

**TOWN OF WOODSBORO, TEXAS**

**FINANCIAL STATEMENTS**

**For the Year Ended July 31, 2024**

**TOWN OF WOODSBORO, TEXAS**  
**FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

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**TOWN OF WOODSBORO, TEXAS**  
**FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

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## **INTRODUCTORY SECTION**

**TOWN OF WOODSBORO, TEXAS**  
**LIST OF PRINCIPAL OFFICIALS**  
**July 31, 2024**

|                                    |   |
|------------------------------------|---|
| Mayor                              | Kay Roach   |
| Mayor Pro-tem                      | Dahlia Smith  |
| Council Members                    | Freddie Arriaga<br>Johnny Cisneros<br>(June 2024 – July 2024) Daniel Porras<br>Wayne Roberts<br>(August 2023 – May 2024) John Schlabach |
| City Attorney                      | Desiree Voth  |
| City Engineer                      | Robert Viera (Ardurra Group, Inc. - Engineering)  |
| Tax Assessor and Collector         | Liz Kelley  |
| Municipal Police Officer           | Russell Smith   |
| City Secretary                     | Ruby H. DeLaGarza   |
| City Clerk/Water Clerk             | Viola Meza  |
| Municipal Court Clerk/Office Clerk | John Rivera   |
| 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\*

\*CERTIFIED VALUATION ANALYST

MEMBERS OF:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

TEXAS SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

KEITH H. COX, CPA, CISA\*  
STEPHANIE S. KOCH, CPA  
EROL "BUD" TUCKER, JR, CPA

\*CERTIFIED INFORMATION SYSTEMS AUDITOR

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

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

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

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, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2024, 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.

##### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Woodsboro, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

##### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Woodsboro, Texas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Woodsboro, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Woodsboro, Texas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***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 5-12 and 53-60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

A handwritten signature in blue ink that reads "Goldman, Hunt & Notz, LLP".

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

December 11, 2024

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2024**

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, 2024. 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, 2024**

**Financial Highlights**

- The assets of the Town of Woodsboro, Texas exceeded its liabilities at the close of the year ended July 31, 2024 by \$8,579,384. Of this amount, \$1,008,337 of unrestricted net assets is available to meet the Town's ongoing obligations to citizens and creditors.
- At July 31, 2024, the Town's governmental funds reported combined ending fund balances of \$1,026,625, of which \$624,775 is unassigned fund balance for the General Fund.
- At July 31, 2024, unassigned fund balance for the General Fund was \$624,775 or 62% of total General Fund expenditures.
- The total cost of all Town activities was \$2,254,604 for the year. Net revenue from all activities was \$97,303.
- During the year, the Town's expenditures exceeded program revenue of the governmental activities by \$369,570 and the Town's revenue exceeded business-type activity expenses by \$466,873.

**Town as a Whole**

*Government-Wide Financial Statements*

A condensed version of the Statement of Net Assets at July 31, 2024 and 2023 follows:

**Town of Woodsboro, Texas**  
**Components of Net Position**  
**July 31, 2024**  
**With Comparative Totals for July 31, 2023**  
(in thousands)

|                                  | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                      | <b>Total Government</b> |                      | <b>Amount Change</b> | <b>% Change</b> |
|----------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|-------------------------|----------------------|----------------------|-----------------|
|                                  | <b>July 31, 2024</b>           | <b>July 31, 2023</b> | <b>July 31, 2024</b>            | <b>July 31, 2023</b> | <b>July 31, 2024</b>    | <b>July 31, 2023</b> |                      |                 |
| Cash                             | \$ 961                         | \$ 521               | \$ 83                           | \$ 118               | \$ 1,044                | \$ 639               | \$ 405               | 63.4%           |
| Restricted assets                | 96                             | 84                   | 605                             | 745                  | 701                     | 829                  | (128)                | -15.4%          |
| Other assets                     | 188                            | 210                  | 213                             | 197                  | 401                     | 407                  | (6)                  | -1.5%           |
| Capital assets                   | 3,448                          | 3,522                | 4,052                           | 3,671                | 7,500                   | 7,193                | 307                  | 4.3%            |
| Total assets                     | <u>4,693</u>                   | <u>4,337</u>         | <u>4,953</u>                    | <u>4,731</u>         | <u>9,646</u>            | <u>9,068</u>         | <u>578</u>           | <u>6.4%</u>     |
| Deferred outflows of resources   | 27                             | 42                   | 27                              | 51                   | 54                      | 93                   | (39)                 | -41.9%          |
| Current and other liabilities    | 209                            | 157                  | 368                             | 570                  | 577                     | 727                  | (150)                | -20.6%          |
| Long term debt outstanding       | 8                              | 6                    | 496                             | 571                  | 504                     | 577                  | (73)                 | -12.7%          |
| Total liabilities                | <u>217</u>                     | <u>163</u>           | <u>864</u>                      | <u>1,141</u>         | <u>1,081</u>            | <u>1,304</u>         | <u>(223)</u>         | <u>-17.1%</u>   |
| Deferred inflows of resources    | 20                             | 12                   | 20                              | 15                   | 40                      | 27                   | 13                   | 48.1%           |
| Net investment in capital assets | 3,337                          | 3,510                | 3,489                           | 3,009                | 6,826                   | 6,519                | 307                  | 4.7%            |
| Restricted                       | 44                             | 75                   | 701                             | 1,026                | 745                     | 1,101                | (356)                | -32.3%          |
| Unrestricted                     | 1,102                          | 619                  | (94)                            | (409)                | 1,008                   | 210                  | 798                  | 380.0%          |
| Total net position               | <u>\$ 4,483</u>                | <u>\$ 4,204</u>      | <u>\$ 4,096</u>                 | <u>\$ 3,626</u>      | <u>\$ 8,579</u>         | <u>\$ 7,830</u>      | <u>\$ 749</u>        | <u>9.6%</u>     |

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2024**

**Financial Highlights (Continued)**

During the year ended July 31, 2024, the net position of the Town increased approximately \$749,000. Cash (unrestricted and restricted) increased by \$277,000 primarily due to the receipt of FEMA PA grant revenue relating to the Fire House project from a previous year. Net pension assets increased by \$64,000, and other current assets decreased by \$70,000, primarily due to prior year receivables from grantor agencies received during the current year. New asset purchases were \$740,000, \$1,000 in asset disposals and depreciation expense was \$432,000. Deferred outflows of resources decreased by \$39,000. Current and other liabilities decreased \$150,000, primarily due to a \$50,000 decrease in current liabilities. Accrued liabilities decreased \$176,000, primarily due to the expensing of CARES Act funds that were received in a previous year. Long-term debt obligations due within one year increased \$76,000 due to the Town entering into a new loan agreement during 2024. Long-term debt outstanding decreased \$73,000 due to the OPEB obligation increase of \$2,000, and the long-term portion of the long-term debt outstanding decreased by \$75,000 due to the \$75,000 being classified as current as that is the amount due within one year. Deferred inflows of resources increased \$13,000.

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2024**

**Financial Highlights (Continued)**

A condensed version of the Statement of Activities follows:

**Town of Woodsboro, Texas**  
**Condensed Statement of Activities**  
**For the Year Ended July 31, 2024**  
**With Comparative Totals for the Year Ended July 31, 2023**  
(in thousands)

|   | Governmental Activities |                 | Business-type Activities |                 | Total Government |                 | Amount Change | % Change     |
|---|-------------------------|-----------------|--------------------------|-----------------|------------------|-----------------|---------------|--------------|
|   | July 31, 2024           | July 31, 2023   | July 31, 2024            | July 31, 2023   | July 31, 2024    | July 31, 2023   |               |              |
| Revenues  |                         |                 |                          |                 |                  |                 |               |              |
| Program revenues  |                         |                 |                          |                 |                  |                 |               |              |
| Charges for services  | \$ 349                  | \$ 358          | \$ 1,111                 | \$ 1,105        | \$ 1,460         | \$ 1,463        | \$ (3)        | -0.2%        |
| General revenues  |                         |                 |                          |                 |                  |                 |               |              |
| Taxes   | 613                     | 598             | -                        | -               | 613              | 598             | 15            | 2.5%         |
| Interest  | 6                       | 3               | 4                        | 3               | 10               | 6               | 4             | 66.7%        |
| Intergovernmental revenue                                       | 361                     | 523             | 530                      | -               | 891              | 523             | 368           | 70.4%        |
| Total revenues  | <u>1,329</u>            | <u>1,482</u>    | <u>1,645</u>             | <u>1,108</u>    | <u>2,974</u>     | <u>2,590</u>    | <u>384</u>    | <u>14.8%</u> |
| Expenses  |                         |                 |                          |                 |                  |                 |               |              |
| General government  | 639                     | 744             | -                        | -               | 639              | 744             | (105)         | -14.1%       |
| Public safety/municipal   |                         |                 |                          |                 |                  |                 |               |              |
| court   | 207                     | 238             | -                        | -               | 207              | 238             | (31)          | -13.0%       |
| Streets   | 185                     | 152             | -                        | -               | 185              | 152             | 33            | 21.7%        |
| Animal control  | 21                      | 21              | -                        | -               | 21               | 21              | -             | 0.0%         |
| Recreation  | 18                      | 6               | -                        | -               | 18               | 6               | 12            | 200.0%       |
| Water and sewer   | -                       | -               | 894                      | 952             | 894              | 952             | (58)          | -6.1%        |
| Sanitation  | -                       | -               | 281                      | 268             | 281              | 268             | 13            | 4.9%         |
| Total expenses  | <u>1,070</u>            | <u>1,161</u>    | <u>1,175</u>             | <u>1,220</u>    | <u>2,245</u>     | <u>2,381</u>    | <u>(136)</u>  | <u>-5.7%</u> |
| Excess (deficiency) before non operating expenses and transfers | 259                     | 321             | 470                      | (112)           | 729              | 209             | 520           | 248.8%       |
| Non operating revenue (expenses)                                | 20                      | 20              | -                        | -               | 20               | 20              | -             | 0.0%         |
| Change in net position  | 279                     | 341             | 470                      | (112)           | 749              | 229             | 520           | 227.1%       |
| Beginning net position  | 4,204                   | 3,863           | 3,626                    | 3,738           | 7,830            | 7,601           | 229           | 3.0%         |
| Ending net position   | <u>\$ 4,483</u>         | <u>\$ 4,204</u> | <u>\$ 4,096</u>          | <u>\$ 3,626</u> | <u>\$ 8,579</u>  | <u>\$ 7,830</u> | <u>\$ 749</u> | <u>9.6%</u>  |

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2024**

**Financial Highlights (Concluded)**

**Governmental Activities**

**Revenues**

Revenues decreased by \$153,000, primarily due to a \$162,000 decrease in intergovernmental revenue as the Town had received Community Development Block Grant funds in 2023 for streets and drainage infrastructure improvements and those projects were completed. Program revenues decreased \$9,000. General government revenues, including licenses, permits, and fees, increased \$34,000, public safety/municipal court revenues decreased \$18,000 and miscellaneous revenues decreased 25,000. General revenues increased by \$18,000. Ad valorem taxes increased \$6,000, sales taxes increased \$9,000, franchise fees stayed the same, and interest income increased \$3,000.

**Expenditures**

Expenditures decreased by \$91,000. General government expenditures decreased by \$105,000. The decrease is due primarily to a \$126,000 decrease in pension and OPEB expenses related to net pension asset and a \$13,000 decrease in grant expenditures. Other general government expenditures in salaries, general government, contract labor, insurance, supplies, and depreciation collectively increased \$34,000. Public safety and municipal court expenditures decreased by \$31,000 primarily due to a \$19,000 decrease in state court fees and a \$12,000 decrease in the purchase of public safety equipment. Street expenditures increased \$33,000 due to the increase in depreciation expense of \$32,000 due to the completion of repair/reconstruction of streets and drainage infrastructure at the end of 2022. Animal Control stayed consistent with the prior year. Recreation expenditures increased \$12,000 due to repairs and electrical upgrades to Dodson Field.

Non-operating revenues and expenditures stayed consistent with prior year. During 2023 the Town received \$29,000 in donated property and had a \$1,000 loss on asset disposal. During 2022, the Town received \$21,000 in sale of asset proceeds. Interest expense increased \$7,000 during 2023 due to the Town entering into a new loan agreement for the purchase of public safety equipment.

**Business-type Activities**

**Revenues**

Revenues increased by \$537,000. Program revenues increased by \$6,000. Interest income increased by \$1,000. Intergovernmental revenue increased \$530,000 as the Town expended CARES ACT funds during fiscal year ended 2024, and thus recognized funds expended as grant income. The Town also recognized Community Development Block Grant funds, which Refugio County received the funds on behalf of the Town and performed the lift station repairs and then transferred ownership of the asset to the Town.

**Expenses**

Expenses decreased by \$45,000 due to a decrease in salaries expense, as the Town contracted out sewer repairs instead of using force labor. The Town had major water and sewer system repairs during 2023, however, the net pension asset decreased from 2022, therefore, the changes within these two activities offset each other.

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2024**

### **Capital Assets**

At July 31, 2024, the Town had \$7,500,000 invested in capital assets, including police and street equipment, donated property, sewer improvements and lift station repairs. This amount represents a net increase (additions, deletions, and depreciation) of \$307,000 or 4.3% compared to last year, due to an influx of new assets primarily to purchases made with loan proceeds in the governmental activities and grant activities in the business-type activities.

**Town of Woodsboro, Texas**  
**Capital Assets**  
**July 31, 2024**  
**With Comparative Totals for July 31, 2023**  
(in thousands)

|                            | Governmental Activities |                        | Business-type Activities |                        | Total Government       |                        | Amount Change        | % Change           |
|----------------------------|-------------------------|------------------------|--------------------------|------------------------|------------------------|------------------------|----------------------|--------------------|
|                            | July 31, 2024           | July 31, 2023          | July 31, 2024            | July 31, 2023          | July 31, 2024          | July 31, 2023          |                      |                    |
| Construction in progress   | \$ 21                   | \$ -                   | \$ -                     | \$ -                   | \$ 21                  | \$ -                   | \$ 21                |                    |
| Land                       | 111                     | 82                     | -                        | -                      | 111                    | 82                     | 29                   | 35.4%              |
| Buildings and improvements | 1,301                   | 1,306                  | -                        | -                      | 1,301                  | 1,306                  | (5)                  | -0.4%              |
| Machinery and equipment    | 677                     | 598                    | 6,915                    | 6,346                  | 7,592                  | 6,944                  | 648                  | 9.3%               |
| Streets                    | 2,348                   | 2,348                  | -                        | -                      | 2,348                  | 2,348                  | -                    | 0.0%               |
| Subtotal                   | 4,458                   | 4,334                  | 6,915                    | 6,346                  | 11,373                 | 10,680                 | 693                  | 6.5%               |
| Accumulated depreciation   | (1,010)                 | (812)                  | (2,863)                  | (2,675)                | (3,873)                | (3,487)                | (386)                | 11.1%              |
| Capital assets, net        | <u><u>\$ 3,448</u></u>  | <u><u>\$ 3,522</u></u> | <u><u>\$ 4,052</u></u>   | <u><u>\$ 3,671</u></u> | <u><u>\$ 7,500</u></u> | <u><u>\$ 7,193</u></u> | <u><u>\$ 307</u></u> | <u><u>4.3%</u></u> |

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 fiscal year ended July 31, 2024. Actual revenues in the General Fund were higher than budgeted revenues by approximately \$260,000, primarily due to grant revenue not being budgeted. Actual General Fund expenditures were higher than budgeted amounts by approximately \$41,000, primarily due to a significant amount of capital outlay (police equipment and vehicles) during the fiscal year.

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2024**

**Debt Administration**

At year-end, the Town had \$691,000 in Long-Term Debt, including a \$16,000 OPEB obligation, \$563,000 in Certificates of Obligation, and \$112,000 in Long-Term Debt. During 2024, the Town paid off a previous long-term debt and received \$112,000 in loan proceeds on new long-term debt. The Town paid \$71,000 in principal reductions for Refunding Bonds obligation. The OPEB obligation decreased \$1,000.

**Town of Woodsboro, Texas**  
**Debt Outstanding**  
**July 31, 2024**  
**With Comparative Totals for July 31, 2023**  
(in thousands)

|                 | <b>Governmental Activities</b> |                      | <b>Business-type Activities</b> |                      | <b>Total Government</b> |                      | <b>Amount Change</b> | <b>% Change</b> |
|-----------------|--------------------------------|----------------------|---------------------------------|----------------------|-------------------------|----------------------|----------------------|-----------------|
|                 | <u>July 31, 2024</u>           | <u>July 31, 2023</u> | <u>July 31, 2024</u>            | <u>July 31, 2023</u> | <u>July 31, 2024</u>    | <u>July 31, 2023</u> |                      |                 |
| Long-term debt  | \$ 120                         | \$ 19                | \$ 8                            | \$ 36                | \$ 128                  | \$ 55                | \$ 73                | 132.7%          |
| Refunding bonds | -                              | -                    | 563                             | 634                  | 563                     | 634                  | (71)                 | -11.2%          |
| <b>Total</b>    | <b>\$ 120</b>                  | <b>\$ 19</b>         | <b>\$ 571</b>                   | <b>\$ 670</b>        | <b>\$ 691</b>           | <b>\$ 689</b>        | <b>\$ 2</b>          | <b>0.3%</b>     |

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

**TOWN OF WOODSBORO, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**July 31, 2024**

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

- Anticipate that the Town's effective tax rate will approximate the 2024/2025 rate of .7226/\$100 valuation, which is a \$0.0158 decrease from 2023/2024. The total taxable valuation is \$62,349,222 that should produce a tax of \$450,536.
- Anticipate the Town's water and sewer rates will be studied to ensure that rates keep up with expenses and inflation.
- The budget for the fiscal year ending July 31, 2024 will be as follows:

| FUND                         | REVENUE     | EXPENDITURE/EXPENSES |
|------------------------------|-------------|----------------------|
| General Fund                 | \$1,024,072 | \$1,024,072          |
| Enterprise Fund - Water      | \$ 532,500  | \$ 532,500           |
| Enterprise Fund - Sewer      | \$ 302,300  | \$ 302,300           |
| Enterprise Fund - Sanitation | \$ 295,000  | \$ 295,000           |

**Financial Contact**

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

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TOWN OF WOODSBORO, TEXAS**  
**STATEMENT OF NET POSITION**  
**July 31, 2024**

|  | <b>Primary Government</b>      |                                 |                  |
|--|--------------------------------|---------------------------------|------------------|
|  | <b>Governmental Activities</b> | <b>Business-type Activities</b> | <b>Total</b>     |
| <b>ASSETS</b>                                  |                                |                                 |                  |
| Cash   | \$ 960,695                     | \$ 82,647                       | \$ 1,043,342     |
| Receivables                                    |                                |                                 |                  |
| Sales tax                                      | 9,719                          | -                               | 9,719            |
| Service accounts                               | -                              | 134,258                         | 134,258          |
| Franchise tax                                  | 7,969                          | -                               | 7,969            |
| Ad valorem taxes                               | 98,889                         | -                               | 98,889           |
| Prepaid expenses                               | 26,036                         | 3,521                           | 29,557           |
| Due from other fund                            | 2,798                          | 17,392                          | 20,190           |
| Inventory                                      | 10,252                         | 26,024                          | 36,276           |
| Restricted cash                                | 95,655                         | 604,630                         | 700,285          |
| Net pension asset                              | 32,555                         | 32,555                          | 65,110           |
| Capital assets, net of depreciation            | <u>3,448,415</u>               | <u>4,052,535</u>                | <u>7,500,950</u> |
| Total assets                                   | <u>4,692,983</u>               | <u>4,953,562</u>                | <u>9,646,545</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>          |                                |                                 |                  |
| Deferred contributions                         | 11,395                         | 11,395                          | 22,790           |
| Changes in assumptions - net pension           | 2,653                          | 2,653                           | 5,306            |
| Difference in investment returns - net pension | <u>12,898</u>                  | <u>12,898</u>                   | <u>25,796</u>    |
| Total deferred outflows of resources           | <u>26,946</u>                  | <u>26,946</u>                   | <u>53,892</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, 2024**

|   | <b>Primary Government</b>      |                                 |                     |
|---|--------------------------------|---------------------------------|---------------------|
|   | <b>Governmental Activities</b> | <b>Business-type Activities</b> | <b>Total</b>        |
| <b>LIABILITIES</b>                        |                                |                                 |                     |
| Accounts payable - trade                  | 6,247                          | 33,046                          | 39,293              |
| Accrued expenses                          | 6,987                          | 2,202                           | 9,189               |
| Accrued interest                          | 7,451                          | 3,705                           | 11,156              |
| Accrued vacation                          | 4,293                          | 1,858                           | 6,151               |
| Accrued salaries                          | 5,132                          | 4,174                           | 9,306               |
| Due to grant agencies                     | 46,582                         | 172,101                         | 218,683             |
| Due to other fund                         | 20,190                         | -                               | 20,190              |
| Customer deposits payable                 | -                              | 75,344                          | 75,344              |
| Noncurrent liabilities:                   |                                |                                 |                     |
| Net OPEB obligation                       | 8,364                          | 8,363                           | 16,727              |
| Note payable - due within one year        | 112,230                        | -                               | 112,230             |
| Bonds payable - due within one year       | -                              | 75,000                          | 75,000              |
| Bonds payable - due in more than one year | -                              | 488,000                         | 488,000             |
| Total liabilities                         | <u>217,476</u>                 | <u>863,793</u>                  | <u>1,081,269</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>      |                                |                                 |                     |
| Difference in experience - net pension    | 16,420                         | 16,420                          | 32,840              |
| Difference in assumptions - OPEB          | 1,344                          | 1,344                           | 2,688               |
| Difference in experience - OPEB           | 2,128                          | 2,128                           | 4,256               |
| Total deferred inflows of resources       | <u>19,892</u>                  | <u>19,892</u>                   | <u>39,784</u>       |
| <b>NET POSITION</b>                       |                                |                                 |                     |
| Net investment in capital assets          | 3,336,185                      | 3,489,535                       | 6,825,720           |
| Restricted for:                           |                                |                                 |                     |
| Street improvements                       | 20                             | -                               | 20                  |
| Law enforcement                           | 10,326                         | -                               | 10,326              |
| Municipal court building security         | 29,490                         | -                               | 29,490              |
| Municipal court technology fund           | 4,104                          | -                               | 4,104               |
| Utility replacement                       | -                              | 701,387                         | 701,387             |
| Unrestricted                              | <u>1,102,436</u>               | <u>(94,099)</u>                 | <u>1,008,337</u>    |
| Total net position                        | <u>\$ 4,482,561</u>            | <u>\$ 4,096,823</u>             | <u>\$ 8,579,384</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, 2024

| Functions/Programs                          | Expenses            | Program Revenues     |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                  |
|---|---------------------|----------------------|----------------------------------|---|--------------------------|------------------|
|   |                     | Charges for Services | Capital Grants and Contributions | Primary Government                                |                          |                  |
|   |                     |                      |                                  | Governmental Activities                           | Business-type Activities |                  |
| <b>Primary Government</b>                   |                     |                      |                                  |   |                          |                  |
| Governmental activities:                    |                     |                      |                                  |   |                          |                  |
| General government                          | \$ 639,642          | \$ 70,695            | \$ 361,481                       | \$ (207,466)                                      | \$ -                     | \$ (207,466)     |
| Public safety/municipal court               | 207,638             | 278,166              | -                                | 70,528  | -                        | 70,528           |
| Streets                                     | 185,154             | -                    | -                                | (185,154)   | -                        | (185,154)        |
| Animal control                              | 21,301              | -                    | -                                | (21,301)  | -                        | (21,301)         |
| Recreation                                  | 18,198              | -                    | -                                | (18,198)  | -                        | (18,198)         |
| Interest expense                            | 7,979               | -                    | -                                | (7,979)   | -                        | (7,979)          |
| Total governmental activities               | <u>1,079,912</u>    | <u>348,861</u>       | <u>361,481</u>                   | <u>(369,570)</u>                                  | <u>-</u>                 | <u>(369,570)</u> |
| Business-type activities:                   |                     |                      |                                  |   |                          |                  |
| Water and sewer                             | 893,688             | 826,694              | 530,453                          | -   | 463,459                  | 463,459          |
| Sanitation                                  | 281,004             | 284,418              | -                                | -   | 3,414                    | 3,414            |
| Total business-type activities              | <u>1,174,692</u>    | <u>1,111,112</u>     | <u>530,453</u>                   | <u>-</u>  | <u>466,873</u>           | <u>466,873</u>   |
| Total primary government                    | <u>\$ 2,254,604</u> | <u>\$ 1,459,973</u>  | <u>\$ 891,934</u>                | <u>(369,570)</u>                                  | <u>466,873</u>           | <u>97,303</u>    |
| General revenues:                           |                     |                      |                                  |   |                          |                  |
| Taxes:                                      |                     |                      |                                  |   |                          |                  |
| Property taxes, levied for general purposes |                     |                      | 433,478                          | -   | 433,478                  |                  |
| Franchise taxes                             |                     |                      | 58,330                           | -   | 58,330                   |                  |
| Sales taxes                                 |                     |                      | 121,985                          | -   | 121,985                  |                  |
| Interest income                             |                     |                      | 5,979                            | 3,928   | 9,907                    |                  |
| Donated property                            |                     |                      | 28,590                           | -   | 28,590                   |                  |
| Loss on asset disposal                      |                     |                      | (887)                            | -   | (887)                    |                  |
| Total general revenues and transfers        |                     |                      | <u>647,475</u>                   | <u>3,928</u>                                      | <u>651,403</u>           |                  |
| Change in net position                      |                     |                      | <u>277,905</u>                   | <u>470,801</u>                                    | <u>748,706</u>           |                  |
| Net position - beginning                    |                     |                      | <u>4,204,656</u>                 | <u>3,626,022</u>                                  | <u>7,830,678</u>         |                  |
| Net position - ending                       |                     |                      | <u>\$ 4,482,561</u>              | <u>\$ 4,096,823</u>                               | <u>\$ 8,579,384</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, 2024**

|  | <b>General<br/>Fund</b> | <b>Police<br/>Department<br/>Fund</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|---------------------------------------|---|---|
| <b>ASSETS</b>  |                         |                                       |   |   |
| Cash - unrestricted  | \$ 960,695              | \$ -                                  | \$ -                                    | \$ 960,695                              |
| Receivables:   |                         |                                       |   |   |
| Sales tax  | 9,719                   | -                                     | -                                       | 9,719                                   |
| Franchise tax  | 7,969                   | -                                     | -                                       | 7,969                                   |
| Ad valorem taxes   | 98,889                  | -                                     | -                                       | 98,889                                  |
| Restricted cash  | 14,071                  | 8,326                                 | 73,258                                  | 95,655                                  |
| Prepaid expenses   | 26,036                  | -                                     | -                                       | 26,036                                  |
| Due from other government funds  | -                       | -                                     | 2,798                                   | 2,798                                   |
| Inventory  | 8,252                   | 2,000                                 | -                                       | 10,252                                  |
| Total assets   | <u>\$ 1,125,631</u>     | <u>\$ 10,326</u>                      | <u>\$ 76,056</u>                        | <u>\$ 1,212,013</u>                     |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND<br/>FUND BALANCES</b> |                         |                                       |   |   |
| Liabilities:   |                         |                                       |   |   |
| Accounts payable - trade   | \$ 6,247                | \$ -                                  | \$ -                                    | \$ 6,247                                |
| Accrued expenses   | 6,987                   | -                                     | -                                       | 6,987                                   |
| Accrued vacation   | 4,293                   | -                                     | -                                       | 4,293                                   |
| Accrued salaries   | 5,132                   | -                                     | -                                       | 5,132                                   |
| Due to grants agencies   | 46,582                  | -                                     | -                                       | 46,582                                  |
| Due to other fund  | 20,190                  | -                                     | -                                       | 20,190                                  |
| Total liabilities  | <u>89,431</u>           | <u>-</u>                              | <u>-</u>                                | <u>89,431</u>                           |
| Deferred inflows of resources:   |                         |                                       |   |   |
| Unavailable revenue - property taxes   | 95,957                  | -                                     | -                                       | 95,957                                  |
| Total deferred inflows of resources  | <u>95,957</u>           | <u>-</u>                              | <u>-</u>                                | <u>95,957</u>                           |
| Fund balances:   |                         |                                       |   |   |
| Non-spendable  | 34,288                  | -                                     | -                                       | 34,288                                  |
| Restricted   | 14,071                  | 10,326                                | 76,056                                  | 100,453                                 |
| Committed  | 267,109                 | -                                     | -                                       | 267,109                                 |
| Unassigned   | 624,775                 | -                                     | -                                       | 624,775                                 |
| Total fund balances  | <u>940,243</u>          | <u>10,326</u>                         | <u>76,056</u>                           | <u>1,026,625</u>                        |
| Total liabilities, deferred inflows of resources, and fund balances          | <u>\$ 1,125,631</u>     | <u>\$ 10,326</u>                      | <u>\$ 76,056</u>                        | <u>\$ 1,212,013</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, 2024**

|  |                            |
|--|----------------------------|
| Total governmental fund balances (page 16)   | \$ 1,026,625               |
| 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.  | 3,448,415                  |
| 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  | 32,555                     |
| Deferred outflows related to pensions:   |                            |
| Deferred contributions   | 11,395                     |
| Difference in investment returns   | 12,898                     |
| Changes in assumptions   | 2,653                      |
| Other assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.                                | 95,957                     |
| Interest that has accrued on long-term debt is not recorded as an expenditure in the governmental funds until the funds are expended.                                  | (7,451)                    |
| Deferred inflows related to pensions:  |                            |
| Difference in experience   | (16,420)                   |
| Deferred inflows related to OPEB:  |                            |
| Changes in assumptions   | (1,344)                    |
| Difference in experience   | (2,128)                    |
| 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:   |                            |
| Net OPEB obligation  | (8,364)                    |
| Long-term debt   | <u>(112,230)</u>           |
| Net position of governmental activities  | <u><u>\$ 4,482,561</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, 2024**

|  | <b>General<br/>Fund</b> | <b>Police<br/>Department<br/>Fund</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|---------------------------------------|---|---|
| <b>REVENUES</b>  |                         |                                       |   |   |
| Taxes:   |                         |                                       |   |   |
| Ad valorem taxes, penalty<br>and interest                    | \$ 420,973              | \$ -                                  | \$ -                                    | \$ 420,973                              |
| City sales tax   | 121,985                 | -                                     | -                                       | 121,985                                 |
| Franchise taxes  | 58,330                  | -                                     | -                                       | 58,330                                  |
| Licenses, permits and fees                                   | 40,700                  | -                                     | -                                       | 40,700                                  |
| Fines and forfeitures  | 278,166                 | -                                     | -                                       | 278,166                                 |
| Interest income  | 5,790                   | 21                                    | 168                                     | 5,979                                   |
| Intergovernmental - grant revenue                            | 361,481                 | -                                     | -                                       | 361,481                                 |
| Donated property   | 28,590                  | -                                     | -                                       | 28,590                                  |
| Miscellaneous  | 20,466                  | -                                     | 9,529                                   | 29,995                                  |
| <b>Total revenues</b>  | <b>1,336,481</b>        | <b>21</b>                             | <b>9,697</b>                            | <b>1,346,199</b>                        |
| <b>EXPENDITURES</b>  |                         |                                       |   |   |
| Current:   |                         |                                       |   |   |
| General government   | 597,899                 | -                                     | -                                       | 597,899                                 |
| Public safety  | 73,336                  | 192                                   | -                                       | 73,528                                  |
| Streets  | 61,334                  | -                                     | -                                       | 61,334                                  |
| Animal control   | 21,301                  | -                                     | -                                       | 21,301                                  |
| Municipal court  | 83,764                  | -                                     | -                                       | 83,764                                  |
| Parks  | 15,351                  | -                                     | -                                       | 15,351                                  |
| Capital outlay   | 133,869                 | -                                     | -                                       | 133,869                                 |
| Grant expenditures   | 19,753                  | -                                     | -                                       | 19,753                                  |
| <b>Total expenditures</b>                                    | <b>1,006,607</b>        | <b>192</b>                            | <b>-</b>                                | <b>1,006,799</b>                        |
| Excess (deficiency) of revenues<br>over (under) expenditures | 329,874                 | (171)                                 | 9,697                                   | 339,400                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                                       |   |   |
| Loan proceeds  | 112,230                 | -                                     | -                                       | 112,230                                 |
| Principal payment on loan                                    | (12,210)                | -                                     | -                                       | (12,210)                                |
| Interest expense   | (528)                   | -                                     | -                                       | (528)                                   |
| Transfers in   | -                       | -                                     | 2,050                                   | 2,050                                   |
| Transfers out  | (2,050)                 | -                                     | -                                       | (2,050)                                 |
| <b>Total other financing sources (uses)</b>                  | <b>97,442</b>           | <b>-</b>                              | <b>2,050</b>                            | <b>99,492</b>                           |
| Net change in fund balances                                  | 427,316                 | (171)                                 | 11,747                                  | 438,892                                 |
| Fund balances - beginning                                    | 512,927                 | 10,497                                | 64,309                                  | 587,733                                 |
| <b>Fund balances - ending</b>                                | <b>\$ 940,243</b>       | <b>\$ 10,326</b>                      | <b>\$ 76,056</b>                        | <b>\$ 1,026,625</b>                     |

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, 2024**

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

|   |                          |
|---|--------------------------|
| Net change in fund balances - total governmental funds (page 18)  | \$ 438,892               |
| 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.  | 133,869                  |
| 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.  | (207,046)                |
| The net effect of capital asset disposition is to decrease net assets.  | (887)                    |
| 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. | (112,230)                |
| 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.   | 12,505                   |
| Interest is not recorded as an expense in the governmental funds until the expenditure is actually made. However, interest is accrued in the Statement of Activities to match the interest expense to the period incurred.  | (7,451)                  |
| 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.  | 8,043                    |
| Principal payments on long-term debt are recorded as expenses in the governmental funds.  | <u>12,210</u>            |
| Change in net assets of governmental activities   | <u><u>\$ 277,905</u></u> |

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

**TOWN OF WOODSBORO, TEXAS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**July 31, 2024**

|  | <b>Business-type Activities - Enterprise Fund</b> |                                      |
|--|---|--------------------------------------|
|  | <b>Water, Sewer<br/>and Sanitation<br/>Fund</b>   | <b>Total<br/>Enterprise<br/>Fund</b> |
| <b>ASSETS</b>  |   |                                      |
| Current assets   |   |                                      |
| Cash and cash equivalents                                | \$ 82,647   | \$ 82,647                            |
| Accounts receivable - customers, net                     | 134,258   | 134,258                              |
| Prepaid expenses   | 3,521   | 3,521                                |
| Due from other fund                                      | 17,392  | 17,392                               |
| Inventory  | 26,024  | 26,024                               |
| Total current assets                                     | <u>263,842</u>                                    | <u>263,842</u>                       |
| Restricted assets  |   |                                      |
| Cash and cash equivalents                                | 604,630   | 604,630                              |
| Total restricted assets                                  | <u>604,630</u>                                    | <u>604,630</u>                       |
| Noncurrent assets  |   |                                      |
| Capital assets   |   |                                      |
| Property, plant and equipment                            | 6,915,482   | 6,915,482                            |
| Less: accumulated depreciation                           | (2,862,947)                                       | (2,862,947)                          |
| Total capital assets, net of<br>accumulated depreciation | 4,052,535   | 4,052,535                            |
| Net pension asset  | 32,555  | 32,555                               |
| Total noncurrent assets                                  | <u>4,085,090</u>                                  | <u>4,085,090</u>                     |
| Total assets   | <u>4,953,562</u>                                  | <u>4,953,562</u>                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                    |   |                                      |
| Deferred contributions                                   | 11,395  | 11,395                               |
| Changes in assumptions - net pension                     | 2,653   | 2,653                                |
| Difference in investment returns                         | 12,898  | 12,898                               |
| Total deferred outflows of resources                     | <u>26,946</u>                                     | <u>26,946</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, 2024**

|   | <b>Business-type Activities - Enterprise Fund</b> |                                      |
|---|---|--------------------------------------|
|   | <b>Water, Sewer<br/>and Sanitation<br/>Fund</b>   | <b>Total<br/>Enterprise<br/>Fund</b> |
| <b>LIABILITIES</b>                              |   |                                      |
| Current liabilities                             |   |                                      |
| Accounts payable - trade                        | 33,046  | 33,046                               |
| Accrued expenses                                | 2,202   | 2,202                                |
| Accrued interest                                | 3,705   | 3,705                                |
| Accrued vacation                                | 1,858   | 1,858                                |
| Accrued salaries                                | 4,174   | 4,174                                |
| Due to grant agencies                           | 172,101   | 172,101                              |
| Customer deposits payable                       | 75,344  | 75,344                               |
| Bonds payable - current portion                 | 75,000  | 75,000                               |
| Total current liabilities                       | <u>367,430</u>                                    | <u>367,430</u>                       |
| Noncurrent liabilities                          |   |                                      |
| Net OPEB obligation                             | 8,363   | 8,363                                |
| Bonds payable                                   | <u>488,000</u>                                    | <u>488,000</u>                       |
| Total noncurrent liabilities                    | <u>496,363</u>                                    | <u>496,363</u>                       |
| Total liabilities                               | <u>863,793</u>                                    | <u>863,793</u>                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |   |                                      |
| Difference in experience - net pension          | 16,420  | 16,420                               |
| Changes in assumptions - OPEB                   | 1,344   | 1,344                                |
| Difference in experience - OPEB                 | <u>2,128</u>                                      | <u>2,128</u>                         |
| Total deferred inflows of resources             | <u>19,892</u>                                     | <u>19,892</u>                        |
| <b>NET POSITION</b>                             |   |                                      |
| Invested in capital assets, net of related debt | 3,489,535   | 3,489,535                            |
| Restricted for utility replacement              | 701,387   | 701,387                              |
| Unrestricted                                    | <u>(94,099)</u>                                   | <u>(94,099)</u>                      |
| Total net position                              | <u>\$ 4,096,823</u>                               | <u>\$ 4,096,823</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, 2024**

|                                   | <b>Business-type Activities - Enterprise Fund</b> |                                      |
|-----------------------------------|---|--------------------------------------|
|                                   | <b>Water, Sewer<br/>and Sanitation<br/>Fund</b>   | <b>Total<br/>Enterprise<br/>Fund</b> |
| <b>OPERATING REVENUES</b>         |   |                                      |
| Charges for services:             |   |                                      |
| Water sales                       | \$ 473,891  | \$ 473,891                           |
| Sewer                             | 310,256   | 310,256                              |
| Sanitation                        | 284,418   | 284,418                              |
| Late charges                      | 30,217  | 30,217                               |
| Reconnect fees                    | 400   | 400                                  |
| Transfer and other fees           | 10,330  | 10,330                               |
| Miscellaneous                     | 1,600   | 1,600                                |
| Total operating revenues          | <u>1,111,112</u>                                  | <u>1,111,112</u>                     |
| <b>OPERATING EXPENSES</b>         |   |                                      |
| Salaries                          | 263,609   | 263,609                              |
| Sanitation charges                | 281,004   | 281,004                              |
| Repairs and maintenance           | 95,449  | 95,449                               |
| Materials, asphalt and caliche    | 29,702  | 29,702                               |
| Truck expenses                    | 16,371  | 16,371                               |
| Sewer plant                       | 29,644  | 29,644                               |
| Postage, office supplies and fees | 50,989  | 50,989                               |
| Professional fees                 | 24,383  | 24,383                               |
| Insurance                         | 71,145  | 71,145                               |
| Utilities and telephone           | 35,694  | 35,694                               |
| Uniforms                          | 3,619   | 3,619                                |
| Payroll taxes                     | 20,166  | 20,166                               |
| Depreciation                      | 225,299   | 225,299                              |
| Retirement                        | <u>17,646</u>                                     | <u>17,646</u>                        |
| Total operating expenses          | <u>1,164,720</u>                                  | <u>1,164,720</u>                     |
| Operating income (loss)           | <u>(53,608)</u>                                   | <u>(53,608)</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, 2024**

|  | <b>Business-type Activities - Enterprise Fund</b> |                                      |
|--|---|--------------------------------------|
|  | <b>Water, Sewer<br/>and Sanitation<br/>Fund</b>   | <b>Total<br/>Enterprise<br/>Fund</b> |
| <b>NON OPERATING REVENUES (EXPENSES)</b> |   |                                      |
| Grant income                             | 530,453   | 530,453                              |
| Interest income                          | 3,928   | 3,928                                |
| Interest expense                         | (9,972)   | (9,972)                              |
| Total non operating revenues (expenses)  | <u>524,409</u>                                    | <u>524,409</u>                       |
| Change in fund net position              | 470,801   | 470,801                              |
| Total net position, beginning            | <u>3,626,022</u>                                  | <u>3,626,022</u>                     |
| Total net position, ending               | <u>\$ 4,096,823</u>                               | <u>\$ 4,096,823</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, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|  |                  |
|--|------------------|
| Cash received from customers                     | \$ 1,126,552     |
| Cash paid to suppliers for goods and services    | (833,868)        |
| Cash paid to employees for services              | <u>(286,851)</u> |
| Net cash provided (used) by operating activities | <u>5,833</u>     |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING**

**ACTIVITIES**

|  |                  |
|--|------------------|
| Purchase of fixed assets   | (607,057)        |
| Principal payments on note payable                                   | (27,822)         |
| Principal payments on 2020 refunding bonds                           | (71,000)         |
| Interest paid  | <u>(9,972)</u>   |
| Net cash provided (used) by capital and related financing activities | <u>(715,851)</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|  |                |
|--|----------------|
| Interest income                                  | 3,928          |
| Grant income                                     | <u>530,453</u> |
| Net cash provided (used) by investing activities | <u>534,381</u> |

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

(175,637)

**CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR**

862,914

**CASH AND CASH EQUIVALENTS AT END OF YEAR**

\$ 687,277

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, 2024**

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

|   |                    |
|---|--------------------|
| Operating income (loss)   | \$ <u>(53,608)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                    |
| Depreciation  | 225,299            |
| Change in pension   | (1,921)            |
| Change in OPEB  | (967)              |
| (Increase) decrease in accounts receivable - trade  | 9,710              |
| Increase (decrease) in allowance account  | 5,730              |
| (Increase) decrease in prepaid expenses   | 587                |
| Increase (decrease) in accounts payable - trade   | 1,208              |
| Increase (decrease) in accrued expenses   | 64                 |
| Increase (decrease) in accrued interest payable   | (1,027)            |
| Increase (decrease) in accrued vacation payable   | (3,304)            |
| Increase (decrease) in accrued salaries payable   | 596                |
| Increase (decrease) in due to grant agencies  | (180,453)          |
| Increase (decrease) in meter deposits payable   | <u>3,919</u>       |
| Total adjustments   | <u>59,441</u>      |
| Net cash provided (used) by operating activities  | <u>\$ 5,833</u>    |

**RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS**

|                                      |                   |
|--------------------------------------|-------------------|
| Cash and cash equivalents            | \$ 82,647         |
| Restricted cash and cash equivalents | <u>604,630</u>    |
| Total cash and cash equivalents      | <u>\$ 687,277</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, 2024**

**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 regard 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, 2024**

**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.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

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

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

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.

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

The Town reports the following major proprietary fund:

**Water, Sewer and Sanitation**

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

**D. Budget**

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

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

**E. Inventory**

The General and Enterprise Fund 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, 2024**

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

**F. Vacation and Sick Leave**

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

**G. Restricted Resources**

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

**H. Classification of Fund Balances**

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, 2024**

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

**H. Classification of Fund Balances (Concluded)**

|                            | <u>General<br/>Fund</u>  | <u>Police<br/>Department<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|----------------------------|--------------------------|---------------------------------------|---|---|
| <b>FUND BALANCES:</b>      |                          |                                       |   |   |
| Non-spendable:             |                          |                                       |   |   |
| Inventory                  | \$ 8,252                 | \$ -                                  | \$ -                                    | \$ 8,252                                |
| Prepaid expenses           | 26,036                   | -                                     | -                                       | 26,036                                  |
| Restricted for:            |                          |                                       |   |   |
| Street improvements        | 20                       | -                                     | -                                       | 20                                      |
| Law enforcement purposes   | 14,051                   | 10,326                                | -                                       | 24,377                                  |
| Municipal court building   |                          |                                       |   |   |
| security                   | -                        | -                                     | 29,490                                  | 29,490                                  |
| Municipal court technical  |                          |                                       |   |   |
| fund                       | -                        | -                                     | 42,462                                  | 42,462                                  |
| Dodson field               | -                        | -                                     | 4,104                                   | 4,104                                   |
| Committed to:              |                          |                                       |   |   |
| Law enforcement purposes   | 30,525                   | -                                     | -                                       | 30,525                                  |
| Street maintenance         | 236,584                  | -                                     | -                                       | 236,584                                 |
| Unassigned                 | <u>624,775</u>           | <u>-</u>                              | <u>-</u>                                | <u>624,775</u>                          |
| <b>Total fund balances</b> | <b><u>\$ 940,243</u></b> | <b><u>\$ 10,326</u></b>               | <b><u>\$ 76,056</u></b>                 | <b><u>\$ 1,026,625</u></b>              |

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

**I. Property Tax**

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

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

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

**I. Property Tax (concluded)**

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

During the year ended July 31, 2024, the Town levied an ad valorem tax for maintenance and operations at a rate of .7384 per \$100 of assessed value. A total tax levy of \$434,811 resulted, based on a net taxable valuation of \$58,885,622 for the 2023 tax year.

**J. Capital Assets**

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

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

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

An excess of \$171 of expenditures over revenues occurred in the Police Fund in the year ended July 31, 2024.

**L. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and in banks. The Town also considers all highly liquid investments with a 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, 2024**

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

**M. Restricted Assets**

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

**N. Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. One is related to the deferred future pension expense related to the net pension liability and the other is related to unearned revenue. Deferred future pension income results from the difference in projected and actual experience on pension plan investments, difference in expected and actual experience and difference in assumption changes. The second type arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**O. Pensions**

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

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

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

**P. 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, 2024. As of July 31, 2024, the carrying amount of the Town's deposits was \$1,738,717, and the bank balance was \$1,783,401. 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 the 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, 2024**

**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, 2024, accounts receivable – customers for business-type activities were:

|                                       | <u>Amount</u>            |
|---------------------------------------|--------------------------|
| Total accounts receivable - customers | \$ 158,004               |
| Less: allowance for doubtful accounts | <u>(23,746)</u>          |
| Accounts receivable - customers       | <u><u>\$ 134,258</u></u> |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**NOTE 4: CHANGES IN CAPITAL ASSETS**

|   | Primary Government         |                           |                        |                            |
|---|----------------------------|---------------------------|------------------------|----------------------------|
|   | Beginning<br>Balance       | Increases                 | Decreases              | Ending<br>Balance          |
| <b>Governmental activities:</b>               |                            |                           |                        |                            |
| Capital assets not being depreciated          |                            |                           |                        |                            |
| Land  | \$ 82,341                  | \$ 28,590                 | \$ -                   | \$ 110,931                 |
| Construction in progress                      | -                          | 21,806                    | -                      | 21,806                     |
| Total capital assets not being depreciated    | <u>82,341</u>              | <u>50,396</u>             | <u>-</u>               | <u>132,737</u>             |
| Other capital assets                          |                            |                           |                        |                            |
| Buildings and improvements                    | 1,306,040                  | -                         | (4,987)                | 1,301,053                  |
| Machinery and equipment                       | 598,146                    | 83,473                    | (4,482)                | 677,137                    |
| Streets                                       | 2,347,659                  | -                         | -                      | 2,347,659                  |
| Total other capital assets at historical cost | <u>4,251,845</u>           | <u>83,473</u>             | <u>(9,469)</u>         | <u>4,325,849</u>           |
| Less accumulated depreciation for:            |                            |                           |                        |                            |
| Buildings and improvements                    | (133,505)                  | (39,171)                  | 4,100                  | (168,576)                  |
| Machinery and equipment                       | (464,414)                  | (53,055)                  | 4,482                  | (512,987)                  |
| Streets                                       | (213,788)                  | (114,820)                 | -                      | (328,608)                  |
| Total accumulated depreciation                | <u>(811,707)</u>           | <u>(207,046)</u>          | <u>8,582</u>           | <u>(1,010,171)</u>         |
| Other capital assets, net                     | <u>3,440,138</u>           | <u>(123,573)</u>          | <u>(887)</u>           | <u>3,315,678</u>           |
| Governmental activities capital assets, net   | <u><u>\$ 3,522,479</u></u> | <u><u>\$ (73,177)</u></u> | <u><u>\$ (887)</u></u> | <u><u>\$ 3,448,415</u></u> |
| <b>Business-type activities:</b>              |                            |                           |                        |                            |
| Capital assets not being depreciated          |                            |                           |                        |                            |
| Land  | \$ -                       | \$ -                      | \$ -                   | \$ -                       |
| Construction in progress                      | -                          | -                         | -                      | -                          |
| Total capital assets not being depreciated    | <u>-</u>                   | <u>-</u>                  | <u>-</u>               | <u>-</u>                   |
| Other capital assets                          |                            |                           |                        |                            |
| Buildings and improvements                    | -                          | -                         | -                      | -                          |
| Machinery and equipment                       | 6,346,090                  | 607,057                   | (37,665)               | 6,915,482                  |
| Total other capital assets at historical cost | <u>6,346,090</u>           | <u>607,057</u>            | <u>(37,665)</u>        | <u>6,915,482</u>           |
| Less accumulated depreciation for:            |                            |                           |                        |                            |
| Buildings and improvements                    | -                          | -                         | -                      | -                          |
| Machinery and equipment                       | (2,675,313)                | (225,299)                 | 37,665                 | (2,862,947)                |
| Total accumulated depreciation                | <u>(2,675,313)</u>         | <u>(225,299)</u>          | <u>37,665</u>          | <u>(2,862,947)</u>         |
| Other capital assets, net                     | <u>3,670,777</u>           | <u>381,758</u>            | <u>-</u>               | <u>4,052,535</u>           |
| Business-type activities capital assets, net  | <u><u>\$ 3,670,777</u></u> | <u><u>\$ 381,758</u></u>  | <u><u>\$ -</u></u>     | <u><u>\$ 4,052,535</u></u> |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**NOTE 4: CHANGES IN CAPITAL ASSETS (Concluded)**

Depreciation expense was charged to functions as follows:

|   | <u>Amount</u>     |
|---|-------------------|
| Governmental activities                             |                   |
| General government                                  | \$ 30,033         |
| Public safety                                       | 50,346            |
| Streets   | 123,820           |
| Parks   | 2,847             |
| Total governmental activities depreciation expense  | <u>\$ 207,046</u> |
| Business-type activities                            |                   |
| Water and sewer                                     | \$ 225,299        |
| Total business-type activities depreciation expense | <u>\$ 225,299</u> |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**NOTE 5: LONG-TERM DEBT**

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

Long-term liability activity for the year ended July 31, 2024 was as follows:

| Description and Purpose             | Amount of Original Issue | Maturity Date | Interest Rate | Balance 07/31/23  | Issued During Year | Increases (Decreases) During Year | Balance 07/31/24  | Due Within One Year |
|-------------------------------------|--------------------------|---------------|---------------|-------------------|--------------------|-----------------------------------|-------------------|---------------------|
| <u>Governmental-type activities</u> |                          |               |               |                   |                    |                                   |                   |                     |
| General Fund:                       |                          |               |               |                   |                    |                                   |                   |                     |
| OPEB liability                      | \$ -                     | various       | various       | \$ 6,597          | \$ -               | \$ 1,767                          | \$ 8,364          | \$ -                |
| Direct borrowing                    | \$ 57,670                | 9/28/2023     | 4.29%         | 12,210            | -                  | (12,210)                          | -                 | -                   |
| Direct borrowing                    | \$ 112,230               | 10/21/2026    | 6.22%         | -                 | 112,230            | -                                 | 112,230           | 112,230             |
| <u>Business-type activities</u>     |                          |               |               |                   |                    |                                   |                   |                     |
| Water, Sewer, and Sanitation Fund:  |                          |               |               |                   |                    |                                   |                   |                     |
| OPEB liability                      | \$ -                     | various       | various       | 8,062             | -                  | 301                               | 8,363             | -                   |
| Refunding bonds                     | \$ 848,000               | 3/1/2037      | 1.57%         | 634,000           | -                  | (71,000)                          | 563,000           | 75,000              |
| Direct borrowing                    | \$ 131,584               | 9/28/2023     | 4.29%         | 27,822            | -                  | (27,822)                          | -                 | -                   |
| Total long-term debt                |                          |               |               | <u>\$ 688,691</u> | <u>\$ 112,230</u>  | <u>\$ (108,964)</u>               | <u>\$ 691,957</u> | <u>\$ 187,230</u>   |

The interest paid for governmental activities was \$528 for equipment loan debt for the year ended July 31, 2024. The interest paid for business-type activities was \$9,972 for bonds and equipment loan debt for the year ended July 31, 2024 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, 2024**

**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 an 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. This debt was paid in full during the fiscal year ended July 31, 2024.

On September 12, 2023, the Town of Woodsboro, Texas entered into a three-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 \$112,230 with an interest rate fixed at 6.217%. Principal and interest are due on October 21 on an annual basis. The final debt payment is due October 21, 2026. 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. The Town was not in compliance with all debt covenants of this debt at July 31, 2024. Therefore, debt will be considered current at July 31, 2024.

As of July 31, 2024, the remaining annual payments are as follows:

| <u>Year Ended<br/>July 31,</u> | <u>Loan</u>              |                         | <u>Total</u>             |
|--------------------------------|--------------------------|-------------------------|--------------------------|
|                                | <u>Principal</u>         | <u>Interest</u>         | <u>Requirements</u>      |
| 2025                           | \$ 34,513                | \$ 8,007                | \$ 42,520                |
| 2026                           | 37,687                   | 4,832                   | 42,519                   |
| 2027                           | <u>40,030</u>            | <u>2,489</u>            | <u>42,519</u>            |
|                                | <u><u>\$ 112,230</u></u> | <u><u>\$ 15,328</u></u> | <u><u>\$ 127,558</u></u> |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**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 an 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. This debt was paid in full during fiscal year ended July 31, 2024.

**D. 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:

| <u>Year Ended<br/>July 31,</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total<br/>Requirements</u> |
|--------------------------------|-------------------|------------------|-------------------------------|
| 2025                           | \$ 75,000         | \$ 8,839         | \$ 83,839                     |
| 2026                           | 75,000            | 7,662            | 82,662                        |
| 2027                           | 75,000            | 6,484            | 81,484                        |
| 2028                           | 69,000            | 5,307            | 74,307                        |
| 2029                           | 37,000            | 4,223            | 41,223                        |
| 2030-2034                      | 192,000           | 12,293           | 204,293                       |
| 2035                           | 40,000            | 628              | 40,628                        |
|                                | <u>\$ 563,000</u> | <u>\$ 45,436</u> | <u>\$ 608,436</u>             |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**NOTE 5: LONG-TERM DEBT (Concluded)**

**E. Five Year Schedules**

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

| Year Ended<br>July 31, | Governmental Activities      |                  |
|------------------------|------------------------------|------------------|
|                        | Notes from Direct Borrowings |                  |
|                        | Principal                    | Interest         |
| 2025                   | \$ 34,513                    | \$ 8,007         |
| 2026                   | 37,687                       | 4,832            |
| 2027                   | 40,030                       | 2,489            |
|                        | <u>\$ 112,230</u>            | <u>\$ 15,328</u> |

| Year Ended<br>July 31, | Business-Type Activities |                  |                              |             |
|------------------------|--------------------------|------------------|------------------------------|-------------|
|                        | Bonds                    |                  | Notes from Direct Borrowings |             |
|                        | Principal                | Interest         | Principal                    | Interest    |
| 2025                   | \$ 75,000                | \$ 8,839         | \$ -                         | \$ -        |
| 2026                   | 75,000                   | 7,662            | -                            | -           |
| 2027                   | 75,000                   | 6,484            | -                            | -           |
| 2028                   | 69,000                   | 5,307            | -                            | -           |
| 2029                   | 37,000                   | 4,223            | -                            | -           |
| 2030-2034              | 192,000                  | 12,293           | -                            | -           |
| 2035                   | 40,000                   | 628              | -                            | -           |
|                        | <u>\$ 563,000</u>        | <u>\$ 45,436</u> | <u>\$ -</u>                  | <u>\$ -</u> |

**F. Other Post Employment Benefits Obligation**

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

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**NOTE 6: PENSION PLAN**

**A. Plan Description**

The Town participates as one of 936 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

**B. Benefits Provided**

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

At retirement, the member's benefit is calculated as if the sum of the member's contributions, with interest, and the city-financed monetary credits with interest. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member's contributions and interest.

Plan provisions for the Town were as follows:

|  | Plan Year 2023       |
|--|----------------------|
| Employee deposit rate  | 5.0%                 |
| Matching ratio (city to employee)                                    | 2 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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

|  |    |
|--|----|
| Inactive employees or beneficiaries currently receiving benefits | 5  |
| Inactive employees entitled to but not yet receiving benefits    | 6  |
| Active employees   | 11 |
| Total  | 22 |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**NOTE 6: PENSION PLAN (Continued)**

**C. Contributions**

Member contribution rates in TMRS are either 5%, 6%, or 7% of member's total compensation, 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 Town's contribution rate is based on the liabilities created from the benefit plan options selected by the Town and any changes in benefits or actual experience over time.

Employees for the Town were required to contribute 5% of their annual compensation during the fiscal year 2024. The contribution rates for the Town were 7.65% and 7.49% in calendar years 2023 and 2024, respectively. The Town's contributions to TMRS for the year ended 2024 were \$40,133 and were equal to the required contributions.

**D. Net Pension Asset**

The Town's Net Pension Asset (NPA) was measured as of December 31, 2023, 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, 2023 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 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 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 the most recent Scale MP-2021 to account for future mortality improvements subjected to the 3% floor.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**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, 2018 through December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 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 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of expected return for each major asset class in fiscal year 2024 are summarized in the following table:

| Asset Class                      | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|----------------------------------|-------------------|---|
| Global Equity                    | 35.0%             | 6.7%  |
| Core Fixed Income                | 6.0%              | 4.7%  |
| Non-Core Fixed Income            | 20.0%             | 8.0%  |
| Other Public and Private Markets | 12.0%             | 8.0%  |
| Real Estate                      | 12.0%             | 7.6%  |
| Hedge Funds                      | 5.0%              | 6.4%  |
| Private Equity                   | 10.0%             | 11.6%   |
| Total                            | 100.0%            |   |

***Discount Rate***

The discount rate used to measure the Total Pension Asset was 6.75%. The projection of cash flows used to determine the discount rate assumed that member 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 members. 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, 2024**

**NOTE 6: PENSION PLAN (Continued)**

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

|  | Increase (Decrease)               |                                       |  |
|--|-----------------------------------|---------------------------------------|--|
|  | Total Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability(Asset)<br>(a) - (b) |
| Balance at 12/31/2022  | <u>\$ 1,000,728</u>               | <u>\$ 1,001,265</u>                   | <u>\$ (537)</u>                              |
| Changes for the year:  |                                   |                                       |  |
| Service cost   | 70,819                            | -                                     | 70,819                                       |
| Interest   | 69,116                            | -                                     | 69,116                                       |
| Difference between expected and<br>actual experience             | (27,306)                          | -                                     | (27,306)                                     |
| Changes in assumptions   | 5,850                             | -                                     | 5,850  |
| Contributions - employer   | -                                 | 40,802                                | (40,802)                                     |
| Contributions - employee   | -                                 | 27,238                                | (27,238)                                     |
| Net investment income  | -                                 | 115,754                               | (115,754)                                    |
| Benefit payments, including refunds<br>of employee contributions | (24,381)                          | (24,381)                              | -  |
| Administrative expense   | -                                 | (737)                                 | 737  |
| Other changes  | -                                 | (5)                                   | 5  |
| Net changes  | <u>94,098</u>                     | <u>158,671</u>                        | <u>(64,573)</u>                              |
| <b>Balance at 12/31/2023</b>                                     | <b><u>\$ 1,094,826</u></b>        | <b><u>\$ 1,159,936</u></b>            | <b><u>\$ (65,110)</u></b>                    |

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

The following presents the Net Pension Asset of the Town, calculated using the discount rate of 6.75%, as well as what the Town's Net Pension 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<br>in Discount<br>Rate (5.75%) | Discount Rate<br>(6.75%) | 1% Increase in<br>Discount Rate<br>(7.75%) |
|--------------------------|--|--------------------------|--|
| Town's Net Pension Asset | \$89,901                                   | \$(65,110)               | \$(193,602)                                |

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at [www.tmrss.com](http://www.tmrss.com).

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**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, 2024, the Town recognized pension expense of \$28,809.

At July 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows of<br>Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual economic experience        | \$ -                              | \$32,840                         |
| Changes in actuarial assumptions                                   | 5,306                             | -                                |
| Difference between projected and actual investment earnings        | 25,795                            | -                                |
| Contributions subsequent to the measurement date December 31, 2023 | 22,790                            | -                                |
| <b>Total</b>   | <b>\$53,891</b>                   | <b>\$32,840</b>                  |

\$22,790 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Asset for the year ending July 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended<br>December 31: | Net deferred outflows<br>(inflows) of resources |
|----------------------------|---|
| 2024                       | \$ (2,361)                                      |
| 2025                       | 1,437   |
| 2026                       | 14,686  |
| 2027                       | (13,732)  |
| 2028                       | (1,771)   |
| Thereafter                 | -   |
| <b>Total</b>               | <b>\$ (1,741)</b>                               |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

|   |    |
|---|----|
| Inactive employees currently receiving benefits               | 3  |
| Inactive employees entitled to but not yet receiving benefits | 0  |
| Active employees  | 11 |
| Total   | 14 |

**C. Contributions**

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographic specific to the workforce of the Town. 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. As such, contributions fund the covered active employee and retiree deaths on a pay-as-you-go basis.

The Town's contributions to the TMRS SDBF for the fiscal year ended July 31, 2024 were \$1,228, which equaled the required contributions each year.

**D. Total OPEB Liability**

The Town's total OPEB liability of \$16,727 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

***Actuarial assumptions:***

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|  |                                     |
|--|-------------------------------------|
| Inflation                                | 2.50% per year                      |
| Salary increases                         | 3.60% to 11.85% including inflation |
| Discount rate                            | 3.77%                               |
| Retirees' share of benefit-related costs | \$0                                 |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**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, 2023.

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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). 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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

**E. Changes in the Total OPEB Liability**

|  | <u>Amount</u>           |
|--|-------------------------|
| Balance at 12/31/2022                              | <u>\$ 14,659</u>        |
| Changes for the year:                              |                         |
| Service cost                                       | 1,307                   |
| Interest on total OPEB liability                   | 611                     |
| Differences between expected and actual experience | 688                     |
| Changes in assumptions and other inputs            | (102)                   |
| Benefit payments                                   | (436)                   |
| Net changes  | 2,068                   |
| <b>Balance at 12/31/2023</b>                       | <b><u>\$ 16,727</u></b> |

Changes of assumptions and other inputs reflect a change in the discount rate from 2.77 percent as of December 31, 2022 to 4.77 percent as of December 31, 2023.

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

The following presents the total OPEB liability of the Town, calculated using the discount rate of 3.77%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

|                      | 1% Decrease in<br>Discount Rate<br>(2.77%) | Discount Rate<br>(3.77%) | 1% Increase in<br>Discount Rate<br>(4.77%) |
|----------------------|--|--------------------------|--|
| Total OPEB liability | \$19,960                                   | \$16,727                 | \$14,084                                   |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**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, 2024, the Town recognized OPEB expense of \$831.

At July 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience         | \$ -                                 | \$4,257                             |
| Changes in assumptions and other inputs                             | -                                    | 2,688                               |
| Contributions made subsequent to measurement date                   | N/A                                  | -                                   |
| Total (excluding contributions made subsequent to measurement date) | \$ -                                 | \$6,945                             |

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 ended July 31, 2024 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 |
|-------------------------|--|
| 2024                    | (\$1,087)                                    |
| 2025                    | (1,087)                                      |
| 2026                    | (1,181)                                      |
| 2027                    | (1,651)                                      |
| 2028                    | (1,944)                                      |
| Thereafter              | 5  |
| Total                   | (\$6,945)                                    |

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**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, 2024 are as follows:

| <u>Fund</u>           | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|-----------------------|---------------------------------|-------------------------------|
| General               | \$ -                            | \$ (2,190)                    |
| MC Security           | 922                             | -                             |
| MC Technology         | 1,876                           | -                             |
| Enterprise            | 17,392                          | -                             |
| Total Due From/Due To | <u>\$ 20,190</u>                | <u>\$ (20,190)</u>            |

**NOTE 9: SPECIAL AGENCY 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, 2024**

**NOTE 9: SPECIAL AGENCY 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 a new trial or notice of appeal has been taken. Payments to the prosecuting attorney will be made quarterly based on a calendar year. The prosecuting attorney will also be paid interest earned on each quarterly payment from the date of forfeiture until the end of the quarter. All costs of court proceedings will be paid by the Town of Woodsboro, 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: 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 the 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 the fiscal year ended July 31, 2017, the Town became a defendant in a lawsuit arising in the normal course of business. Plaintiff, Timothy Lee Dickey purchased a license to operate amusement redemption machines in the Town of Woodsboro, Texas. Mr. Dickey voluntarily paid for these permits and purchased 12 permits in 2016 and 28 permits in 2017, totaling \$84,000. These are permit fees which are the same or similar as charged by other cities and counties in the South Texas area. This case is being vigorously contested by the Town of Woodsboro. In the opinion of Counsel, based on current facts, the outcome is unknown; however, Texas Municipal League (TML) has advised Cities and Towns that any charge in excess of \$15.00 per machine is not authorized by statute. The Plaintiff is seeking monetary damages. On May 3, 2021, the case was mediated; however, it was not resolved. Plaintiff has offered to settle for \$30,000 which the Town rejected. In the opinion of Counsel, based on current facts, the Town should settle. Trial has been set for March 24, 2025.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

As of July 31, 2024, the Town had outstanding Federal grant awards of \$259,156 for critical facility generators at the water and wastewater treatment plants on approved projects by the U.S. Department of Treasury, Federal Emergency Management Agency (FEMA) in which the grant is administered through the Texas Department of Emergency Management (TDEM). The Federal grant funds are not available to the Town until expenses are incurred and therefore, are not recorded as receivables. The grant expenses are subject to audit by the TDEM, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of these audits is not believed to be material by management.

As of July 31, 2024, the Town had outstanding Federal grant awards of \$169,616 to respond to the COVID-19 emergency or its negative economic impacts, provide premium pay for essential workers, replace lost public sector revenue, and invest in water, sewer, and broadband infrastructure on approved projects by the U.S. Department of Treasury, in which the grant is administered through the Texas Division of Emergency Management (TDEM). The Federal grant funds are not available to the Town until expenses are incurred and therefore, are not recorded as receivables. The grant expenses are subject to audit by the TDEM, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of these audits is not believed to be material by management.

As of July 31, 2024, the Town had outstanding Federal grant awards of \$305,701 for sundry repair and replacement projects related to Hurricane Harvey damages on approved projects by the U.S. Department of Treasury, Federal Emergency Management Agency (FEMA), in which the grant is administered through the TDEM. For a large project, the Federal grant funds are not available to the Town until expenses are incurred and therefore, are not recorded as receivables. The grant expenses are subject to audit by TDEM, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of these audits is not believed to be material by management. Amounts received or receivable for small projects are subject to audit and adjustment by FEMA. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by FEMA cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

**TOWN OF WOODSBORO, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended July 31, 2024**

**NOTE 12: GRANTS**

During fiscal year ended July 31, 2023, Refugio County, Texas entered into a grant agreement with the Texas Department of Agriculture, on behalf of the Town of Woodsboro, Texas, to rehabilitate the existing lift station and to enclose it. The Town's original local match commitment was \$54,960. During fiscal year ended July 31, 2024, a \$12,000 executive change order was initiated, which brought the Town's total local match to \$66,960. Upon satisfactory fulfillment of the grant agreement, the asset will be transferred to the Town of Woodsboro, Texas. As of July 31, 2024, this grant was considered complete and closed, therefore, the transfer of the asset to the Town of Woodsboro, Texas occurred.

**NOTE 13: SUBSEQUENT EVENTS**

In preparing these financial statements, events and transactions have been evaluated for potential recognition or disclosure through December 11, 2024, 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, 2024**

|  | <b>Original<br/>and Final<br/>Budget</b> | <b>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget -<br/>Positive<br/>(Negative)</b> |
|--|--|---------------------------|---|
| <b>REVENUES</b>  |  |                           |   |
| Taxes:   |  |                           |   |
| Property taxes   | \$ 418,700                               | \$ 420,973                | \$ 2,273  |
| City sales tax revenue                                       | 130,000                                  | 121,985                   | (8,015)   |
| Franchise fees   | 51,000                                   | 58,330                    | 7,330   |
| Municipal court  | 350,120                                  | 278,166                   | (71,954)  |
| Street   | 500                                      | 2,145                     | 1,645   |
| Animal control   | 300                                      | 470                       | 170   |
| Licenses, permits and fees                                   | 3,000                                    | 38,085                    | 35,085  |
| Interest income  | 2,700                                    | 5,790                     | 3,090   |
| Intergovernmental - grant revenue                            | 120,000                                  | 361,481                   | 241,481   |
| Donated property   | -  | 28,590                    | 28,590  |
| Miscellaneous  | -  | 20,466                    | 20,466  |
| Total revenues   | <u>1,076,320</u>                         | <u>1,336,481</u>          | <u>260,161</u>  |
| <b>EXPENDITURES</b>  |  |                           |   |
| General government   | 294,916                                  | 335,937                   | (41,021)  |
| Street   | 138,848                                  | 105,090                   | 33,758  |
| Public safety  | 397,914                                  | 412,384                   | (14,470)  |
| Municipal court  | 215,587                                  | 153,196                   | 62,391  |
| Total expenditures   | <u>1,047,265</u>                         | <u>1,006,607</u>          | <u>40,658</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>29,055</u>                            | <u>329,874</u>            | <u>300,819</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                           |   |
| Transfers out  | -  | (2,050)                   | 2,050   |
| Loan proceeds  | -  | 112,230                   | 112,230   |
| Principal payment on loan                                    | (27,822)                                 | (12,210)                  | (15,612)  |
| Interest expense   | (1,233)                                  | (528)                     | (705)   |
| Total other financing sources (uses)                         | <u>(29,055)</u>                          | <u>97,442</u>             | <u>126,497</u>  |
| Net change in fund balances                                  | <u>\$ -</u>                              | <u>427,316</u>            | <u>\$ 427,316</u>   |
| Fund balances - beginning                                    |  | 512,927                   |   |
| Fund balances - ending                                       |  | <u>\$ 940,243</u>         |   |

**TOWN OF WOODSBORO, TEXAS**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended July 31, 2024**

**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, 2024**

|   | Measurement<br>Year<br>2014 | Measurement<br>Year<br>2015 | Measurement<br>Year<br>2016 | Measurement<br>Year<br>2017 | Measurement<br>Year<br>2018 | Measurement<br>Year<br>2019 | Measurement<br>Year<br>2020 | Measurement<br>Year<br>2021 | Measurement<br>Year<br>2022 | Measurement<br>Year<br>2023 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Total pension liability</b>                                |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Service cost  | \$ 28,152                   | \$ 38,084                   | \$ 39,754                   | \$ 46,271                   | \$ 41,106                   | \$ 39,661                   | \$ 44,647                   | \$ 43,952                   | \$ 72,859                   | \$ 70,819                   |
| Interest (on the total pension liability)                     | 26,117                      | 24,744                      | 27,898                      | 31,448                      | 35,490                      | 37,903                      | 41,737                      | 44,615                      | 62,114                      | 69,116                      |
| Changes of benefit terms                                      | -                           | -                           | -                           | -                           | -                           | -                           | -                           | -                           | 183,781                     | -                           |
| Difference between expected and actual experience             | (58,879)                    | 3,564                       | (3,254)                     | 9,501                       | (12,245)                    | (7,655)                     | (17,216)                    | 168                         | (7,732)                     | (27,306)                    |
| Change of assumptions   | -                           | 4,814                       | -                           | -                           | -                           | 3,205                       | -                           | -                           | -                           | 5,850                       |
| Benefit payments, including refunds of employee contributions | (31,727)                    | (8,221)                     | (16,237)                    | (13,887)                    | (35,623)                    | (20,125)                    | (17,486)                    | (34,889)                    | (20,574)                    | (24,381)                    |
| <b>Net change in total pension liability</b>                  | (36,337)                    | 62,985                      | 48,161                      | 73,333                      | 28,728                      | 52,989                      | 51,682                      | 53,846                      | 290,448                     | 94,098                      |
| <b>Total pension liability - beginning</b>                    | <u>374,893</u>              | <u>338,556</u>              | <u>401,541</u>              | <u>449,702</u>              | <u>523,035</u>              | <u>551,763</u>              | <u>604,752</u>              | <u>656,434</u>              | <u>710,280</u>              | <u>1,000,728</u>            |
| <b>Total pension liability - ending (a)</b>                   | <u><u>\$ 338,556</u></u>    | <u><u>\$ 401,541</u></u>    | <u><u>\$ 449,702</u></u>    | <u><u>\$ 523,035</u></u>    | <u><u>\$ 551,763</u></u>    | <u><u>\$ 604,752</u></u>    | <u><u>\$ 656,434</u></u>    | <u><u>\$ 710,280</u></u>    | <u><u>\$ 1,000,728</u></u>  | <u><u>\$ 1,094,826</u></u>  |

**TOWN OF WOODSBORO, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (unaudited) (CONTINUED)**  
**For the Year Ended July 31, 2024**

|   | Measurement<br>Year<br>2014 | Measurement<br>Year<br>2015 | Measurement<br>Year<br>2016 | Measurement<br>Year<br>2017 | Measurement<br>Year<br>2018 | Measurement<br>Year<br>2019 | Measurement<br>Year<br>2020 | Measurement<br>Year<br>2021 | Measurement<br>Year<br>2022 | Measurement<br>Year<br>2023 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Plan fiduciary net position</b>  |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |
| Contributions - employer  | \$ 3,673                    | \$ 928                      | \$ -                        | \$ 1,726                    | \$ 3,162                    | \$ 4,892                    | \$ 3,873                    | \$ 8,291                    | \$ 10,782                   | \$ 40,802                   |
| Contributions - employee  | 18,084                      | 23,194                      | 23,357                      | 26,965                      | 23,954                      | 23,193                      | 26,171                      | 24,973                      | 27,788                      | 27,238                      |
| Net investment income   | 33,129                      | 888                         | 41,782                      | 92,405                      | (23,174)                    | 114,344                     | 65,352                      | 122,386                     | (77,292)                    | 115,754                     |
| Benefit payments, including refunds of employee contributions                         | (31,727)                    | (8,221)                     | (16,237)                    | (13,887)                    | (35,623)                    | (20,125)                    | (17,486)                    | (34,889)                    | (20,574)                    | (24,381)                    |
| Administrative expense  | (346)                       | (541)                       | (472)                       | (479)                       | (448)                       | (647)                       | (424)                       | (567)                       | (670)                       | (737)                       |
| Other   | (28)                        | (27)                        | (25)                        | (25)                        | (22)                        | (19)                        | (17)                        | 4                           | 798                         | (5)                         |
| <b>Net change in plan fiduciary net position</b>                                      | <b>22,785</b>               | <b>16,221</b>               | <b>48,405</b>               | <b>106,705</b>              | <b>(32,151)</b>             | <b>121,638</b>              | <b>77,469</b>               | <b>120,198</b>              | <b>(59,168)</b>             | <b>158,671</b>              |
| <b>Plan fiduciary net position - beginning</b>  | <b>579,163</b>              | <b>601,948</b>              | <b>618,169</b>              | <b>666,574</b>              | <b>773,279</b>              | <b>741,128</b>              | <b>862,766</b>              | <b>940,235</b>              | <b>1,060,433</b>            | <b>1,001,265</b>            |
| <b>Plan fiduciary net position - ending (b)</b>                                       | <b>\$ 601,948</b>           | <b>\$ 618,169</b>           | <b>\$ 666,574</b>           | <b>\$ 773,279</b>           | <b>\$ 741,128</b>           | <b>\$ 862,766</b>           | <b>\$ 940,235</b>           | <b>\$ 1,060,433</b>         | <b>\$ 1,001,265</b>         | <b>\$ 1,159,936</b>         |
| <b>Net pension liability (asset) - ending (a) - (b)</b>                               | <b>\$ (263,392)</b>         | <b>\$ (216,628)</b>         | <b>\$ (216,872)</b>         | <b>\$ (250,244)</b>         | <b>\$ (189,365)</b>         | <b>\$ (258,014)</b>         | <b>\$ (283,801)</b>         | <b>\$ (350,153)</b>         | <b>\$ (537)</b>             | <b>\$ (65,110)</b>          |
| <b>Plan fiduciary net position as a percentage of total pension liability (asset)</b> | <b>177.80 %</b>             | <b>153.95 %</b>             | <b>148.23 %</b>             | <b>147.84 %</b>             | <b>134.32 %</b>             | <b>142.66 %</b>             | <b>143.23 %</b>             | <b>149.30 %</b>             | <b>100.05 %</b>             | <b>105.95 %</b>             |
| <b>Covered employee payroll</b>   | <b>\$ 361,677</b>           | <b>\$ 463,872</b>           | <b>\$ 467,148</b>           | <b>\$ 539,294</b>           | <b>\$ 479,085</b>           | <b>\$ 463,869</b>           | <b>\$ 523,414</b>           | <b>\$ 499,458</b>           | <b>\$ 555,750</b>           | <b>\$ 544,760</b>           |
| <b>Net pension liability (asset) as a percentage of covered employee payroll</b>      | <b>(72.83) %</b>            | <b>(46.70) %</b>            | <b>(46.42) %</b>            | <b>(46.40) %</b>            | <b>(39.53) %</b>            | <b>(55.62) %</b>            | <b>(54.22) %</b>            | <b>(70.11) %</b>            | <b>(0.10) %</b>             | <b>(11.95) %</b>            |

**TOWN OF WOODSBORO, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CONTRIBUTIONS (unaudited)**  
**For the Year Ended July 31, 2024**

|  | Fiscal<br>Year<br>2015 | Fiscal<br>Year<br>2016 | Fiscal<br>Year<br>2017 | Fiscal<br>Year<br>2018 | Fiscal<br>Year<br>2019 | Fiscal<br>Year<br>2020 | Fiscal<br>Year<br>2021 | Fiscal<br>Year<br>2022 | Fiscal<br>Year<br>2023 | Fiscal<br>Year<br>2024 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Actuarially determined contribution                                  | \$ 2,953               | \$ 436                 | \$ 1,274               | \$ 3,205               | \$ 4,122               | \$ 4,426               | \$ 6,525               | \$ 9,286               | \$ 28,275              | \$ 40,133              |
| Contributions in relation to the actuarially determined contribution | 3,264                  | 436                    | 971                    | 2,559                  | 4,122                  | 5,341                  | 7,360                  | 9,286                  | 28,275                 | 40,133                 |
| Contribution deficiency (excess)                                     | \$ (311)               | \$ -                   | \$ 303                 | \$ 646                 | \$ -                   | \$ (915)               | \$ (835)               | \$ -                   | \$ -                   | \$ -                   |
| Covered employee payroll   | \$ 303,484             | \$ 485,011             | \$ 503,403             | \$ 509,279             | \$ 469,038             | \$ 514,044             | \$ 509,394             | \$ 507,528             | \$ 561,411             | \$ 529,462             |
| Contributions as a percentage of covered employee payroll            | 1.08 %                 | 0.09 %                 | 0.19 %                 | 0.50 %                 | 0.88 %                 | 1.04 %                 | 1.44 %                 | 1.83 %                 | 5.04 %                 | 7.58 %                 |

**TOWN OF WOODSBORO, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**NOTES TO SCHEDULE OF CONTRIBUTIONS (unaudited)**  
**For the Year Ended July 31, 2024**

**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; 12% soft corridor  |
| Inflation                     | 2.50%   |
| Salary Increases              | 3.60% to 11.85% 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 2023 valuation pursuant to an experience study of the period 2022.   |
| Mortality                     | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). |

**Other Information:**

Notes There were no benefit changes during the year.

**TOWN OF WOODSBORO, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (unaudited)**  
**For the Year Ended July 31, 2024**

|   | Measurement<br>Year<br>2017 | Measurement<br>Year<br>2018 | Measurement<br>Year<br>2019 | Measurement<br>Year<br>2020 | Measurement<br>Year<br>2021 | Measurement<br>Year<br>2022 | Measurement<br>Year<br>2023 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Total OPEB liability</b>   |                             |                             |                             |                             |                             |                             |                             |
| Service cost  | \$ 1,402                    | \$ 1,437                    | \$ 1,392                    | \$ 2,198                    | \$ 2,697                    | \$ 2,668                    | \$ 1,307                    |
| Interest on Total OPEB liability  | 342                         | 386                         | 509                         | 515                         | 453                         | 500                         | 611                         |
| Difference between expected and actual experience                       | -                           | 1,357                       | (677)                       | (1,651)                     | 922                         | (6,732)                     | 688                         |
| Change of assumptions and other inputs                                  | 896                         | (1,054)                     | 3,441                       | 2,718                       | 713                         | (7,532)                     | (102)                       |
| Benefit payments  | (54)                        | (48)                        | (46)                        | (52)                        | (200)                       | (222)                       | (436)                       |
| <b>Net change in total pension liability</b>                            | 2,586                       | 2,078                       | 4,619                       | 3,728                       | 4,585                       | (11,318)                    | 2,068                       |
| <b>Total OPEB liability - beginning</b>                                 | <u>8,381</u>                | <u>10,967</u>               | <u>13,045</u>               | <u>17,664</u>               | <u>21,392</u>               | <u>25,977</u>               | <u>14,659</u>               |
| <b>Total OPEB liability - ending</b>                                    | <u>\$ 10,967</u>            | <u>\$ 13,045</u>            | <u>\$ 17,664</u>            | <u>\$ 21,392</u>            | <u>\$ 25,977</u>            | <u>\$ 14,659</u>            | <u>\$ 16,727</u>            |
| <b>Covered employee payroll</b>   | \$ 539,294                  | \$ 479,085                  | \$ 463,869                  | \$ 523,414                  | \$ 499,458                  | \$ 555,750                  | \$ 544,760                  |
| <b>Total OPEB liability as a percentage of covered employee payroll</b> | 2.03 %                      | 2.72 %                      | 3.81 %                      | 4.09 %                      | 5.20 %                      | 2.64 %                      | 3.07 %                      |

**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, 2024**

**NOTE 1: CHANGE OF ASSUMPTIONS**

Changes of assumptions and other inputs reflect the effect of change in the discount rate from 4.05 percent as of December 31, 2022 to 3.77 percent as of December 31, 2023.

**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, 2024**

|  | <b>Municipal<br/>Court<br/>Security</b> | <b>Municipal<br/>Court<br/>Technology</b> | <b>Dodson<br/>Park</b> | <b>Total Non-<br/>Major<br/>Govern-<br/>mental<br/>Funds</b> |
|--|---|---|------------------------|--|
| <b>ASSETS</b>                              |   |   |                        |  |
| Cash - restricted                          | \$ 28,568                               | \$ 40,586                                 | \$ 4,104               | \$ 73,258  |
| Due from other government funds            | <u>922</u>                              | <u>1,876</u>                              | <u>-</u>               | <u>2,798</u>   |
| <b>Total assets</b>                        | <b><u>\$ 29,490</u></b>                 | <b><u>\$ 42,462</u></b>                   | <b><u>\$ 4,104</u></b> | <b><u>\$ 76,056</u></b>                                      |
| <b>LIABILITIES</b>                         |   |   |                        |  |
| <b>Total liabilities</b>                   | <b>\$ -</b>                             | <b>\$ -</b>                               | <b>\$ -</b>            | <b>\$ -</b>  |
| <b>FUND BALANCES</b>                       |   |   |                        |  |
| Restricted:                                |   |   |                        |  |
| Municipal court building security          | 29,490                                  | -   | -                      | 29,490   |
| Municipal court technology fund            | -                                       | 42,462                                    | -                      | 42,462   |
| Dodson Park fund                           | <u>-</u>                                | <u>-</u>                                  | <u>4,104</u>           | <u>4,104</u>   |
| <b>Total fund balances</b>                 | <b><u>29,490</u></b>                    | <b><u>42,462</u></b>                      | <b><u>4,104</u></b>    | <b><u>76,056</u></b>   |
| <b>Total liabilities and fund balances</b> | <b><u>\$ 29,490</u></b>                 | <b><u>\$ 42,462</u></b>                   | <b><u>\$ 4,104</u></b> | <b><u>\$ 76,056</u></b>                                      |

**TOWN OF WOODSBORO, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended July 31, 2024**

|   | <b>Municipal<br/>Court<br/>Security</b> | <b>Municipal<br/>Court<br/>Technology</b> | <b>Dodson<br/>Park</b> | <b>Total Non-<br/>Major<br/>Govern-<br/>mental<br/>Funds</b> |
|---|---|---|------------------------|--|
| <b>REVENUES</b>                                   |   |   |                        |  |
| Interest income                                   | \$ 67                                   | \$ 97                                     | \$ 4                   | \$ 168   |
| Miscellaneous income                              | 3,995                                   | 3,484                                     | 2,050                  | 9,529  |
| <b>Total revenues</b>                             | <b>4,062</b>                            | <b>3,581</b>                              | <b>2,054</b>           | <b>9,697</b>   |
| <b>EXPENDITURES</b>                               |   |   |                        |  |
| Miscellaneous expenditures                        | -                                       | -   | -                      | -  |
| <b>Total expenditures</b>                         | <b>-</b>                                | <b>-</b>                                  | <b>-</b>               | <b>-</b>   |
| Excess (deficit) of revenues<br>over expenditures | 4,062                                   | 3,581                                     | 2,054                  | 9,697  |
| <b>OTHER FINANCING SOURCES (USES)</b>             |   |   |                        |  |
| Transfer in                                       | -                                       | -   | 2,050                  | 2,050  |
| Transfer out                                      | -                                       | -   | -                      | -  |
| <b>Total other financing sources (uses)</b>       | <b>-</b>                                | <b>-</b>                                  | <b>2,050</b>           | <b>2,050</b>   |
| Net change in fund balances                       | 4,062                                   | 3,581                                     | 4,104                  | 11,747   |
| <b>FUND BALANCES, beginning of year</b>           | <b>25,428</b>                           | <b>38,881</b>                             | <b>-</b>               | <b>64,309</b>  |
| <b>FUND BALANCES, end of year</b>                 | <b>\$ 29,490</b>                        | <b>\$ 42,462</b>                          | <b>\$ 4,104</b>        | <b>\$ 76,056</b>   |

## **INDIVIDUAL GRANT INFORMATION**

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2024**

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 3194208

Contract Period: March 1, 2023 to February 28, 2024

|                                  | Original<br>Budget | Prior<br>Year | Current<br>Year | Total     | Remaining<br>Budget |
|----------------------------------|--------------------|---------------|-----------------|-----------|---------------------|
| <b>Revenue:</b>                  |                    |               |                 |           |                     |
| Federal/State                    | \$ 120,000         | \$ 8,034      | \$ 13,488       | \$ 21,522 | \$ 98,478           |
| Total revenue                    | 120,000            | 8,034         | 13,488          | 21,522    | 98,478              |
| <b>Expenditures:</b>             |                    |               |                 |           |                     |
| Federal/State                    |                    |               |                 |           |                     |
| Equipment                        | 18,680             | -             | -               | -         | 18,680              |
| Personnel                        | 89,320             | 6,138         | 12,215          | 18,353    | 70,967              |
| Supplies - DOE                   | 12,000             | 1,896         | 1,273           | 3,169     | 8,831               |
| Total expenditures               | 120,000            | 8,034         | 13,488          | 21,522    | 98,478              |
| Excess revenue over expenditures | \$ -               | \$ -          | \$ -            | \$ -      | \$ -                |

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2024**

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 3194209

Contract Period: March 1, 2024 to February 29, 2025

|                                     | Original<br>Budget | Prior<br>Year | Current<br>Year | Total         | Remaining<br>Budget |
|-------------------------------------|--------------------|---------------|-----------------|---------------|---------------------|
| <b>Revenue:</b>                     |                    |               |                 |               |                     |
| Federal/State                       | \$ 45,772          | \$ -          | \$ 12,611       | \$ 12,611     | \$ 33,161           |
| Total revenue                       | <u>45,772</u>      | <u>-</u>      | <u>12,611</u>   | <u>12,611</u> | <u>33,161</u>       |
| <b>Expenditures:</b>                |                    |               |                 |               |                     |
| Federal/State                       |                    |               |                 |               |                     |
| Equipment                           | 4,000              | -             | -               | -             | 4,000               |
| Personnel                           | 27,550             | -             | 10,315          | 10,315        | 17,235              |
| Supplies - DOE                      | <u>14,222</u>      | <u>-</u>      | <u>2,296</u>    | <u>2,296</u>  | <u>11,926</u>       |
| Total expenditures                  | <u>45,772</u>      | <u>-</u>      | <u>12,611</u>   | <u>12,611</u> | <u>33,161</u>       |
| Excess revenue over<br>expenditures | <u>\$ -</u>        | <u>\$ -</u>   | <u>\$ -</u>     | <u>\$ -</u>   | <u>\$ -</u>         |

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2024**

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

|                                  | <u>Budget</u>  | <u>Prior Year</u> | <u>Current Year</u> | <u>Total</u>   | <u>Remaining Budget</u> |
|----------------------------------|----------------|-------------------|---------------------|----------------|-------------------------|
| <b>Revenue:</b>                  |                |                   |                     |                |                         |
| Federal/State                    | \$ 434,267     | \$ 175,111        | \$ -                | \$ 175,111     | \$ 259,156              |
| Local match - TDEM               | 103,397        | 41,338            | -                   | 41,338         | 62,059                  |
| Local match - Town               | <u>41,359</u>  | <u>14,032</u>     | <u>-</u>            | <u>14,032</u>  | <u>27,327</u>           |
| Total revenue                    | <u>579,023</u> | <u>230,481</u>    | <u>-</u>            | <u>230,481</u> | <u>348,542</u>          |
| <br><b>Expenditures:</b>         |                |                   |                     |                |                         |
| Federal/State                    |                |                   |                     |                |                         |
| Project costs                    | 364,087        | 115,852           | -                   | 115,852        | 248,235                 |
| Engineering                      | 49,500         | 49,500            | -                   | 49,500         | -                       |
| Administration                   | 20,680         | 9,759             | -                   | 9,759          | 10,921                  |
| Local match - TDEM               |                |                   |                     |                |                         |
| Project costs                    | 91,022         | 28,963            | -                   | 28,963         | 62,059                  |
| Engineering                      | 12,375         | 12,375            | -                   | 12,375         | -                       |
| Local match - Town               |                |                   |                     |                |                         |
| Project costs                    | 30,341         | 9,654             | -                   | 9,654          | 20,687                  |
| Engineering                      | 4,125          | 4,125             | -                   | 4,125          | -                       |
| Administration                   | <u>6,893</u>   | <u>253</u>        | <u>-</u>            | <u>253</u>     | <u>6,640</u>            |
| Total expenditures               | <u>579,023</u> | <u>230,481</u>    | <u>-</u>            | <u>230,481</u> | <u>348,542</u>          |
| Excess revenue over expenditures | <u>\$ -</u>    | <u>\$ -</u>       | <u>\$ -</u>         | <u>\$ -</u>    | <u>\$ -</u>             |

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2024**

Federal Grantor: U.S. Department of Treasury  
 Pass Through Grantor: Texas Division of Emergency Management  
 American Rescue Plan  
 Coronavirus State and Local Fiscal Recovery Funds  
 AL Number: 97.039  
 Contract Period: March 3, 2021 to December 31, 2026

|                                  | Original<br>Budget | Prior<br>Year     | Current<br>Year    | Total             | Remaining<br>Budget |
|----------------------------------|--------------------|-------------------|--------------------|-------------------|---------------------|
| <b>Revenue:</b>                  |                    |                   |                    |                   |                     |
| Federal/State                    | \$ 350,068         | \$ 350,068        | \$ -               | \$ 350,068        | \$ -                |
| Total revenue                    | <u>350,068</u>     | <u>350,068</u>    | <u>-</u>           | <u>350,068</u>    | <u>-</u>            |
| <b>Expenditures:</b>             |                    |                   |                    |                   |                     |
| Federal/State                    |                    |                   |                    |                   |                     |
| COVID-related expenses           | <u>350,068</u>     | <u>139,785</u>    | <u>40,669</u>      | <u>180,454</u>    | <u>169,614</u>      |
| Total expenditures               | <u>350,068</u>     | <u>139,785</u>    | <u>40,669</u>      | <u>180,454</u>    | <u>169,614</u>      |
| Excess revenue over expenditures | <u>\$ -</u>        | <u>\$ 210,283</u> | <u>\$ (40,669)</u> | <u>\$ 169,614</u> | <u>\$ (169,614)</u> |

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE**  
**For the Year Ended July 31, 2024**

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, various extensions through August 25, 2021

|                                   | Budget           | Prior Year     | Current Year   | Total          |
|-----------------------------------|------------------|----------------|----------------|----------------|
| <b>Revenue:</b>                   |                  |                |                |                |
| Federal                           | \$ 1,161,946     | \$ 520,863     | \$ 335,382     | \$ 856,245     |
| Local match - State               | 26,346           | 26,346         | -              | 26,346         |
| Local match - Town                | 96,154           | 59,435         | -              | 59,435         |
| <b>Total revenue</b>              | <b>1,284,446</b> | <b>606,644</b> | <b>335,382</b> | <b>942,026</b> |
| <b>Expenditures:</b>              |                  |                |                |                |
| Federal                           |                  |                |                |                |
| Emergency protective measures     | 59,447           | 59,477         | -              | 59,477         |
| Lift station fence                | 3,812            | 1,327          | -              | 1,327          |
| Backhoe barn storage building     | 17,993           | 17,993         | -              | 17,993         |
| Wastewater treatment plant        | 73,488           | 73,488         | -              | 73,488         |
| City building                     | 20,129           | 3,705          | -              | 3,705          |
| Town square                       | 9,874            | 9,874          | -              | 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           | 30,009         | -              | 30,009         |
| WWTP contents                     | 11,546           | 11,546         | -              | 11,546         |
| WTP contents                      | 5,369            | 5,369          | -              | 5,369          |
| Ditches/city wide                 | 99,075           | 99,077         | -              | 99,077         |
| Fire house                        | 436,271          | 436,271        | -              | 436,271        |
| Water treatment plant             | 154,720          | 14,360         | -              | 14,360         |
| Street signs/city wide            | 140,288          | 64,404         | -              | 64,404         |
| PAAP-DAC                          | 55,048           | 44,355         | -              | 44,355         |
| <b>Total Federal expenditures</b> | <b>1,161,946</b> | <b>892,462</b> | <b>-</b>       | <b>892,462</b> |

**TOWN OF WOODSBORO, TEXAS**  
**GRANT REVENUE AND EXPENSE SCHEDULE (CONTINUED)**  
**For the Year Ended July 31, 2024**

|  | <u>Budget</u>    | <u>Prior<br/>Year</u> | <u>Current<br/>Year</u> | <u>Total</u>       |
|--|------------------|-----------------------|-------------------------|--------------------|
| <b>Expenditures (continued)</b>          |                  |                       |                         |                    |
| Local match - State                      |                  |                       |                         |                    |
| Emergency protective measures            | -                | -                     | -                       | -                  |
| Lift station fence                       | 318              | -                     | -                       | -                  |
| Backhoe barn storage building            | 1,499            | 1,499                 | -                       | 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            | 8,256                 | -                       | 8,256              |
| Fire house                               | -                | -                     | -                       | -                  |
| Water treatment plant                    | -                | -                     | -                       | -                  |
| Street signs/city wide                   | -                | -                     | -                       | -                  |
| PAAP-DAC                                 | -                | -                     | -                       | -                  |
| <br>Total local match-State expenditures | <u>26,346</u>    | <u>18,587</u>         | <u>-</u>                | <u>18,587</u>      |
| Local match - Town                       |                  |                       |                         |                    |
| Emergency protective measures            | -                | -                     | -                       | -                  |
| Lift station fence                       | 106              | -                     | -                       | -                  |
| Backhoe barn storage building            | 500              | 500                   | -                       | 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            | 2,752                 | -                       | 2,752              |
| Fire house                               | 48,475           | 48,475                | -                       | 48,475             |
| Water treatment plant                    | 17,191           | -                     | -                       | -                  |
| Street signs/city wide                   | 15,588           | -                     | -                       | -                  |
| PAAP-DAC                                 | 6,116            | 4,928                 | -                       | 4,928              |
| <br>Total local match-Town expenditures  | <u>96,154</u>    | <u>59,435</u>         | <u>-</u>                | <u>59,435</u>      |
| <br>Total expenditures                   | <u>1,284,446</u> | <u>970,484</u>        | <u>-</u>                | <u>970,484</u>     |
| <br>Excess revenue over expenditures     | <u>\$ -</u>      | <u>\$ (363,840)</u>   | <u>\$ 335,382</u>       | <u>\$ (28,458)</u> |