



**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MAY 31, 2021**



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September 8, 2021

Independent Auditors' Report

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Woodworth, as of and for the year ended May 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund of the Town of Woodworth, as of May 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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OTHER MATTERS

Required Supplementary Information

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

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

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

Other Supplemental Information

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

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2021, on our consideration of the Town of Woodworth's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Woodworth's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants



September 8, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, Town of Woodworth, as of and for the year ended May 31, 2021, 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 8, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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



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PURPOSE OF THIS REPORT

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



Rozier, McKay & Willis
Certified Public Accountants

Town of Woodworth

MANAGEMENT'S DISCUSSION AND ANALYSIS

May 31, 2021

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, 2021.

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, 2021

	For the Year Ended May 31, 2021			For the Year Ended May 31, 2020
	Govern- mental Activities	Business- Type Activities	Total	
Assets:				
Current and Other Assets	\$ 468,603	\$ 571,160	\$ 1,039,763	\$ 734,749
Internal Balances	4,093,208	(4,093,208)	----	----
Capital Assets	9,477,721	8,610,698	18,088,419	19,155,322
Total Assets	<u>14,039,532</u>	<u>5,088,650</u>	<u>19,128,182</u>	<u>19,890,071</u>
Deferred Outflows of Resources	<u>741,450</u>	<u>127,750</u>	<u>869,200</u>	<u>803,450</u>
Liabilities:				
Current and Other Liabilities	358,700	270,502	629,202	587,681
Long-term Liabilities	8,574,845	353,691	8,928,536	9,101,362
Total Liabilities	<u>8,933,545</u>	<u>624,193</u>	<u>9,557,738</u>	<u>9,689,043</u>
Deferred Inflows of Resources	<u>152,088</u>	<u>38,535</u>	<u>190,623</u>	<u>113,874</u>
Net Position:				
Invested in Capital Assets (Net)	7,429,519	4,517,490	11,947,009	12,797,504
Restricted	53,616	----	53,616	9,655
Unrestricted	(1,787,786)	36,182	(1,751,604)	(1,916,555)
Total Net Position	<u>\$ 5,695,349</u>	<u>\$ 4,553,672</u>	<u>\$ 10,249,021</u>	<u>\$ 10,890,604</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 (0.52%) 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, 2021

	For the Year Ended May 31, 2021			For the
	Govern- mental Activities	Business- Type Activities	Total	Year Ended May 31, 2020
Revenues:				
Program Revenue:				
Charges for Services	\$ 1,696,908	\$ 1,691,441	\$ 3,388,349	\$ 3,073,842
Operating Grants and Contributions	508,530	----	508,530	761,971
Capital Grants and Contributions	----	----	----	100,300
General Revenue:				
Property Taxes	87,840	----	87,840	102,130
Sales Taxes	665,060	----	665,060	477,230
Franchise Taxes	65,515	----	65,515	72,600
Licenses & Permits	75,737	----	75,737	72,896
Other	99,142	37	99,179	114,019
Total Revenue	<u>3,198,732</u>	<u>1,691,478</u>	<u>4,890,210</u>	<u>4,774,988</u>
Program Expenses:				
General Government	965,103	----	965,103	1,029,674
Public Safety				
Police Department	965,950	----	965,950	1,040,361
Fire Department	480,593	----	480,593	432,748
Public Works				
Streets & Drainage	750,693	----	750,693	685,793
Sanitation	223,512	----	223,512	183,591
Recreation	14,118	----	14,118	13,142
Interest on Long-Term Debt	240,316	----	240,316	246,367
Utility Service	----	1,893,508	1,893,508	1,597,124
Total Expenses	<u>3,640,285</u>	<u>1,893,508</u>	<u>5,533,793</u>	<u>5,228,800</u>
Increase in Net Position Before Transfers and Special Items	(441,553)	(202,030)	(643,583)	(453,812)
Transfers	449,291	(449,291)	----	----
Change in Net Position	<u>7,738</u>	<u>(651,321)</u>	<u>(643,583)</u>	<u>(453,812)</u>
Net Position Beginning	5,687,611	5,204,993	10,892,604	11,346,416
Net Position Ending	<u>\$ 5,695,349</u>	<u>\$ 4,553,672</u>	<u>\$ 10,249,021</u>	<u>\$ 10,892,604</u>

Governmental activities increased the Town's net position by \$7,738. The increase is attributable to transferring surplus cash flows from the business-type fund. Business-type activities decreased the Town's net position by \$651,321. 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, 2021

- The Town's governmental funds reported combined fund balance of \$4,203,111, which represents an increase of \$362,557 attributable to carefully budgeting and resource management.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

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

CAPITAL ASSET ADMINISTRATION

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

DEBT ADMINISTRATION

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

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

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

Town of Woodworth

STATEMENT OF NET POSITION

May 31, 2021

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 203,043	\$ 389,604	\$ 592,647
Receivables (net)	196,671	181,556	378,227
Restricted cash and cash equivalents	53,616	-	53,616
Other assets	15,273	-	15,273
Internal balances	4,093,208	(4,093,208)	-
Capital assets			
Non depreciable capital assets	396,702	78,891	475,593
Depreciable capital assets, net	9,081,019	8,531,807	17,612,826
Total assets	14,039,532	5,088,650	19,128,182
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Pension funding deferrals	741,450	127,750	869,200
<u>LIABILITIES</u>			
Bank overdraft	192,780	-	192,780
Accounts and other payables	165,920	75,211	241,131
Deposits Due Others	-	195,291	195,291
Long-term liabilities			
Compensated absences	77,342	12,818	90,160
Net Pension Liability	2,356,093	340,873	2,696,966
Long-term debt			
Due within one year	101,142	-	101,142
Due in more than one year	6,040,268	-	6,040,268
Total liabilities	8,933,545	624,193	9,557,738
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pension funding deferrals	152,088	38,535	190,623
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	7,429,519	4,517,490	11,947,009
Restricted:			
Debt service	53,616	-	53,616
Unrestricted	(1,787,786)	36,182	(1,751,604)
Total net position (deficit)	\$ 5,695,349	\$ 4,553,672	\$ 10,249,021

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

Town of Woodworth

STATEMENT OF ACTIVITIES **Year Ended May 31, 2021**

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
<u>Governmental Activities:</u>					
General Government	\$ 965,103	\$ -	\$ 154,000	\$ -	\$ (811,103)
Public Safety					
Police Department	965,950	1,351,176	40,500	-	425,726
Fire Department	480,593	136,999	41,179	-	(302,415)
Public Works					
Streets and Public Facilities	750,693	-	272,851	-	(477,842)
Sanitation	223,512	208,733	-	-	(14,779)
Recreation	14,118	-	-	-	(14,118)
Interest and Fees	240,316	-	-	-	(240,316)
Total Governmental Activities	<u>3,640,285</u>	<u>1,696,908</u>	<u>508,530</u>	<u>-</u>	<u>(1,434,847)</u>
<u>Business-Type Activities:</u>					
Utility System	<u>1,893,508</u>	<u>1,691,441</u>	<u>-</u>	<u>-</u>	<u>(202,067)</u>
Total Business-Type Activities	<u>1,893,508</u>	<u>1,691,441</u>	<u>-</u>	<u>-</u>	<u>(202,067)</u>
Total	<u>\$ 5,533,793</u>	<u>\$ 3,388,349</u>	<u>\$ 508,530</u>	<u>\$ -</u>	<u>\$ (1,636,914)</u>

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

Town of Woodworth

STATEMENT OF ACTIVITIES (Continued) **Year Ended May 31, 2021**

	Governmental Activities	Business- Type Activities	Total
Net (Expense) Revenue (Continued From Previous Page)	\$ (1,434,847)	\$ (202,067)	\$ (1,636,914)
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	87,840	-	87,840
Sales	665,060	-	665,060
Franchise	65,515	-	65,515
Licenses & Permits	75,737	-	75,737
Other	99,142	37	99,179
Transfers	449,291	(449,291)	-
Total General Revenues, Special Items and Transfers	<u>1,442,585</u>	<u>(449,254)</u>	<u>993,331</u>
Change in Net Position	7,738	(651,321)	(643,583)
Net Position Beginning	<u>5,687,611</u>	<u>5,204,993</u>	<u>10,892,604</u>
Net Position Ending	<u>\$ 5,695,349</u>	<u>\$ 4,553,672</u>	<u>\$ 10,249,021</u>

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

Town of Woodworth

Balance Sheet

Governmental Funds - May 31, 2021

	General Fund	Fire Department	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 95,928	\$ 107,115	\$ 203,043
Receivables (net)	196,671	-	196,671
Interfund Receivables	4,111,208	77,137	4,188,345
Restricted Cash	5,002	48,614	53,616
Other Assets	15,273	-	15,273
Total assets	<u>\$ 4,424,082</u>	<u>\$ 232,866</u>	<u>\$ 4,656,948</u>
Liabilities and Fund Balance			
<u>Liabilities</u>			
Bank Overdraft	\$ 192,780	\$ -	192,780
Accounts Payable	158,560	7,360	165,920
Interfund Payables	77,137	18,000	95,137
Total liabilities	<u>428,477</u>	<u>25,360</u>	<u>453,837</u>
<u>Fund Balance</u>			
Nonspendable	3,615,262		3,615,262
Restricted			
Debt Service	5,002	-	5,002
Unassigned	375,341	207,506	582,847
Total Fund Balances	<u>3,995,605</u>	<u>207,506</u>	<u>4,203,111</u>
Total Liabilities and Fund Balance	<u>\$ 4,424,082</u>	<u>\$ 232,866</u>	<u>\$ 4,656,948</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, 2021

Total Fund Balances - Governmental Funds	\$ 4,203,111
Amounts reported for governmental activities in the statement of net position are different because:	
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(6,218,752)
Pension liabilities and deferrals subject to exclusion for governmental fund reporting purposes	(1,766,731)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>9,477,721</u>
Net Position of Governmental Activities	<u>\$ 5,695,349</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, 2021**

	General	Fire	Total
	Fund	Department	Governmental
			Funds
<u>Revenues:</u>			
Taxes:			
Ad Valorem	\$ 87,840	\$ -	\$ 87,840
Sales	168,774	496,286	665,060
Franchise	65,515	-	65,515
Licenses & Permits	75,737	-	75,737
Charges for Services	208,733	-	208,733
Intergovernmental	510,029	137,000	647,029
Fines and Forfeitures	1,351,176	-	1,351,176
Other	81,944	5,065	87,009
Total Revenues	2,549,748	638,351	3,188,099
<u>Expenditures:</u>			
Current:			
General Government	832,329	-	832,329
Public Safety			
Police Department	848,810	-	848,810
Fire Department	244,564	120,248	364,812
Public Works			
Streets and Public Facilities	486,233	-	486,233
Sanitation	223,512	-	223,512
Recreation	7,565	-	7,565
Capital Expenditures	24,636	30,212	54,848
Debt Service	404,068	52,656	456,724
Total Expenditures	3,071,717	203,116	3,274,833
Excess (Deficiency) of Revenue Over Expenditures	(521,969)	435,235	(86,734)
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	717,291	-	717,291
Operating Transfers Out	-	(268,000)	(268,000)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	195,322	167,235	362,557
Fund Balance (Deficit) - Beginning of Year	3,800,283	40,271	3,840,554
Fund Balance (Deficit) - End of Year	\$ 3,995,605	\$ 207,506	\$ 4,203,111

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, 2021

Net change in fund balances of Governmental Funds \$ 362,557

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	54,848	
Gain on Disposal	10,633	
Depreciation	<u>(565,831)</u>	(500,350)

Changes in pension obligations and related deferrals are considered in preparing the statement of activities (58,634)

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. (12,243)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 216,408

Change in net position of governmental activities \$ 7,738

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

Town of Woodworth

Statement of Net Position Proprietary Funds - May 31, 2021

	Business-Type Activities Enterprise Funds
	<u>Utility System</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and cash equivalents	\$ 389,604
Receivables (net)	181,556
Interfund receivables	<u>18,000</u>
Total current assets	589,160
Noncurrent Assets:	
Non depreciable capital assets	78,891
Depreciable capital assets, net	<u>8,531,807</u>
Total assets	<u>9,199,858</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pension funding deferrals	<u>127,750</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts and other payables	75,211
Interfund payables	4,111,208
Deposits due other	<u>195,291</u>
Total current liabilities	4,381,710
Noncurrent Liabilities:	
Net pension liability	340,873
Compensated absences	<u>12,818</u>
Total liabilities	<u>4,735,401</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Pension funding deferrals	<u>38,535</u>
<u>NET POSITION:</u>	
Invested in capital assets, net of related debt	4,517,490
Unrestricted	<u>36,182</u>
Total net position (deficit)	<u>\$ 4,553,672</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, 2021

	Business-Type Activities Enterprise Funds
	<u>Utility System</u>
<u>Operating Revenues:</u>	
Service Fees	
Natural Gas Sales	\$ 345,531
Water Sales	704,160
Sewer Service Fees	424,657
Other	217,093
Total Operating Revenues	<u>1,691,441</u>
<u>Operating Expenses:</u>	
Purchases (Gas and Water)	278,187
Salaries and Benefits	307,852
Legal and Professional	23,253
Repairs & Maintenance	421,403
Supplies & Chemicals	107,964
Utilities	54,070
Permits and Testing	21,843
Depreciation	566,553
Other	112,383
Total Operating Expenses	<u>1,893,508</u>
Operating Income (Loss)	(202,067)
<u>Nonoperating Revenues (Expenses):</u>	
Interest Revenue	<u>37</u>
Change in Net Position Before Contributions and Transfers	(202,030)
<u>Contributions and Transfers:</u>	
Operating Transfers Out	<u>(449,291)</u>
Change in net position	(651,321)
Total net position - beginning	<u>5,204,993</u>
Total net position - ending	<u>\$ 4,553,672</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, 2021

	Business-Type Activities
	Enterprise Funds
	<u>Utility System</u>
<u>Cash flow from operating activities:</u>	
Cash received from customers	\$ 1,704,503
Cash payments to suppliers of goods and services	(1,023,944)
Cash payments to employees for services	<u>(302,280)</u>
Net cash provided (used) by operating activities	<u>378,279</u>
<u>Cash flows from non-capital financing activities:</u>	
Change in interfund balances	85,049
Operating transfers	<u>(449,291)</u>
Net cash provided (used) by non-capital financing activities	<u>(364,242)</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital expenditures	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>-</u>
<u>Cash flows from investing activities:</u>	
Interest and other income	<u>37</u>
Net cash provided (used) by investing activities	<u>37</u>
Net increase (decrease) in cash	14,074
Beginning cash balance	<u>375,530</u>
Cash and cash equivalents	<u>\$ 389,604</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, 2021**

	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)	\$ (202,067)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	566,553
(Increase) decrease in accounts receivable	2,838
(Decrease) increase in accounts and other payables	15,027
(Decrease) increase in deposits	10,224
(Decrease) increase in compensated absences	5,572
(Decrease) increase in net pension obligations	<u>(19,868)</u>
Net cash provided (used) by operating activities	<u>\$ 378,279</u>

Supplemental disclosures of cash flow information:

During the year ended May 31, 2021 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, 2021

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, 2021

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Major Governmental Funds

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

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

Major Business-Type Funds

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

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

Basis of Accounting and Measurement Focus

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

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

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

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

Town of Woodworth

Notes To Financial Statements

May 31, 2021

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 certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Inventory

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

Internal Activity

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

Town of Woodworth

Notes To Financial Statements

May 31, 2021

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, 2021, cash and cash equivalents included the following amounts:

	Governmental Activities	Business-Type Activities	Total
Cash Deposited in Banks	\$ 256,634	\$ 196,656	\$ 453,290
Cash Overdraft	(192,780)	192,780	----
Total Cash in Bank	63,854	389,436	453,290
Cash on Hand	25	168	193
Total Cash	<u>\$ 63,879</u>	<u>\$ 389,604</u>	<u>\$ 453,483</u>

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

	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 203,043	\$ 389,604	\$ 592,647
Restricted cash and cash equivalents	53,616	----	53,616
Bank overdraft	(192,780)	----	(192,780)
Total	<u>\$ 63,879</u>	<u>\$ 389,604</u>	<u>\$ 453,483</u>

Town of Woodworth

Notes To Financial Statements

May 31, 2021

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, 2021, the Town's collected bank balance was \$477,085. These deposits are secured from risk by federal deposit insurance in the amount of \$317,564 and pledged securities with a market value of \$206,935 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, 2021 are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ 29,053	\$ 180,360	\$ 209,413
Other	1,393	1,196	2,589
Total Accounts Receivable	<u>30,446</u>	<u>181,556</u>	<u>212,002</u>
<u>Due From Other Governmental Units</u>			
Insurance Premium Taxes	4,986	---	4,986
FEMA Reimbursements	154,000	---	154,000
Other	7,239	---	7,239
Total Due From Other Governments	<u>166,225</u>	<u>---</u>	<u>166,225</u>
Receivables (Net)	<u>\$ 196,671</u>	<u>\$ 181,556</u>	<u>\$ 378,227</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>
<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>

Town of Woodworth

Notes To Financial Statements

May 31, 2021

	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	2,492,207	84,848	44,267	2,532,788
Infrastructure	5,335,008	----	----	5,335,008
Accumulated Depreciation	(4,891,435)	(565,831)	(24,900)	(5,432,366)
Total Governmental Activities	<u>\$ 9,581,369</u>	<u>\$ (480,983)</u>	<u>\$ 19,367</u>	<u>\$ 9,081,019</u>
<u>Business-Type Activities</u>				
Natural Gas System				
Buildings and Improvements	\$ 49,984	\$ ----	\$ ----	\$ 49,984
Furniture, Fixtures and Equipment	155,650	----	----	155,650
Natural Gas System	1,696,809	----	----	1,696,809
Accumulated Depreciation	(1,466,652)	(51,500)	----	(1,518,152)
Water System				
Buildings and Improvements	46,017	----	----	46,017
Furniture, Fixtures and Equipment	166,218	----	----	166,218
Water System	6,857,758	----	----	6,857,758
Accumulated Depreciation	(3,925,762)	(178,083)	----	(4,103,845)
Sewer System				
Buildings and Improvements	178,788	----	----	178,788
Furniture, Fixtures and Equipment	711,485	----	----	711,485
Sewer System	9,142,264	----	----	9,142,264
Accumulated Depreciation	(4,514,199)	(336,970)	----	(4,851,169)
Total Business-Type	<u>\$ 9,098,360</u>	<u>\$ (566,553)</u>	<u>\$ ----</u>	<u>\$ 8,531,807</u>

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

	Governmental Activities	Business-Type Activities	Total
Police Department	\$ 65,526	\$ ----	\$ 66,666
Fire Department	80,058	----	60,904
Streets and Drainage	268,595	----	164,291
General Government	145,098	----	142,920
Recreation	6,554	----	7,944
Utility System	----	566,553	566,553
Total Depreciation Expense	<u>\$ 565,831</u>	<u>\$ 566,553</u>	<u>\$ 1,042,098</u>

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

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

Town of Woodworth

Notes To Financial Statements

May 31, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Payable to Vendors	\$ 130,514	\$ 72,334	\$ 202,848
Payroll Taxes and Withholding	23,508	----	23,508
Other	11,898	2,877	14,775
Total	<u>\$ 165,920</u>	<u>\$ 75,211</u>	<u>\$ 241,131</u>

NOTE 6 - LONG-TERM LIABILITIES

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

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

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

	<u>Governmental Activities</u>
<u>Long-Term Debt</u>	
Public Improvement Bonds	\$ 819,580
Refunding Revenue Bonds	5,321,830
Total Long-term Debt	6,141,410
Due Within One Year	101,142
Due in More Than One Year	<u>\$ 6,040,268</u>

Long-term debt activity during the year ended May 31, 2021 is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Public Improvement Bonds	\$ 843,042	\$ ----	\$ 23,462	\$ 819,580
Refunding Revenue Bonds	5,514,776	----	192,946	5,321,830
Total Long-term Debts	<u>\$ 6,357,818</u>	<u>\$ ----</u>	<u>\$ 216,408</u>	<u>\$ 6,141,410</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, 2021 are described as follows:

Town of Woodworth

Notes To Financial Statements

May 31, 2021

S325,000 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.	\$	248,621
S620,000 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.		570,959
Total Public Improvement Bonds	\$	819,580

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, 2021 are described as follows:

S6,355,000 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.	5,321,830
---	-----------

Maturity of Long-term Debt

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

<u>Year Ended</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 101,142	\$ 234,336	\$ 335,478
2023	225,194	229,262	454,456
2024	231,107	223,849	454,956
2025	237,054	216,752	453,806
2026	243,035	209,471	452,506
2027 – 2031	1,336,177	926,874	2,263,051
2032 – 2036	1,597,667	627,829	2,225,496
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	84,421	4,719	89,140
Total	<u>\$ 6,141,410</u>	<u>\$ 3,029,739</u>	<u>\$ 9,171,149</u>

NOTE 7 – TAXES:

Ad Valorem Taxes:

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

Town of Woodworth

Notes To Financial Statements

May 31, 2021

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, 2021 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:

Debt Service

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

NOTE 10 – PENSION PLANS

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

Town of Woodworth

Notes To Financial Statements

May 31, 2021

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 1,342,894	\$ 341,578	\$ 103,034
Municipal Police Employees' Retirement System	1,056,306	337,966	68,159
Firefighters' Retirement System of Louisiana	297,766	189,656	19,430
Total	2,696,966	869,200	190,623
Portion Applicable to Business Type Activities	340,873	127,750	38,535
Portion Applicable to Governmental Type Activities	<u>\$ 2,356,093</u>	<u>\$ 741,450</u>	<u>\$ 152,088</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. 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, 2020 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 1,218,616,969
Plan Fiduciary Net Position	786,276,078
Net Pension Liability	<u>432,340,891</u>
Town's Proportionate Share (Percentage)	<u>0.310610%</u>
Town's Proportionate Share (Amount)	<u>\$ 1,342,894</u>

Town of Woodworth

Notes To Financial Statements

May 31, 2021

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, 2020 are provided as follows:

Beginning Net Pension Liability		\$ 1,456,977
Employer Contributions		(166,447)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	166,213	
Employee Contributions	<u>(21,072)</u>	145,141
Change in Deferred Outflows of Resources		(32,659)
Change in Deferred Inflows of Resources		<u>(60,118)</u>
Ending Net Pension Liability		<u>\$ 1,342,894</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences Between Expected and Actual Experience	\$ 623	\$ 7,613	\$ (6,990)
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	22,591	----	22,591
Changes of Assumptions	134,009	----	134,009
Changes in Proportion	8,559	95,421	(86,862)
Employer Contributions Made After the Measurement Date	<u>175,796</u>	<u>----</u>	<u>175,796</u>
Total Deferrals	341,578	103,034	238,544
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>175,796</u>	<u>----</u>	<u>175,796</u>
Deferrals Subject to Amortization	<u>\$ 165,782</u>	<u>\$ 103,034</u>	<u>\$ 62,748</u>

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

<u>For the Year Ending:</u>	
June 30, 2021	\$ 17,395
June 30, 2022	(4,740)
June 30, 2023	30,449
June 30, 2024	<u>19,644</u>
Total	<u>\$ 62,748</u>

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

Town of Woodworth

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May 31, 2021

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions: Investment Rate of Return	6.95%, 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	53%	2.33%
Public Fixed Income	38%	1.67%
Alternatives	9%	0.40%
Totals	100%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%

Town of Woodworth

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May 31, 2021

The discount rate used to measure the total pension liability was 6.95% for the year ended June 30, 2020. 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:

	1% Decrease 5.95% Discount	Current Discount Rate 6.95%	1% Increase 7.95% Discount
Net Pension Liability	\$ 1,746,958	\$ 1,342,894	\$ 1,001,241

Municipal Police Employees' Retirement System of Louisiana

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

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

Financial Summary - The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lampers.org. The plans net pension liability was determined at June 30, 2020 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,180,974,031
Plan Fiduciary Net Position	2,256,740,977
Net Pension Liability	924,233,054
Town's Proportionate Share (Percentage)	0.114290%
Town's Proportionate Share (Amount)	\$ 1,056,306

Town of Woodworth

Notes To Financial Statements

May 31, 2021

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, 2020 are provided as follows:

Beginning Net Pension Liability		\$ 1,001,229
Employer Contributions		(114,993)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	184,407	
Employee Contributions	<u>(24,912)</u>	159,495
Change in Deferred Outflows of Resources		25,747
Change in Deferred Inflows of Resources		<u>(15,172)</u>
Ending Net Pension Liability		<u>\$ 1,056,306</u>

There were no changes between June 30, 2020 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	\$ ----	\$ 41,607	\$ (41,607)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	126,725	----	126,725
Changes of Assumptions	25,100	----	25,100
Changes in Proportion	80,629	26,068	54,561
Employer Contributions Made After the Measurement Date	<u>105,512</u>	<u>484</u>	<u>105,028</u>
Total Deferrals	337,966	68,159	269,807
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>105,512</u>	<u>----</u>	<u>105,512</u>
Deferrals Subject to Amortization	<u>\$ 232,454</u>	<u>\$ 68,159</u>	<u>\$ 164,295</u>

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

<u>For the Year Ending:</u>	
June 30, 2021	\$ 39,861
June 30, 2022	68,331
June 30, 2023	32,035
June 30, 2024	<u>24,068</u>
Total	<u>\$ 164,295</u>

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

Town of Woodworth

Notes To Financial Statements

May 31, 2021

Valuation Date	June 30, 2020	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.950% 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, 2020 are summarized in the following table:

Town of Woodworth

Notes To Financial Statements

May 31, 2021

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	48.50%	3.08%
Fixed Income	33.50%	0.54%
Alternatives	18.00%	1.02%
Other	0.00%	0.00%
Totals	<u>100.00%</u>	<u>4.64%</u>
Inflation		<u>2.55%</u>
Expected Arithmetic Nominal Return		<u>7.19%</u>

The discount rate used to measure the total pension liability was 6.950%. 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, 2009 through June 30, 2014, and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

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

	1% Decrease Discount Rate	5.95% Current Discount Rate 6.95%	1% Increase 7.95% Discount Rate
Net Pension Liability	\$1,483,997	\$ 1,056,306	\$ 698,774

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.

Town of Woodworth

Notes To Financial Statements

May 31, 2021

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

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand alone financial report. The financial report includes information about the plan’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lafirefightersret.com. The plans net pension liability was determined at June 30, 2020 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	S 2,530,844,605
Plan Fiduciary Net Position	1,837,689,661
Net Pension Liability	<u>693,154,944</u>
Town’s Proportionate Share (Percentage)	0.042958%
Town’s Proportionate Share (Amount)	<u>S 297,766</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, 2020 are provided as follows:

Beginning Net Pension Liability	S 212,993
Employer Contributions	(29,757)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	84,027
Employee Contributions	<u>(12,036)</u>
Change in Deferred Outflows of Resources	45,998
Change in Deferred Inflows of Resources	<u>(3,459)</u>
Ending Net Pension Liability	<u>S 297,766</u>

There were no changes between June 30, 2020 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:

Town of Woodworth

Notes To Financial Statements

May 31, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Resources
Differences Between Expected and Actual Experience	\$ ----	\$ 19,051	\$ (19,051)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	32,792	----	32,792
Changes of Assumptions	28,785	----	28,785
Changes in Proportion	101,234	379	100,855
Employer Contributions Made After the Measurement Date	26,845	----	26,845
	<hr/>	<hr/>	<hr/>
Total Deferrals	189,656	19,430	170,226
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	26,845	----	26,845
	<hr/>	<hr/>	<hr/>
Deferrals Subject to Amortization	\$ 162,811	\$ 19,430	\$ 143,381

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

For the Year Ending:

June 30, 2021	\$ 26,820
June 30, 2022	34,806
June 30, 2023	34,208
June 30, 2024	24,671
June 30, 2025	14,822
June 30, 2026	8,054
	<hr/>
Total	\$ 143,381

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, 2020
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	7 Years, Closed Period
Investment Rate of Return	7% 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.

Town of Woodworth

Notes To Financial Statements

May 31, 2021

The 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 and the G.S. Curran & Company Consultant Average study for 2020. The consultants' 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. The System's long-term assumed rate of inflation of 2.50% was used in this process for the fiscal year ended June 30, 2020.

Best estimates of arithmetic real rates of return for each major class included in the System's target asset allocation as of June 30, 2020, and June 30, 2019, 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	26.00%	5.72%
Non-U.S. Equity	12.00%	6.24%
Global Equity	10.00%	6.23%
Emerging Market Equity	6.00%	8.61%
U.S. Core Fixed Income	26.00%	1.00%
Emerging Market Debt	5.00%	3.40%
Global Tactical Asset Allocation	0.00%	4.22%
Risk Parity	0.00%	4.22%
Real Estate	6.00%	4.20%
Private Equity	9.00%	10.29%
Totals	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially-determined rates approved by the Board of Trustees and by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The mortality rate assumptions were updated in fiscal year 2020 to reflect changes from the recent experience study and rates set in the Pub-2010 Public Retirement Plans mortality tables, as compared to the RP-2000 Combined Healthy and

Town of Woodworth

Notes To Financial Statements

May 31, 2021

Disabled Lives tables that were used for the previous valuation. For the June 30, 2020 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 6.00% Discount Rate	Current Discount Rate 7.00%	1% Increase 8.00% Discount
Net Pension Liability	\$ 430,119	\$ 297,766	\$ 187,289

NOTE 11 – INTERNAL BALANCES

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Net</u>
General Fund	\$ 4,111,208	\$ 77,137	\$ 4,034,071
Fire Department	77,137	18,000	59,137
Utility System	18,000	4,111,208	(4,093,208)
Total Fund Presentation	4,206,345	4,206,345	---
Interfund Eliminations	111,137	111,137	---
Government-Wide	\$ 4,093,208	\$ 4,093,208	\$ ---

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, 2021 are summarized as follows:

Town of Woodworth

Notes To Financial Statements

May 31, 2021

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>	<u>Net</u>
<u>Governmental Funds</u>			
General Fund	\$ 717,291	\$ ----	\$ 717,291
Fire Department Fund	----	268,000	(268,000)
Total Governmental Funds	<u>717,291</u>	<u>268,000</u>	<u>449,291</u>
<u>Business Type Funds</u>			
Utility System	----	449,291	(449,291)
Total	<u>\$ 717,291</u>	<u>\$ 717,291</u>	<u>\$ ----</u>

NOTE 13 – CONTINGENCIES:

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at May 31, 2021 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	\$ 40,500
Fire Department	<u>26,000</u>
Total	<u>\$ 66,500</u>

Town of Woodworth

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended May 31, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 318,000	\$ 317,415	\$ 322,129	\$ 4,714
Licenses & Permits	81,000	97,000	75,737	(21,263)
Charges for Services	207,000	211,200	208,733	(2,467)
Intergovernmental	606,600	356,030	510,029	153,999
Fines and Forfeitures	1,220,000	1,350,000	1,351,176	1,176
Other	83,048	235,499	81,944	(153,555)
Total Revenues	2,515,648	2,567,144	2,549,748	(17,396)
<u>Expenditures:</u>				
Current:				
General Government	976,621	865,351	832,329	33,022
Public Safety				
Police Department	770,120	850,605	848,810	1,795
Fire Department	231,000	244,390	244,564	(174)
Public Works				
Streets and Drainage	391,000	456,505	486,233	(29,728)
Sanitation	177,600	223,500	223,512	(12)
Recreation	5,200	7,565	7,565	-
Capital Expenditures	150,000	24,635	24,636	(1)
Debt Service	404,705	404,068	404,068	-
Total Expenditures	3,106,246	3,076,619	3,071,717	4,902
Excess (Deficiency) of Revenue Over Expenditures	(590,598)	(509,475)	(521,969)	(12,494)
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	652,000	714,800	717,291	2,491
Operating Transfers Out	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	61,402	205,325	195,322	(10,003)
Fund Balance (Deficit) - Beginning of Year	3,800,283	3,800,283	3,800,283	-
Fund Balance (Deficit) - End of Year	\$ 3,861,685	\$ 4,005,608	\$ 3,995,605	\$ (10,003)

Town of Woodworth

Fire Department

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended May 31, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 340,000	\$ 465,903	\$ 496,286	\$ 30,383
Intergovernmental	135,000	137,000	137,000	-
Other	6,305	5,062	5,065	3
Total Revenues	481,305	607,965	638,351	30,386
<u>Expenditures:</u>				
Current:				
Public Safety				
Fire Department	152,415	120,065	120,248	(183)
Capital Expenditures	10,000	30,212	30,212	-
Debt Service	52,656	52,656	52,656	-
Total Expenditures	215,071	202,933	203,116	(183)
Excess (Deficiency) of Revenue Over Expenditures	266,234	405,032	435,235	30,203
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(192,000)	(268,000)	(268,000)	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	74,234	137,032	167,235	30,203
Fund Balance (Deficit) - Beginning of Year	40,271	40,271	40,271	-
Fund Balance (Deficit) - End of Year	\$ 114,505	\$ 177,303	\$ 207,506	\$ 30,203

Town of Woodworth

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount		Covered Payroll	Liability
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%
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%
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%

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%
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%
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%

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, 2021

David Butler	\$ 74,944
Charles Reich	5,625
Jimmie S. Cranford	5,625
Kevin Kitchen	5,625
Lisa Aymond	5,625
Tommy Melder	5,625
	<hr/>
Total Compensation	<u>\$ 103,069</u>

Town of Woodworth

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended May 31, 2021

Agency Head (Mayor) - David Butler

Purpose:

Compensation	\$ 74,944
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Benefits

Health Insurance	2,757
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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, 2021

Cash Basis Presentation	First Six Month Period Ended November 30, 2020	Second Six Month Period Ended May 31, 2021
Beginning Balance of Amounts Collected	<u>\$ -</u>	<u>\$ -</u>
Add: Collections		
Criminal Court Costs/Fees	140,008	137,321
Criminal Fines - Contempt	46,806	78,216
Criminal Fines - Other	508,499	537,280
Services/Collection Fees	59,738	80,228
Other	<u>611</u>	<u>339</u>
Subtotal Collections	<u>755,662</u>	<u>833,384</u>
Less: Disbursements to Governments & Nonprofits		
Criminal Court Cost / Fees		
Louisiana Commission on Law Enforcement	3,763	3,667
CMIS Trial Court Case Management System	1,920	1,871
Crime Stoppers of Cenla, Inc.	3,550	3,440
Louisiana Department of Health and Hospitals	3,930	3,260
North Louisiana Crime Lab	49,350	46,530
Louisiana Judicial college	906	870
Less: Amounts Retained by Bunkie City Court		
Collection Fee for Collecting / Disbursing to Others	77	75
Town of Woodworth, Criminal Court Cost/Fees	123,318	155,825
Town of Woodworth, Criminal Fines	509,110	537,618
Less: Disbursements to Individuals /3rd Party Collection		
Payments to 3rd Party Collection / Processing Agencies	<u>59,738</u>	<u>80,228</u>
Subtotal Disbursements / Retainage	<u>755,662</u>	<u>833,384</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>
Other Information:		
Total Waivers During the Fiscal Period	24,420	18,677

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, 2021

	First Six Month Period Ended November 30, 2020	Second Six Month Period Ended May 31, 2021
Cash Basis Presentation		
Receipts From:		
Rapides Parish District Attorney's Office	3,694	-
Louisiana Department of Motor Vehicles	<u>675</u>	<u>2,075</u>
Subtotal Receipts	<u>4,369</u>	<u>2,075</u>

TOWN OF WOODWORTH

Summary of Findings

May 31, 2021

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, 2021 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, 2021

<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, 2021

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>