

TOWN OF BARTONVILLE, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2021



MWH GROUP
CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

**TOWN OF BARTONVILLE, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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Financial Section



Independent Auditor's Report on Financial Statements

Honorable Mayor and Town Council
Town of Bartonville, Texas
1941 E. Jeter Road
Bartonville, Texas 76226

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bartonville, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Bartonville, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Bartonville, Texas, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Budgetary Comparison Schedule – General Fund, Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios, Texas Municipal Retirement System Schedule of Contributions, and Texas Municipal Retirement System Schedule of Changes in Total OPEB Liability and Related Ratios on pages 3 through 10 and 35 through 42, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Bartonville, Texas' basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2022, on our consideration of the Town of Bartonville, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Bartonville, Texas' internal control over financial reporting and compliance.

Respectfully submitted,

MWH Group, P.C.

MWH GROUP, P.C.

Wichita Falls, Texas
June 17, 2022

TOWN OF BARTONVILLE, TEXAS

TOWN OFFICIALS

September 30, 2021

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



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, 2021. 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, 2021, by \$6,256,559, an increase of \$821,707 from the prior year.
- At September 30, 2021, the Town's governmental funds reported combined fund balances of \$4,051,207, an increase of \$674,336 from the prior year.
- The Town's capital assets, reported at cost less accumulated depreciation, total \$3,445,466 at September 30, 2021, while the Town's long-term debt totaled \$910,000 at September 30, 2021.

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 11) 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 12) 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 17.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's net position is as follows:

NET POSITION GOVERNMENTAL ACTIVITIES

	2021	2020
Current and Other Assets	\$ 4,512,852	\$ 3,618,693
Capital Assets	3,445,466	3,619,841
Total Assets	7,958,318	7,238,534
Deferred Outflows of Resources	70,001	74,680
Current Liabilities	769,937	557,336
Net Pension & OPEB Liability	350,212	381,165
Long-Term Liabilities	620,000	910,000
Total Liabilities	1,740,149	1,848,501
Deferred Inflows of Resources	31,611	29,861
Net Position:		
Invested in Capital Assets, net of debt	2,587,438	2,848,242
Restricted	841,967	743,588
Unrestricted	2,827,154	1,843,022
Total Net Position	\$ 6,256,559	\$ 5,434,852

The Town's net position increased by \$821,707 during the fiscal year ended September 30, 2021, to \$6,256,559. 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, 2021, the Town's revenues totaled \$2,827,578, an increase of \$172,433 (10.6%) from 2020. Due to an increase in residential and commercial development in the Town, sales and beverage taxes (18.2%) and property tax (5.1%) revenues increased in 2021 compared to 2020.

Total government-wide expenses increased \$352,962 (21.4%) in 2021 compared to 2020. General government expenses increased \$263,605 (36.7%) in 2021 compared to 2020. This increase was primarily due to an increase in economic development grants funded by sales tax revenues (\$63,330), covid-19 expenses (\$32,178), engineering fees (\$16,416), legal fees (\$72,607), planning services (\$13,346), and police department personnel costs (\$44,221).

Public safety expenditures decreased \$21,537 (3.7%) in 2021. Personnel costs increased \$44,221 (11.5%) but this increase was offset by a decrease in depreciation and other operating expenses.

Public works expenditures increased \$133,045 (43.22%) due an increase in street maintenance expenditures in 2021 compared to 2020.

A summary of the Town's operations for the years ended September 30, 2021 and 2020 is as follows:

CHANGES IN NET POSITION

	2021	2020
REVENUES		
Program Revenues:		
Permits & Fees	\$ 189,308	\$ 171,159
Municipal Court	89,615	60,244
Contributions & Grants	154,140	248,592
General Revenues:		
Property Taxes	842,784	801,728
Sales & Beverage Taxes	1,381,938	1,168,814
Franchise Fees	149,919	168,113
Interest Income	19,874	36,495
Total Revenues	2,827,578	2,655,145
PROGRAM EXPENSES		
General Government	982,396	718,791
Public Safety	557,960	579,497
Public Works	440,850	307,805
Interest on Long-Term Debt	24,665	46,816
Total Expenses	2,005,871	1,652,909
Increase in Net Position	\$ 821,707	\$ 1,002,236

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 2021 and 2020 fund basis revenues is as follows:

	2021	2020
REVENUES		
Property Taxes	\$ 839,966	\$ 800,714
Sales & Beverage Taxes	1,381,938	1,168,814
Franchise Taxes	149,919	168,113
Permits & Fees	178,128	158,234
Municipal Court	89,615	60,244
Intergovernmental	150,840	245,205
Grants & Donations	3,300	3,387
Interest Income	19,874	36,495
Other Income	11,180	12,925
Total Revenues	\$ 2,824,760	\$ 2,654,131

The Town's property and sales taxes revenues increased \$252,376 (12.8%) from 2020 to 2021 primarily due to an increase in property values and an increase in commercial businesses sales in 2021 compared to 2020. The Town's property tax rate remained the same in 2021 as it was in 2020.

A comparison of fiscal years 2021 and 2020 fund basis expenditures is as follows:

	2021	2020
EXPENDITURES		
General Government	\$ 952,201	\$ 685,677
Public Safety	548,100	528,631
Public Works	175,394	91,871
Capital Outlay - Public Works	128,081	516,455
Capital Outlay - General Government	28,518	18,870
Capital Outlay - Public Safety	-	18,837
Debt Service - Principle	290,000	392,000
Debt Service - Interest	28,130	42,721
Total Expenditures	\$ 2,150,424	\$ 2,295,062

Total governmental fund basis expenditures decreased \$144,638 primarily due to a decrease in capital outlay and debt service expenditures in 2021 compared to 2020. General government expenditures increased primarily due to an increase in economic development sales and property tax grants and an increase in professional fees. Public safety expenditures increased due to an increase in personnel costs and public works expenditures increased due to an increase in street maintenance expenditures in 2021 compared to 2020. In fiscal year 2020 the Town paid off its 2015 tax note obligations which reduced 2021 debt service payments.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original 2021 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 were \$277,576 less than budgeted revenues. Budgeted revenues included Covid-19 grant fund revenues of \$277,000. The grant funds of \$221,149 were received in September 2021 but none of these funds were expended during fiscal year 2021 and the amount received of \$221,149 has been recorded as a deferred revenues on the fund balance sheet and will be recognized as revenues in fiscal year 2022 as the funds are expended.

General fund expenditures totaled \$2,015,696 which was \$206,398 under budgeted general fund expenditures. The Town's covid-19 expenditures were \$55,076 under budget and street maintenance and engineering expenditures were \$116,931 under budget.

The Town budgeted for the general fund to have a surplus of \$608,397 while the actual general fund surplus was \$537,219.

CAPITAL ASSETS

The Town's investment in capital assets as of September 30, 2021, amounts to \$3,445,466 (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:

	<u>2021</u>	<u>2020</u>
Land	\$ 119,275	\$ 119,275
Buildings	272,732	315,046
Equipment	86,972	85,203
Infrastructure	2,966,487	3,100,317
Total	<u>\$ 3,445,466</u>	<u>\$ 3,619,841</u>

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

DEBT ADMINISTRATION

There were no new debt issuances in fiscal year 2021. Outstanding long-term debts are as follows:

	<u>2021</u>	<u>2020</u>
Tax Notes	\$ 910,000	\$ 1,200,000
Total	<u>\$ 910,000</u>	<u>\$ 1,200,000</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 2022 are \$1,767,350. Included in these 2022 budgeted revenues are property tax revenues of \$822,950, based upon a tax rate of .173646 per \$100 of valuation which is decrease of .019294 (10%) from the 2021 tax rate. The 2022 budget anticipates the Town collecting \$575,000 of sales tax revenues, \$157,500 of franchise fees and \$132,900 of permits and fee revenues.

Budgeted general fund expenditures total \$1,767,500 including \$100,000 for legal fees, \$296,587 for administrative staff personnel costs, \$591,901 for the police department personnel costs, \$215,663 for street maintenance and improvement projects, \$200,000 for sales tax economic development grant payments, \$15,000 for building improvements and \$62,600 for vehicles and equipment capital additions.

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.

Basic Financial Statements

TOWN OF BARTONVILLE, TEXAS
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities
Assets	
Cash	\$ 942,500
Receivables	336,979
Prepaid expenses	5,037
Restricted cash & cash equivalents	3,228,336
Capital assets	
Land	119,275
Buildings & improvements	547,211
Equipment	490,273
Infrastructure	7,618,058
Less: accumulated depreciation	<u>(5,329,351)</u>
Capital assets, net	<u>3,445,466</u>
Total assets	<u><u>7,958,318</u></u>
Deferred outflows of resources	
Deferred outflows of resources related to pension	62,118
Deferred outflows of resources related to OPEB	<u>7,883</u>
Total deferred outflows of resources	<u><u>70,001</u></u>
Liabilities	
Accounts payable	215,043
Accrued liabilities	20,085
Accrued compensated absences	23,660
Deferred revenues	221,149
General obligation bonds due within one year	296,000
General obligation bonds due in more than one year	614,000
Net pension liability	315,070
Total OPEB liability	<u>35,142</u>
Total liabilities	<u><u>1,740,149</u></u>
Deferred inflows of resources	
Deferred inflows of resources related to pension	30,692
Deferred inflows of resources related to OPEB	<u>919</u>
Total deferred inflows of resources	<u><u>31,611</u></u>
Net position	
Invested in capital asset, net of related debt	2,587,438
Restricted for:	
Community development	652,660
Crime control & prevention	172,148
Other purposes	69,131
Unrestricted	<u>2,775,182</u>
Total net position	<u><u>\$ 6,256,559</u></u>

TOWN OF BARTONVILLE, TEXAS
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues & Changes in Net Position	
		Charges for Services	Operating Grants & Contributions		Capital Grants & Contributions
Governmental activities:					
General Government	\$ (982,396)	\$ 189,308	\$ -	\$ -	\$ (793,088)
Public Safety	(557,960)	89,615	4,140	-	(464,205)
Public Works	(440,850)	-	150,000	-	(290,850)
Interest on Long-Term Debt	(24,665)	-	-	-	(24,665)
Total Governmental activities	\$ (2,005,871)	\$ 278,923	\$ 154,140	\$ -	(1,572,808)
		General Revenues:			
					842,784
					1,381,938
					149,919
					19,874
			Total general revenues		2,394,515
			Change in net position		821,707
			Net position, beginning		5,434,852
			Net position, ending	\$	6,256,559

TOWN OF BARTONVILLE, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Capital Improvement Fund	Community Development Fund	Crime Control & Prevention District	Total Governmental Funds
Assets:					
Cash	\$ 3,364,164	\$ 45,181	\$ 604,334	\$ 157,157	\$ 4,170,836
Receivables:					
Sales & beverage taxes, franchise fees & other	252,758	-	37,003	15,071	304,832
Developer	11,203	-	-	-	11,203
Property taxes	20,944	-	-	-	20,944
Prepaid expenses	3,537	-	1,500	-	5,037
Total Assets	<u>\$ 3,652,606</u>	<u>\$ 45,181</u>	<u>\$ 642,837</u>	<u>\$ 172,228</u>	<u>\$ 4,512,852</u>
Liabilities:					
Accounts payable	\$ 214,963	\$ -	\$ -	\$ 80	\$ 215,043
Accrued liabilities	9,213	-	-	-	9,213
Interfund	9,823	-	(9,823)	-	-
Deferred revenues	221,149	-	-	-	221,149
Total Liabilities	<u>455,148</u>	<u>-</u>	<u>(9,823)</u>	<u>80</u>	<u>445,405</u>
Deferred inflows:	16,177	-	-	-	16,177
Unavailable revenue-property taxes	<u>16,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,177</u>
Fund balance:					
Non-spendable - prepaid expenses	3,537	-	1,500	-	5,037
Restricted for:					
Community development	-	-	651,160	-	651,160
Crime control & prevention	-	-	-	172,148	172,148
Covid-19	3,985	-	-	-	3,985
Court related	13,174	-	-	-	13,174
Street Improvements	51,972	-	-	-	51,972
Committed To:					
Capital improvements	-	45,181	-	-	45,181
Debt service	1,176,736	-	-	-	1,176,736
Vehicle & equipment replacement	52,131	-	-	-	52,131
Streets	723,911	-	-	-	723,911
Unassigned	1,155,835	-	-	-	1,155,835
Total Fund balance	<u>3,181,281</u>	<u>45,181</u>	<u>652,660</u>	<u>172,148</u>	<u>4,051,270</u>
Total Liabilities, deferred inflows and fund balances	<u>\$ 3,652,606</u>	<u>\$ 45,181</u>	<u>\$ 642,837</u>	<u>\$ 172,228</u>	<u>\$ 4,512,852</u>

TOWN OF BARTONVILLE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Fund Balance Above	\$ 4,051,270
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.	3,445,466
Property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the Fund Balance Sheet.	16,177
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	(910,000)
Accrued compensated absences	(23,660)
Accrued interest	(10,872)
Net OPEB Liability and related deferred inflows and deferred outflows of resources	(28,178)
Net Pension Liability and related deferred inflows and deferred outflows of resources	(283,644)
Net position of governmental activities - statement of net position	\$ <u><u>6,256,559</u></u>

TOWN OF BARTONVILLE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	COMMUNITY DEVELOPMENT CORPORATION	CRIME CONTROL & PREVENTION DISTRICT	TOTAL GOVERNMENTAL FUNDS
Revenues					
Property taxes	\$ 839,966	\$ -	\$ -	\$ -	\$ 839,966
Sales & beverage taxes	1,107,390	-	185,230	89,318	1,381,938
Franchise fees	149,919	-	-	-	149,919
Permits & fees	178,128	-	-	-	178,128
Municipal court	89,615	-	-	-	89,615
Intergovernmental revenues	150,840	-	-	-	150,840
Grants & donations	-	-	-	3,300	3,300
Miscellaneous revenues	11,180	-	-	-	11,180
Interest income	15,877	316	3,025	656	19,874
Total revenues	2,542,915	316	188,255	93,274	2,824,760
Expenditures					
General government	894,288	-	57,913	-	952,201
Public safety	495,207	-	-	52,893	548,100
Public works	175,394	-	-	-	175,394
Debt service - principal	290,000	-	-	-	290,000
Debt service - interest	28,130	-	-	-	28,130
Capital outlay	132,677	11,549	12,373	-	156,599
Total expenditures	2,015,696	11,549	70,286	52,893	2,150,424
Excess of revenues over (under) expenditures before other sources	527,219	(11,233)	117,969	40,381	674,336
Other financing sources (uses)					
Transfer from Community Development	10,000	-	(10,000)	-	-
Total other financing sources	10,000	-	(10,000)	-	-
Excess of revenues and other sources over (under) expenditures	537,219	(11,233)	107,969	40,381	674,336
Fund balance - beginning	2,644,062	56,414	544,691	131,767	3,376,934
Fund balance - ending	\$ 3,181,281	\$ 45,181	\$ 652,660	\$ 172,148	\$ 4,051,270

TOWN OF BARTONVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net Change in Fund Balance - Governmental Funds	\$ 674,336
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	156,599
Depreciation expense on capital assets	(330,974)
Borrowings on long-term debt are revenues in the governmental funds, but the borrowing increases long-term liabilities in the statement of net position:	-
Repayment on debt principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	290,000
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	2,818
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	940
Accrued Interest on long-term debts	3,465
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 2020):	24,523
Change in net position of governmental activities - statement of activities	\$ <u>821,707</u>

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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.

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.

TOWN OF BARTONVILLE
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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.

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.

TOWN OF BARTONVILLE
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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: These financial statements 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: These 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 principal and interest on general obligation long-term debt, if any, is recognized only when payment is due.
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.

TOWN OF BARTONVILLE
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SEPTEMBER 30, 2021

- *Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* This statement is effective for fiscal years beginning after June 15, 2021. This statement will not affect the Town.
- *Statement No. 98, The Annual Comprehensive Financial Report.* This statement is effective for fiscal years beginning after December 15, 2021, this statement will not affect the Town.

New pronouncements not yet in effect as of September 30, 2021, 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 2022, 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.

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.

TOWN OF BARTONVILLE
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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) 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 and (2) differences between actuarial assumptions for demographic factors.

The deferred outflows for pension contributions will be recognized in the subsequent fiscal year. The deferred outflows related to the difference between expected and actual pension experience 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. The deferred outflows related to differences between actuarial assumptions for demographic factors will be amortized 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

6. Deferred Inflows of Resources

The Town reports increases in net assets that relate to future periods as 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 statements include (1) a deferred inflow of resources for revenues that are not considered available (2) the difference between expected and actual pension experience, (3) the differences between the plans' projected and actual earnings on pension assets and (4) the difference between expected and actual OPEB experience.

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. The deferred inflows related to differences between expected and actual pension experience will be amortized over the expected remaining service lives of all employees participating in the plan. Deferred inflows related differences between the plans' projected and actual earnings on pension assets will be amortized over a total of five years, including the current fiscal year. The deferred inflows related to differences between expected and actual OPEB experience will be amortized over the expected remaining service lives of all employees participating in the plan.

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,

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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.
- 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.

TOWN OF BARTONVILLE
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For the fiscal year ending September 30, 2021, no departments had expenditures that exceeded appropriations.

NOTE 2: DEPOSITS

At September 30, 2021, the Town's cash and cash equivalents were made up of the following:

Petty cash accounts	\$	200
Held at a local bank		4,118,665
Held at LOGIC		<u>51,971</u>
Total Cash & Cash Equivalents	\$	<u>4,170,836</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, 2021, the Town's bank balances (per bank) totaled \$4,144,036. Of the bank balances, \$476,347 was covered by federal depository insurance and \$3,667,689 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, 2021.

Securities pledged by the Town's depository institution at September 30, 2021, are as follows:

	PAR	FMV
YSLETA TX ISD	\$ <u>4,500,000</u>	\$ <u>5,326,335</u>
	\$ <u>4,500,000</u>	\$ <u>5,326,335</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.

(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, 2021

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, 2021, the Town had committed capital improvement funds totaling \$45,181.

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, 2021, the Town had committed vehicle and equipment funds totaling \$52,131.

By Town Council resolution funds held in the “Street Maintenance” accounts at a local Bank are committed for Town road improvements. At September 30, 2021, the Town had committed road improvement funds totaling \$723,911.

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, 2021, the Town had committed debt service funds totaling \$1,176,736.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021, is as follows:

<u>Governmental activities:</u>	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Capital assets not being depreciated				
Land	\$ 119,275	\$ -	\$ -	\$ 119,275
Capital assets being depreciated:				
Building & Improvements	565,400	-	(18,189)	547,211
Equipment	54,798	22,675	-	77,473
Police Equipment	410,502	2,298	-	412,800
Infrastructure	7,486,432	131,626	-	7,618,058
Total assets being depreciated	<u>8,517,132</u>	<u>156,599</u>	<u>(18,189)</u>	<u>8,655,542</u>
Total assets as historical cost	<u>8,636,407</u>	<u>156,599</u>	<u>(18,189)</u>	<u>8,774,817</u>
Less: accumulated depreciation				
Building & Improvements	250,355	24,124	-	274,479
Equipment	36,697	10,379	(18,189)	28,887
Police Equipment	343,399	31,015	-	374,414
Infrastructure	4,386,115	265,456	-	4,651,571
Total accumulated depreciation	<u>5,016,566</u>	<u>330,974</u>	<u>(18,189)</u>	<u>5,329,351</u>
Total capital assets, net	<u>\$ 3,500,566</u>	<u>\$ (174,375)</u>	<u>\$ -</u>	<u>\$ 3,326,191</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 34,503
Police	31,015
Public Works	265,456
Total depreciation expense	<u>\$ 330,974</u>

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5: LONG-TERM DEBT

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

	<u>Beginning</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u>	<u>Current Portion</u>
2019 Tax Notes	\$ 1,200,000	\$ -	\$ 290,000	\$ 910,000	\$ 296,000
Total Tax Notes	<u>1,200,000</u>	<u>-</u>	<u>290,000</u>	<u>910,000</u>	<u>296,000</u>
Compensated Absences	<u>24,600</u>	<u>-</u>	<u>940</u>	<u>23,660</u>	<u>-</u>
Total Long-term Debt	<u>\$ 1,224,600</u>	<u>\$ -</u>	<u>\$ 290,940</u>	<u>\$ 933,660</u>	<u>\$ 296,000</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 principal 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:

<u>YEAR ENDING SEPTEMBER 30,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
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>
Total	<u>\$ 910,000</u>	<u>\$ 43,490</u>	<u>\$ 953,490</u>

NOTE 6: RETIREMENT PLAN

A. Plan Description

The Town participates as one of 895 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.

**TOWN OF BARTONVILLE
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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 2020	Plan Year 2021
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

At the December 31, 2020, 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	10
Active employees	<u>8</u>
	26

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 15.66% and 16.18% for the calendar years 2020 and 2021, respectively. The Town's contributions to TMRS for the fiscal year ended September 30, 2021, were \$81,958 and were equal to the required contributions.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

D. Net Pension Liability or Assets

The Town's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% 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 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:

TOWN OF BARTONVILLE
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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%	

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)
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance at December 31, 2019	\$ 1,327,661	\$ 975,049	\$ 352,612
Service Cost	67,596	-	67,596
Interest	89,720	-	89,720
Change in benefit terms	-	-	-
Differences between expected and actual results	(13,394)	-	(13,394)
Changes in assumptions	-	-	-
Contributions - employer	-	74,337	(74,337)
Contributions - employee	-	33,463	(33,463)
Net investment income	-	74,162	(74,162)
Benefit Payments, including refunds of employee contributions	(64,544)	(64,544)	-
Administrative expense	-	(479)	479
Other	-	(19)	19
Net Changes	<u>79,378</u>	<u>116,920</u>	<u>(37,542)</u>
Balance at December 31, 2020	<u>\$ 1,407,039</u>	<u>\$ 1,091,969</u>	<u>\$ 315,070</u>

TOWN OF BARTONVILLE
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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>508,722</u>	\$ <u>315,070</u>	\$ <u>157,397</u>

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.tmrs.com.

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

For the year ended September 30, 2021, the Town recognized pension expense of \$53,459.

At September 30, 2021, 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	\$ -	\$ (2,713)	\$ (2,713)
Differences in assumptions	2,166	-	2,166
Differences between projected and actual investment earnings	-	(27,979)	(27,979)
To be recognized in the future	<u>2,166</u>	<u>(30,692)</u>	<u>(28,526)</u>
Contributions subsequent to the measurement date	<u>59,952</u>	<u>-</u>	
Total	\$ <u>62,118</u>	\$ <u>(30,692)</u>	

The \$59,952 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Year Ending December 31,	
2021	\$ (8,435)
2022	(2,405)
2023	(16,016)
2024	(1,670)
2025	-
Thereafter	-
	\$ <u><u>(28,526)</u></u>

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 (SDBF). 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 SDBF 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, 2020, valuation and measurement date, the following number of employees were covered by the SDBF benefit plan:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>8</u>
	15

B. Total OPEB Liability

The Town's Total OPEB Liability was measured as of December 31, 2020, and the Total OPEB Liability was determined by actuarial valuation as of that date.

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.5% to 11.5% including inflation
Discount Rate	2.00%
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, 2020.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of an actuarial experience study for the period December 31, 2014, to December 31, 2019.

Changes in Total OPEB Liability:

Balance at December 31, 2019	\$	28,553
Changes for the year		
Service Cost		1,482
Interest ON Total OPEB Liability		804
Changes in benefit terms		-
Differences between expected and actual experience		(948)
Changes in assumptions or other inputs		5,347
Benefit Payments *		(96)
Net Changes		<u>6,589</u>
Balance at December 31, 2020	\$	<u><u>35,142</u></u>

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 2.00%, 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 (1.00%) or 1-percentage-point higher (2.00%) than the current rate:

	1% Decrease (1.00%)	Current (2.00%)	1% Increase (3.00%)
Total OPEB Liability	\$ 44,432	\$ 35,142	\$ 28,271

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

For the year ended September 30, 2021, the Town recognized OPEB expense of \$2,599.

At September 30, 2021, 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	\$ -	\$ (919)	\$ (919)
Differences in assumptions	7,584	-	7,584
To be recognized in the future	7,584	(919)	6,665
Contributions subsequent to the measurement date	299	-	
Total	\$ 7,883	\$ (919)	

The \$299 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, 2021. 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,	
2021	\$ 1,767
2022	1,436
2023	1,668
2024	1,580
2025	214
Thereafter	-
	\$ 6,665

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, through the date the financial statement were available to be issued. During this period there were no subsequent events requiring disclosure.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

TOWN OF BARTONVILLE, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenues:				
Property taxes	\$ 840,599	\$ 842,399	\$ 839,966	\$ (2,433)
Sales & beverage taxes	710,000	1,095,650	1,107,390	11,740
Franchise fees	160,500	163,700	149,919	(13,781)
Permits & development fees	121,050	188,000	178,128	(9,872)
Municipal court	62,700	82,700	89,615	6,915
Intergovernmental revenues	150,800	427,800	150,840	(276,960)
Other revenues	4,912	7,512	11,180	3,668
Interest income	16,030	12,730	15,877	3,147
Total revenues	\$ 2,066,591	\$ 2,820,491	\$ 2,542,915	\$ (277,576)
Expenditures:				
Administration				
Salaries & wages	\$ 149,828	\$ 183,828	\$ 183,626	\$ 202
Payroll taxes	3,500	3,500	3,758	(258)
Retirement	31,042	31,042	31,023	19
Employee medical insurance	21,628	21,628	23,892	(2,264)
Accounting & auditing services	4,250	4,250	4,825	(575)
Animal control	12,800	12,800	12,800	-
Appraisal & tax collection services	9,000	9,000	4,929	4,071
Building inspections	30,000	34,500	35,905	(1,405)
Gas well inspections	24,750	18,450	18,440	10
Codification Services	2,700	2,700	1,220	1,480
Health inspections	10,000	10,000	11,400	(1,400)
Engineering services	20,000	37,000	40,009	(3,009)
Legal services	60,000	97,000	96,102	898
Planning services	10,000	28,000	20,494	7,506
Advertising & public notices	3,000	3,000	3,705	(705)
Banners & signs	10,000	7,500	7,388	112
Copier lease & supplies	5,000	5,000	3,384	1,616
Covid-19 supplies & grants	68,539	110,389	55,313	55,076
Dues & memberships	2,400	2,400	1,266	1,134
Economic development grants	200,000	200,000	205,095	(5,095)
Election expenses	25,000	19,000	18,824	176
Insurance	5,665	5,665	6,729	(1,064)
IT services & software	27,500	20,000	20,211	(211)
Other expenses	1,450	1,450	1,850	(400)
Records management	6,000	6,000	5,210	790
Repairs & maintenance	23,000	23,000	20,106	2,894
Supplies, postage & printing	13,500	13,500	5,251	8,249
Town meetings & events	11,800	11,800	9,868	1,932
Travel & training	7,000	7,000	3,481	3,519
Utilities	18,700	18,700	12,862	5,838
Capital outlay	3,600	3,600	4,596	(996)
Debt services	318,440	318,440	318,130	310
Total administration	1,140,092	1,270,142	1,191,692	78,450

TOWN OF BARTONVILLE, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Police				
Salaries & wages	343,723	315,723	317,611	(1,888)
Payroll taxes	5,023	5,023	5,803	(780)
Retirement	50,944	50,944	50,935	9
Employee medical insurance	49,820	49,820	53,665	(3,845)
Insurance	22,151	22,151	17,110	5,041
Vehicle fuel	8,000	8,000	7,999	1
Vehicle maintenance	8,000	8,000	5,330	2,670
Supplies & contract services	14,267	14,267	12,868	1,399
IT services & software	18,000	18,000	16,693	1,307
Dues & memberships	1,000	1,000	505	495
Telephone	4,800	4,800	4,466	334
Uniforms	3,500	3,500	1,110	2,390
Travel & training	1,000	1,000	1,112	(112)
Total police	<u>530,228</u>	<u>502,228</u>	<u>495,207</u>	<u>7,021</u>
Municipal court				
Salaries & wages	36,000	15,000	14,734	266
Retirement	925	925	-	925
Payroll taxes	1,274	1,274	153	1,121
Judge & prosecutor	6,600	6,600	6,961	(361)
Court security	1,000	1,000	654	346
Court technology	2,600	2,600	2,820	(220)
Total municipal court	<u>48,399</u>	<u>27,399</u>	<u>25,322</u>	<u>2,077</u>
Streets				
Street Maint. & Engineering	160,000	292,325	175,394	116,931
Street Improvements	-	130,000	128,081	1,919
Total streets	<u>160,000</u>	<u>422,325</u>	<u>303,475</u>	<u>118,850</u>
Total expenditures	<u>1,878,719</u>	<u>2,222,094</u>	<u>2,015,696</u>	<u>206,398</u>
Transfers & other sources				
Transfer From Community Development	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>\$ 197,872</u>	<u>\$ 608,397</u>	<u>537,219</u>	<u>\$ (71,178)</u>
Fund balance - beginning of year			2,644,062	
Fund balance - end of year			<u>\$ 3,181,281</u>	

TOWN OF BARTONVILLE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

Budget and Budgetary Accounting

The Town Council adopts an annual budget for the general fund. The general fund budget is legally adopted on a modified accrual basis.

The following procedures are followed in establishing the budgetary data reflected in the Basic Financial Statements:

Prior to the beginning of the fiscal year, the Town prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them. A meeting of the Town Council is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must have been given. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the Town Council.

Once a budget is approved, it can only be amended by approval of a majority of the members of Town Council. As required by law, such amendments are made before the fact, are reflected in the official minutes of Town Council and are not made after fiscal year end. All budget appropriations lapse at year end.

Budget Amendments

The budget was amended during the year ended September 30, 2021.

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2020

	2014	2015	2016	2017	2018	2019	2020
Total pension liability							
Service Cost	\$ 57,705	\$ 55,319	\$ 64,881	\$ 59,627	\$ 59,355	\$ 60,133	\$ 67,596
Interest (on the total pension liability)	55,080	60,634	66,333	71,891	77,079	82,839	89,720
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	13,373	15,412	5,787	(1,885)	8,185	15,336	(13,394)
Change of assumptions	-	32,978	-	-	-	5,524	-
Benefit payments, including refunds of employee contributions	(37,472)	(53,782)	(51,439)	(52,636)	(52,636)	(66,706)	(64,544)
Net change in pension liability	88,686	110,561	85,562	76,997	91,983	97,126	79,378
Total pension liability - beginning	776,746	865,432	975,993	1,061,555	1,138,552	1,230,535	1,327,661
Total pension liability - ending	865,432	975,993	1,061,555	1,138,552	1,230,535	1,327,661	1,407,039
Plan fiduciary net position							
Contributions - Employer	\$ 53,669	\$ 40,164	\$ 46,233	\$ 54,423	\$ 62,240	\$ 64,889	\$ 74,337
Contributions - Employee	32,275	27,483	30,177	28,394	28,974	29,727	33,463
Net investment income	29,988	889	41,694	94,693	(24,205)	127,143	74,162
Benefit payments, including refunds of employee contributions	(37,472)	(53,782)	(51,439)	(52,636)	(52,636)	(66,706)	(64,544)
Administrative expense	(313)	(541)	(470)	(490)	(467)	(717)	(479)
Other	(26)	(27)	(25)	(24)	(24)	(22)	(19)
Net change in plan fiduciary net position	78,121	14,186	66,170	124,360	13,882	154,314	116,920
Net fiduciary position - beginning	524,016	602,137	616,323	682,493	806,853	820,735	975,049
Net fiduciary position - ending	\$ 602,137	\$ 616,323	\$ 682,493	\$ 806,853	\$ 820,735	\$ 975,049	\$ 1,091,969
Net pension liability (a) - (b)	\$ 263,295	\$ 359,670	\$ 379,062	\$ 331,699	\$ 409,800	\$ 352,612	\$ 315,070
Plan fiduciary net position as a percentage of total pension liability	69.58%	63.15%	64.29%	70.87%	66.70%	73.44%	77.61%
Covered employee payroll	\$ 461,070	\$ 392,611	\$ 431,101	\$ 405,629	\$ 413,912	\$ 424,666	\$ 478,049
Net pension liability as a percentage of covered payroll	57.11%	91.61%	87.93%	81.77%	99.01%	83.03%	65.91%

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF PENSION CONTRIBUTIONS
SEPTEMBER 30, 2021

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 38,174	\$ 45,993	\$ 54,687	\$ 57,849	\$ 66,194	\$ 71,613	\$ 81,958
Contributions in relation to the actuarially determined contribution	38,174	45,993	54,687	57,849	66,194	71,613	81,958
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 356,343	\$ 430,043	\$ 428,159	\$ 386,369	\$ 431,475	\$ 459,929	\$ 510,933
Contributions as a percentage of covered employee payroll	10.71%	10.69%	12.77%	14.97%	15.34%	15.57%	16.04%

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	23 Years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.5% to 11.5%, 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 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. 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.

Other Information:

Notes There were no benefit changes during the year

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
DECEMBER 31, 2020

Plan Year	2017	2018	2019	2020
TOTAL OPEB LIABILITY				
Total OPEB Liability Beginning of Year	\$ 18,434	\$ 22,062	\$ 21,721	\$ 28,553
Changes for the year				
Service Cost	852	952	849	1,482
Interest on Total OPEB Liability	712	745	820	804
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	-	(61)	(195)	(948)
Change of assumptions or other inputs	2,105	(1,894)	5,443	5,347
Benefit payments	(41)	(83)	(85)	(96)
NET CHANGE IN OPEB LIABILITY	3,628	(341)	6,832	6,589
TOTAL OPEB LIABILITY - END OF YEAR	\$ 22,062	\$ 21,721	\$ 28,553	\$ 35,142
Covered employee payroll	\$ 405,629	\$ 413,912	\$ 424,666	\$ 478,049
OPEB Liability as a percentage of covered payroll	5.44%	5.25%	6.72%	7.35%

NOTES TO SCHEDULE

Changes of assumptions:

Changes of assumptions and other inputs reflect the change in the municipal bond rate index, which is used as a basis for the discount rate.

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

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

TOWN OF BARTONVILLE, TEXAS
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenues:				
Interest income	\$ 500	\$ 315	\$ 316	\$ 1
Total revenues	<u>500</u>	<u>315</u>	<u>316</u>	<u>1</u>
Expenditures:				
Capital Outlay				
Equipment purchases	5,000	11,550	11,549	1
Total Capital Outlay	<u>5,000</u>	<u>11,550</u>	<u>11,549</u>	<u>1</u>
Total expenditures	<u>5,000</u>	<u>11,550</u>	<u>11,549</u>	<u>1</u>
Excess of expenditures over revenues	<u>\$ (4,500)</u>	<u>\$ (11,235)</u>	<u>(11,233)</u>	<u>\$ -</u>
Fund balance - beginning of year			56,414	
Fund balance - end of year			<u>\$ 45,181</u>	

TOWN OF BARTONVILLE, TEXAS
COMMUNITY DEVELOPMENT CORPORATION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sales taxes	\$ 140,000	\$ 185,230	\$ 45,230
Interest income	1,000	3,025	2,025
Total revenues	<u>141,000</u>	<u>188,255</u>	<u>47,255</u>
Expenditures:			
Administration			
Accounting & auditing services	250	250	-
Consulting fees	25,000	22,784	2,216
Development grants	100,000	-	100,000
IT services & software	1,000	1,000	-
Legal services	5,000	2,338	2,662
Marketing	11,000	2,354	8,646
Old Town maintenance & repair	36,400	24,262	12,138
Postage	500	-	500
Professional development	1,000	125	875
Supplies	500	-	500
Traffic study	5,000	4,800	200
Capital outlay	12,600	12,373	227
Total administration	<u>198,250</u>	<u>70,286</u>	<u>127,964</u>
Transfers & other uses			
Transfer to General Fund	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>\$ (67,250)</u>	107,969	<u>\$ 175,219</u>
Fund balance - beginning of year		544,691	
Fund balance - end of year		<u>\$ 652,660</u>	

TOWN OF BARTONVILLE, TEXAS
CRIME CONTROL & PREVENTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenues:				
Sales taxes	\$ 61,250	\$ 80,000	\$ 89,318	\$ 9,318
Grants & donations	-	-	3,300	3,300
Interest income	400	400	656	256
Total revenues	<u>61,650</u>	<u>80,400</u>	<u>93,274</u>	<u>12,874</u>
Expenditures:				
Administration				
Accounting & auditing services	250	250	300	(50)
Blue Santa & National Night Out	3,000	3,000	862	2,138
Denton County software support	6,600	6,600	6,759	(159)
Insurance	300	300	140	160
Law enforcement software	2,550	2,550	2,613	(63)
Supplies	500	500	-	500
Traffic control equipment lease	50,000	53,500	39,010	14,490
Training	2,000	2,000	2,038	(38)
Uniforms	6,450	6,450	1,171	5,279
Total administration	<u>71,650</u>	<u>75,150</u>	<u>52,893</u>	<u>22,257</u>
Transfers & other uses				
Transfer to General Fund	-	-	-	-
Excess of revenues over (under) expenditures	<u>\$ (10,000)</u>	<u>\$ 5,250</u>	40,381	<u>\$ 35,131</u>
Fund balance - beginning of year			131,767	
Fund balance - end of year			<u>\$ 172,148</u>	

Internal Control and Compliance



MWH GROUP
CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

Independent Auditors' Report

Report on Internal Control over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

Town Council
Town of Bartonville, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bartonville, Texas, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Bartonville, Texas' basic financial statements and have issued our report thereon dated June 17, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.

Compliance and Other Matters

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

Town of Bartonville, Texas' Response to Findings

Town of Bartonville, Texas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Town of Bartonville, Texas' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,

MWH Group, P.C.

MWH GROUP, P.C.

June 17, 2022

**TOWN OF BARTONVILLE, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

A. Summary of Auditor's Results - Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	_____ Yes <u> X </u> No
Significant deficiency identified that is not considered to be material weaknesses?	_____ Yes <u> X </u> No
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

B. Financial Statement Finding 2021-1

None