

TOWN OF BARTONVILLE

FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

TABLE OF CONTENTS

	PAGE #
INDEPENDENT AUDITOR'S REPORT	1
CITY OFFICIALS	2
REQUIRED SUPPLEMENTARY INFORMATION: Management's Discussion and Analysis	3-9
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	13
Notes to Financial Statements	14-33
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule - General Fund	34
Budgetary Comparison Schedule - Capital Improvement Fund	35
Budgetary Comparison Schedule - Community Development Corporation	36
Budgetary Comparison Schedule - Crime Control & Prevention District	37
Schedule of Changes in Net Pension Liability and Related Ratios	38
Schedule of Pension Contributions	39
Schedule of Changes in Total OPEB Liability and Related Ratios	40

WILLIAM C SPORE, P.C.
Certified Public Accountants
200 N. Rufe Snow Drive, Ste 116
Keller, TX 76248
817-421-6619

Independent Auditor's Report

To the City Council
Town of Bartonville, Texas

I have audited the accompanying financial statements of the governmental activities and major funds of the Town of Bartonville, Texas as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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 misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of 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 controls 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Bartonville, Texas, as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, the schedule of changes in net pension liability and related ratios, the schedule of pension contributions and the schedule of changes in total OPEB liability be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated March 16, 2021, on my consideration of the Town of Bartonville, Texas'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 solely 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 the effectiveness of the Town of Bartonville, Texas's 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 Bartonville, Texas's internal control over financial reporting and compliance.

William C. Spore, P.C.

Keller, Texas

Certified Public Accountants

March 16, 2021

TOWN OF BARTONVILLE

CITY OFFICIALS

September 30, 2020

MAYOR	Bill Scherer
MAYOR PRO TEM	Jeff Traylor
COUNCIL MEMBERS	Jaclyn Carrington
	Bridget Melson
	Josh Phillips
	Clay Sams
TOWN ADMINISTRATOR	Sylvia Ordeman
SECRETARY	Tammy Dixon
POLICE CHIEF	Bobby Dowell
MUNICIPAL COURT JUDGE	Robin Ramsay
ATTORNEY	Ed Voss

TOWN OF BARTONVILLE MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Bartonville, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2020. The information provided here should be used in conjunction with the basic financial statements.

Management's discussion and analysis ("MD&A") has been designed to [1] assist readers and interested parties in focusing on significant financial issues [2] provide an overview of the Town's financial activity, [3] identify changes in the Town's financial position, including its ability to address the next and subsequent years challenges, [4] identify material deviations from the approved budgets adopted by the Town Council (those charged with governance), and [5] identify individual fund issues or concerns.

Because MD&A focuses on the current year's activity, resulting changes and currently known facts, you are encouraged to read it in conjunction with the basic financial statements including notes thereto, required supplemental information, and other supplementary data provided below.

FINANCIAL HIGHLIGHTS

- The Town's government-wide assets and deferred outflows exceeded its government-wide liabilities and deferred inflows at September 30, 2020 by \$5,434,852, an increase of \$1,002,236 from the prior year.
- At September 30, 2020, the Town's governmental funds reported combined fund balances of \$3,376,934, an increase of \$359,069 from the prior year.
- The Town's capital assets, reported at cost less accumulated depreciation, total \$3,619,841 at September 30, 2020 while the Town's long-term debt totaled \$1,200,000 at September 30, 2020.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Reporting the Town as a Whole - Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The Statement of Net Position (page 10) presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities (page 11) presents information showing how the Town's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences). Capital grant funds are reported as revenues in the Statement of Activities.

The Town currently only provides Governmental type activities. Governmental activities include basic services such as police, municipal court, inspection, streets and general administration. Permit revenues, sales taxes, and franchise fees finance most of these activities. The Town does not provide any Business-type activities such as water or sewer systems and related fees.

Reporting the Town's Most Significant Funds

Fund Financial Statements

All of the Town's activities are accounted for in governmental funds. Governmental funds focus on how money flows into and out of the funds and the balances left at the end of the year that is available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 14.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's net position is as follows:

NET POSITION GOVERNMENTAL ACTIVITIES

	2020	2019
Current and Other Assets	\$ 3,618,693	\$ 3,400,075
Capital Assets	<u>3,619,841</u>	<u>3,362,445</u>
Total Assets	<u>7,238,534</u>	<u>6,762,520</u>
Deferred Outflows of Resources	<u>74,680</u>	<u>95,225</u>
Current Liabilities	557,336	793,322
Net Pension & OPEB Liability	381,165	431,522
Long-Term Liabilities	<u>910,000</u>	<u>1,200,000</u>
Total Liabilities	<u>1,848,501</u>	<u>2,424,844</u>
Deferred Inflows of Resources	<u>29,861</u>	<u>285</u>
Net Position:		
Invested in Capital Assets, net		
of debt	2,848,242	1,770,445
Restricted	743,588	521,659
Unrestricted	<u>1,843,022</u>	<u>2,140,512</u>
Total Net Position	\$ <u>5,434,852</u>	\$ <u>4,432,616</u>

The Town's net position increased by \$1,002,236 during the fiscal year ended September 30, 2020 to \$5,434,852. The largest portion of the Town's net position is its investment in capital assets, (land, building, equipment and infrastructure.) The Town uses these capital assets to provide services to the Town's citizens; consequently these assets are not available for future spending.

Analysis of Town's Operations

For the fiscal year ended September 30, 2020 the Town's revenues totaled \$2,655,145, an increase of \$304,101 (12.9%) from 2019. Due to an increase in residential and commercial development in the Town, sales tax (18.6%) and property tax (6.3%) revenues increased in 2020 compared to 2019.

Total government-wide expenses decreased \$124,744 (7%) in 2020 compared to 2019. This decrease was primarily due to a decrease in economic development grants funded by sales tax revenues and economic development grants issued by the Community Development Corporation in 2020 compared to 2019. Engineering fees (\$10,012) and legal fees (\$4,171) also decreased during 2020.

General government expenses decreased 17.4% in 2020. Personnel costs increased \$17,053 (7.7%) while economic development grants decreased \$132,959. Due to Covid-19 the Town's annual election was postponed until November 2020 which saved the Town \$10,607 based on the cost of the 2019 election.

Public safety expenditures increased \$39,615 (7.4 %) in 2020 due to an increase in personnel costs incurred by the police department in 2020.

Public works expenditures decreased \$45,960 (13.0%) due a decrease in street maintenance expenditures in 2020 compared to 2019.

A summary of the Town's operations for the years ended September 30, 2020 & 2019 is as follows:

CHANGES IN NET POSITION

	2020	2019
REVENUES		
Program Revenues:		
Permits & Fees	\$ 321,159	\$ 320,077
Municipal Court	60,244	72,164
Contributions & Grants	98,592	1,938
General Revenues:		
Property Taxes	801,728	754,262
Sales & Beverage Taxes	1,168,814	985,817
Franchise Fees	168,113	174,426
Interest Income	36,495	42,360
Total Revenues	2,655,145	2,351,044
PROGRAM EXPENSES		
General Government	718,791	870,035
Public Safety	579,497	539,882
Public Works	307,805	353,765
Interest on Long-Term Debt	46,816	13,971
Total Expenses	1,652,909	1,777,653
Increase (Decrease) in Net Position	\$ 1,002,236	\$ 573,391

GOVERNMENTAL FUND ANALYSIS

The focus of the Town's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements; in particular, unreserved fund balance may serve a measure of a government's net resources available for spending at the end of the fiscal year.

A comparison of fiscal years 2020 and 2019 fund basis revenues is as follows:

	2020	2019
REVENUES		
Property Taxes	\$ 800,714	\$ 754,021
Sales & Beverage Taxes	1,168,814	985,817
Franchise Taxes	168,113	174,426
Permits & Fees	308,234	316,874
Municipal Court	60,244	72,164
Grants & Donations	98,592	1,938
Interest Income	36,495	42,360
Other Income	<u>12,925</u>	<u>3,203</u>
TOTAL REVENUES	\$ <u>2,654,131</u>	\$ <u>2,350,803</u>

The Town's property and sales taxes revenues increased \$229,690 (13%) from 2019 to 2020 primarily due to an increase in property values and an increase in commercial businesses sales in 2020 compared to 2019. The Town's property tax rate remained the same in 2020 as it was in 2019.

A comparison of fiscal years 2020 and 2019 fund basis expenditures is as follows:

	2020	2019
EXPENDITURES		
General Government	\$ 685,677	\$ 832,485
Public Safety	528,631	485,857
Public Works	91,871	132,419
Capital Outlay - Public Works	516,455	1,516,748
Capital Outlay - General Government	18,870	9,834
Capital Outlay - Public Safety	18,837	7,563
Debt Service-Principle	392,000	110,000
Debt Service-Interest	<u>42,721</u>	<u>4,253</u>
TOTAL EXPENDITURES	\$ <u>2,295,062</u>	\$ <u>3,099,159</u>

Total governmental fund basis expenditures decreased \$804,097 primarily due to a decrease in economic development grant expenditures and a decrease in capital outlay expenditures for street improvements in 2020 compared to 2019. Public safety expenditures increased due to an increase in personnel costs and public works expenditures decreased due a decrease in street maintenance expenditures in 2020 compared to 2019. In 2019 the Town issued new long-term debt which required an increase in the annual debt service principal and interest payments in 2020 compared to 2019.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original 2020 budget was amended by the Town Council. The amendments were made to more accurately reflect changes in revenues and expenses incurred by the Town.

The Town’s actual general fund revenues exceeded budgeted revenues by \$9,378. Actual revenues included Cares Act (Covid-19) grant fund received by the Town of \$95,205.

General fund expenditures totaled \$2,170,215 which was \$159,053 under budgeted general fund expenditures. The Town’s personnel costs were \$55,736 under budget and sales tax related economic development grant expenditures were \$58,235 under budget

The Town budgeted for the general fund to have a surplus of \$76,975 while the actual general fund surplus was \$245,406.

CAPITAL ASSETS

The Town’s investment in capital assets as of September 30, 2020 amounts to \$3,619,841 (net of depreciation). The investment in capital assets includes land, buildings, equipment and infrastructure. The Town’s capital assets, net of accumulated depreciation, are as follows:

	2020		2019
Land	\$ 119,275	\$	119,275
Buildings	315,046		327,753
Equipment	85,203		115,621
Infrastructure	<u>3,100,317</u>		<u>2,799,796</u>
TOTAL	<u>\$ 3,619,841</u>	\$	<u>3,362,445</u>

Additional information on the Town’s capital assets can be found in Note 4.

DEBT ADMINISTRATION

During 2019 the Town issued \$1,477,000 of tax notes for the purposes of constructing and improving streets within the Town. There were no new debt issuances in fiscal year 2020. Outstanding long-term debts are as follows:

	2020	2019
Tax Notes	<u>1,200,000</u>	<u>1,592,000</u>
TOTAL	\$ <u><u>1,200,000</u></u>	\$ <u><u>1,592,000</u></u>

Additional information on the Town's long-term debts can be found in Note 5.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budgeted general fund revenues for fiscal year 2021 are \$2,212,379. Included in these 2021 budgeted revenues are property tax revenues of \$840,599, based upon a tax rate of .19294 per \$100 of valuation, the same rate as the prior year. The 2021 budget anticipates the Town collecting \$675,000 of sales tax revenues, \$160,500 of franchise fees and \$86,950 of permits and fee revenues.

Budgeted general fund expenditures total \$1,914,707 including \$60,000 for legal fees, \$214,863 for administrative staff personnel costs, \$471,661 for the police department personnel costs and \$160,000 for street maintenance and improvement projects.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Town of Bartonville. If you have questions about this report or need any additional information, contact the Town Secretary at 1941 E. Jeter Road, Bartonville, TX 76226 or at (817) 430-4052.

TOWN OF BARTONVILLE
GOVERNMENT-WIDE
STATEMENT OF NET POSITION

September 30, 2020

GOVERNMENTAL-ACTIVITIES

ASSETS

CURRENT ASSETS

Cash	\$	676,476
Receivable-Sales & Franchise Taxes		305,874
Receivable-Property Taxes		13,612
Prepaid Expenses		3,289
TOTAL CURRENT ASSETS		<u>999,251</u>

NONCURRENT ASSETS

Restricted Cash		<u>2,619,442</u>
-----------------	--	------------------

CAPITAL ASSETS

Land		119,275
Buildings & Improvements		565,401
Equipment		465,299
Infrastructure		7,486,432
Accumulated Depreciation		<u>(5,016,566)</u>
NET CAPITAL ASSETS		<u>3,619,841</u>
TOTAL ASSETS		<u><u>7,238,534</u></u>

DEFERRED OUTFLOWS OF RESOURCES

Pension & OPEB Contributions After Measurement Date		53,455
Difference in Expected and Actual Pension Experience		13,149
Difference in Projected and Actual Earnings-Pension		3,845
Difference in Assumption Changes-OPEB		4,231
TOTAL DEFERRED OUTFLOWS OF RESOURCES		<u><u>74,680</u></u>

LIABILITIES

Accounts Payable		172,450
Accrued Liabilities		70,286
Accrued Compensated Absences		24,600
General Obligation Bonds Due Within One Year		290,000
General Obligation Bonds Due in More Than One Year		910,000
Total OPEB Liability		28,553
Net Pension Liability		<u>352,612</u>
TOTAL LIABILITIES		<u><u>1,848,501</u></u>

DEFERRED INFLOWS OF RESOURCES

Diff. in Expected and Actual Pension Experience-OPEB		198
Difference in Assumption Changes-Pension		<u>29,663</u>
TOTAL DEFERRED INFLOWS OF RESOURCES		<u><u>29,861</u></u>

NET POSITION

Invested in Capital Asset, Net of Related Debt		2,848,242
Restricted for Community Development		544,691
Restricted for Crime Control & Prevention		131,767
Other Purposes		67,130
Unrestricted		<u>1,843,022</u>
TOTAL NET POSITION	\$	<u><u>5,434,852</u></u>

TOWN OF BARTONVILLE

**GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2020

FUNCTIONS/PROGRAMS	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS & DONATIONS</u>	<u>CAPITAL GRANTS & DONATIONS</u>	<u>NET (EXPENSE) REVENUE</u>
GOVERNMENTAL ACTIVITIES:					
General Government	\$ (718,791)	\$ 321,159	\$ 91,471	\$ 3,734	\$ (302,427)
Public Safety	(579,497)	60,244	3,387		(515,866)
Public Works	(307,805)	0	0	0	(307,805)
Interest on Long-Term Debt	(46,816)	0	0	0	(46,816)
TOTAL GOVERNMENTAL ACTIVITIES	\$ (1,652,909)	\$ 381,403	\$ 94,858	\$ 3,734	(1,172,914)
GENERAL REVENUE					
Property Taxes					801,728
Sales Taxes					1,168,814
Franchise Fees					168,113
Interest Income					36,495
TOTAL GENERAL REVENUE					2,175,150
CHANGE IN NET POSITION					1,002,236
NET POSITION - BEGINNING					<u>4,432,616</u>
NET POSITION - ENDING					<u>\$ 5,434,852</u>

TOWN OF BARTONVILLE

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2020

ASSETS	GENERAL FUND	CAPITAL IMPROVEMENT FUND	COMMUNITY DEVELOPMENT CORPORATION	CRIME CONTROL & PREVENTION DISTRICT	TOTAL GOVERNMENTAL FUNDS
Cash	\$ 2,611,407	\$ 56,414	\$ 510,257	\$ 117,840	\$ 3,295,918
Receivables:					
Sales Taxes, Franchise Fees & Other	255,598	0	36,101	14,174	305,873
Property Taxes	13,612	0	0	0	13,612
Interfund	522	0	(522)	0	0
Prepaid Expenses	3,289	0	0	0	3,289
TOTAL ASSETS	\$ 2,884,428	\$ 56,414	\$ 545,836	\$ 132,014	\$ 3,618,692
LIABILITIES					
Accounts Payable	\$ 171,058	\$ 0	\$ 1,145	\$ 247	\$ 172,450
Accrued Liabilities	55,949	0	0	0	55,949
TOTAL LIABILITIES	227,007	0	1,145	247	228,399
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Property Taxes	13,359	0	0	0	13,359
FUND BALANCE					
Non-Spendable - Prepaid Expenses	3,289	0	0	0	3,289
Restricted For:					
Restricted - Community Development	0	0	544,691	0	544,691
Restricted - Crime Control & Prevention	0	0	0	131,767	131,767
Restricted - Covid-19	59,294	0	0	0	59,294
Restricted - Court Related	7,836	0	0	0	7,836
Restricted - Street Improvements	428,401	0	0	0	428,401
Committed To:					
Capital Improvements	0	56,414	0	0	56,414
Debt Service	1,131,467	0	0	0	1,131,467
Vehicles & Equipment Replacement	40,076	0	0	0	40,076
Streets	127,966	0	0	0	127,966
Unassigned	845,733	0	0	0	845,733
TOTAL FUND BALANCE	2,644,062	56,414	544,691	131,767	3,376,934
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND LIABILITIES	\$ 2,884,428	\$ 56,414	\$ 545,836	\$ 132,014	\$ 3,618,692

TOWN OF BARTONVILLE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION

September 30, 2020

Fund Balance Above	\$	3,376,934
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Fund Balance Sheet.		3,619,841
Property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the Fund Balance Sheet.		13,359
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Fund Balance Sheet:		
2018 Tax Notes		(1,200,000)
Accrued compensated absences		(24,600)
Accrued interest		(14,337)
Net OPEB Liability and related deferred inflows and deferred outflows of resources		(26,151)
Net Pension Liability and related deferred inflows and deferred outflows of resources		(310,194)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>5,434,852</u></u>

TOWN OF BARTONVILLE

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2020

	<u>GENERAL FUND</u>	<u>CAPITAL IMPROVEMENT FUND</u>	<u>COMMUNITY DEVELOPMENT CORPORATION</u>	<u>CRIME CONTROL & PREVENTION DISTRICT</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES					
Property Taxes	\$ 800,714	\$ 0	\$ 0	\$ 0	\$ 800,714
Sales Taxes	934,713	0	161,502	72,599	1,168,814
Franchise Fees	168,113	0	0	0	168,113
Permits & Fees	308,234	0	0	0	308,234
Municipal Court	60,244	0	0	0	60,244
Intergovernmental Revenues	95,205	0	0	0	95,205
Grants & Donations	0	0	0	3,387	3,387
Miscellaneous Revenues	12,925	0	0	0	12,925
Interest Income	30,473	592	4,564	866	36,495
TOTAL REVENUES	2,410,621	592	166,066	76,852	2,654,131
EXPENDITURES					
General Government	634,246	0	51,431	0	685,677
Public Safety	509,052	0	0	19,579	528,631
Public Works	91,871	0	0	0	91,871
Debt Service - Principal	392,000	0	0	0	392,000
Debt Service - Interest	42,721	0	0	0	42,721
Capital Outlay	500,325	0	35,000	18,837	554,162
TOTAL EXPENDITURES	2,170,215	0	86,431	38,416	2,295,062
EXCESS REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER SOURCES	240,406	592	79,635	38,436	359,069
OTHER FINANCING SOURCES (USES)					
Transfer from Community Development	5,000	0	(5,000)	0	0
TOTAL OTHER FINANCING SOURCES	5,000	0	(5,000)	0	0
NET CHANGE IN FUND BALANCES	245,406	592	74,635	38,436	359,069
FUND BALANCE - BEGINNING	2,398,656	55,822	470,056	93,331	3,017,865
FUND BALANCE - ENDING	\$ 2,644,062	\$ 56,414	\$ 544,691	\$ 131,767	\$ 3,376,934

TOWN OF BARTONVILLE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Net Change in Fund Balance - Governmental Funds \$ 359,069

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities
the cost of these assets is allocated over their estimated useful lives as depreciation expense:

Capital assets recorded in the current period 554,162

Depreciation expense on capital assets (296,766)

Borrowings on long-term debt are revenues in the governmental funds, but the borrowing
increases long-term liabilities in the statement of net position: 0

Repayment on debt principle is an expenditure in the governmental funds, but the repayment
reduces long-term liabilities in the statement of net position: 392,000

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds:

Deferred Revenues - Property Taxes 1,014

Some expenses in the statement of activities do not require the use of current financial
resources and therefore are not reported as expenditures in the governmental funds:

Compensated absences (3,385)

Accrued Interest on long-term debts (4,095)

Governmental funds report pension and OPEB expenses as they are paid into the retirement plan during
the fiscal year. However, in the statement of activities, pension and OPEB expenses reflects the change
in net pension and OPEB liabilities during the plan fiscal year (calendar year 2019): 237

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,002,236

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -

The Town of Bartonville operates under a Council-Mayor form of government, following the laws of a General Law Town as defined by the State of Texas. The Town provides the following services: inspection, municipal court, police, public works, and general administrative services.

The Town's financial statements are prepared in accordance with generally accepted accounting principles accepted in the United States of America (GAAP) applicable to local governments. GAAP for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the Town are discussed below:

A. REPORTING ENTITY

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Bartonville (the primary government) and its component units. The following component units are included in the Town's reporting entity because of their operational and financial relationship with the Town.

Blended component units:

The Bartonville Community Development Corporation (the B.C.D.C.) is governed by a board of seven directors, all of whom are appointed by the Town Council of the Town of Bartonville and any of whom can be removed from office by the Town's Council at its' will. The B.C.D.C. was incorporated in the state of Texas as a non-profit industrial development corporation under the Development Corporation Act of 1979. The purpose of the B.C.D.C. is to promote economic development within the Town of Bartonville.

At its May 2010 election the citizens of the Town of Bartonville approved the creation of the Town of Bartonville Crime Control and Prevention District (the B.C.C.D.) an adopted a local sales and use tax of one-quarter of one percent (.25%) to fund the B.C.C.D. The District is governed by a board of seven directors, all of whom are appointed by the Town Council of the Town of Bartonville. The purpose of the B.C.C.D. is to provide training for the Town's police officers, purchase necessary equipment and technology needed to provide a higher level of crime prevention and crime control in the District and to provide avenues to inform and educate the citizens of the District in multiple crime control topics and applications. The B.C.C.D. began collecting sales tax revenues in October 2010.

Individual audited financial statements of the component units are not issued. Management issued financial statements can be obtained from the Town's administrative offices.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

B. BASIC FINANCIAL STATEMENTS-GOVERNMENT-WIDE STATEMENTS:

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's inspection, police, municipal court, parks, public works, and general administrative services are classified as governmental activities. The Town does not provide any business-type activities.

In the government-wide Statement of Net Position governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts- invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net costs of each of the Town's Functions (general government, public safety, and public works). The functions are also supported by general government revenues (property, sales and franchise taxes). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, inspection). Operating grants include operating-specific and discretionary grants while capital grants reflect capital specific grants. Developer contributions for public works infrastructure are included in capital grants.

The net costs (by function) are normally covered by general revenue (property, sales, franchise taxes).

The Town does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

C: BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS:

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The Town only provides Governmental Fund type activities. The Town has presented the following major funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources not accounted for in other funds.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

Capital Improvement Fund - The Capital Improvement Fund is used to account for funds restricted or designated for future capital improvements.

Community Development Corporation Fund - The Community Development Corporation Fund is used to account for the financial resources of the Bartonville Community Development Corporation, a blended component unit of the Town. The fund balance of the Community Development Corporation is reserved to signify amounts that are restricted to be used for economic development within the scope of the Bartonville Community Development Corporation's by-laws.

Crime Control and Prevention District - The Crime Control and Prevention District Fund is used to account for the financial resources of the Bartonville Crime Control and Prevention District, a blended component unit of the Town. The fund balance of the Crime Control and Prevention District is reserved to signify amounts that are restricted to be used for crime control and prevention within the scope of the Bartonville Crime Control and Prevention District's governing code.

The Town does not provide any Business-type activities or have any Fiduciary Funds.

D: MEASUREMENT FOCUS/BASIS OF ACCOUNTING:

Measurement focus refers to what is being measured; basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied.

1. Government-wide financial statements and fund financial statements for proprietary funds are presented using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total assets. Under the accrual basis of accounting revenues are recognized when earned and expensed are recognized at the time the liability is incurred.
2. Governmental fund financial statements are presented using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (typical within 60 days after year end). Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principle and interest on general obligation long-term debt, if any, is recognized only when payment is due.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

3. Revenue Recognition:

The Town considers property, sales and franchise taxes as available if collected within 60 days after year end. All other governmental revenues are recognized when received.

4. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles to local governments in the United States of America requires management and those charged with governance to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

5. New Accounting Principles:

The Town has adopted all current GASB pronouncements that are applicable to its operations and activities. The accounting principles governing the reported amounts, financial presentations, and disclosures are subject to change from time to time based on new pronouncements and / or rules issued by various standards-setting bodies. The GASB has issued the following new statements that are potentially applicable to the Town of Bartonville.

- *Statement no. 92, Omnibus 2020.* This statement is effective for fiscal years beginning after June 15, 2020. This statement will not affect the Town.
- *Statement no. 93, Replacement of Interbank Offered Rates.* This statement is effective for fiscal years beginning after December 31, 2021. This statement will not affect the Town.
- *Statement no. 94, Public Private and Public Public Private Partnerships and Available Payment Arrangements.* This statement is effective for fiscal years beginning after June 15, 2022. This statement will not affect the Town.
- *Statement no. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.* This statement is effective immediately. This statement will not affect the Town
- *Statement no. 96, Subscription-based Information Technology Arrangements.* This statement is effective June 15, 2022. This statement will not affect the Town.

New pronouncements not yet in effect as of September 30, 2020, are not expected to have any significant impact on the Town's financial position, results of operations, or cash flows. The Town is currently studying these new pronouncements and will adopt them in the fiscal year ending September 2021, as required.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

E. FINANCIAL STATEMENT AMOUNTS:

1. Cash and cash Equivalents:

The Town has defined cash and cash equivalents to include cash on hand and demand deposits and time deposits with an original maturity of 90 days or less.

2. Capital Assets:

Capital assets which include land, buildings, office equipment, police equipment and infrastructure (roads, bridges and drainage systems) purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, or improvements and other capital outlays that significantly extend the useful lives of assets are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is provided using the straight-line basis over the following estimated useful lives:

Buildings	5 - 40 years
Equipment	3 - 10 years
Infrastructure	15 years

3. Restricted Resources:

When an expense is incurred for purposes for which both restricted and unrestricted resources are available the Town first applies restricted resources.

4. Compensated Absences:

The Town accrues accumulated unpaid comp and vacation time when earned by the employee. Unused compensatory time is paid upon termination. All comp and vacation time is accrued in the government-wide statements. A liability for these amounts is not recorded in the governmental fund statements and represents a reconciling item between the fund and government-wide presentations.

5. Deferred Outflows of Resources:

The Town reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. Deferred outflows of resources reported in this year's financial statement include (1) a deferred outflow of resources for contributions made to the Town's retirement plan between the measurement date of the net pension liabilities from the plan and the end of the Town's fiscal year end, (2) deferred outflows of resources related to differences between the expected and actual pension plan experience (3) deferred outflows of resources related to differences in expected and actual pension investment earnings and (4) deferred outflows of resources related to changes in OPEB plan assumptions.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

The deferred outflows for pension contributions will be recognized in the subsequent fiscal year. The deferred outflows related to differences between expected and actual pension plan experience will be recognized over a closed period equal to the average of the expected remaining service lives of all employees participating in the plan; the deferred outflows related to differences in expected and actual pension investment earnings will be amortized to expense over a five-year period; and the deferred outflows related to changes in assumptions will be recognized over a closed period equal to the average of the expected remaining service lives of all employees participating in the plan.

6. Deferred Inflows of resources:

The Town's statement of government-wide net position reports a separate section for deferred inflows of revenues. This separate financial statement element reflects an increase in net assets that applies to a future period(s). Deferred Inflows of resources reported in this year's financial statement include deferred inflows of resources related to changes in pension plan assumptions. The deferred inflows related to assumptions changes will be amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees participating in the plan.

Deferred inflows of resources reported in this year's governmental funds financial statements include a deferred inflow of resources for revenues that are not considered available. The Town will not recognize the related revenues until they are available (collected no later than 60 days after the end of the Town's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes are reported in the governmental funds balance sheet as deferred inflows of resources.

7. Pensions:

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

8. Equity Classifications:

Government-wide Statements

Equity is classified as net position and displayed in three components:

a: Invested in capital assets, net of related debt - Consists of capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Any outstanding debt is reduced by any unspent debt proceeds at the end of the fiscal year before the reduction.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

- b. Restricted net position - Consists of net assets with constraints placed on the use either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net assets that do not meet the criteria of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable (prepaid expenses), restricted (by parties outside of the government or by enabling legislation), committed (by Town Council ordinance or resolution) and unassigned.

F: BUDGETS AND BUDGETARY ACCOUNTING:

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1: Prior to September 1, the Town Secretary submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- 2: Public hearings are conducted to obtain taxpayer comments.
- 3: Prior to October 1, the budget is legally enacted through the passage of an ordinance.
- 4: Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 5: Unused appropriations for all of the above annually budgeted funds lapse at the end of the fiscal year.

For the fiscal year ending September 30, 2020 expenditures exceeded appropriations for the following departments and amounts:

Streets	\$ 9,296
---------	----------

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 2: DEPOSITS:

At September 30, 2018 the Town's cash and cash equivalents were made up of the following:

Petty cash accounts	\$	200
Held at a local bank		2,867,317
Held at LOGIC		<u>428,401</u>
Total Cash & Cash Equivalents	\$	<u>3,295,918</u>

Cash and cash equivalents include the Town's investments in LOGIC a Texas Local Government Investment Pools. These investment pool funds are readily available and are recorded at cost.

Deposit and Investment risk Disclosures:

(1) Custodial credit risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of outside parties.

At September 30, 2020, the Town's bank balances (per bank) totaled \$2,868,285. Of the bank balances, \$310,063 was covered by federal depository insurance and \$2,558,222 was secured by collateral held by the pledging Bank's agent in the name of the Town. The Town was not exposed to custodial credit risk at September 30, 2020.

Securities pledged by the Town's depository institution at September 30, 2020 are as follows:

	PAR	FMV
YSLETA TX ISD	\$ 4,500,000	\$ 5,296,815
FFCB CALLABLE	230,000	232,120
Detroit, TX ISD	70,000	77,988
Dimmitt, TX ISD	280,000	324,601
Wimberley, TX ISD	<u>330,000</u>	<u>364,660</u>
	\$ <u>5,410,000</u>	\$ <u>6,296,184</u>

(2) Credit Risk:

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. The Town does not currently own any investments and, therefore, is not exposed to credit risk.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

(3) Concentration of credit risk:

This is the risk of loss attributable to the magnitude of the Town's investment in a single issuer. The Town does not currently own any investments and, therefore, is not exposed to concentration of credit risk.

(4) Interest rate risk:

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not currently own any investments and, therefore, is not exposed to interest rate risk.

NOTE 3: COMMITTED CASH:

By Town Council resolution funds held in the "Capital Improvement" account at a local Bank are committed for Town capital improvements. At September 30, 2020, the Town had committed capital improvement funds totaling \$56,414.

By Town Council resolution funds held in the "Vehicle & Equipment" account at a local Bank are committed for future vehicle and equipment purchases. At September 30, 2020, the Town had committed vehicle and equipment funds totaling \$40,076.

By Town Council resolution funds held in the "Street Maintenance" accounts at a local Bank are committed for Town road improvements. At September 30, 2020, the Town had committed road improvement funds totaling \$127,966.

By Town Council resolution funds held in the "Debt Service" accounts at a local Bank are committed for Town future debt service needs. At September 30, 2020, the Town had committed debt service funds totaling \$1,131,467.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 4: CAPITAL ASSETS:

Capital asset activity for the fiscal year ended September 30, 2020 is as follows:

CAPITAL ASSETS			DELETIONS /		
GOVERNMENTAL ACTIVITIES	BEGINNING	ADDITIONS	TRANSFER	ENDING	
	G	S	S		
Land	\$ 119,275	\$ 0	\$ 0	\$	119,275
Building & Improvements	554,814	10,587	0		565,401
Equipment	47,841	8,283	(1,327)		54,797
Police Equipment	391,665	18,837	0		410,502
					7,486,43
Infrastructure	<u>6,969,977</u>	<u>516,455</u>	<u>0</u>		<u>2</u>
TOTAL AT HISTORICAL COST	<u>8,083,572</u>	<u>554,162</u>	<u>(1,327)</u>		<u>8,636,40</u>
					<u>7</u>
LESS ACCUMULATED DEPRECIATION					
Land	0	0	0		0
Building & Improvements	227,061	23,294	0		250,355
Equipment	29,435	8,589	(1,327)		36,697
Police Equipment	294,450	48,949	0		343,399
					4,386,11
Infrastructure	<u>4,170,181</u>	<u>215,934</u>	<u>0</u>		<u>5</u>
TOTAL ACCUMULATED DEPRECIATION	<u>4,721,127</u>	<u>296,766</u>	<u>(1,327)</u>		<u>5,016,56</u>
					<u>6</u>
TOTAL CAPITAL ASSETS, NET	\$ <u>3,362,445</u>	\$ <u>257,396</u>	\$ <u>0</u>	\$	<u>3,619,84</u>
					<u>1</u>

DEPRECIATION EXPENSE WAS CHARGED TO GOVERNMENTAL ACTIVITIES AS FOLLOWS:

General Government	\$ 31,883
Police	48,949
Public Works	<u>215,934</u>
TOTAL DEPRECIATION EXPENSE	\$ <u>296,766</u>

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 5: LONG-TERM DEBT:

General long-term debt activity for the fiscal year is as follows:

	BEGINNING	ADDITIONS	PAYMENTS	ENDING	CURRENT PORTION
2015 Tax Notes	\$ 115,000	\$ 0	\$ 115,000	\$ 0	\$ 0
2019 Tax Notes	<u>1,477,000</u>	<u>0</u>	<u>277,000</u>	<u>1,200,000</u>	<u>290,000</u>
TOTAL TAX NOTES	<u>1,592,000</u>	<u>0</u>	<u>392,000</u>	<u>1,200,000</u>	<u>290,000</u>
Compensated Absences	<u>21,215</u>	<u>3,385</u>	<u>0</u>	<u>24,600</u>	<u>0</u>
TOTAL GOVERNMENTAL	<u>\$ 1,613,215</u>	<u>\$ 3,385</u>	<u>\$ 392,000</u>	<u>\$ 1,224,600</u>	<u>\$ 290,000</u>

A description of the Town's long-term debt is as follows:

Tax Notes:

In June 2019 the Town issued \$1,477,000 of tax notes for the purpose of constructing and improving streets within the Town. The notes bear interest at 2.37%, require annual principle and interest payments and have a final maturity date of August 2024. The notes are secured by an annual ad valorem tax to be assessed by the Town for payment of the notes.

Annual note payments for the Town's tax notes are as follows:

YEAR ENDING SEPTEMBER 30,	PRINCIPAL	INTEREST	TOTAL
2021	\$ 290,000	\$ 28,440	\$ 318,440
2022	296,000	21,567	317,567
2023	303,000	14,552	317,552
2024	<u>311,000</u>	<u>7,371</u>	<u>318,371</u>
TOTALS	<u>\$ 1,200,000</u>	<u>\$ 71,930</u>	<u>\$ 1,271,930</u>

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 6: RETIREMENT PLAN:

A. Plan Description

The Town participates as one of 888 plans in the non-traditional, joint contributory, hybrid defined benefit plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) can be obtained at www.TMRS.com.

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

B. Benefits provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the Town-financed monetary credits with interest were used to purchase an annuity. Members choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial Lump Sum Distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The Town has adopted the following plan provisions:

	Plan Year 2019	Plan Year 2020
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5 or 0/20	60/5 or 0/20

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

At the December 31, 2019 valuation and measurement date, the following number of employees were covered by the benefit terms was:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>7</u>
	24

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6% or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 15.39% and 15.66% for the calendar years 2019 and 2020 respectively. The Town's contributions to TMRS for the fiscal year ended September 30, 2020 were \$71,613 and were equal to the required contributions.

D. Net Pension Liability or Assets

The Town's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net pension Liability was determined by actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the general Employee table used for females. Mortality tables for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions were developed from the actuarial investigation of the experience of TMRS over the four-year period December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2018	\$ 1,230,535	\$ 820,734	\$ 409,801
Service Cost	60,133		60,133
Interest	82,839		82,839
Differences between expected and actual results	15,336		15,336
Changes in assumptions	5,524		5,524
Contributions - employer		64,889	(64,889)
Contributions - employee		29,727	(29,727)
Net investment income		127,143	(127,143)
Benefit Payments, including refunds of employee contributions	(66,706)	(66,706)	0
Administrative expense		(717)	717
Other		(21)	21
Net Changes	<u>97,126</u>	<u>154,315</u>	<u>(57,189)</u>
Balance at December 31, 2019	\$ <u>1,327,661</u>	\$ <u>975,049</u>	\$ <u>352,612</u>

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Town's Net Pension Liability	\$ <u>536,328</u>	\$ <u>352,612</u>	\$ <u>202,625</u>

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

E: Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2020 the Town recognized pension expense of \$68,869.

At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual economic experience	\$ 13,149	\$ 0	\$ 13,149
Differences in assumptions	0	(29,663)	(29,663)
Differences between projected and actual investment earnings	3,845		3,845
To be recognized in the future	16,994	(29,663)	\$ (12,669)
Contributions subsequent to the measurement date	53,387	0	
Total	\$ 70,381	\$ (29,663)	

The \$53,387 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	
2020	\$ 502
2021	(2,050)
2022	3,225
2023	(14,346)
2024	0
Thereafter	0
	\$ (12,669)

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A: Benefit Plan Description

The Town participates in the Texas Municipal Retirement System (TMRS) administered defined benefit group-term life insurance plan known as the Supplemental Death benefits Fund (SBDF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employer's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SBDF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

The member Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employee's entire careers.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

At the December 31, 2019 valuation and measurement date, the following number of employees were covered by the SBDF benefit plan:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>7</u>
	13

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

B: Total OPEB Liability

The Town’s Total OPEB Liability was measured as of December 31, 2019, and the Total OPEB Liability was determined by actuarial valuation as of that date.

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.5% to 11% including inflation
Discount Rate	2.75%
Retiree's share of benefit costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and are accounted for under reporting requirements under GASB Statement NO. 68.
Mortality Rates-service retirees	2019 Municipal Retirees of Texas Morality Tables, The rates are projected on a fully generational basis with scale UMP.
Mortality Rates-disabled retirees	2019 Municipal Retirees of Texas Morality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3,5% and 3% minimum mortality rate will be applied to reflect the impairment for young members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The discount rate was based on the Fidelity Index’s “20-year Municipal GO AA index” rate as of December 31, 2019

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

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

Changes in Total OPEB Liability:

Balance at December 31, 2018	\$	21,721
Changes for the year		
Service Cost		849
Interest ON Total OPEB Liability		820
Differences between expected and actual results		(195)
Changes in assumptions or other inputs		5,443
Benefit Payments *		(85)
Net Changes		6,832
Balance at December 31, 2019	\$	28,553

Sensitivity of the OPEB liability to changes in the discount rate:

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

	1% Decrease (1.75%)	Current (2.75%)	1% Increase (3.75%)
Total OPEB Liability	\$ <u>35,402</u>	\$ <u>28,553</u>	\$ <u>23,322</u>

C: OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2020 the Town recognized OPEB expense of \$2,599.

At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 0	\$ 198	\$ (198)
Differences in assumptions	4,231	0	4,231
To be recognized in the future	4,231	198	4,033
Contributions subsequent to the measurement date			
	68	0	
Total	\$ 4,299	\$ 198	

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

The \$68 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,		
2020	\$	930
2021		930
2022		599
2023		831
2024		743
Thereafter		0
	\$	<u>4,033</u>

NOTE 8: PROPERTY TAX:

Property tax is levied each October 1 on the assessed (appraised) value as of the prior January 1 for all real and personal property located in the Town. Taxes are due October 1, the levy date, and are delinquent after the following January 31. Property taxes at the fund level are recorded as receivables and deferred revenues at the time taxes are assessed. Revenues are recognized as the related taxes are collected.

NOTE 9: RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is a member of the Texas Municipal League Intergovernmental Risk Pool (“TMLIRP”) which is a public entity insurance risk pool. Annual contributions to TML are reported in the general fund. Management believes coverage presently purchased from TMLIRP is sufficient to preclude significant uninsured losses to the Town.

NOTE 10: SUBSEQUENT EVENTS:

The Town has evaluated all events and transactions that occurred after September 30, 2020 through the date the financial statement were available to be issued. During this period there were no subsequent events requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BARTONVILLE
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

For the Year Ended September 30, 2020

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RESOURCES (INFLOWS):				
RESOURCES:				
Property Taxes	\$ 814,385	\$ 831,175	\$ 800,714	\$ (30,461)
Sales & Beverage Taxes	710,000	893,926	934,713	40,787
Franchise Fees	157,500	170,195	168,113	(2,082)
Permits & Development Fees	272,050	313,080	308,234	(4,846)
Municipal Court	64,700	65,600	60,244	(5,356)
Intergovernmental Revenues-Cares Act	0	95,205	95,205	0
Other Revenues	3,712	10,767	12,925	2,158
Interest Income	32,030	21,295	30,473	9,178
Transfer From Community Development	5,000	5,000	5,000	0
Transfer from Crime Control District	1,000	0	0	0
TOTAL RESOURCES	\$ 2,060,377	\$ 2,406,243	\$ 2,415,621	\$ 9,378
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
ADMINISTRATION				
Wages	\$ 200,380	\$ 200,380	\$ 184,004	\$ 16,376
Payroll Taxes	4,093	4,093	3,332	761
Retirement	29,238	29,238	26,920	2,318
Employee Medical Insurance	22,000	22,000	25,436	(3,436)
Accounting & Auditing Services	3,750	4,750	4,788	(38)
Appraisal & Tax Collection Services	9,000	9,000	6,764	2,236
Banners & Signs	10,800	10,800	3,226	7,574
Codification Services	2,700	2,700	2,100	600
Covid-19 Expenses	0	22,866	32,178	(9,312)
Economic Development Grants	200,000	200,000	141,765	58,235
Elections	12,500	12,500	0	12,500
Engineering Services	20,000	20,000	16,416	3,584
Legal Services	50,000	63,581	72,607	(9,026)
Planning Services	10,000	10,000	13,346	(3,346)
Municipal Court	9,400	9,400	8,130	1,270
Records Management	6,000	6,000	4,456	1,544
Building, Park & Equip. Maintenance	16,600	16,600	15,160	1,440
Copier Lease & Supplies	5,000	5,000	4,534	466
IT Services & Software	24,800	24,800	24,161	639
Dues, Subscriptions & Public Notices	5,550	5,550	6,258	(708)
Insurance	5,500	5,500	4,437	1,063
Public Transportation	1,800	1,800	1,800	0
Supplies, Postage & Printing	13,600	13,600	5,807	7,793
Town Meetings & Events	11,800	11,800	7,863	3,937
Travel & Training	7,000	7,000	5,759	1,241
Utilities	17,500	17,500	12,999	4,501
Capital Outlay	13,600	17,400	18,870	(1,470)
Debt Services	434,721	434,721	434,721	0
TOTAL ADMINISTRATION	1,147,332	1,188,579	1,087,837	100,742

**TOWN OF BARTONVILLE
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND**

For the Year Ended September 30, 2020

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY				
Inspection & Code Enforcement	64,750	64,750	58,410	6,340
Animal Control	12,800	12,800	10,560	2,240
TOTAL PUBLIC SAFETY	77,550	77,550	68,970	8,580
POLICE:				
Wages	315,616	315,616	286,299	29,317
Payroll Taxes	5,000	5,000	4,956	44
Retirement	47,894	47,894	44,784	3,110
Employee Medical Insurance	55,000	55,000	47,754	7,246
Insurance	17,500	17,500	14,599	2,901
Vehicle Fuel	11,000	11,000	6,291	4,709
Vehicle Maintenance	8,000	8,000	5,353	2,647
Supplies & Contract Services	14,399	14,399	10,025	4,374
IT Services & Software	15,000	15,000	13,563	1,437
Dues & Memberships	1,000	1,000	686	314
Telephone	4,200	4,200	3,725	475
Uniforms	3,500	3,500	1,520	1,980
Travel & Training	1,000	1,000	527	473
TOTAL POLICE	499,109	499,109	440,082	59,027
STREETS:				
Street Maintenance & Engineering	75,000	91,850	91,871	(21)
Street Improvements	855,000	472,180	481,455	(9,275)
TOTAL STREETS	930,000	564,030	573,326	(9,296)
TOTAL APPROPRIATIONS	2,653,991	2,329,268	2,170,215	159,053
EXCESS OF CURRENT RESOURCES OVER (UNDER) APPROPRIATIONS	\$ (593,614)	\$ 76,975	\$ 245,406	\$ 168,431
BUDGETARY FUND BALANCE:				
BEGINNING OF YEAR	\$ 2,398,656	\$ 2,398,656	\$ 2,398,656	
END OF YEAR	\$ 1,805,042	\$ 2,475,631	\$ 2,644,062	

TOWN OF BARTONVILLE
BUDGETARY COMPARISON SCHEDULE-CAPITAL IMPROVEMENT FUND

For the Year Ended September 30, 2020

	ORIGINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RESOURCES (INFLOWS):			
RESOURCES:			
Interest Income	\$ 1,000	\$ 592	\$ (408)
TOTAL RESOURCES	\$ 1,000	\$ 592	\$ (408)
CHARGES TO APPROPRIATIONS (OUTFLOWS):			
Capital Outlay	\$ 5,000	\$ 0	\$ 5,000
TOTAL APPROPRIATIONS	\$ 5,000	\$ 0	\$ 5,000
EXCESS OF CURRENT RESOURCES OVER (UNDER) APPROPRIATIONS	\$ (4,000)	\$ 592	\$ 4,592
BUDGETARY FUND BALANCE:			
BEGINNING OF YEAR	\$ 55,822	\$ 55,822	
END OF YEAR	\$ 51,822	\$ 56,414	

TOWN OF BARTONVILLE
BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT CORPORATION

For the Year Ended September 30, 2020

	ORIGINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RESOURCES (INFLOWS):			
RESOURCES:			
Sales Taxes	\$ 130,000	\$ 161,502	\$ 31,502
Interest Income	2,000	4,564	2,564
TOTAL RESOURCES	\$ 132,000	\$ 166,066	\$ 34,066
CHARGES TO APPROPRIATIONS (OUTFLOWS):			
ADMINISTRATION			
Administrative Fees to General Fund	\$ 5,000	\$ 5,000	\$ 0
Computer Software	1,000	540	460
Consulting Services	15,000	9,834	5,166
Development Grants	115,000	5,000	110,000
Legal Services	5,000	1,088	3,912
Marketing & Promotion	9,000	342	8,658
Old Town Maintenance	35,000	29,727	5,273
Postage & Supplies	2,500	0	2,500
Professional Development	1,000	300	700
Traffic Study	3,000	4,600	(1,600)
Capital Outlay	35,000	35,000	0
TOTAL APPROPRIATIONS	226,500	91,431	135,069
EXCESS OF CURRENT RESOURCES OVER (UNDER) APPROPRIATIONS	\$ (94,500)	\$ 74,635	\$ 169,135
BUDGETARY FUND BALANCE:			
BEGINNING OF YEAR	\$ 470,056	\$ 470,056	
END OF YEAR	\$ 375,556	\$ 544,691	

TOWN OF BARTONVILLE
BUDGETARY COMPARISON SCHEDULE - CRIME CONTROL & PREVENTION DISTRICT

For the Year Ended September 30, 2020

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RESOURCES (INFLOWS):				
RESOURCES:				
Sales Taxes	50,000	\$ 67,250	\$ 72,599	\$ 5,349
Grants and Donations	0	2,500	3,387	887
Interest Income	500	800	866	66
TOTAL RESOURCES	50,500	\$ 70,550	\$ 76,852	\$ 6,302
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
ADMINISTRATION				
Accounting & Auditing Services	500	\$ 500	\$ 500	\$ 0
Administrative Fees to General Fund	1,000	1,000	0	1,000
Compter Software & IT Services	9,975	8,956	8,944	12
Insurance	300	300	140	160
Legal Services	500	0	0	0
Minor Equipment	1,000	500	0	500
National Night Out & Blue Santa	3,000	3,000	1,475	1,525
Supplies	1,500	100	1,065	(965)
Training	2,000	2,000	830	1,170
Uniforms	6,450	6,450	6,625	(175)
Capital Outlay	25,000	63,500	18,837	44,663
TOTAL APPROPRIATIONS	51,225	86,306	38,416	47,890
EXCESS OF CURRENT RESOURCES OVER (UNDER) APPROPRIATIONS	(725)	\$ (15,756)	\$ 38,436	\$ 54,192
BUDGETARY FUND BALANCE:				
BEGINNING OF YEAR	93,331	\$ 93,331	\$ 93,331	
END OF YEAR	<u>92,606</u>	<u>\$ 77,575</u>	<u>\$ 131,767</u>	

TOWN OF BARTONVILLE

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

September 30, 2020

Plan Year	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY						
Service Cost	\$ 60,133	59,355	59,627	64,881	55,319	57,705
Interest (on the Total Pension Liability)	82,839	77,079	71,891	66,333	60,634	55,080
Changes in benefit terms	0	0	0	0	0	0
Difference between expected and actual experience	15,336	8,185	(1,885)	5,787	15,412	13,373
Change of assumptions	5,524	0	0	0	32,978	0
Benefit payments, including refunds of employee contributions	(66,706)	(52,636)	(52,636)	(51,439)	(53,782)	(37,472)
NET CHANGE IN TOTAL PENSION LIABILITY	<u>97,126</u>	<u>91,983</u>	<u>76,997</u>	<u>85,562</u>	<u>110,561</u>	<u>88,686</u>
TOTAL PENSION LIABILITY - BEGINNING	<u>1,230,535</u>	<u>1,138,552</u>	<u>1,061,555</u>	<u>975,993</u>	<u>865,432</u>	<u>776,746</u>
TOTAL PENSION LIABILITY - ENDING (a)	<u>\$ 1,327,661</u>	<u>1,230,535</u>	<u>1,138,552</u>	<u>1,061,555</u>	<u>975,993</u>	<u>865,432</u>
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 64,889	62,240	54,423	46,233	40,164	53,669
Contributions - Employee	29,727	28,974	28,394	30,177	27,483	32,275
Net investment income	127,143	(24,205)	94,693	41,694	889	29,988
Benefit payments, including refunds of employee contributions	(66,706)	(52,636)	(52,636)	(51,439)	(53,782)	(37,472)
Administrative expense	(717)	(467)	(490)	(470)	(541)	(313)
Other	(22)	(24)	(24)	(25)	(27)	(26)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	<u>154,314</u>	<u>13,882</u>	<u>124,360</u>	<u>66,170</u>	<u>14,186</u>	<u>78,121</u>
PLAN NET FIDUCIARY POSITION - BEGINNING	<u>820,735</u>	<u>806,853</u>	<u>682,493</u>	<u>616,323</u>	<u>602,137</u>	<u>524,016</u>
PLAN NET FIDUCIARY POSITION - ENDING (b)	<u>\$ 975,049</u>	<u>820,735</u>	<u>806,853</u>	<u>682,493</u>	<u>616,323</u>	<u>602,137</u>
NET PENSION LIABILITY (a) - (b)	<u>\$ 352,612</u>	<u>409,800</u>	<u>331,699</u>	<u>379,062</u>	<u>359,670</u>	<u>263,295</u>

TOWN OF BARTONVILLE

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

September 30, 2020

Plan Year	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	73.44%	66.70%	70.87%	64.29%	63.15%	69.58%
Covered employee payroll	\$ 424,666	413,912	405,629	431,101	392,611	461,070
Net Pension Liability as a percentage of covered payroll	83.03%	99.01%	81.77%	87.93%	91.61%	57.11%

TOWN OF BARTONVILLE

SCHEDULE OF PENSION CONTRIBUTIONS

September 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 71,613	66,194	57,849	54,687	45,993	38,174
Contributions in relation to the actuarially determined contribution	71,613	66,194	57,849	54,687	45,993	38,174
Contribution deficiency (excess)	0	0	0	0	0	0
Covered employee payroll	459,929	431,475	386,369	428,159	430,043	356,343
Contributions as a percentage of covered employee payroll	15.57%	15.34%	14.97%	12.77%	10.69%	10.71%

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later

Methods and Assumptions Used to Determine Contribution Rates:

<p>Actuarial Cost Method</p> <p>Amortization Method</p> <p>Remaining Amortization Period</p> <p>Asset Valuation Method</p> <p>Inflation</p> <p>Salary Increases</p> <p>Investment Rate of Return</p> <p>Retirement Age</p> <p>Mortality</p>	<p>Entry Age Normal</p> <p>Level Percentage of Payroll, Closed</p> <p>24 Years</p> <p>10 Year smoothed market; 15% soft corridor</p> <p>2.50%</p> <p>3.5% to 10.5%, including inflation</p> <p>6.75%</p> <p>Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018</p> <p>Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.</p> <p>Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the Generational Employee table used for females. The rates are projected on a fully generational basis with scale UMP.</p>
---	--

Other Information:

Notes There were no benefit changes during the year

TOWN OF BARTONVILLE

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

September 30, 2020

Plan Year	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY			
Total OPEB Liability Beginning of Year	\$ 21,721	22,062	18,434
Changes for the year			
Service Cost	849	952	852
Interest on Total OPEB Liability	820	745	712
Changes in benefit terms	0	0	0
Difference between expected and actual experience	(195)	(61)	0
Change of assumptions or other inputs	5,443	(1,894)	2,105
Benefit payments	(85)	(83)	(41)
NET CHANGE IN OPEB LIABILITY	<u>6,832</u>	<u>(341)</u>	<u>3,628</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 28,553</u>	<u>21,721</u>	<u>22,062</u>
Covered employee payroll	\$ 424,666	413,912	405,629
OPEB Liability as a percentage of covered payroll	6.72%	5.25%	5.44%

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75 to pay related benefits.

WILLIAM C. SPORE, P.C.
Certified Public Accountants
200 N. Rufe Snow Drive, Ste 116,
Keller, TX 76248
817-421-6619

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

To the City Council
Town of Bartonville, Texas

I 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 and the business-type activities of the Town of Bartonville as of and for the year ended September 30, 2020, and the related notes to financial statements, which collectively comprise the Town of Bartonville's basic financial statements, and have issued my report thereon dated March 16, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Bartonville's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bartonville's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town of Bartonville's internal control over financial reporting.

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 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.

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

Compliance

As part of obtaining reasonable assurance about whether the Town of Bartonville' s, financial statements are free of material misstatement, I performed tests of its compliance with certain provision of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

William C. Spore, P.C.

Keller, Texas

March 16, 2021