



ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MAY 31, 2020



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August 6, 2020

Independent Auditors' Report

To the Honorable Mayor and Board of Aldermen
Town of Woodworth, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Woodworth, as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund of the Town of Woodworth, as of May 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Woodworth's basic financial statements. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2020, on our consideration of the Town of Woodworth's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Woodworth's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants



August 6, 2020

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

To the Honorable Mayor and Board of Aldermen
Town of Woodworth, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, Town of Woodworth, as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the Town of Woodworth's basic financial statements, and have issued our report thereon dated August 6, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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



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Town of Woodworth

August 6, 2020

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PURPOSE OF THIS REPORT

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



Rozier, McKay & Willis
Certified Public Accountants

Town of Woodworth

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2020

This section of the Town of Woodworth's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended May 31, 2020.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after July 1, 1980) and all of the Town's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including public safety, recreation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license and permit fees, fines and forfeitures, and intergovernmental sources.
- **Business-Type Activities** – Expenses associated with providing utility services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Town's utility services. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

A comparative analysis of government-wide financial data is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

Town of Woodworth

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2020

	For the Year Ended May 31, 2020			For the Year Ended May 31, 2019
	Govern- mental Activities	Business- Type Activities	Total	
Assets:				
Current and Other Assets	\$ 174,825	\$ 559,924	\$ 734,749	\$ 949,770
Internal Balances	4,008,159	(4,008,159)	----	----
Capital Assets	9,978,071	9,177,251	19,155,322	19,703,683
Total Assets	<u>14,161,055</u>	<u>5,729,016</u>	<u>19,890,071</u>	<u>20,653,453</u>
Deferred Outflows of Resources	<u>675,731</u>	<u>127,719</u>	<u>803,450</u>	<u>741,510</u>
Liabilities:				
Current and Other Liabilities	342,430	245,251	587,681	862,711
Long-term Liabilities	8,710,621	390,741	9,101,362	9,010,722
Total Liabilities	<u>9,053,051</u>	<u>635,992</u>	<u>9,689,043</u>	<u>9,873,433</u>
Deferred Inflows of Resources	<u>98,124</u>	<u>15,750</u>	<u>113,874</u>	<u>175,114</u>
Net Position:				
Invested in Capital Assets (Net)	7,628,412	5,169,092	12,797,504	13,133,751
Restricted	9,655	----	9,655	9,137
Unrestricted	(1,952,456)	35,901	(1,916,555)	(1,796,472)
Total Net Position	<u>\$ 5,685,611</u>	<u>\$ 5,204,993</u>	<u>\$ 10,890,604</u>	<u>\$ 11,346,416</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position is invested in capital assets. Net position invested in capital assets consist of land, buildings, equipment, and infrastructure less any debt used to acquire the assets that remains outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position (0.08%) represents resources that are subject to restrictions that are imposed by agreements with the Town's bondholders or requirements imposed by various revenue sources.

The Town reports a deficit in unrestricted net position as a result of reporting liabilities associated with participation in cost sharing defined benefit pension plans.

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

Town of Woodworth

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2020

	For the Year Ended May 31, 2020			For the
	Govern- mental Activities	Business- Type Activities	Total	Year Ended May 31, 2019
Revenues:				
Program Revenue:				
Charges for Services	\$ 1,594,794	\$ 1,479,048	\$ 3,073,842	\$ 3,049,774
Operating Grants and Contributions	761,971	----	761,971	89,349
Capital Grants and Contributions	100,300	----	100,300	1,865,529
General Revenue:				
Property Taxes	102,130	----	102,130	93,468
Sales Taxes	477,230	----	477,230	459,822
Franchise Taxes	72,600	----	72,600	82,892
Licenses & Permits	72,896	----	72,896	69,834
Other	113,958	61	114,019	60,443
Total Revenue	<u>3,295,879</u>	<u>1,479,109</u>	<u>4,774,988</u>	<u>5,771,111</u>
Program Expenses:				
General Government	1,029,674	----	1,029,674	1,017,367
Public Safety				
Police Department	1,040,361	----	1,040,361	859,106
Fire Department	432,748	----	432,748	441,647
Public Works				
Streets & Drainage	685,793	----	685,793	642,739
Sanitation	183,591	----	183,591	178,222
Recreation	13,142	----	13,142	17,036
Interest on Long-Term Debt	246,367	----	246,367	250,713
Utility Service	----	1,597,124	1,597,124	1,653,124
Total Expenses	<u>3,631,676</u>	<u>1,597,124</u>	<u>5,228,800</u>	<u>5,059,954</u>
Increase in Net Position Before				
Transfers and Special Items	(335,797)	(118,015)	(453,812)	711,157
Transfers	477,915	(477,915)	----	----
Change in Net Position	<u>142,118</u>	<u>(595,930)</u>	<u>(453,812)</u>	<u>711,157</u>
Net Position Beginning	5,545,493	5,800,923	11,346,416	10,635,259
Net Position Ending	<u>\$ 5,687,611</u>	<u>\$ 5,204,993</u>	<u>\$ 10,892,604</u>	<u>\$ 11,346,416</u>

Governmental activities increased the Town's net position by \$142,118. The increase is attributable to transferring surplus cash flows from the business-type fund. Business-type activities decreased the Town's net position by \$595,930. The decrease is attributable depreciation on the various components of the utility system.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

An analysis of significant matters affecting the Town's funds is presented as follows:

Town of Woodworth

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2020

- The Town's governmental funds reported combined fund balance of \$3,840,554, which represents an increase of \$33,556 attributable to carefully budgeting and resource management.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

Budgets were amended in order to adapt to circumstances that were not anticipated when the original budget was adopted.

CAPITAL ASSET ADMINISTRATION

Capital asset activity consisted primarily of infrastructure improvements including streets and sidewalks.

DEBT ADMINISTRATION

Activity was limited to making required payments on existing long-term obligations..

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

Factors expected to have a significant impact on future operations are not anticipated at the present time.

Town of Woodworth

STATEMENT OF NET POSITION

May 31, 2020

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 61,226	\$ 375,530	\$ 436,756
Receivables (net)	93,682	184,394	278,076
Restricted cash and cash equivalents	9,655	-	9,655
Other assets	10,262	-	10,262
Internal balances	4,008,159	(4,008,159)	-
Capital assets			
Non depreciable capital assets	396,702	78,891	475,593
Depreciable capital assets, net	9,581,369	9,098,360	18,679,729
Total assets	14,161,055	5,729,016	19,890,071
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Pension funding deferrals	675,731	127,719	803,450
<u>LIABILITIES</u>			
Bank overdraft	178,003	-	178,003
Accounts and other payables	164,427	60,184	224,611
Deposits Due Others	-	185,067	185,067
Long-term liabilities			
Compensated absences	65,099	7,246	72,345
Net Pension Liability	2,287,704	383,495	2,671,199
Long-term debt			
Due within one year	98,238	-	98,238
Due in more than one year	6,259,580	-	6,259,580
Total liabilities	9,053,051	635,992	9,689,043
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pension funding deferrals	98,124	15,750	113,874
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	7,628,412	5,169,092	12,797,504
Restricted:			
Debt service	9,655	-	9,655
Unrestricted	(1,952,456)	35,901	(1,916,555)
Total net position (deficit)	\$ 5,685,611	\$ 5,204,993	\$ 10,890,604

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

STATEMENT OF ACTIVITIES **Year Ended May 31, 2020**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants & Contributions</u>	
<u>Governmental Activities:</u>					
General Government	\$ 1,029,674	\$ -	\$ -	\$ -	\$ (1,029,674)
Public Safety					
Police Department	1,040,361	1,257,284	56,590	-	273,513
Fire Department	432,748	133,000	25,567	-	(274,181)
Public Works					
Streets and Public Facilities	685,793	-	679,814	100,300	94,321
Sanitation	183,591	204,510	-	-	20,919
Recreation	13,142	-	-	-	(13,142)
Interest and Fees	246,367	-	-	-	(246,367)
Total Governmental Activities	<u>3,631,676</u>	<u>1,594,794</u>	<u>761,971</u>	<u>100,300</u>	<u>(1,174,611)</u>
<u>Business-Type Activities:</u>					
Utility System	<u>1,597,124</u>	<u>1,479,048</u>	<u>-</u>	<u>-</u>	<u>(118,076)</u>
Total Business-Type Activities	<u>1,597,124</u>	<u>1,479,048</u>	<u>-</u>	<u>-</u>	<u>(118,076)</u>
Total	<u>\$ 5,228,800</u>	<u>\$ 3,073,842</u>	<u>\$ 761,971</u>	<u>\$ 100,300</u>	<u>\$ (1,292,687)</u>

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

STATEMENT OF ACTIVITIES (Continued) **Year Ended May 31, 2020**

	Governmental Activities	Business- Type Activities	Total
Net (Expense) Revenue (Continued From Previous Page)	\$ (1,174,611)	\$ (118,076)	\$ (1,292,687)
General Revenues:			
Taxes:			
Ad Valorem	102,130	-	102,130
Sales	477,230	-	477,230
Franchise	72,600	-	72,600
Licenses & Permits	72,896	-	72,896
Other	113,958	61	114,019
Transfers	477,915	(477,915)	-
Total General Revenues, Special Items and Transfers	<u>1,316,729</u>	<u>(477,854)</u>	<u>838,875</u>
Change in Net Position	142,118	(595,930)	(453,812)
Net Position Beginning	<u>5,545,493</u>	<u>5,800,923</u>	<u>11,346,416</u>
Net Position Ending	<u>\$ 5,687,611</u>	<u>\$ 5,204,993</u>	<u>\$ 10,892,604</u>

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

Balance Sheet Governmental Funds - May 31, 2020

	General Fund	Fire Department	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 34,109	\$ 27,117	\$ 61,226
Receivables (net)	69,644	24,038	93,682
Interfund Receivables	4,026,159	8,971	4,035,130
Restricted Cash	5,048	4,607	9,655
Other Assets	10,262	-	10,262
Total assets	\$ 4,145,222	\$ 64,733	\$ 4,209,955
Liabilities and Fund Balance			
<u>Liabilities</u>			
Bank Overdraft	\$ 178,003	\$ -	178,003
Accounts Payable	157,965	6,462	164,427
Interfund Payables	8,971	18,000	26,971
Total liabilities	344,939	24,462	369,401
<u>Fund Balance</u>			
Nonspendable	3,526,419		3,526,419
Restricted			
Debt Service	5,048	-	5,048
Unassigned	268,816	40,271	309,087
Total Fund Balances	3,800,283	40,271	3,840,554
Total Liabilities and Fund Balance	\$ 4,145,222	\$ 64,733	\$ 4,209,955

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position

Year Ended May 31, 2020

Total Fund Balances - Governmental Funds	\$ 3,840,554
Amounts reported for governmental activities in the statement of net position are different because:	
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(6,422,917)
Pension liabilities and deferrals subject to exclusion for governmental fund reporting purposes	(1,710,097)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>9,978,071</u>
Net Position of Governmental Activities	<u>\$ 5,685,611</u>

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended May 31, 2020

	General Fund	Fire Department	Total Governmental Funds
<u>Revenues:</u>			
Taxes:			
Ad Valorem	\$ 102,130	\$ -	\$ 102,130
Sales	131,742	345,488	477,230
Franchise	72,600	-	72,600
Licenses & Permits	72,896	-	72,896
Charges for Services	204,510	-	204,510
Intergovernmental	863,458	133,000	996,458
Fines and Forfeitures	1,257,284	-	1,257,284
Other	115,197	5,336	120,533
Total Revenues	<u>2,819,817</u>	<u>483,824</u>	<u>3,303,641</u>
<u>Expenditures:</u>			
Current:			
General Government	858,083	-	858,083
Public Safety			
Police Department	857,762	-	857,762
Fire Department	225,123	160,265	385,388
Public Works			
Streets and Public Facilities	455,348	-	455,348
Sanitation	183,591	-	183,591
Recreation	5,198	-	5,198
Capital Expenditures	460,757	83,392	544,149
Debt Service	405,825	52,656	458,481
Total Expenditures	<u>3,451,687</u>	<u>296,313</u>	<u>3,748,000</u>
Excess (Deficiency) of Revenue Over Expenditures	(631,870)	187,511	(444,359)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	645,915	-	645,915
Operating Transfers Out	-	(168,000)	(168,000)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	14,045	19,511	33,556
Fund Balance (Deficit) - Beginning of Year	<u>3,786,238</u>	<u>20,760</u>	<u>3,806,998</u>
Fund Balance (Deficit) - End of Year	<u>\$ 3,800,283</u>	<u>\$ 40,271</u>	<u>\$ 3,840,554</u>

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended May 31, 2020

Net change in fund balances of Governmental Funds		\$	33,556
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. The effect of capital asset activity is presented as follows:			
Capital Expenditures	544,149		
Gain on Disposal	(7,762)		
Depreciation	<u>(503,363)</u>		33,024
Changes in pension obligations and related deferrals are considered in preparing the statement of activities			(126,447)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds until payment is made.			(10,129)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			<u>212,114</u>
Change in net position of governmental activities		\$	<u>142,118</u>

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

Statement of Net Position Proprietary Funds - May 31, 2020

	Business-Type Activities Enterprise Funds
	<u>Utility System</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and cash equivalents	\$ 375,530
Receivables (net)	184,394
Interfund receivables	<u>18,000</u>
Total current assets	577,924
Noncurrent Assets:	
Non depreciable capital assets	78,891
Depreciable capital assets, net	<u>9,098,360</u>
Total assets	<u>9,755,175</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pension funding deferrals	<u>127,719</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts and other payables	60,184
Interfund payables	4,026,159
Deposits due other	<u>185,067</u>
Total current liabilities	4,271,410
Noncurrent Liabilities:	
Net pension liability	383,495
Compensated absences	<u>7,246</u>
Total liabilities	<u>4,662,151</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Pension funding deferrals	<u>15,750</u>
<u>NET POSITION:</u>	
Invested in capital assets, net of related debt	5,169,092
Unrestricted	<u>35,901</u>
Total net position (deficit)	<u>\$ 5,204,993</u>

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds - May 31, 2020

	Business-Type Activities Enterprise Funds
	<u>Utility System</u>
<u>Operating Revenues:</u>	
Service Fees	
Natural Gas Sales	\$ 294,559
Water Sales	692,971
Sewer Service Fees	419,774
Other	<u>71,744</u>
Total Operating Revenues	<u>1,479,048</u>
<u>Operating Expenses:</u>	
Purchases (Gas and Water)	158,174
Salaries and Benefits	300,892
Legal and Professional	24,206
Repairs & Maintenance	260,138
Supplies & Chemicals	91,754
Utilities	52,560
Permits and Testing	21,005
Depreciation	581,385
Other	<u>107,010</u>
Total Operating Expenses	<u>1,597,124</u>
Operating Income (Loss)	(118,076)
<u>Nonoperating Revenues (Expenses):</u>	
Interest Revenue	<u>61</u>
Change in Net Position Before Contributions and Transfers	(118,015)
<u>Contributions and Transfers:</u>	
Operating Transfers Out	<u>(477,915)</u>
Change in net position	(595,930)
Total net position - beginning	<u>5,800,923</u>
Total net position - ending	<u><u>\$ 5,204,993</u></u>

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

Statement of Cash Flows

Proprietary Funds - Year Ended May 31, 2020

	Business-Type Activities
	<u>Enterprise Funds</u>
	<u>Utility System</u>
<u>Cash flow from operating activities:</u>	
Cash received from customers	\$ 1,482,728
Cash payments to suppliers of goods and services	(754,130)
Cash payments to employees for services	(300,892)
Net cash provided (used) by operating activities	<u>427,706</u>
<u>Cash flows from non-capital financing activities:</u>	
Change in interfund balances	53,825
Operating transfers	(477,915)
Net cash provided (used) by non-capital financing activities	<u>(424,090)</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital expenditures	-
Net cash provided (used) by capital and related financing activities	<u>-</u>
<u>Cash flows from investing activities:</u>	
Interest and other income	61
Net cash provided (used) by investing activities	<u>61</u>
Net increase (decrease) in cash	3,677
Beginning cash balance	371,853
Cash and cash equivalents	<u>\$ 375,530</u>

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

Statement of Cash Flows (Continued)

Proprietary Funds - Year Ended May 31, 2020

	Business-Type Activities
	Enterprise Funds
	<u>Utility System</u>
<u>Reconciliation of operating income (loss) to net cash provided (used)</u>	
<u>by operating activities</u>	
Operating income (loss)	\$ (118,076)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	581,385
(Increase) decrease in accounts receivable	(10,890)
(Decrease) increase in accounts and other payables	(80,282)
(Decrease) increase in deposits	14,570
(Decrease) increase in compensated absences	-
(Decrease) increase in net pension liability	<u>40,999</u>
Net cash provided (used) by operating activities	<u>\$ 427,706</u>

Supplemental disclosures of cash flow information:

During the year ended May 31, 2020 there were no operating, financing, or investing activities that did not result in cash receipts or payments.

The accompanying notes are an integral part of the financial statements.

Town of Woodworth

Notes To Financial Statements

May 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Woodworth (the Town) was incorporated under the provisions of the Lawrason Act. The Town is governed by a Mayor and a Board of Alderman consisting of five (5) members. Services provided by the Town include police protection, fire protection, street maintenance, drainage, recreation and sanitation. The Town also operates a natural gas distribution system, a water distribution system and a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Town is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Town), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the Town of Woodworth for financial reporting purposes. Based on these criteria the Town has no potential component units. The criteria considered are listed as follows:

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the Town to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Town of Woodworth

Notes To Financial Statements

May 31, 2020

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

Major Governmental Funds

General Fund – The general fund is the primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Fire Department – A special revenue fund used to account for tax revenue dedicated to fire protection.

Major Business-Type Funds

Utility System – Used to account for natural gas distribution, water distribution and sewer service provided by the Town's utility department in exchange for fees charged to consumers.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for natural gas, water and sewer service.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded

Town of Woodworth

Notes To Financial Statements

May 31, 2020

as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure of funds. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as other financing source and repayment of long-term debt is reported as an expenditure of funds.

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets:

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

Budget Practices:

Budgets including any amendments are prepared in the manner prescribed by Louisiana revised statutes. Town budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. The remaining funds are not required to adopt budgets.

Capital Assets

Capital assets, which include property, equipment and infrastructure, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town. Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 4 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Inventory

Inventory consists entirely of fuel purchased in bulk. Inventory is stated at the lower of cost or market. Cost is determined based on the first-in first-out method of identifying inventory.

Internal Activity

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

Town of Woodworth

Notes To Financial Statements

May 31, 2020

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

Compensated Absences

Full time employees earn vacation at rates ranging from 10 to 20 days per year depending on length of service. Unused vacation that employees are allowed to carry forward is reported as a liability. The portion of the liability for compensated absences attributable to governmental funds and activities is typically liquidated by the general fund.

Fund Balance Classification:

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Town typically depletes the available restricted or committed resources before consuming unrestricted resources.

Use of Estimates:

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

At May 31, 2020, cash and cash equivalents included the following amounts:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash Deposited in Banks	\$ 70,855	\$ 375,358	\$ 446,213
Cash Overdraft	(178,003)	----	(178,003)
Total Cash in Bank	(107,148)	375,358	268,210
Cash on Hand	26	172	198
Total Cash	<u>\$ (107,122)</u>	<u>\$ 375,530</u>	<u>\$ 268,408</u>

The cash described above is presented in the financial states as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 61,226	\$ 375,530	\$ 436,756
Restricted cash and cash equivalents	9,655	----	9,655
Bank overdraft	(178,003)	----	(178,003)
Total	<u>\$ (107,122)</u>	<u>\$ 375,530</u>	<u>\$ 268,408</u>

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the

Town of Woodworth

Notes To Financial Statements

May 31, 2020

name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At May 31, 2020, the Town's collected bank balance was \$273,860. These deposits are secured from risk by federal deposit insurance in the amount of \$250,000 and pledged securities with a market value of \$76,981 held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable for the year ended May 31, 2020 are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Charges for Services	\$ 30,533	\$ 184,034	\$ 214,567
Other	1,393	360	1,753
Total Accounts Receivable	<u>31,926</u>	<u>184,394</u>	<u>216,320</u>
<u>Due From Other Governmental Units</u>			
Sales Taxes	34,033	----	34,033
Insurance Premium Taxes	18,843	----	18,843
Other	8,880	----	8,880
Total Due From Other Governments	<u>61,756</u>	<u>----</u>	<u>61,756</u>
Receivables (Net)	<u>\$ 93,682</u>	<u>\$ 184,394</u>	<u>\$ 278,076</u>

NOTE 4 – CAPITAL ASSETS

Changes in governmental and business-type capital assets are presented as follows:

	<u>Non Depreciable Capital Assets</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Land	\$ 396,702	\$ ----	\$ ----	\$ 396,702
Construction in Process	1,518,279	331,523	1,849,802	----
Total Governmental Activities	<u>\$ 1,914,981</u>	<u>\$ 331,523</u>	<u>\$ 1,849,802</u>	<u>\$ 396,702</u>
<u>Business-Type Activities</u>				
Construction in Process	\$ ----	\$ ----	\$ ----	\$ ----
Land	78,891	----	----	78,891
Total Business-Type Activities	<u>\$ 78,891</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 78,891</u>

Town of Woodworth

Notes To Financial Statements

May 31, 2020

	Depreciable Capital Assets			
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Buildings and Improvements	\$ 6,645,589	\$ ----	\$ ----	\$ 6,645,589
Furniture, Fixtures and Equipment	2,394,897	212,626	115,316	2,492,207
Infrastructure	3,485,207	1,849,801	----	5,335,008
Accumulated Depreciation	(4,495,627)	(503,363)	(107,555)	(4,891,435)
Total Governmental Activities	<u>\$ 8,030,066</u>	<u>\$ 1,559,064</u>	<u>\$ 7,761</u>	<u>\$ 9,581,369</u>
<u>Business-Type Activities</u>				
Natural Gas System				
Buildings and Improvements	\$ 49,984	\$ ----	\$ ----	\$ 49,984
Furniture, Fixtures and Equipment	155,650	----	----	155,650
Natural Gas System	1,696,809	----	----	1,696,809
Accumulated Depreciation	(1,410,453)	(56,199)	----	(1,466,652)
Water System				
Buildings and Improvements	46,017	----	----	46,017
Furniture, Fixtures and Equipment	166,218	----	----	166,218
Water System	6,857,758	----	----	6,857,758
Accumulated Depreciation	(3,737,549)	(188,213)	----	(3,925,762)
Sewer System				
Buildings and Improvements	178,788	----	----	178,788
Furniture, Fixtures and Equipment	711,485	----	----	711,485
Sewer System	9,142,264	----	----	9,142,264
Accumulated Depreciation	(4,177,226)	(336,973)	----	(4,514,199)
Total Business-Type	<u>\$ 9,679,745</u>	<u>\$ (581,385)</u>	<u>\$ ----</u>	<u>\$ 9,098,360</u>

Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

	Governmental Activities	Business-Type Activities	Total
Police Department	\$ 74,034	\$ ----	\$ 66,666
Fire Department	72,936	----	60,904
Streets and Drainage	209,258	----	164,291
General Government	139,191	----	142,920
Recreation	7,944	----	7,944
Utility System	----	581,385	581,385
Total Depreciation Expense	<u>\$ 503,363</u>	<u>\$ 581,385</u>	<u>\$ 1,042,098</u>

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

Details related to amounts reported as accounts and other payables are provided as follows:

Town of Woodworth

Notes To Financial Statements

May 31, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Payable to Vendors	\$ 132,021	\$ 57,286	\$ 189,307
Payroll Taxes and Withholding	22,120	----	22,120
Other	10,286	2,898	13,184
Total	<u>\$ 164,427</u>	<u>\$ 60,184</u>	<u>\$ 224,611</u>

NOTE 6 - LONG-TERM LIABILITIES

The Town's long-term liabilities are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Compensated Absences	\$ 65,099	\$ 7,246	\$ 72,345
Net Pension Liability	2,287,704	383,495	2,671,199
Long-Term Debt	6,357,818	----	6,357,818
Total Long-Term Liabilities	<u>\$ 8,710,621</u>	<u>\$ 390,741</u>	<u>\$ 9,101,362</u>

Payments to employees for compensated absences and contributions to retirement systems are typically made from the fund that provides the employees ordinary compensation. Details regarding the Town's long-term debt are provided as follows:

	<u>Governmental Activities</u>
<u>Long-Term Debt</u>	
Public Improvement Bonds	\$ 843,042
Refunding Revenue Bonds	5,514,776
Total Long-term Debt	6,357,818
Due Within One Year	98,238
Due in More Than One Year	<u>\$ 6,259,580</u>

Long-term debt activity during the year ended May 31, 2020 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Public Improvement Bonds	\$ 865,682	\$ ----	\$ 22,640	\$ 843,042
Refunding Revenue Bonds	5,704,250	----	189,474	5,514,776
Total Long-term Debts	<u>\$ 6,569,932</u>	<u>\$ ----</u>	<u>\$ 212,114</u>	<u>\$ 6,357,818</u>

Public Improvement Bonds

The Town has issued public improvement bonds to finance construction of its Fire Department facilities and acquisition of firefighting equipment. Public improvement bonds outstanding at May 31, 2020 are described as follows:

Town of Woodworth

Notes To Financial Statements

May 31, 2020

\$325,000 Public Improvement Bonds Series 2013, bearing interest at a rate of 3.50%. The bond is payable in 240 monthly installments of principal and interest totaling \$1,957. Final maturity is scheduled for August, 2034, unless the Town elects to redeem the bonds prior to maturity.	\$ 263,066
\$620,000 Public Improvement Bonds Series 2014, bearing interest at a rate of 3.50%. The bond is payable in 480 monthly installments of principal and interest totaling \$2,431. Final maturity is scheduled for June, 2054, unless the Town elects to redeem the bonds prior to maturity.	<u>579,976</u>
Total Public Improvement Bonds	<u>\$ 843,042</u>

Refunding Revenue Bonds

The Town has issued refunding revenue bonds to repay certain public improvement and utility revenue bond issues. The refunding bonds are secured by and payable lawfully available funds of the Town. Refunding revenue bonds outstanding at May 31, 2020 are described as follows:

\$6,355,000 Refunding Revenue Bond Series 2015, payable in 25 annual installments ranging from \$185,000 to \$385,000 plus interest determined at rates ranging from 2.00 to 5.00%. Final maturity is scheduled for March, 2041, unless the Town elects to redeem the bonds prior to maturity.	5,514,776
--	-----------

Maturity of Long-term Debt

A schedule of maturities of long-term debt excluding compensated absences and capital leases is presented as follows:

<u>Year Ended</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 98,238	\$ 220,969	\$ 319,207
2022	219,312	234,336	453,648
2023	225,194	229,262	454,456
2024	231,107	223,849	454,956
2025	237,054	216,752	453,806
2026 – 2030	1,295,713	969,025	2,264,738
2031 – 2035	1,550,935	695,628	2,246,563
2036 – 2040	1,791,766	358,569	2,150,335
2041 – 2045	482,378	64,267	546,645
2046 – 2050	115,972	29,888	145,860
2051 – 2055	110,149	8,164	118,313
Total	<u>\$ 6,357,818</u>	<u>\$ 3,250,709</u>	<u>\$ 9,608,527</u>

NOTE 7 – TAXES:

Ad Valorem Taxes:

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. Property taxes are limited to an assessment for general alimony as permitted by State Law. Ad valorem taxes are

Town of Woodworth

Notes To Financial Statements

May 31, 2020

assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed by the Town's General Fund.

Sales Taxes:

Sales taxes are collected by the Parish of Rapides and remitted to the Town on a monthly basis. For the year ended May 31, 2020 the Town has levied sales taxes described as follows:

- A 1% sales and use tax for acquiring, constructing, improving, maintaining and operating the Village's fire protection facilities vehicles and equipment, including the payment of salaries, insurance and other expenses of the fire department. Since revenue from this source is subject to various restrictions, it is reported in a special revenue fund that is used exclusively to report fire department activity.
- A perpetual 1% sales and use tax for providing first responder medical assistance and related services by the Town's Fire Department. Based on the restrictions imposed by the sales tax proposition, it is reported in the special revenue fund that is used exclusively to report fire department activity.
- The Town is also entitled to receive a portion of a parish wide sales tax. Since the parish wide tax is unrestricted, its proceeds are reported as revenue by the general fund.

NOTE 8- RISK MANAGEMENT

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town insures against these risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 9 – RESTRICTIONS AND COMMITMENTS

Details regarding limitations imposed on the use of various resources are summarized as follows:

Debt Service

Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants. Amounts on deposit in these accounts are reported as restricted cash. In addition, the corresponding amount of net position is also presented as restricted net position by the applicable funds.

NOTE 10 – PENSION PLANS

Substantially all Town employees are members of statewide retirement systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Information regarding each plan is presented as follows:

Town of Woodworth

Notes To Financial Statements

May 31, 2020

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System	\$ 1,456,977	\$ 348,009	\$ 44,916
Municipal Police Employees' Retirement System	1,001,229	311,783	52,987
Firefighters' Retirement System of Louisiana	212,993	143,658	15,971
Total	2,671,199	803,450	113,874
Portion Applicable to Business Type Activities	383,495	127,719	15,750
Portion Applicable to Governmental Type Activities	\$ 2,287,704	\$ 675,731	\$ 98,124

Municipal Employees' Retirement System of Louisiana:

Plan Description - The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Funding Policy - Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the system were equal to the required contributions for the year.

Financial Summary - The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at mersla.com. The plans net pension liability was determined at June 30, 2019 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 1,182,925,835
Plan Fiduciary Net Position	765,059,686
Net Pension Liability	417,866,149
Town's Proportionate Share (Percentage)	0.348671%
Town's Proportionate Share (Amount)	\$ 1,456,977

Town of Woodworth

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The Town's proportionate share has been determined based on employer contributions received by the plan. The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2019 are provided as follows:

Beginning Net Pension Liability		\$ 1,413,603
Employer Contributions		(170,661)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	297,271	
Employee Contributions	<u>(22,375)</u>	274,896
Change in Deferred Outflows of Resources		(82,936)
Change in Deferred Inflows of Resources		<u>22,075</u>
Ending Net Pension Liability		<u>\$ 1,456,977</u>

There were no changes between yearend and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences Between Expected and Actual Experience	\$ ----	\$ 35,550	\$ (35,550)
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	144,503	----	144,503
Changes of Assumptions	36,819	----	36,819
Changes in Proportion	17,119	9,366	7,753
Employer Contributions Made After the Measurement Date	<u>149,568</u>	----	<u>149,568</u>
Total Deferrals	348,009	44,916	303,093
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>149,568</u>	----	<u>149,568</u>
Deferrals Subject to Amortization	<u>\$ 198,441</u>	<u>\$ 44,916</u>	<u>\$ 153,525</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2020	\$ 82,689
June 30, 2021	42,251
June 30, 2022	18,453
June 30, 2023	<u>10,132</u>
Total	<u>\$ 153,525</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

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Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	7.00%, net of investment expense
<u>Projected Salary Increases</u>	
1 to 4 Years of Service	6.4%
More Than 4 Years of Service	4.5%
Inflation Rate	2.5%
Annuitant and Beneficiary Mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee Mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled Lives Mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.
Expected Remaining Service Lives	3 Years

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	50%	2.15%
Public Fixed Income	35%	1.51%
Alternatives	15%	0.64%
Totals	100%	4.30%
Inflation		2.70%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 7.00% for the year ended June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current

Town of Woodworth

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contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan 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 liability.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 6.00% Discount	Current Discount Rate 7.00%	1% Increase 8.00% Discount
Net Pension Liability	\$ 1,899,639	\$ 1,456,977	\$ 1,082,722

Municipal Police Employees' Retirement System of Louisiana

Plan Description - All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Funding Policy - Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for each of the past three years.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lampers.org. The plans net pension liability was determined at June 30, 2019 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,132,449,454
Plan Fiduciary Net Position	2,224,281,981
Net Pension Liability	<u>908,167,473</u>
Town's Proportionate Share (Percentage)	0.110247%
Town's Proportionate Share (Amount)	<u>\$ 1,001,229</u>

The Town's proportionate share has been determined based on employer contributions received by the plan. The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2019 are provided as follows:

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Beginning Net Pension Liability		\$ 812,816
Employer Contributions		(111,149)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	166,572	
Employee Contributions	<u>(22,697)</u>	143,875
Change in Deferred Outflows of Resources		110,961
Change in Deferred Inflows of Resources		<u>44,726</u>
Ending Net Pension Liability		<u>\$ 1,001,229</u>

There were no changes between June 30, 2019 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	\$ 2,101	\$ 30,803	\$ (28,702)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	65,048	----	65,048
Changes of Assumptions	56,107	----	56,107
Changes in Proportion	83,451	22,184	61,267
Employer Contributions Made After the Measurement Date	<u>105,076</u>	<u>----</u>	<u>105,076</u>
Total Deferrals	311,783	52,987	258,796
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>105,076</u>	<u>----</u>	<u>105,076</u>
Deferrals Subject to Amortization	<u>\$ 206,707</u>	<u>\$ 52,987</u>	<u>\$ 153,720</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
May 31, 2020	\$ 60,487
May 31, 2021	24,756
May 31, 2022	52,236
May 31, 2023	<u>16,241</u>
Total	<u>\$ 153,720</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

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Valuation Date	June 30, 2019	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	7.125% per annum	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.5% per annum	
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 - 2	9.75%
	3 - 23	4.75%
	23 & Over	4.25%
Mortality Rates	RP-2000 Combined Health with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (setback 1 year for females) for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Table setback 5 years for males and setback 3 years for females for disabled annuitants. RP-2000 Employee Table setback 4 years for males and 3 years for females for active members.	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	48.50%	3.28%
Fixed Income	33.50%	0.80%
Alternatives	18.00%	1.06%
Other	0.00%	0.00%
Totals	<u>100.00%</u>	<u>5.14%</u>
Inflation		<u>2.75%</u>
Expected Arithmetic Nominal Return		<u>7.89%</u>

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore,

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the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2009 through June 30, 2014, and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 6.125% Discount Rate	Current Discount Rate 7.125%	1% Increase 8.125% % Discount Rate
Net Pension Liability	\$1,395,040	\$ 1,001,229	\$ 670,858

Firefighters' Retirement System of Louisiana

Plan Description – Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3^{1/3} percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

Funding Policy – Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are established and may be amended by state statute. As proved by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for each of the past three years.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lafirefightersret.com. The plans net pension liability was determined at June 30, 2019 (measurement date and actuarial valuation date) and details are provided as follows:

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Total Pension Liability	\$ 2,404,122,324
Plan Fiduciary Net Position	1,778,931,314
Net Pension Liability	<u>626,191,010</u>
Town's Proportionate Share (Percentage)	0.034014%
Town's Proportionate Share (Amount)	<u>\$ 212,993</u>

The Town's proportionate share has been determined based on employer contributions received by the plan. The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2019 are provided as follows:

Beginning Net Pension Liability	\$ 152,154
Employer Contributions	(21,839)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	66,962
Employee Contributions	<u>(9,118)</u>
Change in Deferred Outflows of Resources	28,395
Change in Deferred Inflows of Resources	<u>(3,561)</u>
Ending Net Pension Liability	<u>\$ 212,993</u>

There were no changes between June 30, 2019 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	\$ ----	\$ 15,364	\$ (15,364)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	14,323	----	14,323
Changes of Assumptions	19,377	15	19,362
Changes in Proportion	83,113	592	82,521
Employer Contributions Made After the Measurement Date	<u>26,845</u>	----	<u>26,845</u>
Total Deferrals	143,658	15,971	127,687
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>26,845</u>	----	<u>26,845</u>
Deferrals Subject to Amortization	<u>\$ 116,813</u>	<u>\$ 15,971</u>	<u>\$ 100,842</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

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<u>For the Year Ending:</u>	
May 31, 2020	\$ 33,372
May 31, 2021	12,823
May 31, 2022	19,155
May 31, 2023	18,717
May 31, 2024	10,197
May 31, 2025	<u>6,578</u>
 Total	 <u>\$ 100,842</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 Years, Closed Period
Investment Rate of Return	7.15% per annum
Inflation Rate	2.50% per annum
Projected Salary Increases	Vary from 14.75% in the first two years of service to 4.50% after 25 years, including inflation and merit increases.
Cost of Living Adjustments	For the purpose of determining the present value of benefits, COLAs were deemed not to be substantively automatic and only those previously granted were included.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The resulting long-term expected arithmetic nominal rate of return was 7.94% as of June 30, 2019. Best estimates of arithmetic real rates of return for each major class includes in the System's target asset allocation as of June 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U. S. Equity	21.50%	5.98%
Non-U.S. Equity	17.50%	7.52%
Global Equity	10.00%	6.59%
Fixed Income	31.00%	2.17%
Real Estate	6.00%	4.14%
Private Equity	4.00%	10.52%
Global Tactical Asset Allocation	5.00%	4.37%
Risk Parity	5.00%	4.67%
Totals	<u>100.00%</u>	

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The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan 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 liability.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009, through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables, projected to 2031 using Scale AA, were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease Discount Rate	6.15% Current Discount Rate 7.10%	1% Increase 8.15% Discount
Net Pension Liability	\$ 308,428	\$ 212,993	\$ 132,892

NOTE 11 – INTERNAL BALANCES

The general fund has advanced funds to the utility system for the purpose of refinancing debt that was incurred in connection with improving the system. The utility system makes regular payments toward eliminating the balance due to the general fund. Amounts outstanding at year end are summarized as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Net</u>
General Fund	\$ 4,026,159	\$ 8,971	\$ 4,017,188
Fire Department	8,971	18,000	(9,029)
Utility System	18,000	4,026,159	(4,008,159)
Total Fund Presentation	4,053,130	4,053,130	---
Interfund Eliminations	44,971	44,971	---
Government-Wide	\$ 4,008,159	\$ 4,008,159	\$ ---

NOTE 12 - TRANSFERS

In the ordinary course of business, the Town routinely transfers resources between its funds to utilize resources where needed. Transfers during the year ended May 31, 2020 are summarized as follows:

Town of Woodworth

Notes To Financial Statements

May 31, 2020

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>	<u>Net</u>
<u>Governmental Funds</u>			
General Fund	\$ 645,915	\$ ----	\$ 645,915
Fire Department Fund	----	168,000	(168,000)
Total Governmental Funds	<u>645,915</u>	<u>168,000</u>	<u>477,915</u>
<u>Business Type Funds</u>			
Utility System	----	477,915	(477,915)
Total	<u>\$ 645,915</u>	<u>\$ 645,915</u>	<u>\$ ----</u>

NOTE 13 – CONTINGENCIES:

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at May 31, 2020 are described as follows:

Litigation

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on consultation with Town Attorney and insurance carrier, there are no anticipated claims that are expected to exceed available insurance coverage.

Grant Compliance

The Town receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

NOTE 14 – ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

Police Department	\$ 39,000
Fire Department	<u>25,567</u>
Total	<u>\$ 64,567</u>

Town of Woodworth

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended May 31, 2020

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<u>Revenues:</u>				
Taxes	\$ 303,000	\$ 308,089	\$ 306,472	\$ (1,617)
Licenses & Permits	67,000	79,148	72,896	(6,252)
Charges for Services	202,000	200,779	204,510	3,731
Intergovernmental	742,600	1,048,485	863,458	(185,027)
Fines and Forfeitures	1,200,000	1,253,000	1,257,284	4,284
Other	62,540	116,091	115,197	(894)
Total Revenues	2,577,140	3,005,592	2,819,817	(185,775)
<u>Expenditures:</u>				
Current:				
General Government	860,480	920,887	858,083	62,804
Public Safety				
Police Department	716,620	846,608	857,762	(11,154)
Fire Department	202,000	221,893	225,123	(3,230)
Public Works				
Streets and Drainage	423,178	839,315	455,348	383,967
Sanitation	177,600	183,935	183,591	344
Recreation	3,300	5,200	5,198	2
Capital Expenditures	340,000	221,433	460,757	(239,324)
Debt Service	404,705	405,955	405,825	130
Total Expenditures	3,127,883	3,645,226	3,451,687	193,539
Excess (Deficiency) of Revenue Over Expenditures	(550,743)	(639,634)	(631,870)	7,764
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	652,000	645,344	645,915	571
Operating Transfers Out	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	101,257	5,710	14,045	8,335
Fund Balance (Deficit) - Beginning of Year	3,786,238	3,786,238	3,786,238	-
Fund Balance (Deficit) - End of Year	\$ 3,887,495	\$ 3,791,948	\$ 3,800,283	\$ 8,335

Town of Woodworth

Fire Department

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended May 31, 2020

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Taxes	\$ 340,000	\$ 344,355	\$ 345,488	\$ 1,133
Intergovernmental	121,500	133,000	133,000	-
Other	6,305	5,335	5,336	1
Total Revenues	467,805	482,690	483,824	1,134
<u>Expenditures:</u>				
Current:				
Public Safety				
Fire Department	132,415	213,138	160,265	52,873
Capital Expenditures	35,000	29,890	83,392	(53,502)
Debt Service	52,656	52,656	52,656	-
Total Expenditures	220,071	295,684	296,313	(629)
Excess (Deficiency) of Revenue Over Expenditures	247,734	187,006	187,511	505
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(192,000)	(168,000)	(168,000)	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	55,734	19,006	19,511	505
Fund Balance (Deficit) - Beginning of Year	20,760	20,760	20,760	-
Fund Balance (Deficit) - End of Year	\$ 76,494	\$ 39,766	\$ 40,271	\$ 505

Town of Woodworth

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount		Covered Payroll	Covered Payroll
Municipal Employees' Retirement System					
June 30, 2015	0.30706%	1,096,852	553,000	198.3%	66.2%
June 30, 2016	0.32671%	1,339,097	552,992	242.2%	62.1%
June 30, 2017	0.34790%	1,455,404	635,371	229.1%	62.5%
June 30, 2018	0.31439%	1,413,603	619,525	228.2%	63.9%
June 30, 2019	0.03487%	1,456,977	648,720	224.6%	64.7%
Municipal Police Employees' Retirement System					
June 30, 2015	0.11413%	894,089	302,000	296.1%	70.7%
June 30, 2016	0.10753%	1,007,812	301,658	334.1%	66.0%
June 30, 2017	0.09640%	841,579	287,959	292.3%	70.1%
June 30, 2018	0.09615%	812,816	278,675	291.7%	71.9%
June 30, 2019	0.11025%	1,001,229	344,118	291.0%	71.0%
Firefighters's Retirement System					
June 30, 2015	0.00157%	84,956	35,000	242.7%	72.4%
June 30, 2016	0.01551%	101,418	34,840	291.1%	68.2%
June 30, 2017	0.02179%	124,909	49,060	254.6%	73.5%
June 30, 2018	0.02645%	152,154	60,182	252.8%	74.8%
June 30, 2019	0.00340%	212,993	80,040	266.1%	74.0%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

Town of Woodworth

Schedule of Employer Contributions Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Municipal Employees' Retirement System					
June 30, 2015	109,000	103,504	5,496	553,000	18.72%
June 30, 2016	109,216	116,758	(7,542)	552,992	21.11%
June 30, 2017	141,332	144,310	(2,978)	635,371	22.71%
June 30, 2018	152,380	154,946	(2,566)	619,525	25.01%
June 30, 2019	168,014	170,661	(2,647)	648,720	26.31%
Municipal Police Employees' Retirement System					
June 30, 2015	89,000	96,166	(7,166)	302,000	31.84%
June 30, 2016	89,480	88,945	535	301,658	29.49%
June 30, 2017	90,885	91,429	(544)	287,959	31.75%
June 30, 2018	85,931	87,334	(1,403)	278,675	31.34%
June 30, 2019	110,544	111,149	(605)	344,118	32.30%
Firefighters's Retirement System					
June 30, 2015	10,000	9,785	215	35,000	27.96%
June 30, 2016	10,191	9,541	650	34,840	27.39%
June 30, 2017	12,445	12,877	(432)	49,060	26.25%
June 30, 2018	15,890	16,729	(839)	60,182	27.80%
June 30, 2019	21,211	21,839	(628)	80,040	27.28%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

Town of Woodworth

Schedule of Compensation Paid to Board Members **For the year ended May 31, 2020**

David Butler	\$ 69,602
Charles Reich	5,400
Jammie S. Cranford	5,400
Kevin Kitchen	5,400
Lisa Aymond	5,400
Tommy Melder	5,400
	<hr/>
Total Compensation	<u>\$ 96,602</u>

Town of Woodworth

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended May 31, 2020

Agency Head (Mayor) - David Butler

Purpose:

Compensation		\$ 69,602
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Benefits

Health Insurance	2,699	
Retirement	<u>17,225</u>	19,924

Reimbursements		-
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TOWN OF WOODWORTH

Summary of Findings

May 31, 2020

PART I - SUMMARY OF AUDITOR'S RESULTS

- The Independent Auditor's Report on the financial statements for the Town of Woodworth as of May 31, 2020 and for the year then ended expressed an unmodified opinion.
- No control deficiencies were disclosed during the audit of the financial statements. Accordingly, there were no material weaknesses.
- There were no instances of noncompliance material to the financial statements.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

None

TOWN OF WOODWORTH

Management's Corrective Action Plan

May 31, 2020

SECTION I	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<u>No Findings of this nature.</u>	<u>No response necessary</u>
SECTION II	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<u>FINDINGS</u>	<u>RESPONSE</u>
<u>No Findings of this nature.</u>	<u>No response necessary</u>
SECTION III	
MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>RESPONSE</u>
<u>No Findings of this nature.</u>	<u>No response necessary</u>

TOWN OF WOODWORTH

Summary of Prior Year Findings

May 31, 2020

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<u>No Findings of this nature.</u>	<u>No response necessary</u>
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<u>FINDINGS</u>	<u>STATUS</u>
<u>No Findings of this nature.</u>	<u>No response necessary</u>
SECTION III MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>STATUS</u>
<u>No Findings of this nature.</u>	<u>No response necessary</u>