>\$ (106,320)</u></u>

RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS

Cash and cash equivalents	\$ 111,739
Restricted cash and cash equivalents	<u>466,068</u>
Total cash and cash equivalents	<u><u>\$ 577,807</u></u>

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

TOWN OF WOODSBORO, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
SPECIAL AGENCY FUND
July 31, 2020

	Special Agency Fund	Total
ASSETS		
Inventory - seized vehicles	\$ 11,200	\$ 11,200
Total assets	<u>\$ 11,200</u>	<u>\$ 11,200</u>
 LIABILITIES		
Due to others	\$ (11,200)	\$ (11,200)
Total liabilities	<u>\$ (11,200)</u>	<u>\$ (11,200)</u>

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

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

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, 2020

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, 2020

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. Fiduciary Fund

Special Agency Fund

Agency funds are one of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

E. 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.

F. 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.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. 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.

H. Restricted Resources

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

I. Classification of Fund Balances

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.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Classification of Fund Balances (Concluded)

	General Fund	Police Department Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES:				
Non-spendable:				
Inventory	\$ 461	\$ -	\$ -	\$ 461
Prepaid expenses	26,399	-	-	26,399
Restricted for:				
Hurricane Harvey repairs	200,163	-	-	200,163
Law enforcement purposes	-	10,100	-	10,100
Municipal court building security	-	-	20,910	20,910
Municipal court technical fund	-	-	24,049	24,049
Committed to:				
Future Town Hall	260,011	-	-	260,011
Street maintenance	294,048	-	-	294,048
Dodson field	77,780	-	-	77,780
Drainage	20,670	-	-	20,670
Parks	36,298	-	-	36,298
Unassigned	210,888	-	-	210,888
Total fund balances	<u>\$ 1,126,718</u>	<u>\$ 10,100</u>	<u>\$ 44,959</u>	<u>\$ 1,181,777</u>

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.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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, 2020, the Town levied an ad valorem tax for maintenance and operations at a rate of .8845 per \$100 of assessed value. A total tax levy of \$332,429 resulted, based on a net taxable valuation of \$37,583,770 for the 2019 tax year.

K. 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

L. Excess of Expenditures over Revenues in Governmental Funds

An excess of \$122,427 and \$378 of expenditures over revenues occurred in the General Fund and Police Department Fund respectively in the year ended July 31, 2020.

M. Cash and Cash Equivalents

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

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. 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.

O. 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.

P. Pensions

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

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Q. Other postemployment benefits (OPEB)

The fiduciary net position of the TMRS Supplemental Death Benefits Plan (SDBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from SDBP's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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, 2020. As of July 31, 2020, the carrying amount of the Town's deposits was \$1,796,958, and the bank balance was \$1,944,882. 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, 2020

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, 2020, accounts receivable – customers for business-type activities were:

	<u>Amount</u>
Total accounts receivable - customers	\$ 118,963
Less: allowance for doubtful accounts	<u>(4,253)</u>
Accounts receivable - customers	<u><u>\$ 114,710</u></u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

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	129,127	(9,750)	137,127
Total capital assets not being depreciated	100,091	129,127	(9,750)	219,468
Other capital assets				
Buildings and improvements	472,627	21,790	-	494,417
Machinery and equipment	430,608	49,998	(3,819)	476,787
Streets	112,341	522,717	-	635,058
Total other capital assets at historical cost	1,015,576	594,505	(3,819)	1,606,262
Less accumulated depreciation for:				
Buildings and improvements	(27,789)	(20,419)	-	(48,208)
Machinery and equipment	(196,392)	(59,707)	3,819	(252,280)
Streets	(56,654)	(12,388)	-	(69,042)
Total accumulated depreciation	(280,835)	(92,514)	3,819	(369,530)
Other capital assets, net	734,741	501,991	-	1,236,732
Governmental activities capital assets, net	<u>\$ 834,832</u>	<u>\$ 631,118</u>	<u>\$ (9,750)</u>	<u>\$ 1,456,200</u>
Business-type activities:				
Capital assets not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	49,320	-	49,320
Total capital assets not being depreciated	-	49,320	-	49,320
Other capital assets				
Buildings and improvements	-	-	-	-
Machinery and equipment	5,876,785	120,850	(1,665)	5,995,970
Total other capital assets at historical cost	5,876,785	120,850	(1,665)	5,995,970
Less accumulated depreciation for:				
Buildings and improvements	-	-	-	-
Machinery and equipment	(1,984,545)	(193,128)	1,665	(2,176,008)
Total accumulated depreciation	(1,984,545)	(193,128)	1,665	(2,176,008)
Other capital assets, net	3,892,240	(72,278)	-	3,819,962
Business-type activities capital assets, net	<u>\$ 3,892,240</u>	<u>\$ (22,958)</u>	<u>\$ -</u>	<u>\$ 3,869,282</u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 4: CHANGES IN CAPITAL ASSETS (Concluded)

Depreciation expense was charged to functions as follows:

	<u>Amount</u>
Governmental activities	
General government	\$ 41,238
Public safety	25,722
Streets	23,806
Parks	1,748
Total governmental activities depreciation expense	<u>\$ 92,514</u>
Business-type activities	
Water and sewer	\$ 193,128
Total business-type activities depreciation expense	<u>\$ 193,128</u>

NOTE 5: LONG-TERM DEBT

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended July 31, 2020 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	\$ 69,810	\$ -	\$ (16,958)	\$ 52,852	\$ 16,537
OPEB liability	5,870	2,962	-	8,832	-
Total governmental activities	<u>75,680</u>	<u>2,962</u>	<u>(16,958)</u>	<u>61,684</u>	<u>16,537</u>
Business-type activities					
Notes from direct borrowings	137,010	-	(26,664)	110,346	28,590
OPEB liability	7,175	1,657	-	8,832	-
Certificates of obligation	842,000	-	(842,000)	-	-
Limited tax refunding bonds	-	848,000	-	848,000	74,000
Total business-type activities	<u>986,185</u>	<u>849,657</u>	<u>(868,664)</u>	<u>967,178</u>	<u>102,590</u>
Total long-term liabilities	<u>\$ 1,061,865</u>	<u>\$ 852,619</u>	<u>\$ (885,622)</u>	<u>\$ 1,028,862</u>	<u>\$ 119,127</u>

The interest paid for governmental activities was \$3,006 for equipment loan debt for the year ended July 31, 2020. The interest paid for business-type activities was \$46,275 for bonds and equipment loan debt for the year ended July 31, 2020 and is charged to interest expense in the water, sewer and sanitation funds.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 5: LONG-TERM DEBT (Continued)

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, 2020; 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, 2020.

As of July 31, 2020, the remaining annual payments are as follows:

<u>Year Ended July 31,</u>	<u>Loan Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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
	<u>\$ 47,164</u>	<u>\$ 5,069</u>	<u>\$ 52,233</u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 5: LONG-TERM DEBT (Continued)

B. Long-Term Debt – Governmental Activities (Concluded)

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, 2020; 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, 2020.

As of July 31, 2020, the remaining annual payments are as follows:

<u>Year Ended July 31,</u>	<u>Loan Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2021	\$ 5,688	\$ 333	\$ 6,021
	<u>\$ 5,688</u>	<u>\$ 333</u>	<u>\$ 6,021</u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 5: 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, 2020; 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, 2020.

As of July 31, 2020, the remaining annual payments are as follows:

<u>Year Ended July 31,</u>	<u>Loan Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2021	\$ 25,314	\$ 4,634	\$ 29,948
2022	26,400	3,547	29,947
2023	27,534	2,414	29,948
2024	27,822	1,232	29,054
	<u>\$ 107,070</u>	<u>\$ 11,827</u>	<u>\$ 118,897</u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 5: LONG-TERM DEBT (Continued)

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

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, 2020; 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, 2020.

As of July 31, 2020, the remaining annual payments are as follows:

<u>Year Ended</u> <u>July 31,</u>	<u>Loan</u> <u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2021	\$ 3,276	\$ 130	\$ 3,406
	<u>\$ 3,276</u>	<u>\$ 130</u>	<u>\$ 3,406</u>

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. These certificates of obligation were called for redemption on May 7, 2020.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 5: LONG-TERM DEBT (Continued)

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

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. These certificates of obligation were called for redemption on May 7, 2020.

E. Limited Tax Refunding Bonds – Business-type Activities

On May 7, 2020 the Town of Woodsboro issued Limited Tax Refunding Bonds, Series 2020 of \$848,000 with an interest rate of 1.57% and a final maturity of March 1, 2035. Proceeds from the bond sale was used to refund Combination Tax and Combined Waterworks and Sanitary Sewer System Revenue Certificates of Obligation Series 2000 and Series 2000A and Combination Tax and Combined Waterworks and Sanitary Sewer System Revenue Certificates of Obligation, Series 2008 in order to lower the overall debt service requirements of the Town. As a result of refunding, the Town reduced its debt service payments by \$182,443 and obtained an economic gain (difference between present value of debt service payment of old and new debt) of \$138,645. 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, 2035. The interest rate is fixed at 1.57% per annum.

Annual requirements to retire the Limited Tax Refunding Bonds are as follows:

Year Ended July 31,	Principal	Interest	Total Requirements
2021	\$ 74,000	\$ 10,910	\$ 84,910
2022	70,000	12,151	82,151
2023	70,000	11,053	81,053
2024	71,000	9,954	80,954
2025	75,000	8,839	83,839
2026-2030	293,000	27,318	320,318
2031-2035	195,000	9,279	204,279
	<u>\$ 848,000</u>	<u>\$ 89,504</u>	<u>\$ 937,504</u>

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 5: LONG-TERM DEBT (Concluded)

F. 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
2021	\$ 16,537	\$ 2,319
2022	11,315	1,520
2023	11,800	1,035
2024	13,200	528
	<u>\$ 52,852</u>	<u>\$ 5,402</u>

Year Ended July 31,	Business-Type Activities			
	Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2021	\$ 74,000	\$ 10,910	\$ 28,590	\$ 4,764
2022	70,000	12,151	26,400	3,547
2023	70,000	11,053	27,534	2,414
2024	71,000	9,954	27,822	1,232
2025	75,000	8,839	-	-
2026-2030	293,000	27,318	-	-
2031-2035	195,000	9,279	-	-
	<u>\$ 848,000</u>	<u>\$ 89,504</u>	<u>\$ 110,346</u>	<u>\$ 11,957</u>

G. 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. A total of \$220,000 draws were 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, 2020. As of July 31, 2020, the total outstanding balance for the line of credit is \$352,000 and the remaining undrawn balance is \$44,920.

H. 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, 2020

NOTE 6: PENSION PLAN

A. Plan Description

The Town participates as one of 888 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 Town, 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 2019
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, 2019 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	3
Active employees	10
Total	16

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 6: 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 2020. The contribution rates for the Town were 1.05% 0.74% in calendar years 2019 and 2020, respectively. The Town's contributions to TMRS for the year ended 2020 were \$5,341, and exceeded the required contributions.

D. Net Pension Asset

The Town's Net Pension Asset (NPA) was measured as of December 31, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
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, are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and the beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subjected to the floor.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 6: 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, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	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, 2020

NOTE 6: 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 12/31/2018	\$ 551,763	\$ 741,128	\$ (189,365)
Changes for the year:			
Service cost	39,661	-	39,661
Interest	37,903	-	37,903
Difference between expected and actual experience	(7,655)	-	(7,655)
Changes in assumptions	3,205	-	3,205
Contributions - employer	-	4,892	(4,892)
Contributions - employee	-	23,193	(23,193)
Net investment income	-	114,344	(114,344)
Benefit payments, including refunds of employee contributions	(20,125)	(20,125)	-
Administrative expense	-	(647)	647
Other changes	-	(19)	19
Net changes	52,989	121,638	(68,649)
Balance at 12/31/2019	\$ 604,752	\$ 862,766	\$ (258,014)

Sensitivity of the Net Pension Liability(asset) 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)	\$(167,153)	\$(258,014)	\$(332,751)

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, 2020

NOTE 6: 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, 2020, the Town recognized pension income of \$2,956.

At July 31, 2020, 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		\$17,363
Changes in actuarial assumptions	\$3,254	
Difference between projected and actual investment earnings	-	\$25,208
Contributions subsequent to the measurement date December 31, 2019	-	-
Total	\$3,254	\$42,571

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, 2020 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
2020	\$(14,803)
2021	(8,999)
2022	641
2023	(15,420)
2024	(735)
Thereafter	-
Total	\$ 39,316

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 7: 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, 2019 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	10
Total	12

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 July 31, 2020 were \$897, which equaled the required contributions each year.

D. Total OPEB Liability

The Town's total OPEB liability of \$17,664 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The total OPEB liability in the December 31, 2019 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 11.5% including inflation
Discount rate	2.75%
Retirees' share of benefit-related costs	\$0

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 7: 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, 2019.

Salary increases were based on a graduated service-based scale. Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Mortality rates for disabled retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period of December 31, 2014 to December 31, 2018.

E. Changes in the Total OPEB Liability

Balance at 12/31/2018	\$ 13,045
Changes for the year:	
Service cost	1,392
Interest on total OPEB liability	509
Changes of benefit terms	-
Differences between expected and actual experience	(677)
Changes in assumptions and other inputs	3,441
Benefit payments	(46)
Administrative expense	-
Other changes	-
Net changes	4,619
Balance at 12/31/2019	\$ 17,664

Changes of assumptions and other inputs reflect a change in the discount rate from 3.71 percent as of December 31, 2018 to 2.75 percent as of December 31, 2019.

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 2.75%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
Total OPEB liability	\$21,386	\$17,664	\$14,680

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 7: OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Concluded)

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

For the year ended July 31, 2020, the Town recognized OPEB expense of \$2,374.

At July 31, 2020, 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	\$ -	\$ 463
Changes in assumptions and other inputs	-	2,796
Contributions made subsequent to measurement date	N/A	-
Total (excluding contributions made subsequent to measurement date)	\$ -	\$3,259

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, 2020 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
2020	\$ 473
2021	473
2022	473
2023	473
2024	473
Thereafter	894
Total	\$3,259

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 8: 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, 2020 are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General	\$ -	\$ (2,058)
MC Security	1,143	-
MC Technology	915	-
Total transfers	<u>\$ 2,058</u>	<u>\$ (2,058)</u>

NOTE 9: 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, 2020

NOTE 9: 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 10: 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, 2020 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ (237,344)
Enterprise	237,344	-
Total transfers	<u>\$ 237,344</u>	<u>\$ (237,344)</u>

During the year, transfers were used to move FEMA Community Disaster Loan proceeds as well as the remaining funds for the Scada system improvements and FEMA public assistance funds related to Hurricane Harvey destruction for utility-related repairs and improvements from the General Fund to the Enterprise Fund.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 11: 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, 2020, trial is set for May 3, 2021; however, in the opinion of Counsel, based on current facts, the Plaintiff will not prevail.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. As a result, the outbreak has caused uncertainty in the financial markets. Although many of the Town's services are considered essential, City Hall was closed to the public, and because the Town's major revenue sources, including businesses that collect sales taxes, are directly impacted by these events, it is probable that this matter will negatively impact the Town. The Town is cooperating fully with federal, state and CDC mandates and guidelines and has applied for FEMA grants and other assistance. However, the ultimate financial impact and duration cannot be estimated at this time.

TOWN OF WOODSBORO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended July 31, 2020

NOTE 12: RESTATEMENT OF BEGINNING BALANCES

During the current year, it was determined that during fiscal year ended July 31, 2019 funds received from the Federal Emergency Management Agency's (FEMA) Public Assistance Disaster Recovery program in the amount of \$316,172 were presented in the General Fund. The funds received were for projects associated with repairs in the General Fund and in the Water, Sewer, and Sanitation Fund. Therefore, of the \$316,172 received, \$111,314 should have been recorded in the Water, Sewer, and Sanitation Fund and the remaining \$204,858 recorded in the General Fund. It was also discovered that FEMA funds received for projects that had not been expended as of July 31, 2019 were presented as revenue instead of a liability. \$13,982 was expended for General Fund projects and \$81,829 had been expended for Water, Sewer, and Sanitation Fund projects. The General Fund's net position was overstated by \$190,876 and the Water, Sewer, and Sanitation Fund's net position was overstated by \$29,485. To correct these errors, the net position and fund balance of the Town's governmental activities for the fiscal year ended July 31, 2019 has been restated. The impact of this restatement on net position is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net position, July 31, 2019, as previously stated	\$ 2,316,464	\$ 3,708,564	\$ 6,025,028
Restatement of net position -			
FEMA Public Assistance Grant revenue	<u>(190,876)</u>	<u>(29,485)</u>	<u>(220,361)</u>
Net position, July 31, 2019, as restated	<u>\$ 2,125,588</u>	<u>\$ 3,679,079</u>	<u>\$ 5,804,667</u>

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

	<u>General Fund</u>
Fund balance, July 31, 2019, as previously stated	\$ 1,477,329
Restatement of fund balance -	
FEMA Public Assistance Grant revenue	<u>(190,876)</u>
Fund balance, July 31, 2019, as restated	<u>\$ 1,286,453</u>

NOTE 13: SUBSEQUENT EVENTS

In preparing these financial statements, events and transactions have been evaluated for potential recognition or disclosure through December 15, 2020, 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, 2020

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Taxes:			
Property taxes	\$ 301,000	\$ 337,417	\$ 36,417
City sales tax revenue	90,000	101,161	11,161
Franchise fees	63,600	59,595	(4,005)
Municipal court	300,000	337,556	37,556
Intergovernmental - grant revenue	125,000	362,509	237,509
Animal control	300	68	(232)
Christmas in the Square	800	1,139	339
Permits and licenses	6,500	18,928	12,428
Rent income	3,600	1,500	(2,100)
Interest income	6,700	8,895	2,195
Donations	-	368,557	368,557
Miscellaneous	725	7,396	6,671
Total revenues	<u>898,225</u>	<u>1,604,721</u>	<u>706,496</u>
EXPENDITURES			
Salaries	385,874	336,263	(49,611)
Insurance	60,160	51,812	(8,348)
Vehicle services	500	26,670	26,170
Town Square	26,974	5,351	(21,623)
Street materials	71,500	48,915	(22,585)
Supplies	19,100	14,053	(5,047)
Rent	3,000	3,000	-
Utilities	35,000	30,991	(4,009)
Training	6,439	2,819	(3,620)
Professional fees	21,000	35,520	14,520
Capital outlay	-	713,881	713,881
Municipal court	129,852	129,485	(367)
Animal control	21,302	21,302	-
Fire protection	-	17,500	17,500
Intergovernmental - grant expenditures	-	136,285	136,285
Stonegarden augmentees	-	40,632	40,632
Contract labor	-	28,587	28,587
Miscellaneous expense	76,149	84,082	7,933
Total expenditures	<u>856,850</u>	<u>1,727,148</u>	<u>870,298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,375</u>	<u>(122,427)</u>	<u>(163,803)</u>

TOWN OF WOODSBORO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
For the Year Ended July 31, 2020

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(237,344)	(237,344)
Loan proceeds	-	220,000	220,000
Principal payment on loan	(4,752)	(16,958)	(12,206)
Interest expense	(19,851)	(3,006)	16,845
Total other financing sources (uses)	<u>(24,603)</u>	<u>(37,308)</u>	<u>(12,705)</u>
Net change in fund balances	<u>\$ 16,772</u>	<u>(159,735)</u>	<u>\$ (176,507)</u>
Fund balances - beginning, as restated		<u>1,286,453</u>	
Fund balances - ending		<u>\$ 1,126,718</u>	

TOWN OF WOODSBORO, TEXAS
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended July 31, 2020

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, 2020

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total pension liability						
Service cost	\$ 28,152	\$ 38,084	\$ 39,754	\$ 46,271	\$ 41,106	\$ 39,661
Interest (on the total pension liability)	26,117	24,744	27,898	31,448	35,490	37,903
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(58,879)	3,564	(3,254)	9,501	(12,245)	(7,655)
Change of assumptions	-	4,814	-	-	-	3,205
Benefit payments, including refunds of employee contributions	(31,727)	(8,221)	(16,237)	(13,887)	(35,623)	(20,125)
Net change in total pension liability	(36,337)	62,985	48,161	73,333	28,728	52,989
Total pension liability - beginning	374,893	338,556	401,541	449,702	523,035	551,763
Total pension liability - ending (a)	\$ 338,556	\$ 401,541	\$ 449,702	\$ 523,035	\$ 551,763	\$ 604,752
Plan fiduciary net position						
Contributions - employer	\$ 3,673	\$ 928	\$ -	\$ 1,726	\$ 3,162	\$ 4,892
Contributions - employee	18,084	23,194	23,357	26,965	23,954	23,193
Net investment income	33,129	888	41,782	92,405	(23,174)	114,344
Benefit payments, including refunds of employee contributions	(31,727)	(8,221)	(16,237)	(13,887)	(35,623)	(20,125)
Administrative expense	(346)	(541)	(472)	(479)	(448)	(647)
Other	(28)	(27)	(25)	(25)	(22)	(19)
Net change in plan fiduciary net position	22,785	16,221	48,405	106,705	(32,151)	121,638
Plan fiduciary net position - beginning	579,163	601,948	618,169	666,574	773,279	741,128
Plan fiduciary net position - ending (b)	\$ 601,948	\$ 618,169	\$ 666,574	\$ 773,279	\$ 741,128	\$ 862,766
Net pension liability (asset) - ending (a) - (b)	\$ (263,392)	\$ (216,628)	\$ (216,872)	\$ (250,244)	\$ (189,365)	\$ (258,014)
Plan fiduciary net position as a percentage of total pension liability (asset)	177.80 %	153.95 %	148.23 %	147.84 %	134.32 %	142.66 %
Covered employee payroll	\$ 361,677	\$ 463,872	\$ 467,148	\$ 539,294	\$ 479,085	\$ 463,869
Net pension liability (asset) as a percentage of covered employee payroll	(72.83) %	(46.70) %	(46.42) %	(46.40) %	(39.53) %	(55.62) %

**TOWN OF WOODSBORO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS (unaudited)
For the Year Ended July 31, 2020**

	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>
Actuarially determined contribution	\$ 2,953	\$ 436	\$ 1,274	\$ 3,205	\$ 4,122	\$ 4,426
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>	<u>5,341</u>
Contribution deficiency (excess)	<u>\$ (311)</u>	<u>\$ -</u>	<u>\$ 303</u>	<u>\$ 646</u>	<u>\$ -</u>	<u>\$ (915)</u>
Covered employee payroll	\$ 303,484	\$ 485,011	\$ 503,403	\$ 509,279	\$ 469,038	\$ 514,044
Contributions as a percentage of covered employee payroll	1.08 %	0.09 %	0.19 %	0.50 %	0.88 %	1.04 %

**TOWN OF WOODSBORO, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
NOTES TO SCHEDULE OF CONTRIBUTIONS (unaudited)
For the Year Ended July 31, 2020**

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	N/A
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% 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 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes Adopted restricted prior service credit.

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, 2020

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total OPEB liability			
Service cost	\$ 1,402	\$ 1,437	\$ 1,392
Interest on Total OPEB liability	342	386	509
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	1,357	(677)
Change of assumptions and other inputs	896	(1,054)	3,441
Benefit payments	<u>(54)</u>	<u>(48)</u>	<u>(46)</u>
Net change in total pension liability	2,586	2,078	4,619
Total OPEB liability - beginning	<u>8,381</u>	<u>10,967</u>	<u>13,045</u>
Total OPEB liability - ending	<u><u>\$ 10,967</u></u>	<u><u>\$ 13,045</u></u>	<u><u>\$ 17,664</u></u>
Covered employee payroll	\$ 539,294	\$ 479,085	\$ 463,869
Total OPEB liability as a percentage of covered employee payroll	2.03 %	2.72 %	3.81 %

**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, 2020**

NOTE 1: CHANGE OF ASSUMPTIONS

Changes of assumptions and other inputs reflect the effect of change in the discount rate from 3.71 percent as of December 31, 2018 to 2.75 percent as of December 31, 2019.

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.

OTHER SUPPLEMENTARY INFORMATION

**TOWN OF WOODSBORO, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
July 31, 2020**

	Municipal Court Security	Municipal Court Technology	Total Non- Major Govern- mental Funds
ASSETS			
Cash - restricted	\$ 19,767	\$ 23,134	\$ 42,901
Due from other government funds	1,143	915	2,058
Total assets	<u>\$ 20,910</u>	<u>\$ 24,049</u>	<u>\$ 44,959</u>
LIABILITIES			
	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted:			
Municipal court building security	20,910	-	20,910
Municipal court technology fund	-	24,049	24,049
Total fund balances	<u>20,910</u>	<u>24,049</u>	<u>44,959</u>
Total liabilities and fund balances	<u>\$ 20,910</u>	<u>\$ 24,049</u>	<u>\$ 44,959</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, 2020

	<u>Municipal Court Security</u>	<u>Municipal Court Technology</u>	<u>Total Non- Major Govern- mental Funds</u>
REVENUES			
Interest income	\$ 174	\$ 204	\$ 378
Miscellaneous income	4,726	5,260	9,986
Total revenues	<u>4,900</u>	<u>5,464</u>	<u>10,364</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues over expenditures	<u>4,900</u>	<u>5,464</u>	<u>10,364</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	4,900	5,464	10,364
FUND BALANCES, beginning of year	<u>16,010</u>	<u>18,585</u>	<u>34,595</u>
FUND BALANCES, end of year	<u><u>\$ 20,910</u></u>	<u><u>\$ 24,049</u></u>	<u><u>\$ 44,959</u></u>

INDIVIDUAL GRANT INFORMATION

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2020

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	\$ 112,947	\$ 116,733
Total revenue	125,000	3,786	112,947	116,733
Expenditures				
Federal/State				
Personnel	65,100	3,786	58,624	62,410
Equipment	57,500	41,591	11,957	53,548
Mileage amount	2,400	-	775	775
Total expenditures	125,000	45,377	71,356	116,733
Excess revenue over expenditures	\$ -	\$ (41,591)	\$ 41,591	\$ -

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2020

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 3194205

Contract Period: September 1, 2019 to August 31, 2022

	Original Budget	Prior Year	Current Year	Total
Revenue:				
Federal/State	\$ 150,000	\$ -	\$ 11,819	\$ 11,819
Total revenue	150,000	-	11,819	11,819
Expenditures				
Federal/State				
Equipment	92,098	-	-	-
Personnel	57,902	-	11,819	11,819
Total expenditures	150,000	-	11,819	11,819
Excess revenue over expenditures	\$ -	\$ -	\$ -	\$ -

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2020

Coronavirus Relief Fund
 Coronavirus Aid, Relief and Economic Security Act (CARES Act)
 Federal Grantor: Department of Treasury
 Pass Through Grantor: Texas Division of Emergency Management
 Contract Period: March 1, 2020 to December 30, 2020

	<u>Original Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
Revenue:				
Federal/State	\$ 78,045	\$ -	\$ 15,609	\$ 15,609
Total revenue	<u>78,045</u>	<u>-</u>	<u>15,609</u>	<u>15,609</u>
 Expenditures				
Federal/State				
Covid-related expenses	<u>78,045</u>	<u>-</u>	<u>6,838</u>	<u>6,838</u>
Total expenditures	<u>78,045</u>	<u>-</u>	<u>6,838</u>	<u>6,838</u>
Excess revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,771</u>	<u>\$ 8,771</u>

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2020

Hazard Mitigation Grant Program
Critical Facility Generators
Federal Grantor: Federal Emergency Management Agency
Pass Through Grantor: Texas Division of Emergency Management
CFDA Number: 97.039
Contract Number: DR-4332-060
Contract Period: April 29, 2019 to May 22, 2022

	Budget	Prior Year	Current Year	Total
Revenue:				
Federal/State	\$ 434,267	\$ -	\$ 32,775	\$ 32,775
Local match	144,756	9,000	10,925	19,925
Total revenue	579,023	9,000	43,700	52,700
Expenses:				
Federal/State				
Project costs	364,088	-	-	-
Engineering	49,500	-	32,775	32,775
Administration	20,680	-	-	-
Local match				
Project costs	121,362	-	-	-
Engineering	16,500	-	10,925	10,925
Administration	6,893	9,000	-	9,000
Total expenses	579,023	9,000	43,700	52,700
Excess revenue over expenditures	\$ -	\$ -	\$ -	\$ -

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2020

Community Development Block Grant – Disaster Recovery
Street Improvement Project
Federal Grantor: Department of Housing and Urban Development
Pass Through Grantor: Texas General Land Office
CFDA Number: 14.228
Contract Number: 20-065-070-C196
Contract Period: February 9, 2018 to April 30, 2022

	Original Budget	Prior Year	Current Year	Total
Revenue:				
Federal/State	\$ 1,245,322	\$ -	\$ 58,953	\$ 58,953
Total revenue	1,245,322	-	58,953	58,953
Expenditures				
Federal/State				
Construction/reconstruction of streets	1,245,322	-	58,953	58,953
Total expenditures	1,245,322	-	58,953	58,953
Excess revenue over expenditures	\$ -	\$ -	\$ -	\$ -

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE
For the Year Ended July 31, 2020

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	\$ 1,102,499	\$ 316,172	\$ 48,441	\$ 364,613
Local match - State	26,346	-	26,346	26,346
Local match - Town	96,154	2,387	393	2,780
Total revenue	<u>1,224,999</u>	<u>318,559</u>	<u>75,180</u>	<u>393,739</u>
Expenditures				
Federal				
Lift station fence	3,812	-	773	773
Backhoe barn storage building	17,993	-	-	-
Wastewater treatment plant	73,488	73,488	-	73,488
City building	20,129	-	1,420	1,420
Town square	9,874	9,610	264	9,874
Stockpile yard fence	12,450	12,450	-	12,450
Elevated water storage tank	8,757	-	8,757	8,757
Baseball field/concession stand	53,679	-	21,593	21,593
WWTP contents	11,546	-	11,546	11,546
WTP contents	5,369	-	5,369	5,369
Ditches/city wide	99,075	-	73,963	73,963
Fire house	436,271	8,000	67,963	75,963
Water treatment plant	154,720	-	14,360	14,360
Street signs/city wide	140,288	-	29,851	29,851
PAAP-DAC	55,048	-	48,441	48,441
Total Federal expenditures	<u>1,102,499</u>	<u>103,548</u>	<u>284,300</u>	<u>387,848</u>

TOWN OF WOODSBORO, TEXAS
GRANT REVENUE AND EXPENSE SCHEDULE (CONTINUED)
For the Year Ended July 31, 2020

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
Expenditures (continued)				
Local match - State				
Lift station fence	318	-	-	-
Backhoe barn storage building	1,499	-	-	-
Wastewater treatment plant	6,124	6,124	-	6,124
City building	1,677	-	-	-
Town square	823	-	486	486
Stockpile yard fence	1,037	1,037	-	1,037
Elevated water storage tank	730	-	730	730
Baseball field/concession stand	4,473	-	-	-
WWTP contents	962	-	8	8
WTP contents	447	-	447	447
Ditches/city wide	8,256	-	-	-
Fire house	-	-	-	-
Water treatment plant	-	-	-	-
Street signs/city wide	-	-	-	-
PAAP-DAC	-	-	-	-
Total local match - State expenditures	<u>26,346</u>	<u>7,161</u>	<u>1,671</u>	<u>8,832</u>
Local match - Town				
Lift station fence	106	-	-	-
Backhoe barn storage building	500	-	-	-
Wastewater treatment plant	2,041	2,041	-	2,041
City building	560	-	-	-
Town square	274	-	-	-
Stockpile yard fence	346	346	-	346
Elevated water storage tank	243	-	243	243
Baseball field/concession stand	1,491	-	-	-
WWTP contents	321	-	-	-
WTP contents	150	-	150	150
Ditches/city wide	2,752	-	-	-
Fire house	48,475	-	-	-
Water treatment plant	17,191	-	-	-
Street signs/city wide	15,588	-	-	-
PAAP-DAC	6,116	-	5,382	5,382
Total local match - Town expenditures	<u>96,154</u>	<u>2,387</u>	<u>5,775</u>	<u>8,162</u>
Total expenditures	<u>1,224,999</u>	<u>113,096</u>	<u>291,746</u>	<u>404,842</u>
Excess revenue over expenditures	<u>\$ -</u>	<u>\$ 205,463</u>	<u>\$ (216,566)</u>	<u>\$ (11,103)</u>