



ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MAY 31, 2022



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September 22, 2022

Independent Auditors' Report

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

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, 2022, 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, and each major fund of the Town of Woodworth, as of May 31, 2022, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Woodworth 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 the Town of Woodworth'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 and *Government 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



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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 and *Government 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 Woodworth'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 Woodworth'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 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 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 Woodworth's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Officer, the Schedule of Per Diem Paid to Board Members, and the Justice System Funding Schedules, described as additional information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional 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 additional information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022 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 Town of Woodworth's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants

Town of Woodworth

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2022

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, 2022.

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, 2022

	For the Year Ended May 31, 2022			For the Year Ended May 31, 2021
	Govern- mental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and Other Assets	\$ 404,745	\$ 670,894	\$ 1,075,639	\$ 1,039,763
Internal Balances	4,175,273	(4,175,273)	----	----
Capital Assets	9,166,891	8,271,805	17,438,696	18,088,419
Total Assets	<u>13,746,909</u>	<u>4,767,426</u>	<u>18,514,335</u>	<u>19,128,182</u>
Deferred Outflows of Resources	<u>534,190</u>	<u>90,112</u>	<u>624,302</u>	<u>869,200</u>
<u>Liabilities:</u>				
Current and Other Liabilities	317,540	437,916	755,456	629,202
Long-term Liabilities	7,409,033	195,615	7,604,648	8,928,536
Total Liabilities	<u>7,726,573</u>	<u>633,531</u>	<u>8,360,104</u>	<u>9,557,738</u>
Deferred Inflows of Resources	<u>642,117</u>	<u>113,060</u>	<u>755,177</u>	<u>190,623</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	7,492,818	4,096,532	11,589,350	11,947,009
Restricted	120,396	----	120,396	53,616
Unrestricted	(1,700,805)	14,415	(1,686,390)	(1,751,604)
Total Net Position	<u>\$ 5,912,409</u>	<u>\$ 4,110,947</u>	<u>\$ 10,023,356</u>	<u>\$ 10,249,021</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 citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position (1.20%) 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, 2022

	For the Year Ended May 31, 2022			For the
	Govern- mental Activities	Business- Type Activities	Total	Year Ended May 31, 2021
Revenues:				
Program Revenue:				
Charges for Services	\$ 1,759,408	\$ 1,818,015	\$ 3,577,423	\$ 3,388,349
Operating Grants and Contributions	404,192	211,186	615,378	508,530
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Property Taxes	94,037	----	94,037	87,840
Sales Taxes	742,054	----	742,054	665,060
Franchise Taxes	80,570	----	80,570	65,515
Licenses & Permits	86,971	----	86,971	75,737
Other	172,520	116	172,636	99,179
Total Revenue	<u>3,339,752</u>	<u>2,029,317</u>	<u>5,369,069</u>	<u>4,890,210</u>
Program Expenses:				
General Government	1,011,751	----	1,011,751	965,103
Public Safety				
Police Department	888,816	----	888,816	965,950
Fire Department	486,004	----	486,004	480,593
Public Works				
Streets & Drainage	585,824	----	585,824	750,693
Sanitation	190,499	----	190,499	223,512
Recreation	16,516	----	16,516	14,118
Interest on Long-Term Debt	235,267	----	235,267	240,316
Utility Service	----	2,180,057	2,180,057	1,893,508
Total Expenses	<u>3,414,677</u>	<u>2,180,057</u>	<u>5,594,734</u>	<u>5,533,793</u>
Increase in Net Position Before				
Transfers	(74,925)	(150,740)	(225,665)	(643,583)
Transfers	<u>291,985</u>	<u>(291,985)</u>	<u>----</u>	<u>----</u>
Change in Net Position	217,060	(442,725)	(225,665)	(643,583)
Net Position Beginning	<u>5,695,349</u>	<u>4,553,672</u>	<u>10,249,021</u>	<u>10,892,604</u>
Net Position Ending	<u>\$ 5,912,409</u>	<u>\$ 4,110,947</u>	<u>\$ 10,023,356</u>	<u>\$ 10,249,021</u>

Governmental activities increased the Town's net position by \$217,060. The increase is attributable to transferring surplus cash flows from the business-type fund. Business-type activities decreased the Town's net position by \$442,725. 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, 2022

- The Town's governmental funds reported combined fund balance of \$4,262,478, which represents an increase of \$59,367 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 equipment additions and replacing items that had reached the end of useful lives.

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, 2022

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 129,612	\$ 458,390	\$ 588,002
Receivables (net)	134,007	212,504	346,511
Restricted cash and cash equivalents	120,396	-	120,396
Other assets	20,730	-	20,730
Internal balances	4,175,273	(4,175,273)	-
Capital assets			
Non depreciable capital assets	396,702	78,891	475,593
Depreciable capital assets, net	8,770,189	8,192,914	16,963,103
Total assets	13,746,909	4,767,426	18,514,335
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Pension funding deferrals	534,190	90,112	624,302
<u>LIABILITIES</u>			
Bank overdraft	199,386	-	199,386
Accounts and other payables	118,154	230,027	348,181
Deposits Due Others	-	207,889	207,889
Long-term liabilities			
Compensated absences	77,010	7,937	84,947
Net Pension Liability	1,482,677	187,678	1,670,355
Long-term debt			
Due within one year	106,595	-	106,595
Due in more than one year	5,742,751	-	5,742,751
Total liabilities	7,726,573	633,531	8,360,104
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pension funding deferrals	642,117	113,060	755,177
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	7,492,818	4,096,532	11,589,350
Restricted:			
Debt service	120,396	-	120,396
Unrestricted	(1,700,805)	14,415	(1,686,390)
Total net position (deficit)	\$ 5,912,409	\$ 4,110,947	\$ 10,023,356

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

Town of Woodworth

STATEMENT OF ACTIVITIES

Year Ended May 31, 2022

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Net (Expenses) Revenue
<u>Governmental Activities:</u>					
General Government	\$ 1,011,751	\$ -	\$ 26,585	\$ -	\$ (985,166)
Public Safety					
Police Department	888,816	1,401,267	45,383	-	557,834
Fire Department	486,004	140,000	23,644	-	(322,360)
Public Works					
Streets and Public Facilities	585,824	-	308,580	-	(277,244)
Sanitation	190,499	218,141	-	-	27,642
Recreation	16,516	-	-	-	(16,516)
Interest and Fees	235,267	-	-	-	(235,267)
Total Governmental Activities	<u>3,414,677</u>	<u>1,759,408</u>	<u>404,192</u>	<u>-</u>	<u>(1,251,077)</u>
<u>Business-Type Activities:</u>					
Utility System	2,180,057	1,818,015	211,186	-	(150,856)
Total Business-Type Activities	<u>2,180,057</u>	<u>1,818,015</u>	<u>211,186</u>	<u>-</u>	<u>(150,856)</u>
Total	<u>\$ 5,594,734</u>	<u>\$ 3,577,423</u>	<u>\$ 615,378</u>	<u>\$ -</u>	<u>\$ (1,401,933)</u>

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

Town of Woodworth

STATEMENT OF ACTIVITIES (Continued) **Year Ended May 31, 2022**

	Governmental Activities	Business- Type Activities	Total
Net (Expense) Revenue (Continued From Previous Page)	\$ (1,251,077)	\$ (150,856)	\$ (1,401,933)
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	94,037	-	94,037
Sales	742,054	-	742,054
Franchise	80,570	-	80,570
Licenses & Permits	86,971	-	86,971
Other	172,520	116	172,636
Transfers	291,985	(291,985)	-
Total General Revenues, and Transfers	<u>1,468,137</u>	<u>(291,869)</u>	<u>1,176,268</u>
Change in Net Position	217,060	(442,725)	(225,665)
Net Position Beginning	<u>5,695,349</u>	<u>4,553,672</u>	<u>10,249,021</u>
Net Position Ending	<u>\$ 5,912,409</u>	<u>\$ 4,110,947</u>	<u>\$ 10,023,356</u>

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

Town of Woodworth

Balance Sheet

Governmental Funds - May 31, 2022

	General Fund	Fire Department	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 109,607	\$ 20,005	\$ 129,612
Receivables (net)	81,854	52,153	134,007
Interfund Receivables	4,193,273	82,249	4,275,522
Restricted Cash	4,776	115,620	120,396
Other Assets	20,730	-	20,730
Total assets	<u>\$ 4,410,240</u>	<u>\$ 270,027</u>	<u>\$ 4,680,267</u>
Liabilities and Fund Balance			
<u>Liabilities</u>			
Bank Overdraft	\$ 199,386	\$ -	199,386
Accounts Payable	108,905	9,249	118,154
Interfund Payables	82,249	18,000	100,249
Total liabilities	<u>390,540</u>	<u>27,249</u>	<u>417,789</u>
<u>Fund Balance</u>			
Nonspendable	3,752,406	-	3,752,406
Restricted		-	
Debt Service	4,776	-	4,776
Unassigned	262,518	242,778	505,296
Total Fund Balances	<u>4,019,700</u>	<u>242,778</u>	<u>4,262,478</u>
Total Liabilities and Fund Balance	<u>\$ 4,410,240</u>	<u>\$ 270,027</u>	<u>\$ 4,680,267</u>

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, 2022

Total Fund Balances - Governmental Funds	\$ 4,262,478
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	(5,926,356)
Pension liabilities and deferrals subject to exclusion for governmental fund reporting purposes	(1,590,604)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>9,166,891</u>
Net Position of Governmental Activities	<u>\$ 5,912,409</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, 2022

	General Fund	Fire Department	Total Governmental Funds
<u>Revenues:</u>			
Taxes:			
Ad Valorem	\$ 94,037	\$ -	\$ 94,037
Sales	181,207	560,847	742,054
Franchise	80,570	-	80,570
Licenses & Permits	86,971	-	86,971
Charges for Services	218,141	-	218,141
Intergovernmental	405,573	140,000	545,573
Fines and Forfeitures	1,401,267	-	1,401,267
Other	148,345	22,792	171,137
Total Revenues	<u>2,616,111</u>	<u>723,639</u>	<u>3,339,750</u>
<u>Expenditures:</u>			
Current:			
General Government	917,574	-	917,574
Public Safety			
Police Department	895,265	-	895,265
Fire Department	271,518	175,654	447,172
Public Works			
Streets and Public Facilities	341,021	-	341,021
Sanitation	190,499	-	190,499
Recreation	10,018	-	10,018
Capital Expenditures	221,044	22,446	243,490
Debt Service	407,062	120,269	527,331
Total Expenditures	<u>3,254,001</u>	<u>318,369</u>	<u>3,572,370</u>
Excess (Deficiency) of Revenue Over Expenditures	(637,890)	405,270	(232,620)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	661,985	-	661,985
Operating Transfers Out	-	(370,000)	(370,000)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	24,095	35,270	59,365
Fund Balance (Deficit) - Beginning of Year	<u>3,995,605</u>	<u>207,508</u>	<u>4,203,113</u>
Fund Balance (Deficit) - End of Year	<u>\$ 4,019,700</u>	<u>\$ 242,778</u>	<u>\$ 4,262,478</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, 2022

Net change in fund balances of Governmental Funds		\$	59,365
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	243,489		
Depreciation	<u>(554,319)</u>		(310,830)
Changes in pension obligations and related deferrals are considered in preparing the statement of activities			176,129
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.			332
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>292,064</u>
Change in net position of governmental activities		\$	<u>217,060</u>

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

Town of Woodworth

Statement of Net Position Proprietary Funds - May 31, 2022

	Business-Type Activities Enterprise Funds <u>Utility System</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and cash equivalents	\$ 458,390
Receivables (net)	212,504
Interfund receivables	<u>18,000</u>
Total current assets	688,894
Noncurrent Assets:	
Non depreciable capital assets	78,891
Depreciable capital assets, net	<u>8,192,914</u>
Total assets	<u>8,960,699</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pension funding deferrals	<u>90,112</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts and other payables	230,027
Interfund payables	4,193,273
Deposits due other	<u>207,889</u>
Total current liabilities	4,631,189
Noncurrent Liabilities:	
Net pension liability	187,678
Compensated absences	<u>7,937</u>
Total liabilities	<u>4,826,804</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Pension funding deferrals	<u>113,060</u>
<u>NET POSITION:</u>	
Invested in capital assets, net of related debt	4,096,532
Unrestricted	<u>14,415</u>
Total net position (deficit)	<u>\$ 4,110,947</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, 2022

	Business-Type Activities Enterprise Funds
	<u>Utility System</u>
<u>Operating Revenues:</u>	
Service Fees	
Natural Gas Sales	\$ 400,505
Water Sales	732,313
Sewer Service Fees	444,353
Other	<u>240,844</u>
Total Operating Revenues	<u>1,818,015</u>
<u>Operating Expenses:</u>	
Purchases (Gas and Water)	349,871
Salaries and Benefits	251,364
Legal and Professional	15,728
Repairs & Maintenance	687,891
Supplies & Chemicals	59,033
Utilities	64,155
Permits and Testing	18,126
Depreciation	567,720
Other	<u>166,169</u>
Total Operating Expenses	<u>2,180,057</u>
Operating Income (Loss)	(362,042)
<u>Nonoperating Revenues (Expenses):</u>	
Interest Revenue	116
Grant Funds	<u>211,186</u>
Change in Net Position Before Contributions and Transfers	(150,740)
<u>Contributions and Transfers:</u>	
Operating Transfers Out	<u>(291,985)</u>
Change in net position	(442,725)
Total net position - beginning	<u>4,553,672</u>
Total net position - ending	<u>\$ 4,110,947</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, 2022

	Business-Type Activities Enterprise Funds
	<u>Utility System</u>
<u>Cash flow from operating activities:</u>	
Cash received from customers	\$ 1,799,664
Cash payments to suppliers of goods and services	(1,247,187)
Cash payments to employees for services	(256,245)
Net cash provided (used) by operating activities	<u>296,232</u>
<u>Cash flows from non-capital financing activities:</u>	
Change in interfund balances	82,065
Grant Proceeds	211,186
Operating transfers	(291,985)
Net cash provided (used) by non-capital financing activities	<u>1,266</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital expenditures	(228,828)
Net cash provided (used) by capital and related financing activities	<u>(228,828)</u>
<u>Cash flows from investing activities:</u>	
Interest and other income	116
Net cash provided (used) by investing activities	<u>116</u>
Net increase (decrease) in cash	68,786
Beginning cash balance	<u>389,604</u>
Cash and cash equivalents	<u><u>\$ 458,390</u></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, 2022**

	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)	\$ (362,043)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	567,720
(Increase) decrease in accounts receivable	(30,948)
(Decrease) increase in accounts and other payables	154,818
(Decrease) increase in deposits	12,598
(Decrease) increase in compensated absences	(4,881)
(Decrease) increase in net pension obligations	<u>(41,032)</u>
Net cash provided (used) by operating activities	<u>\$ 296,232</u>

Supplemental disclosures of cash flow information:

During the year ended May 31, 2022 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, 2022

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, 2022

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 any 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

Town of Woodworth

Notes To Financial Statements

May 31, 2022

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 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 deposits is typically mitigated by utilizing 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

Town of Woodworth

Notes To Financial Statements

May 31, 2022

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.

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, 2022, cash and cash equivalents included the following amounts:

	Governmental Activities	Business-Type Activities	Total
Cash Deposited in Banks	\$ 249,983	\$ 258,836	\$ 508,819
Cash Overdraft	(199,386)	199,386	----
Total Cash in Bank	50,597	458,222	508,819
Cash on Hand	25	168	193
Total Cash	<u>50,622</u>	<u>\$ 458,390</u>	<u>\$ 509,012</u>

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

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 129,612	\$ 458,390	\$ 588,002
Restricted cash and cash equivalents	120,396	----	120,396
Bank overdraft	(199,386)	----	(199,386)
Total	<u>\$ 50,622</u>	<u>\$ 458,390</u>	<u>\$ 509,012</u>

Town of Woodworth

Notes To Financial Statements

May 31, 2022

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 name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At May 31, 2022, the Town's collected bank balance was \$454,736. These deposits are secured from risk by federal deposit insurance in the amount of \$503,802 and pledged securities with a market value of \$155,704 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, 2022 are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ 32,024	\$ 211,197	\$ 243,221
Other	1,393	1,307	2,700
Total Accounts Receivable	<u>33,417</u>	<u>212,504</u>	<u>245,921</u>
<u>Due From Other Governmental Units</u>			
Insurance Premium Taxes	9,322	----	9,322
FEMA Reimbursements	16,510	----	16,510
Sales Tax	52,153	----	52,153
Other	22,605	----	22,605
Total Due From Other Governments	<u>100,590</u>	<u>----</u>	<u>100,590</u>
Receivables (Net)	<u>\$ 134,007</u>	<u>\$ 212,504</u>	<u>\$ 346,511</u>

NOTE 4 – CAPITAL ASSETS

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

	Non Depreciable Capital Assets			
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental Activities</u>				
Land	\$ 396,702	\$ ----	\$ ----	\$ 396,702
Construction in Process	----	----	----	----
Total Governmental Activities	<u>\$ 396,702</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 396,702</u>

Town of Woodworth

Notes To Financial Statements

May 31, 2022

	Non Depreciable Capital Assets			
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Business-Type Activities</u>				
Land	\$ 78,891	\$ ----	\$ ----	\$ 78,891
Construction in Process	----	----	----	----
Total Business-Type Activities	<u>\$ 78,891</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 78,891</u>
	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	2,532,787	243,489	209,684	2,566,593
Infrastructure	5,335,008	----	----	5,335,008
Accumulated Depreciation	(5,432,365)	(554,319)	(209,684)	(5,777,001)
Total Governmental Activities	<u>\$ 9,081,019</u>	<u>\$ (310,830)</u>	<u>\$ ----</u>	<u>\$ 8,770,189</u>
<u>Business-Type Activities</u>				
Natural Gas System				
Buildings and Improvements	\$ 49,984	\$ ----	\$ ----	\$ 49,984
Furniture, Fixtures and Equipment	155,649	----	----	155,649
Natural Gas System	1,696,808	----	----	1,696,808
Accumulated Depreciation	(1,518,152)	(47,752)	----	(1,565,904)
Water System				
Buildings and Improvements	46,017	----	----	46,017
Furniture, Fixtures and Equipment	166,218	115,028	----	281,246
Water System	6,857,758	----	----	6,857,758
Accumulated Depreciation	(4,103,844)	(180,467)	----	(4,284,311)
Sewer System				
Buildings and Improvements	178,788	----	----	178,788
Furniture, Fixtures and Equipment	711,485	113,800	----	825,285
Sewer System	9,142,263	----	----	9,142,263
Accumulated Depreciation	(4,851,167)	(339,501)	----	(5,190,668)
Total Business-Type	<u>\$ 8,531,807</u>	<u>\$ (338,892)</u>	<u>\$ ----</u>	<u>\$ 8,192,915</u>

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

Town of Woodworth

Notes To Financial Statements

May 31, 2022

	Governmental Activities	Business-Type Activities	Total
Police Department	\$ 58,446	\$ ----	\$ 58,446
Fire Department	82,318	----	82,318
Streets and Drainage	265,957	----	265,957
General Government	141,101	----	141,101
Recreation	6,498	----	6,498
Utility System	----	567,720	567,720
Total Depreciation Expense	<u>\$ 554,320</u>	<u>\$ 567,720</u>	<u>\$ 1,122,040</u>

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

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

	Governmental Activities	Business-Type Activities	Total
Payable to Vendors	\$ 75,447	\$ 227,262	\$ 302,709
Payroll Taxes and Withholding	25,770	----	25,770
Other	16,937	2,765	19,702
Total	<u>\$ 118,154</u>	<u>\$ 230,027</u>	<u>\$ 348,181</u>

NOTE 6 - LONG-TERM LIABILITIES

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

	Governmental Activities	Business-Type Activities	Total
Compensated Absences	\$ 77,010	\$ 7,937	\$ 84,947
Net Pension Liability	1,482,677	187,678	1,670,355
Long-Term Debt	5,849,346	----	5,849,346
Total Long-Term Liabilities	<u>\$ 7,409,033</u>	<u>\$ 195,615</u>	<u>\$ 7,604,648</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:

	Governmental Activities
<u>Long-Term Debt</u>	
Public Improvement Bonds	\$ 725,457
Refunding Revenue Bonds	5,123,889
Total Long-term Debt	5,849,346
Due Within One Year	106,595
Due in More Than One Year	<u>\$ 5,742,751</u>

Town of Woodworth

Notes To Financial Statements

May 31, 2022

Long-term debt activity during the year ended May 31, 2022 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Public Improvement Bonds	\$ 819,580	\$ ----	\$ 94,123	\$ 725,457
Refunding Revenue Bonds	<u>5,321,830</u>	<u>----</u>	<u>197,941</u>	<u>5,123,889</u>
Total Long-term Debts	<u>\$ 6,141,410</u>	<u>\$ ----</u>	<u>\$ 292,064</u>	<u>\$ 5,849,346</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, 2022 are described as follows:

\$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.	\$ 163,835
\$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>561,622</u>
Total Public Improvement Bonds	<u>\$ 725,457</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, 2022 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.	5,123,889
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Maturity of Long-term Debt

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

Town of Woodworth

Notes To Financial Statements

May 31, 2022

<u>Year Ended</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 106,595	\$ 207,414	\$ 314,009
2024	233,692	221,048	454,740
2025	239,713	213,877	453,590
2026	245,769	206,520	452,289
2027 – 2031	1,327,444	911,282	2,238,726
2032 – 2036	1,526,098	623,507	2,149,605
2037 – 2041	1,864,674	285,866	2,150,540
2042 – 2046	100,842	45,018	145,860
2047 – 2051	120,097	25,763	145,860
2052 – 2056	84,422	4,719	89,141
Total	<u>\$ 5,849,346</u>	<u>\$ 2,745,014</u>	<u>\$ 8,594,360</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 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, 2022 the Town has levied sales taxes described as follows:

- A 1% sales and use tax for acquiring, constructing, improving, maintaining and operating the Town'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:

Town of Woodworth

Notes To Financial Statements

May 31, 2022

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:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 914,434	\$ 251,712	\$ 315,809
Municipal Police Employees' Retirement System	597,230	206,711	328,648
Firefighters' Retirement System of Louisiana	158,691	165,879	110,720
Total	1,670,355	624,302	755,177
Portion Applicable to Business Type Activities	187,678	90,113	113,060
Portion Applicable to Governmental Type Activities	<u>\$ 1,482,677</u>	<u>\$ 534,189</u>	<u>\$ 642,117</u>

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.

Town of Woodworth

Notes To Financial Statements

May 31, 2022

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, 2021 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 1,253,886,002
Plan Fiduciary Net Position	975,735,673
Net Pension Liability	<u>278,150,329</u>
Town's Proportionate Share (Percentage)	<u>0.328755%</u>
Town's Proportionate Share (Amount)	<u>\$ 914,434</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, 2021 are provided as follows:

Beginning Net Pension Liability	\$ 1,342,893
Employer Contributions	(194,394)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	88,804
Employee Contributions	<u>(24,531)</u>
	64,273
Change in Deferred Outflows of Resources	(85,563)
Change in Deferred Inflows of Resources	<u>(212,775)</u>
Ending Net Pension Liability	<u>\$ 914,434</u>

There were no changes between year end 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	\$ 330	\$ 10,457	\$ (10,127)
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	----	257,641	(257,641)
Changes of Assumptions	33,416	----	33,416
Changes in Proportion	46,473	47,711	(1,238)
Employer Contributions Made After the Measurement Date	<u>171,493</u>	<u>----</u>	<u>171,493</u>
Total Deferrals	251,712	315,809	(64,097)
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>171,493</u>	<u>----</u>	<u>171,493</u>
Deferrals Subject to Amortization	<u>\$ 80,219</u>	<u>\$ 315,809</u>	<u>\$ (235,590)</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>	
June 30, 2022	\$ (58,208)
June 30, 2023	(23,749)
June 30, 2024	(66,422)
June 30, 2025	<u>(87,211)</u>
Total	<u>\$ (235,590)</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, 2021
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Investment Rate of Return	6.85%, 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, 2021 are summarized in the following table:

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<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	53%	2.31%
Public Fixed Income	38%	1.65%
Alternatives	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected Arithmetic Nominal Return		6.95%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2021. 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, 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:

	<u>1% Decrease 5.85% Discount</u>	<u>Current Discount Rate 6.85%</u>	<u>1% Increase 7.85% Discount</u>
Net Pension Liability	\$ 1,354,323	\$ 914,434	\$ 542,886

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

Town of Woodworth

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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, 2010 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,350,028,394
Plan Fiduciary Net Position	2,816,973,727
Net Pension Liability	<u>533,054,667</u>
Town's Proportionate Share (Percentage)	0.112039%
Town's Proportionate Share (Amount)	<u>\$ 597,230</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, 2021 are provided as follows:

Beginning Net Pension Liability		\$ 1,056,306
Employer Contributions		(115,374)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	63,659	
Employee Contributions	<u>(25,038)</u>	38,621
Change in Deferred Outflows of Resources		(121,834)
Change in Deferred Inflows of Resources		<u>(260,489)</u>
Ending Net Pension Liability		<u>\$ 597,230</u>

There were no changes between June 30, 2021 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	\$ ----	\$ 18,393	\$ (18,393)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	----	278,859	(278,859)
Changes of Assumptions	66,140	17,036	49,104
Changes in Proportion	44,480	14,360	30,120
Employer Contributions Made After the Measurement Date	<u>96,091</u>	<u>----</u>	<u>96,091</u>
Total Deferrals	206,711	328,648	(121,937)
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>96,091</u>	<u>----</u>	<u>96,091</u>
Deferrals Subject to Amortization	<u>\$ 110,620</u>	<u>\$ 328,648</u>	<u>\$ (218,028)</u>

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

Town of Woodworth

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<u>For the Year Ending:</u>	
June 30, 2022	\$ (13,907)
June 30, 2023	(50,036)
June 30, 2024	(58,012)
June 30, 2025	<u>(96,073)</u>
Total	<u>\$ (218,028)</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, 2021	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.750% 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	12.30%
	Above 2	4.70%
Mortality Rates	<ul style="list-style-type: none">• For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.• For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.• For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.	
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, 2021 are summarized in the following table:

Town of Woodworth

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Asset Class	Target Allocation	Long Term Expected Portfolio Real Rate of Return
Equity	55.50%	3.47%
Fixed Income	30.50%	0.59%
Alternatives	14.00%	1.01%
Totals	100.00%	5.08%
Inflation		2.22%
Expected Arithmetic Nominal Return		7.30%

The discount rate used to measure the total pension liability was 6.750%. 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, 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, 2014 through June 30, 2019, 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 5.75% Discount Rate	Current Discount Rate 6.750%	1% Increase 7.75% Discount Rate
Net Pension Liability	\$1,040,876	\$ 597,230	\$ 226,934

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

Town of Woodworth

Notes To Financial Statements

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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, 2021 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 2,681,184,069
Plan Fiduciary Net Position	<u>2,326,798,869</u>
Net Pension Liability	354,385,200
Town's Proportionate Share (Percentage)	0.044779%
Town's Proportionate Share (Amount)	<u>\$ 158,691</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, 2021 are provided as follows:

Beginning Net Pension Liability	\$ 297,766
Employer Contributions	(36,308)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	38,318
Employee Contributions	<u>(12,792)</u>
Change in Deferred Outflows of Resources	(37,003)
Change in Deferred Inflows of Resources	<u>(91,290)</u>
Ending Net Pension Liability	<u>\$ 158,691</u>

There were no changes between June 30, 2021 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:

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	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	\$ 2,265	\$ 14,251	\$ (11,986)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	----	96,302	(96,302)
Changes of Assumptions	34,387	----	34,387
Changes in Proportion	89,156	167	88,989
Employer Contributions Made After the Measurement Date	40,071	----	40,071
	<hr/>	<hr/>	<hr/>
Total Deferrals	165,879	110,720	55,159
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	40,071	----	40,071
	<hr/>	<hr/>	<hr/>
Deferrals Subject to Amortization	<u>\$ 125,808</u>	<u>\$ 110,720</u>	<u>\$ 15,088</u>

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

For the Year Ending:

June 30, 2022	\$ 7,718
June 30, 2023	7,088
June 30, 2024	(2,656)
June 30, 2025	(12,773)
June 30, 2026	11,899
June 30, 2027	3,812
	<hr/>
Total	<u>\$ 15,088</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, 2021
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 Years, Closed Period
Investment Rate of Return	6.90% per annum (net of investment expenses)
Inflation Rate	2.50% per annum
Projected Salary Increases	Vary from 14.10% in the first two years of service to 5.20% three or more years of service, 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.

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The June 30, 2021, estimated long-term expected rate of return on pension plan investments was determined by the System's actuary using the System's target asset allocation as of January 2021 and the G.S. Curran & Company Consultant Average study for 2021. The Consultant Average Study included projected nominal rates of return, standard deviations of returns, and correlations of returns for a list of common asset classes collected from a number of investment consultants and investment management firms. Each consultant's response included nominal expected long term rates of return. In order to arrive at long-term expected arithmetic real rates of return, the actuary normalized the data received from the consultant's responses in the following ways. Where nominal returns received were arithmetic, the actuary simply reduced the return assumption by the long-term inflation assumption. Where nominal returns were geometric, the actuary converted the return to arithmetic by adjusting for the long-term standard deviation and then reduced the assumption by the long-term inflation assumption. Using the target asset allocation for the System and the average values for expected real rates of return, standard deviation of returns, and correlation of returns, an arithmetic expected nominal rate of return and standard deviation for the portfolio was determined. Subsequent to the actuary's calculation of the long term expected real rate of return in January 2021, the Board voted to amend the target asset allocation. These changes include an increase to target weight in public equity, a decrease in the target weight in fixed income, and the inclusion of a target weight in private real assets. The changes to the target asset allocation are reflected in the table below. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2021.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2021, are summarized in the following tables:

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U. S. Equity	27.50%	5.86%
Non-U.S. Equity	11.50%	6.44%
Global Equity	10.00%	6.40%
Emerging Market Equity	7.00%	8.64%
U.S. Core Fixed Income	18.00%	0.97%
U.S. TIPS	3.00%	0.40%
Emerging Market Debt	5.00%	2.75%
Global Tactical Asset Allocation	0.00%	4.17%
Risk Parity	0.00%	4.17%
Private Equity	9.00%	9.53%
Real Estate	6.00%	5.31%
Real Assets	3.00%	***
Totals	<u>100.00%</u>	

***Subsequent to the actuary's calculation of the long term expected real rate of return in January 2021, the Board voted to amend the target asset allocation (which included a target weight in private real assets).

The discount rate used to measure the total pension liability was 6.90%. 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.

Town of Woodworth

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For the June 30, 2021 valuation, assumptions for mortality rates were based on the following:

- For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.
- For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.
- For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.
- In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP2019 scale.

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 5.90% Discount Rate	Current Discount Rate 6.90%	1% Increase 7.90% Discount
Net Pension Liability	\$ 304,435	\$ 158,691	\$ 37,140

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:

	Interfund Receivables	Interfund Payables	Net
General Fund	\$ 4,193,273	\$ 82,249	\$ 4,111,024
Fire Department	82,249	18,000	64,249
Utility System	18,000	4,193,273	(4,175,273)
Total Fund Presentation	4,293,522	4,293,522	----
Interfund Eliminations	118,249	118,249	----
Government-Wide	\$ 4,175,273	\$ 4,175,273	\$ ----

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, 2022 are summarized as follows:

Town of Woodworth

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	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>	<u>Net</u>
<u>Governmental Funds</u>			
General Fund	\$ 661,985	\$ ----	\$ 661,985
Fire Department Fund	----	370,000	(370,000)
Total Governmental Funds	<u>661,985</u>	<u>370,000</u>	<u>291,985</u>
<u>Business Type Funds</u>			
Utility System	----	291,985	(291,985)
Total	<u>\$ 661,985</u>	<u>\$ 661,985</u>	<u>\$ ----</u>

NOTE 13 – CONTINGENCIES:

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at May 31, 2022 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	\$ 45,383
Fire Department	<u>22,167</u>
Total	<u>\$ 67,550</u>

Town of Woodworth

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended May 31, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 325,000	\$ 354,620	\$ 355,814	\$ 1,194
Licenses & Permits	91,000	88,168	86,971	(1,197)
Charges for Services	211,000	216,506	218,141	1,635
Intergovernmental	405,450	405,523	405,573	50
Fines and Forfeitures	1,110,200	1,394,000	1,401,267	7,267
Other	87,753	147,923	148,345	422
Total Revenues	2,230,403	2,606,740	2,616,111	9,371
<u>Expenditures:</u>				
Current:				
General Government	853,950	935,985	917,574	18,411
Public Safety				
Police Department	820,000	913,718	895,265	18,453
Fire Department	239,500	271,767	271,518	249
Public Works				
Streets and Drainage	325,500	317,321	341,021	(23,700)
Sanitation	225,000	190,372	190,499	(127)
Recreation	3,500	9,970	10,018	(48)
Capital Expenditures	150,000	221,044	221,044	-
Debt Service	404,180	407,061	407,062	(1)
Total Expenditures	3,021,630	3,267,238	3,254,001	13,237
Excess (Deficiency) of Revenue Over Expenditures	(791,227)	(660,498)	(637,890)	22,608
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	805,000	664,247	661,985	(2,262)
Operating Transfers Out	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	13,773	3,749	24,095	20,346
Fund Balance (Deficit) - Beginning of Year	3,995,605	3,995,605	3,995,605	-
Fund Balance (Deficit) - End of Year	\$ 4,009,378	\$ 3,999,354	\$ 4,019,700	\$ 20,346

Town of Woodworth

Fire Department

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended May 31, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 470,000	\$ 548,700	\$ 560,847	\$ 12,147
Intergovernmental	138,000	140,000	140,000	-
Other	7,005	22,788	22,792	4
Total Revenues	615,005	711,488	723,639	12,151
<u>Expenditures:</u>				
Current:				
Public Safety				
Fire Department	127,100	174,524	175,654	(1,130)
Capital Expenditures	10,000	22,445	22,446	(1)
Debt Service	52,656	120,269	120,269	-
Total Expenditures	189,756	317,238	318,369	(1,131)
Excess (Deficiency) of Revenue Over Expenditures	425,249	394,250	405,270	11,020
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(300,000)	(370,000)	(370,000)	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	125,249	24,250	35,270	11,020
Fund Balance (Deficit) - Beginning of Year	207,508	207,508	207,508	-
Fund Balance (Deficit) - End of Year	\$ 332,757	\$ 231,758	\$ 242,778	\$ 11,020

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			
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	0.34867%	1,456,977	648,720	224.6%	64.7%
June 30, 2020	0.31061%	1,342,894	588,005	228.4%	64.5%
June 30, 2021	0.32876%	914,434	650,610	140.6%	77.8%
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%
June 30, 2020	0.11429%	1,056,306	352,466	299.7%	70.9%
June 30, 2021	0.11204%	597,229	342,325	174.5%	84.1%
Firefighter'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	0.03401%	212,993	80,040	266.1%	74.0%
June 30, 2020	0.04296%	297,766	105,388	282.5%	72.6%
June 30, 2021	0.04478%	158,690	112,907	140.5%	86.8%

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%
June 30, 2020	162,313	166,449	(4,136)	588,005	28.31%
June 30, 2021	190,973	194,396	(3,423)	650,610	29.88%
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%
June 30, 2020	114,479	114,993	(514)	352,466	32.63%
June 30, 2021	115,163	115,374	(211)	342,325	33.70%
Firefighter'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%
June 30, 2020	29,137	29,757	(620)	105,388	28.24%
June 30, 2021	35,953	36,308	(355)	112,907	32.16%

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, 2022

David Butler	\$ 68,882
Charles Reich	5,400
Jimmie S. Cranford	5,400
Kevin Kitchen	5,400
Lisa Aymond	5,400
Tommy Melder	5,400
	<hr/>
Total Compensation	<u>\$ 95,882</u>

Town of Woodworth

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended May 31, 2022

Agency Head (Mayor) - David Butler

Purpose:

Compensation	\$ 68,882
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Benefits

Health Insurance	2,793
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Retirement	18,408
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Reimbursements	-
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Town of Woodworth

Justice System Funding Schedule - Collecting / Disbursing Entity as Required by Act 87 of the
2020 Regular Legislative Session
For the Year Ended May 31, 2022

	First Six Month Period Ended November 30, 2021	Second Six Month Period Ended May 31, 2022
Cash Basis Presentation		
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Court Costs/Fees	150,813	166,368
Criminal Fines - Contempt	64,358	73,072
Criminal Fines - Other	501,830	581,688
Services/Collection Fees	64,616	77,403
Other	<u>61</u>	<u>36</u>
Subtotal Collections	<u>781,678</u>	<u>898,567</u>
Less: Disbursements to Governments & Nonprofits		
Criminal Court Cost / Fees		
Louisiana Commission on Law Enforcement	3,555	4,543
CMIS Trial Court Case Management System	1,989	2,317
Crime Stoppers of Cenla, Inc.	3,702	4,298
Louisiana Department of Health and Hospitals	3,760	3,920
North Louisiana Crime Lab	51,595	59,080
Louisiana Judicial college	955	1,111
Less: Amounts Retained by Bunkie City Court		
Collection Fee for Collecting / Disbursing to Others	427	93
Town of Woodworth, Criminal Court Cost/Fees	149,188	164,079
Town of Woodworth, Criminal Fines	501,891	581,723
Less: Disbursements to Individuals /3rd Party Collection		
Payments to 3rd Party Collection / Processing Agencies	<u>64,616</u>	<u>77,403</u>
Subtotal Disbursements / Retainage	<u>781,678</u>	<u>898,567</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>
Other Information:		
Total Waivers During the Fiscal Period	\$ 10,425	\$ 12,809

Town of Woodworth

Justice System Funding Schedule - Receiving Entity as Required by Act 87 of the
2020 Regular Legislative Session
For the Year Ended May 31, 2022

Cash Basis Presentation	First Six Month Period Ended November 30, 2021	Second Six Month Period Ended May 31, 2022
Receipts From:		
Rapides Parish District Attorney's Office	684	1,476
Louisiana Department of Motor Vehicles	<u>2,450</u>	<u>2,125</u>
Subtotal Receipts	<u>3,134</u>	<u>3,601</u>



September 22, 2022

INDEPENDENT AUDITORS' 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 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, as of and for the year ended May 31, 2022, 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 September 22, 2022.

REPORT ON 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Woodworth's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town 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 or significant deficiencies may exist that were not identified.

REPORT ON 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 financial statements. 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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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

Summary of Findings

May 31, 2022

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, 2022 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, 2022

<u>SECTION I</u> 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>
<u>SECTION II</u> 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>
<u>SECTION III</u> 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, 2022

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>

APPENDIX A
Statewide Agreed-Upon Procedures



Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Town of Woodworth and
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Town of Woodworth (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period June 1, 2021 through May 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period described above. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Rozier, McKay & Willis
Certified Public Accountants
Alexandria, Louisiana
September 22, 2022



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Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Written Policies and Procedures		
Agreed-Upon Procedure	Results	Managements' Response
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none">• Budgeting• Purchasing• Disbursements• Receipts• Payroll/Personnel• Contracting• Credit Cards• Travel and expense reimbursements• Ethics• Debt Service• Disaster Recovery / Business Continuity• Sexual Harassment	<p>The following categories were addressed by the Town's See Basic Operating Policies and Procedures Manual</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</i></p>	<p>Meetings were held with the necessary frequency.</p> <p>The necessary budget to actual comparisons were included.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.	For the previous year the general fund reported a positive unrestricted fund balance.	<i>No findings or criticisms were reported.</i>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Bank Reconciliations		
Agreed-Upon Procedure	Results	Managements' Response
<p>3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>Reconciliations were completed within a 2 month period.</p> <p>Evidence of review by an appropriate party was present.</p> <p>No items were outstanding for more than 12 months.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.	Duties are appropriately segregated.	<i>No findings or criticisms were reported.</i>
c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.	Duties are appropriately segregated.	<i>No findings or criticisms were reported.</i>
d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.	Duties are appropriately segregated.	<i>No findings or criticisms were reported.</i>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	Appropriate coverage has been maintained.	<i>No findings or criticisms were reported.</i>
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as		

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Collections (excluding EFTs)		
Agreed-Upon Procedure	Results	Managements' Response
<p>a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>N/A – The Town does not except currency as a form of payment and typical collections arrive by mail or through electronic forms of payment.</p> <p>N/A – As described above, receipts are not applicable.</p> <p>Deposit slips are not applicable because deposits are made by remote capture. Bank statements agree with remote capture details.</p> <p>Deposits were remitted within a single business day.</p> <p>Deposits appearing on the bank statement agree with the general ledger.</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)		
Agreed-Upon Procedure	Results	Managements' Response
<p>8 Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).</p>	<p>All transactions are processed at the Town's Municipal Complex.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>9 For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:</p>		
<p>a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.</p>	<p>Multiple employees are involved.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>b) At least two employees are involved in processing and approving payments to vendors.</p>	<p>Multiple employees are involved.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.</p>	<p>Due to the nature of the accounting system, it is not practical to limit access to particular components. This limitation is mitigated by requiring each check to be signed by two parties.</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
<p>11 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.</p>	<p>The requested information was provided.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>12 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:</p> <p>a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.</p> <p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>No evidence of independent review and approval was present.</p> <p>No finance charges or late fees were assessed.</p>	<p>In the future, we will have each statement review by an official other than the cardholder.</p> <p><i>No findings or criticisms were reported.</i></p>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Credit Cards/Debit Cards/Fuel Cards/P-Cards		
Agreed-Upon Procedure	Results	Managements' Response
13 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	The following exception was noted: Meals costing a total of \$85 did not include identification of individuals participating in the meal.	In the future, the identify of all diners will be included in supporting documentation.

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
<p>14 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p>	<p>Appropriate per diem rates have been utilized.</p> <p>Actual cost were supported by appropriate documentation.</p> <p>Business purposes were adequately documented.</p>	<p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p> <p><i>No findings or criticisms were reported.</i></p>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Travel and Expense Reimbursement		
Agreed-Upon Procedure	Results	Managements' Response
d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.	Approval by someone other than the recipient was properly documented.	

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Contracts		
Agreed-Upon Procedure	Results	Managements' Response
<p>15 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p>	<p>Management has asserted that no construction activity was undertaken during the year and no additional contracts were awarded for professional services, materials and supplies, or leases.</p>	N/A
<p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p>	See Above	N/A
<p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p>	See Above	N/A
<p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p>	See Above	N/A
<p>d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	See Above	N/A

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
<p>16 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>The list was provided and a selection has been performed.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>17 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p>		
<p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p>	<p>Attendance was properly documented.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p>	<p>Approval was documented.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>Leave taken was properly reported in the accounting records.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>d. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.</p>	<p>Rates of pay were consistent with documentation in the personnel files.</p>	<p><i>No findings or criticisms were reported.</i></p>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Payroll and Personnel		
Agreed-Upon Procedure	Results	Managements' Response
18 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.	Termination payments were determined to be consistent with leave records and established rates of pay.	<i>No findings or criticisms were reported.</i>
19 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Management has asserted that all relevant payments have been made.	<i>No findings or criticisms were reported.</i>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Ethics		
Agreed-Upon Procedure	Results	Managements' Response
20 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and: a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period. b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.	Evidence of ethic training was present for each employee selected. Signature verification was not available one of the 5 employees. The excluded employee was a recent part-time hire.	<i>No findings or criticisms were reported.</i> We believe that all employees are familiar with ethic polices but we will review files to ensure that signature verification is provided by every member of the staff.

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Debt Service		
Agreed-Upon Procedure	Results	Managements' Response
21 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	Not Applicable: No new debt was issued.	Not Applicable
22 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	Not Applicable: Applicable covenants do not include reserve requirements.	Not Applicable

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Fraud Notice		
Agreed-Upon Procedure	Results	Managements' Response
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were reported.	<i>No findings or criticisms were reported.</i>
24 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The necessary postings were present physically and on the website.	<i>No findings or criticisms were reported.</i>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>25 Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</p> <p>a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.</p> <p>b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.</p> <p>c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.</p>	<p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>

Town of Woodworth

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

Sexual Harassment		
Agreed-Upon Procedure	Results	Managements' Response
<p>26 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>Documentation that each employee selected completed the required training.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>27 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).</p>	<p>Documentation demonstrates that the policy has been communicated to employees.</p>	<p><i>No findings or criticisms were reported.</i></p>
<p>28 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> a. Number and percentage of public servants in the agency who have completed the training requirements; b. Number of sexual harassment complaints received by the agency; c. Number of complaints which resulted in a finding that sexual harassment occurred; d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and e. Amount of time it took to resolve each complaint. 	<p>A report was produced with the required content and the report was dated January 18, 2022.</p>	<p><i>No findings or criticisms were reported.</i></p>