

TOWN OF BARTONVILLE

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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	14-32
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule - General Fund	33
Budgetary Comparison Schedule - Capital Improvement Fund	34
Budgetary Comparison Schedule - Community Development Corporation	35
Budgetary Comparison Schedule - Crime Control & Prevention District	36
Schedule of Changes in Net Pension Liability and Related Ratios	37
Schedule of Pension Contributions	38
Schedule of Changes in Total OPEB Liability and Related Ratios	39

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 Town 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, 2018, 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 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, 2018, 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 the 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.

William C. Spore, P.C.

Keller, Texas

Certified Public Accountants

January 15, 2019

TOWN OF BARTONVILLE

CITY OFFICIALS

September 30, 2018

MAYOR

Bill Scherer

MAYOR PRO TEM

Jeff Traylor

COUNCIL MEMBERS

Jaclyn Carrington

Jim Murphy

Josh Phillips

Clay Sams

TOWN ADMINISTRATOR

Michael Montgomery

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, 2018. 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, 2018 by \$3,859,225, an increase of \$192,208 from the prior year.
- At September 30, 2018, the Town's governmental funds reported combined fund balances of \$2,289,221, an increase of \$536,654 from the prior year.
- The Town's capital assets, reported at cost less accumulated depreciation, total \$2,123,398 at September 30, 2018 while the Town's long-term debt totaled \$225,000 at September 30, 2018.

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			
	2018		2017
Current and Other Assets	\$ 2,473,938	\$	1,922,674
Capital Assets	<u>2,123,398</u>		<u>2,555,582</u>
Total Assets	<u>4,597,336</u>		<u>4,478,256</u>
Deferred Outflows of Resources	<u>58,761</u>		<u>101,237</u>
Current Liabilities	306,997		289,980
Net Pension & OPEB Liability	353,761		379,062
Long-Term Liabilities	<u>115,000</u>		<u>225,000</u>
Total Liabilities	<u>775,758</u>		<u>894,042</u>
Deferred Inflows of Resources	<u>21,114</u>		<u>0</u>
Net Position:			
Invested in Capital Assets, net			
of debt	1,898,398		2,066,520
Restricted	521,659		596,079
Unrestricted	<u>1,439,168</u>		<u>1,022,852</u>
Total Net Position	<u>\$ 3,859,225</u>	\$	<u>3,685,451</u>

The Town's net position increased by \$192,208 during the fiscal year ended September 30, 2018 to \$3,859,225. 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, 2018 the Town's revenues totaled \$2,055,347, an increase of \$94,562 from 2017. Due to an increase in commercial development in the Town, sales and property tax revenues increased 25.8% and 10.6% respectively in 2018 compared to 2017. Permit revenues were still strong in 2018 totaling \$304,320 but did decrease \$90,799 (23%) from 2017.

During 2018 the Town sold land next to Town Hall that it had acquired in 2013. The land sold for \$327,118 which was \$63,709 less than its purchase cost in 2013. This loss from sale of assets reduced the Town's total revenues in 2018.

Total government-wide expenses increased \$254,132 (15.8%) in 2018 compared to 2017. This increase was primarily due to an increase in economic incentive grant expenditures and development grants paid out by the Town in 2018, Economic incentive grants increased \$56,391 in 2018 from 2017 and during 2018 the Community Development Corporation paid out \$122,163 in economic development grants while there were no similar development grants paid out in 2017.

Public safety expenditures decreased \$54,483 (15.3%) in 2018 due to an intentional decrease in personnel costs incurred by the police department in 2018 compared to 2017.

Public works expenditures increased \$197,145 (63.3%) in 2018 compared to 2017 due to \$256,066 of street maintenance expenditures incurred in 2018 compared to \$42,639 in 2017.

A summary of the Town's operations for the years ended September 30, 2018 & 2017 is as follows:

CHANGES IN NET POSITION

	2018	2017
REVENUES		
Program Revenues:		
Permits & Fees	\$ 304,320	\$ 395,119
Municipal Court	57,455	60,051
Contributions & Grants	23,759	37,320
General Revenues:		
Property Taxes	699,376	632,091
Sales & Beverage Taxes	838,622	666,721
Franchise Fees	175,851	155,704
Loss on Sale of Assets	(63,709)	0
Interest Income	19,673	13,779
Total Revenues	2,055,347	1,960,785
 PROGRAM EXPENSES		
General Government	853,638	740,088
Public Safety	494,922	549,405
Public Works	508,504	311,359
Interest on Long-Term Debt	6,075	8,155
Total Expenses	1,863,139	1,609,007
Increase (Decrease) in Net Position	\$ 192,208	\$ 351,778

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 2018 and 2017 fund basis revenues is as follows:

	2018	2017
REVENUES		
Property Taxes	\$ 697,675	\$ 633,175
Sales & Beverage Taxes	838,622	666,721
Franchise Taxes	175,851	155,704
Permits & Fees	289,676	339,977
Municipal Court	57,455	60,051
Grants & Donations	23,759	37,320
Interest Income	19,673	13,779
Other Income	14,644	55,142
Sale of Assets	327,118	0
TOTAL REVENUES	\$ 2,444,473	\$ 1,961,869

The Town's property and sales taxes and franchise fees increased \$256,548 (17.6%) from 2017 to 2018 primarily due to an increase in property values and an increase in commercial businesses sales in 2018 compared to 2017. The Town's property tax rate remained the same in 2018 as it was in 2017. The other income in 2017 includes legal fee reimbursement from Cross Timbers Water Supply Corporation of which there were no comparable revenues from in 2018. During 2018 the Town sold land it acquired in 2013 next to Town Hall for \$327,118. These sales proceeds are considered revenues in the fund statements.

A comparison of fiscal years 2018 and 2017 fund basis expenditures is as follows:

	2018	2017
EXPENDITURES		
General Government	\$ 816,940	\$ 703,481
Public Safety	439,784	486,433
Public Works	256,022	59,076
Capital Outlay - Public Works	177,692	7,699
Capital Outlay - General Government	11,116	186,528
Capital Outlay - Public Safety	89,933	58,547
Debt Service-Principle	110,000	110,000
Debt Service-Interest	6,332	8,411
TOTAL EXPENDITURES	\$ 1,907,819	\$ 1,620,175

Total governmental fund basis expenditures increased \$287,644 due to increases in general government and public works expenditures. Expenditures for economic development incentive grants in 2018 totaled \$208,054 compared to \$151,663 in 2017 and the Town’s Community Development Corporation provided \$122,163 of development grants to local businesses in 2018 while there were no similar development grants in 2017. Public works expenditures increased in 2018 due to \$256,022 of street maintenance expenditures incurred in 2018 compared to \$42,639 of similar expenditures in 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original 2018 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 \$188,005. Actual revenues include transfers from the Bartonville Community Development Corporation of \$5,000, Bartonville Crime Control and Prevention District of \$66,220 and a \$54,076 transfer from the capital improvement project fund.

General fund expenditures totaled \$1,718,746 which was \$166,161 under budgeted general fund expenditures.

The Town budgeted for the general fund to have a surplus of \$311,614 while the actual general fund actual surplus was \$665,780.

CAPITAL ASSETS

The Town’s investment in capital assets as of September 30, 2018 amounts to \$2,621,289 (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:

	2018		2017
Land	\$ 119,275	\$	510,102
Buildings	347,137		366,853
Equipment	152,693		99,444
Infrastructure	<u>1,504,393</u>		<u>1,579,183</u>
TOTAL	<u>\$ 2,123,498</u>	\$	<u>2,555,582</u>

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

DEBT ADMINISTRATION

The Town did not incur any additional long-term debt during 2018. Outstanding long-term debts are as follows:

	2018	2017
Tax Notes	<u>225,000</u>	<u>335,000</u>
TOTAL	\$ <u>225,000</u>	\$ <u>335,000</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 2019 are \$4,099,601. Included in these 2019 budgeted revenues are \$1,470,000 of tax note proceeds to be used for street improvements. These revenues also include property tax revenues of \$760,463, based upon a tax rate of .19294 per \$100 of valuation, the same rate as the prior year. The 2019 budget anticipates the Town collecting \$525,000 of sales tax revenues, \$164,500 of franchise fees and \$114,900 of permits and fee revenues.

Budgeted general fund expenditures total \$3,631,851 including \$50,000 for legal fees, \$218,129 for administrative staff personnel costs, \$425,887 for the police department and \$1,795,000 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, 2018

GOVERNMENTAL-ACTIVITIES

ASSETS

CURRENT ASSETS

Cash	\$ 725,113
Receivable-Sales & Franchise Taxes	227,601
Receivable-Property Taxes	12,217
Other Receivables	14,940
Prepaid Expenses	997
TOTAL CURRENT ASSETS	<u>980,868</u>

NONCURRENT ASSETS

Restricted Cash	<u>1,493,070</u>
-----------------	------------------

CAPITAL ASSETS

Land	119,275
Buildings & Improvements	550,414
Equipment	431,459
Infrastructure	5,453,229
Accumulated Depreciation	<u>(4,430,979)</u>
NET CAPITAL ASSETS	<u>2,123,398</u>
TOTAL ASSETS	<u><u>4,597,336</u></u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Contributions After Measurement Date	43,192
OPEB Contributions After Measurement Date	58
Difference in Expected and Actual Pension Experience	7,147
Difference in Assumption Changes-Pension	6,665
Difference in Assumption Changes-OPEB	1,699
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>58,761</u></u>

LIABILITIES

Accounts Payable	161,994
Accrued Liabilities	11,143
Accrued Compensated Absences	23,860
General Obligation Bonds Due Within One Year	110,000
General Obligation Bonds Due in More Than One Year	115,000
Total OPEB Liability	22,062
Net Pension Liability	331,699
TOTAL LIABILITIES	<u><u>775,758</u></u>

DEFERRED INFLOWS OF RESOURCES

Difference in Projected and Actual Earnings-Pension	<u><u>21,114</u></u>
---	----------------------

NET POSITION

Invested in Capital Asset, Net of Related Debt	1,898,398
Restricted for Community Development	464,363
Restricted for Crime Control & Prevention	50,480
Other Purposes	6,816
Unrestricted	1,439,168
TOTAL NET POSITION	<u><u>\$ 3,859,225</u></u>

TOWN OF BARTONVILLE

**GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2018

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	\$ (853,638)	\$ 304,320	\$ 19,940	\$ 0	\$ (529,378)
Public Safety	(494,922)	57,455	3,819	0	(433,648)
Public Works	(508,504)	0	0	0	(508,504)
Interest on Long-Term Debt	(6,075)	0	0	0	(6,075)
TOTAL GOVERNMENTAL ACTIVITIES	\$ (1,863,139)	\$ 361,775	\$ 23,759	\$ 0	(1,477,605)
 GENERAL REVENUE					
Property Taxes					699,376
Sales Taxes					838,622
Franchise Fees					175,851
Loss on Sale of Assets					(63,709)
Interest Income					19,673
TOTAL GENERAL REVENUE					1,669,813
CHANGE IN NET POSITION					192,208
NET POSITION - BEGINNING (AS RESTATED-SEE NOTE 8)					<u>3,667,017</u>
NET POSITION - ENDING					<u><u>\$ 3,859,225</u></u>

TOWN OF BARTONVILLE

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2018

ASSETS	GENERAL FUND	CAPITAL IMPROVEMENT FUND	COMMUNITY DEVELOPMENT CORPORATION	CRIME CONTROL & PREVENTION DISTRICT	TOTAL GOVERNMENTAL FUNDS
Cash	\$ 1,689,465	\$ 62,835	\$ 423,105	\$ 42,778	\$ 2,218,183
Receivables:					
Sales Taxes, Franchise Fees & Other	194,180	0	39,439	8,922	242,541
Property Taxes	12,217	0	0	0	12,217
Interfund	(4,751)	0	4,751	0	0
Prepaid Expenses	997	0	0	0	997
TOTAL ASSETS	\$ 1,892,108	\$ 62,835	\$ 467,295	\$ 51,700	\$ 2,473,938
LIABILITIES					
Accounts Payable	\$ 155,709	\$ 2,133	\$ 2,932	\$ 1,220	\$ 161,994
Accrued Liabilities	10,619	0	0	0	10,619
TOTAL LIABILITIES	166,328	2,133	2,932	1,220	172,613
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-Property Taxes	12,104	0	0	0	12,104
FUND BALANCE					
Non-Spendable - Prepaid Expenses	997	0	0	0	997
Restricted For:					
Restricted to Debt Service	231,302	0	0	0	231,302
Restricted to Community Development	0	0	464,363	0	464,363
Restricted to Crime Control & Prevention	0	0	0	50,480	50,480
Restricted to Court Security & Technology	6,816	0	0	0	6,816
Committed To:					
Capital Improvements	0	60,702	0	0	60,702
Vehicles & Equipment	13,440	0	0	0	13,440
Roads	765,121	0	0	0	765,121
Unassigned	696,000	0	0	0	696,000
TOTAL FUND BALANCE	1,713,676	60,702	464,363	50,480	2,289,221
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND LIABILITIES	\$ 1,892,108	\$ 62,835	\$ 467,295	\$ 51,700	\$ 2,473,938

TOWN OF BARTONVILLE

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

September 30, 2018

Fund Balance Above	\$	2,289,221
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.		2,123,398
Property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the Fund Balance Sheet.		12,104
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Fund Balance Sheet:		
2015 Tax Notes		(225,000)
Accrued compensated absences		(23,860)
Accrued interest		(524)
Net OPEB Liability and related deferred inflows and deferred outflows of resources		(22,004)
Net Pension Liability and related deferred inflows and deferred outflows of resources		(294,110)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>3,859,225</u></u>

TOWN OF BARTONVILLE

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

For the Year Ended September 30, 2018

	<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	\$ 697,675	\$ 0	\$ 0	\$ 0	\$ 697,675
Sales Taxes	676,852	0	111,907	49,863	838,622
Franchise Fees	175,851	0	0	0	175,851
Permits & Fees	289,676	0	0	0	289,676
Municipal Court	57,455	0	0	0	57,455
Grants & Donations	5,000	0	14,940	3,819	23,759
Miscellaneous Revenues	14,644	0	0	0	14,644
Interest Income	14,959	43	4,053	618	19,673
TOTAL REVENUES	<u>1,932,112</u>	<u>43</u>	<u>130,900</u>	<u>54,300</u>	<u>2,117,355</u>
EXPENDITURES					
General Government	645,637	1,343	169,960	0	816,940
Public Safety	422,014	0	0	17,770	439,784
Public Works	256,022	0	0	0	256,022
Debt Service - Principal	110,000	0	0	0	110,000
Debt Service - Interest & Related Costs	6,332	0	0	0	6,332
Capital Outlay	278,741	0	0	0	278,741
TOTAL EXPENDITURES	<u>1,718,746</u>	<u>1,343</u>	<u>169,960</u>	<u>17,770</u>	<u>1,907,819</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES BEDFORE OTHER SOURCES	<u>213,366</u>	<u>(1,300)</u>	<u>(39,060)</u>	<u>36,530</u>	<u>209,536</u>
OTHER FINANCING SOURCES (USES)					
Sale of Assets	327,118	0	0	0	327,118
Transfer from Capital Improve. Fund	54,076	(54,076)	0	0	0
Transfer from Community Development	5,000	0	(5,000)	0	0
Transfer from Crime Control District	66,220	0	0	(66,220)	0
TOTAL OTHER FINANCING SOURCES	<u>452,414</u>	<u>(54,076)</u>	<u>(5,000)</u>	<u>(66,220)</u>	<u>327,118</u>
NET CHANGE IN FUND BALANCES	665,780	(55,376)	(44,060)	(29,690)	536,654
FUND BALANCE - BEGINNING	1,047,896	116,078	508,423	80,170	1,752,567
FUND BALANCE - ENDING	<u>\$ 1,713,676</u>	<u>\$ 60,702</u>	<u>\$ 464,363</u>	<u>\$ 50,480</u>	<u>\$ 2,289,221</u>

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, 2018

Net Change in Fund Balance - Governmental Funds	\$	536,654
---	----	---------

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		278,741
---	--	---------

Depreciation expense on capital assets		(320,098)
--	--	-----------

Cost of land sold		(390,827)
-------------------	--	-----------

Repayment on debt principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		110,000
---	--	---------

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		1,701
------------------------------------	--	-------

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		(4,365)
----------------------	--	---------

Accrued Interest on long-term debts		257
-------------------------------------	--	-----

Governmental funds report pension expense as it paid into the retirement plan during the fiscal year.
However, in the statement of activities, pension expense reflects the change in net pension
liability during the plan fiscal year (calendar year 2017):

		(19,855)
--	--	----------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

	\$	<u>192,208</u>
--	----	----------------

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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, 2018

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, 2018

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, 2018

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, 88, *Certain Disclosures Related to Debt*. This statement is effective for fiscal years beginning after June 15, 2018.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The statement is effective for fiscal years beginning after December 15, 2019.
- Statement No. 90, *Majority Equity Interests*. This statement will not affect the Town.

New pronouncements not yet in effect as of September 30, 2018, 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 2017, as required.

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.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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 changes in pension assumptions and (3) deferred outflows of resources related to differences between the expected and actual demographics of the Town's pension plan. The deferred outflows for pension contributions will be recognized in the subsequent fiscal year. The deferred outflows related to differences between projected and actual plan earnings will be amortized to pension expense over a total of five years, including the current fiscal year. The deferred outflows related to changes in assumptions and deferred outflows related to differences in actuarial assumptions for demographic factors amount will be recognized over a closed period equal to the average of the expected remaining service lives of all employees participating in the plan. No deferred outflows of resources affect the governmental funds financial statements in the current year.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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 differences between the plans' projected and actual earnings. The deferred inflows related to differences between projected and actual plan earnings will be amortized to pension expense over a total of five years, including the current fiscal year. In its governmental funds, the only deferred inflow of resources is 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 discussed above.
- 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."

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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, 2018 expenditures exceeded appropriations for the following departments and amounts:

Public Safety	\$ 2,055
Police	\$ 28,434

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

NOTE 2: DEPOSITS:

At September 30, 2018, the carrying amount of the Town's cash accounts was \$2,218,183, made up of petty cash of \$200 and \$2,217,983 held in checking accounts at a local financial institution. The Town did not own any investments at September 30, 2018.

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, 2018, the Town's bank balances (per bank) totaled \$2,233,094. Of the bank balances, \$250,000 was covered by federal depository insurance and \$1,983,094 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, 2018.

Securities pledged by the Town's depository institution at September 30, 2018 are as follows:

SECURITY	PAR	FMV
FHLB-letter of credit, maturity date 8/09/19	\$2,000,000	\$2,000,000
Federal Home Loan Mortgage Corp	230,000	225,412

(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.

(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.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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, 2018, the Town had committed road improvement funds totaling \$62,835.

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, 2018, the Town had committed vehicle and equipment funds totaling \$13,340.

By Town Council resolution funds held in the “Street Maintenance” accounts at a local Bank are committed for Town road improvements. At September 30, 2018, the Town had committed road improvement funds totaling \$725,252.

NOTE 4: CAPITAL ASSETS:

Capital asset activity for the fiscal year ended September 30, 2018 is as follows:

CAPITAL ASSETS GOVERNMENTAL ACTIVITIES	BEGINNING	ADDITIONS	DELETIONS/ TRANSFERS	ENDING
Land	\$ 510,102	\$ 0	\$ (390,827)	\$ 119,275
Building & Improvements	546,338	4,076	0	550,414
Equipment	38,556	7,040	0	45,596
Police Equipment	350,932	89,933	(55,002)	385,863
Infrastructure	<u>5,275,537</u>	<u>177,692</u>	<u>0</u>	<u>5,453,229</u>
TOTAL AT HISTORICAL COST	<u>6,721,465</u>	<u>278,741</u>	<u>(445,829)</u>	<u>6,554,377</u>
 LESS ACCUMULATED DEPRECIATION				
Land	0	0	0	0
Building & Improvements	179,485	23,792	0	203,277
Equipment	23,278	5,320	0	28,598
Police Equipment	266,766	38,504	(55,002)	250,268
Infrastructure	<u>3,696,354</u>	<u>252,482</u>	<u>0</u>	<u>3,948,836</u>
TOTAL ACCUMULATED DEPRECIATION	<u>4,165,883</u>	<u>320,098</u>	<u>(55,002)</u>	<u>4,430,979</u>
 TOTAL CAPITAL ASSETS, NET	 <u>\$ 2,555,582</u>	 <u>\$ (41,357)</u>	 <u>\$ (390,827)</u>	 <u>\$ 2,123,398</u>

DEPRECIATION EXPENSE WAS CHARGED TO GOVERNMENTAL ACTIVITIES AS FOLLOWS:

General Government	\$ 29,112
Police	38,504
Public Works	<u>252,482</u>
TOTAL DEPRECIATION EXPENSE	<u>\$ 320,098</u>

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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	\$ <u>335,000</u>	\$ <u>0</u>	\$ <u>110,000</u>	\$ <u>225,000</u>	\$ <u>110,000</u>
TOTAL NOTES/LEASES	<u>335,000</u>	<u>0</u>	<u>110,000</u>	<u>225,000</u>	<u>110,000</u>
Compensated Absences	<u>19,495</u>	<u>4,365</u>	<u>0</u>	<u>23,860</u>	<u>0</u>
TOTAL GOVERNMENTAL	\$ <u><u>354,495</u></u>	\$ <u><u>4,365</u></u>	\$ <u><u>110,000</u></u>	\$ <u><u>248,860</u></u>	\$ <u><u>110,000</u></u>

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

Tax Notes:

In July 2015 the Town issued \$550,000 of tax notes for the purpose of constructing and improving streets within the Town. The notes bear interest at 1.85%, require annual principle and interest payments and have a final maturity date of August 2020. 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
2019	\$ <u>110,000</u>	\$ <u>4,162</u>	\$ <u>114,162</u>
2020	<u>115,000</u>	<u>2,128</u>	<u>117,128</u>
TOTALS	\$ <u><u>225,000</u></u>	\$ <u><u>6,290</u></u>	\$ <u><u>231,290</u></u>

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

NOTE 6: RETIREMENT PLAN:

A. Plan Description

The Town participates as one of 883 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 2017	Plan Year 2018
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, 2018

At the December 31, 2017 valuation and measurement date, the following number of employees were covered by the benefit terms was:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>6</u>
	21

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 10.82% and 15.07% for the calendar years 2017 and 2018 respectively. The Town's contributions to TMRS for the fiscal year ended September 30, 2018 were \$57,849 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, 2017, 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, 2017 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, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. For additional conservatism lower termination rates are used, with maximum multipliers of 75%, and the life expectancy is loaded by decreasing the mortality rates by 1% for every active member less than 15. These rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality tables with Blue Collar Adjustment are used with males multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2017 valuation were developed primarily from the actuarial investigation of experience of TMRS over the four-year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post retirement mortality assumption for healthy annuitants and annuity purchase rates (APRs) were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal (EAN) actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined 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)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100.0%	

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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, 2016	\$ 1,061,555	\$ 682,493	\$ 379,062
Service Cost	59,627		59,627
Interest	71,891		71,891
Differences between expected and actual results	(1,885)		(1,885)
Changes in assumptions	0		0
Contributions - employer		54,423	(54,423)
Contributions - employee		28,394	(28,394)
Net investment income		94,693	(94,693)
Benefit Payments, including refunds of employee contributions	(52,636)	(52,636)	0
Administrative expense		(490)	490
Other		(24)	24
Net Changes	<u>76,997</u>	<u>124,360</u>	<u>(47,363)</u>
Balance at December 31, 2017	\$ <u>1,138,552</u>	\$ <u>806,853</u>	\$ <u>331,699</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>491,297</u>	\$ <u>331,699</u>	\$ <u>202,005</u>

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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, 2018 the Town recognized pension expense of \$76,539.

At September 30, 2018, 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	\$ 7,147	\$ 0	\$ 7,147
Differences in assumptions	6,665	0	6,665
Differences between projected and actual investment earnings	<u>(21,114)</u>	<u>0</u>	<u>(21,114)</u>
To be recognized in the future	(7,302)	0	<u><u>(7,302)</u></u>
Contributions subsequent to the measurement date	43,192	0	
Total	<u><u>\$ 35,890</u></u>	<u><u>\$ 0</u></u>	

The \$43,192 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, 2019. 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,	
2018	\$ 12,933
2019	(584)
2020	(9,877)
2021	(9,774)
2022	0
Thereafter	<u>0</u>
	<u><u>\$ (7,302)</u></u>

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

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 city 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, 2017 valuation and measurement date, the following number of employees were covered by the SBDF benefit plan:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>6</u>
	12

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

B: Total OPEB Liability

The Town's Total OPEB Liability was measured as of December 31, 2017, and the Total OPEB Liability was determined by actuarial valuation as of that date.

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.5% to 10.5% including inflation
Discount Rate	3.31%
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	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality Rates-disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 5 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to a 3% floor

The discount rate was based on the Fidelity Index's "20-year Municipal GO AA index" rate as of December 31, 2017.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Changes in Total OPEB Liability:

Balance at December 31, 2016	\$	18,434
Changes for the year		
Service Cost		852
Interest ON Total OPEB Liability		712
Differences between expected and actual results		0
Changes in assumptions or other inputs		2,105
Benefit Payments *		(41)
Net Changes		3,628
Balance at December 31, 2017	\$	22,062

* Due to SDBF being considered an unfunded OPEB plan under GASB No. 75, benefit payments are treated as being equal to employer's yearly contribution for retirees

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 3.31%, as well as what the Town's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31%) or 1-percentage-point higher (4.31%) than the current rate:

	1% Decrease (2.31%)	Current (3.31%)	1% Increase (4.31%)
Total OPEB Liability	\$ <u>27,549</u>	\$ <u>22,062</u>	\$ <u>17,884</u>

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

For the year ended September 30, 2018 the Town recognized OPEB expense of \$1,871.

At September 30, 2018, 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	\$ 0	\$ 0
Differences in assumptions	1,699	0	1,699
To be recognized in the future	1,699	0	1,699
Contributions subsequent to the measurement date	58	0	
Total	\$ 1,757	\$ 0	

TOWN OF BARTONVILLE

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

The \$58 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, 2019. 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,		
2018	\$	406
2019		406
2020		406
2021		406
2022		75
Thereafter		0
	\$	1,699

NOTE 8: ADOPTION OF GASB 75:

The Town has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* effective with these financial statements. In accordance with this statement, the Town has restated its September 30, 2017 government-wide unrestricted net positions to reflect the amount of net OPEB liability as of September 30, 2016. The amount of the required restatements is as follows:

	Increase in Total OPEB <u>Liability</u>	Decrease in Unrestricted <u>Net Position</u>
Governmental Activities	\$18,434	\$18,434

NOTE 9: 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.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BARTONVILLE
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

For the Year Ended September 30, 2018

RESOURCES (INFLOWS):	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RESOURCES:				
Property Taxes	\$ 684,179	\$ 699,179	\$ 697,675	\$ (1,504)
Sales & Beverage Taxes	494,000	579,000	676,852	97,852
Franchise Fees	163,500	168,000	175,851	7,851
Permits & Development Fees	268,900	285,400	289,676	4,276
Municipal Court	60,000	55,000	57,455	2,455
Grants & Donations	0	0	5,000	5,000
Other Revenues	4,742	4,742	14,644	9,902
Interest Income	4,200	4,200	14,959	10,759
Sale of Assets	0	327,000	327,118	118
Transfer From Community Development	5,000	5,000	5,000	0
Transfer from Crime Control District	24,000	24,000	66,220	42,220
Transfer from Capital Improv. Fund	50,000	45,000	54,076	9,076
TOTAL RESOURCES	\$ 1,758,521	\$ 2,196,521	\$ 2,384,526	\$ 188,005

CHARGES TO APPROPRIATIONS (OUTFLOWS):

ADMINISTRATION				
Wages	\$ 189,122	\$ 180,622	\$ 177,936	\$ 2,686
Payroll Taxes	4,500	4,500	3,458	1,042
Retirement	28,065	28,065	26,893	1,172
Employee Medical Insurance	19,000	19,000	19,816	(816)
Accounting & Auditing Services	3,750	3,750	3,750	0
Appraisal & Tax Collection Services	6,000	6,000	5,088	912
Banners & Signs	7,500	7,500	6,801	699
Codification Services	2,700	2,700	2,200	500
Economic Development Grants	140,000	185,000	208,504	(23,504)
Elections	5,000	0	0	0
Engineering Services	20,000	20,000	16,604	3,396
Legal Services	100,000	100,000	60,643	39,357
Planning Services	3,500	11,300	7,798	3,502
Municipal Court	10,000	10,000	11,056	(1,056)
Records Management	6,000	6,000	5,670	330
Building, Parrk & Equip. Maintenance	20,000	20,000	17,890	2,110
Copier Lease & Supplies	7,500	7,500	5,002	2,498
IT Services & Software	26,000	26,000	20,847	5,153
Dues, Subscriptions & Public Notices	7,900	7,900	5,514	2,386
Insurance	4,500	4,500	5,025	(525)
Supplies, Postage & Printing	11,250	14,250	7,698	6,552
Town Meetings & Events	11,800	11,800	9,495	2,305
Travel & Training	5,000	5,000	2,425	2,575
Utilities	17,500	17,500	15,524	1,976
Capital Outlay	2,400	2,400	11,116	(8,716)
Debt Services	116,332	116,332	116,332	0
TOTAL ADMINISTRATION	775,319	817,619	773,085	44,534

TOWN OF BARTONVILLE
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

For the Year Ended September 30, 2018

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
PUBLIC SAFETY				
Inspection & Code Enforcement	57,750	64,250	66,380	(2,130)
Animal Control	2,700	2,700	2,575	125
TOTAL PUBLIC SAFETY	60,450	66,950	68,955	(2,005)
POLICE:				
Wages	192,813	214,823	211,750	3,073
Payroll Taxes	5,000	5,700	3,714	1,986
Retirement	27,862	32,987	32,039	948
Employee Medical Insurance	29,000	34,490	34,402	88
Insurance	18,300	18,300	13,754	4,546
Vehicle Fuel	11,000	11,000	6,065	4,935
Vehicle Maintenance	8,000	8,000	13,492	(5,492)
Supplies & Contract Services	15,758	15,758	13,785	1,973
IT Services & Software	15,000	15,000	11,877	3,123
Dues & Memberships	1,000	1,000	663	337
Telephone	4,200	4,200	3,604	596
Uniforms	3,500	3,500	1,470	2,030
Travel & Training	1,000	1,000	6,444	(5,444)
Capital Outlay	48,800	48,800	89,933	(41,133)
TOTAL POLICE	381,233	414,558	442,992	(28,434)
STREETS:				
Street Maintenance	330,000	355,780	256,022	99,758
Street Improvements	230,000	230,000	177,692	52,308
TOTAL STREETS	560,000	585,780	433,714	152,066
TOTAL APPROPRIATIONS	1,777,002	1,884,907	1,718,746	166,161
EXCESS OF CURRENT RESOURCES OVER (UNDER) APPROPRIATIONS	\$ (18,481)	\$ 311,614	\$ 665,780	\$ 354,166
BUDGETARY FUND BALANCE:				
BEGINNING OF YEAR	\$ 1,047,896	\$ 1,047,896	\$ 1,047,896	
END OF YEAR	\$ 1,029,415	\$ 1,359,510	\$ 1,713,676	

TOWN OF BARTONVILLE
BUDGETARY COMPARISON SCHEDULE-CAPITAL IMPROVEMENT FUND

For the Year Ended September 30, 2018

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RESOURCES (INFLOWS):				
RESOURCES:				
Interest Income	\$ 100	\$ 100	\$ 43	\$ (57)
TOTAL RESOURCES	\$ 100	\$ 100	\$ 43	\$ (57)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Minor Equipment	\$	\$ 1,000	\$ 1,343	\$ (343)
Transfer to General Fund for Streets Projects	50,000	50,000	50,000	0
Transfer to General Fund for Building Improve.		4,000	4,076	(76)
TOTAL APPROPRIATIONS	\$ 50,000	\$ 55,000	\$ 55,419	\$ (76)
EXCESS OF CURRENT RESOURCES OVER (UNDER) APPROPRIATIONS	\$ (49,900)	\$ (54,900)	\$ (55,376)	\$ (133)
BUDGETARY FUND BALANCE:				
BEGINNING OF YEAR	\$ 116,078	\$ 116,078	\$ 116,078	
END OF YEAR	\$ 66,178	\$ 61,178	\$ 60,702	

TOWN OF BARTONVILLE
BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT CORPORATION

For the Year Ended September 30, 2018

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RESOURCES (INFLOWS):				
RESOURCES:				
Sales Taxes	\$ 90,000	\$ 90,000	\$ 111,907	\$ 21,907
Grants & Donations	0	0	14,940	14,940
Interest Income	2,000	2,000	4,053	2,053
TOTAL RESOURCES	\$ 92,000	\$ 92,000	\$ 130,900	\$ 38,900
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
ADMINISTRATION				
Administrative Fees to General Fund	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0
Computer Software	1,200	500	500	0
Consulting Services	20,000	18,500	830	17,670
Development Grants	150,000	150,000	122,163	27,837
Dues & Training	1,000	1,000	125	875
Legal Services	5,000	5,000	1,407	3,593
Marketing & Promotion	9,000	9,000	16,007	(7,007)
Old Town Maintenance	27,600	27,600	23,609	3,991
Postage & Supplies	1,500	3,700	1,944	1,756
Professional Development	0	0	175	(175)
Traffic Study	3,000	3,000	3,200	(200)
TOTAL APPROPRIATIONS	223,300	223,300	174,960	48,340
EXCESS OF CURRENT RESOURCES OVER (UNDER) APPROPRIATIONS	\$ (131,300)	\$ (131,300)	\$ (44,060)	\$ 87,240
BUDGETARY FUND BALANCE:			0	
BEGINNING OF YEAR	\$ 508,423	\$ 508,423	\$ 508,423	
END OF YEAR	\$ 377,123	\$ 377,123	\$ 464,363	

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

For the Year Ended September 30, 2018

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RESOURCES (INFLOWS):				
RESOURCES:				
Sales Taxes	\$ 40,000	\$ 42,500	\$ 49,863	\$ 7,363
Grants and Donations	0	0	3,819	3,819
Interest Income	50	50	618	568
TOTAL RESOURCES	\$ 40,050	\$ 42,550	\$ 54,300	\$ 11,750
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
ADMINISTRATION				
Accounting & Auditing Services	\$ 500	\$ 500	\$ 500	\$ 0
Compter Software & IT Services	2,475	2,475	2,475	0
Insurance	300	300	140	160
Legal Services	500	500	0	500
Minor Equipment	8,500	23,788	1,651	22,137
National Night Out & Blue Santa	3,000	3,000	3,399	(399)
Supplies	0	1,500	5,727	(4,227)
Uniforms	4,450	4,450	3,878	572
Transfer to general Fund for:				
Administrative Services	1,000	1,000	1,000	0
Captial Purchases	31,000	56,000	65,220	(9,220)
TOTAL APPROPRIATIONS	51,725	93,513	83,990	9,523
EXCESS OF CURRENT RESOURCES OVER (UNDER) APPROPRIATIONS	\$ (11,675)	\$ (50,963)	\$ (29,690)	\$ 21,273
BUDGETARY FUND BALANCE:				
BEGINNING OF YEAR	\$ 80,170	\$ 80,170	\$ 80,170	
END OF YEAR	\$ 68,495	\$ 29,207	\$ 50,480	

TOWN OF BARTONVILLE

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

September 30, 2018

Plan Year	2017	2016	2015	2014
TOTAL PENSION LIABILITY				
Service Cost	\$ 59,627	\$ 64,881	55,319	\$ 57,705
Interest (on the Total Pension Liability)	71,891	66,333	60,634	55,080
Changes in benefit terms	0	0	0	0
Difference between expected and actual experience	(1,885)	5,787	15,412	13,373
Change of assumptions	0	0	32,978	0
Benefit payments, including refunds of employee contributions	(52,636)	(51,439)	(53,782)	(37,472)
NET CHANGE IN TOTAL PENSION LIABILITY	76,997	85,562	110,561	88,686
TOTAL PENSION LIABILITY - BEGINNING	1,061,555	975,993	865,432	776,746
TOTAL PENSION LIABILITY - ENDING (a)	\$ 1,138,552	\$ 1,061,555	975,993	\$ 865,432
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 54,423	\$ 46,233	40,164	\$ 53,669
Contributions - Employee	28,394	30,177	27,483	32,275
Net investment income	94,693	41,694	889	29,988
Benefit payments, including refunds of employee contributions	(52,636)	(51,439)	(53,782)	(37,472)
Administrative expense	(490)	(470)	(541)	(313)
Other	(24)	(25)	(27)	(26)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	124,360	66,170	14,186	78,121
PLAN NET FIDUCIARY POSITION - BEGINNING	682,493	616,323	602,137	524,016
PLAN NET FIDUCIARY POSITION - ENDING (b)	\$ 806,853	\$ 682,493	616,323	\$ 602,137
NET PENSION LIABILITY (a) - (b)	\$ 331,699	\$ 379,062	359,670	\$ 263,295
Plan Fiduciary Net Position as a percentage of Total Pension Liability	70.87%	64.29%	63.15%	69.58%
Covered employee payroll	\$ 405,629	\$ 431,101	392,611	\$ 461,070
Net Pension Liability as a percentage of covered payroll	81.77%	87.93%	91.61%	57.11%

TOWN OF BARTONVILLE

SCHEDULE OF PENSION CONTRIBUTIONS

September 30, 2018

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

NOTES TO SCHEDULE OF CONTRIBUTIONS

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:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 Years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.5% to 10.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male multiplied by 109% and female multiplied by 103% and projected on a fully generational basis with scale BB

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, 2018

Plan Year	<u>2017</u>
TOTAL OPEB LIABILITY	
Total OPEB Liability Beginning of Year	\$ 18,434
Changes for the year	
Service Cost	852
Interest on Total OPEB Liability	712
Changes in benefit terms	0
Difference between expected and actual experience	0
Change of assumptions or other inputs	2,105
Benefit payments	<u>(41)</u>
NET CHANGE IN OPEB LIABILITY	<u>3,628</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u><u>\$ 22,062</u></u>
Covered employee payroll	\$ 405,629
OPEB Liability as a percentage of covered payroll	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 Dr., Ste 116
Keller, TX 76248
817-421-6619

To the Town Council
Town of Bartonville

In planning and performing my audit of the financial statements of the governmental activities and major fund of the Town of Bartonville as of and for the year ending September 30, 2018, in accordance with auditing standards generally accepted in the United States of America, I considered the Town of Bartonville' internal control over financial reporting (internal control) 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 governmental unit's internal control. Accordingly, I do not express an opinion on the effectiveness of the governmental unit'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 misstatements on a timely basis. A materiel 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.

My consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be a material weakness.

This communication is intended solely for the information and use of management and Town Council and is not intended to be and should not be used by anyone other than these specified parties.

William C. Spore, PC
Certified Public Accountants
January 15, 2019