

TOWN OF BARTONVILLE, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2025



**TOWN OF BARTONVILLE, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

TABLE OF CONTENTS

	Page	Exhibit
INDEPENDENT AUDITOR'S REPORT	1	
TOWN OFFICIALS	4	
REQUIRED SUPPLEMENTARY INFORMATION: Management's Discussion and Analysis	5-10	
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements:		
Statement of Net Position	11	A-1
Statement of Activities	12	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds	13	A-3
Reconciliation of the Government Funds		
Balance Sheet to the Statement of Net Position	14	A-4
Statement of Revenues, Expenditures and		
Changes in Fund Balance - Governmental Funds	15	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balance of Governmental Funds to the Statement of Activities	16	A-6
Notes to Financial Statements	17 - 34	
REQUIRED SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule - General Fund	35	B-1
Notes to Required Supplementary Information	36	
Schedule of Changes in Net Pension Liability and Related Ratios	37	B-2
Schedule of Pension Contributions	38	B-3
Schedule of Changes in Total OPEB Liability and Related Ratios	39	B-4
OTHER SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule - Capital Improvement Fund	40	C-1
Budgetary Comparison Schedule - Community Development Corporation	41	C-2
Budgetary Comparison Schedule - Crime Control & Prevention District	42	C-3
INTERNAL CONTROL AND COMPLIANCE SECTION:		
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	43	



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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental 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, 2025, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Bartonville, Texas, as of September 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Bartonville, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Bartonville, Texas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Bartonville, Texas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Bartonville, Texas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require 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 5 through 10 and 35 through 39, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If,

based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Bartonville, Texas' 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,

A handwritten signature in black ink that reads "MWH Group, P.C." in a cursive, slightly stylized font.

MWH GROUP, P.C.

Wichita Falls, Texas
March 27, 2026

TOWN OF BARTONVILLE, TEXAS

TOWN OFFICIALS

September 30, 2025

MAYOR	Jaclyn Carrington
MAYOR PRO TEM	Matt Chapman, Place 2
COUNCIL MEMBERS	Jim Roberts, Place 1
	Clay Sams, Place 3
	Keith Crandall, Place 4
	Margie Arens, Place 5
TOWN ADMINISTRATOR	Kirk Riggs
TOWN SECRETARY	Shannon Montgomery
POLICE CHIEF	Kirk Riggs
MUNICIPAL COURT JUDGE	Robin Ramsey
ATTORNEY	Patricia Adams

Financial Section



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, 2025. 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, 2025, by \$10,161,741, an increase of \$1,215,525 from the prior year.
- At September 30, 2025, the Town's governmental funds reported combined fund balances of \$5,746,329, an increase of \$552,565 from the prior year.
- At September 30, 2025, the Town's capital assets net of accumulated depreciation totaled \$4,708,490, an increase of \$464,464; while the Town's outstanding debt totaled \$243,400, a decrease of \$133,236.

USING THIS ANNUAL REPORT

We intend this discussion and analysis 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 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 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 and sewer service or related fees.

Reporting the Town's Most Significant Funds

Fund Financial Statements

All Town 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 are available to spend. 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		
	2025	2024
Current and Other Assets	\$ 6,048,688	\$ 5,596,314
Capital Assets	4,708,490	4,201,188
Total Assets	10,757,178	9,797,502
Deferred Outflows of Resources	89,127	128,707
Current Liabilities	429,383	499,073
Net Pension & OPEB Liability	26,208	190,427
Long-Term Liabilities	148,096	243,400
Total Liabilities	603,687	932,900
Deferred Inflows of Resources	80,877	47,093
Net Position:		
Invested in Capital Assets, net of debt	4,465,230	3,867,524
Restricted	968,501	999,267
Unrestricted	4,728,010	4,079,425
Total Net Position	\$ 10,161,741	\$ 8,946,216

The Town's net position increased by \$1,215,525 during the fiscal year ended September 30, 2025, to \$10,161,741. A large 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, 2025, the Town's revenues totaled \$4,073,272, an increase of \$269,220 (7.1%) from 2024. Property tax revenues increased \$137,327 (13%) due to increased property appraisals. Sales and beverage tax revenue increased \$105,993 (6%) due to strong commerce and capital activity in 2025. Permits & fees increased by \$54,314 (18%) mainly from an increase in commercial building permits and Zoning permits of \$14,961 and \$12,503 compared to 2024.

Total government-wide expenses totaled \$2,857,747, a decrease of \$205,420 (7%) in 2025 compared to 2024. General government expenses decreased \$218,916 (14%) in 2025 compared to 2024. The decrease was primarily driven by the decrease in grant expenses of \$234,800 for the Bartonville Community Development compared to the prior year.

Public safety expenditures increased \$177,828 (19%) in 2025. The increase was mainly due to higher payroll and benefits of \$29,411 and depreciation expense of \$99,962.

Street maintenance expenditures decreased \$162,918 (32%) compared to 2024. In the prior year, multiple street maintenance and repairs were undertaken and completed in the prior year. The Town had fewer repairs in the current year, as reflected in the street maintenance expense, which decreased \$56,532.

A summary of the Town's operations for the years ended September 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Program Revenues:		
Permits & fees	\$ 357,654	\$ 303,340
Municipal Court	123,959	112,478
Grants & contributions	1,986	1,975
General Revenues:		
Property Taxes	1,205,395	1,068,068
Sales & Beverage Taxes	1,867,832	1,761,839
Franchise fees	267,207	262,892
Interest income	249,239	293,460
Total Revenues	<u>4,073,272</u>	<u>3,804,052</u>
 PROGRAM EXPENSES		
General Government	1,386,745	1,605,661
Public Safety	1,103,392	925,564
Street Maintenance	350,374	513,292
Interest on Long-Term Debt	17,236	18,650
Total Expenses	<u>2,857,747</u>	<u>3,063,167</u>
 Increase in Net Position	 <u>\$ 1,215,525</u>	 <u>\$ 740,885</u>

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. The unreserved fund balance may serve as a measure of a government's net resources available for spending at the end of the fiscal year.

A comparison of fiscal years 2025 and 2024 fund basis revenues is as follows:

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 1,208,772	\$ 1,066,800
Sales & beverage taxes	1,867,833	1,761,839
Franchise fees	267,207	262,892
Permits & fees	303,197	262,412
Municipal court	123,959	112,478
Intergovernmental	1,986	1,975
Grants & contributions	-	-
Interest income	249,238	293,460
Other income	54,457	40,928
Total revenues	<u>\$ 4,076,649</u>	<u>\$ 3,802,784</u>

The Town's property and sales tax revenues increased \$141,972 (13%) from 2024 to 2025. The increase was primarily due to higher commercial businesses sales in 2025 compared to 2024. The Town's property tax rate was \$0.173646 in 2025, which was unchanged from 2024. Effective June 1, 2024, the Town

approved a resolution to change the allocation of sales tax that is distributed to its streets and Community Development Corporation. While the overall tax allocation amount was unchanged, the CDC allocation was reduced from 0.25% to 0.125% and street allocation was increased from 0.5% to 0.625% to provide greater revenue for maintenance and repair of municipal streets. Fiscal year 2024 was the first year in which the full effect of the change in allocation was realized.

A comparison of fiscal years 2025 and 2024 fund basis expenditures is as follows:

	<u>2025</u>	<u>2024</u>
Expenditures		
General Government	\$ 1,375,313	\$ 1,608,395
Public Safety	992,522	893,270
Street Maintenance	14,580	232,740
Capital Outlay		
Capital Improvement Fund	-	627,639
Community Development Corp	4,000	-
Crime Control & Prevention Dist	50,153	374,190
General Fund	979,203	149,391
Debt service - principal	90,398	337,769
Debt service - interest	17,915	17,414
Total expenditures	<u>\$ 3,524,084</u>	<u>\$ 4,240,808</u>

Total governmental fund basis expenditures decreased \$716,724 (17%). Street maintenance represented the single largest decrease of \$218,160 (94%) compared to prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original 2025 budget was amended three times 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 \$268,216 more than budgeted revenues. Sales and beverage taxes were \$121,106 over the budgeted amount due to this revenue stream being less predictable and so it is budgeted conservatively. Interest income was also \$83,897 favorable to the budget due to high interest rates and being budgeted conservatively resulting from economic fluctuations and the nature of interest-bearing accounts. Other revenues were also \$31,694 favorable to the budget due to being unpredictable and so it is budgeted conservatively.

General Fund expenditures totaled \$3,222,799 which were \$349,276 under final budgeted General Fund expenditures. The street maintenance category was the highest contributor to the favorable budget variance by \$352,046.

The Town budgeted for the General Fund to have a deficit of \$104,590, while the actual General Fund surplus was \$592,902. This surplus was due to favorable actual revenues.

CAPITAL ASSETS

The Town's investment in capital assets as of September 30, 2025, amounts to \$4,708,490 (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:

	2025	2024
Land	\$ 119,275	\$ 119,275
Buildings	310,116	228,171
Equipment	351,620	375,400
Infrastructure	3,805,040	3,315,089
Leased Equipment	122,439	163,253
Total	<u>\$ 4,708,490</u>	<u>\$ 4,201,188</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 2025. Outstanding long-term debts are as follows:

	2025	2024
Financed contract	\$ 107,237	\$ 156,500
SBITA agreement	136,163	177,298
Total	<u>\$ 243,400</u>	<u>\$ 333,798</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 2026 are \$2,824,450 and exceed expenditures by \$252,840. Budgeted revenues for 2026 property tax revenues represent \$1,200,000, based upon a tax rate of 0.173646 per \$100 of valuation. The property tax rate remains unchanged since 2022. The 2026 budget anticipates that the Town will collect \$890,000 of sales and beverage tax revenues, \$276,000 of franchise fees and \$190,450 of permits and fee revenues.

Budgeted General Fund expenditures total \$2,571,610 which includes \$630,825 for administrative staff personnel costs and \$922,850 for police department personnel costs.

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) 693-5280.

Basic Financial Statements

TOWN OF BARTONVILLE, TEXAS
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
Assets	
Cash	\$ 2,435,510
Receivables	454,175
Prepaid expenses	10,636
Restricted cash & cash equivalents	3,148,367
Capital assets	
Land	119,275
Construction in progress	-
Buildings & improvements	699,457
Equipment	872,630
Infrastructure	9,613,033
Leased equipment	204,067
Less: accumulated depreciation	<u>(6,799,972)</u>
Capital assets, net	4,708,490
Total assets	<u>\$ 10,757,178</u>
Deferred outflows of resources	
Deferred outflows of resources related to pension	\$ 88,596
Deferred outflows of resources related to OPEB	531
Total deferred outflows of resources	<u>\$ 89,127</u>
Liabilities	
Accounts payable	\$ 271,360
Accrued liabilities	20,491
Unearned revenue	543
Accrued compensated absences	40,207
Accrued interest payable	1,478
Notes and leases due within one year	95,304
Notes and leases due in more than one year	148,096
Net pension liability	(2,343)
Total OPEB liability	28,551
Total liabilities	<u>\$ 603,687</u>
Deferred inflows of resources	
Deferred inflows of resources related to pension	\$ 76,949
Deferred inflows of resources related to OPEB	3,928
Total deferred inflows of resources	<u>\$ 80,877</u>
Net position	
Invested in capital assets, net of related debt	\$ 4,465,230
Restricted for:	
Community development	712,277
Crime control & prevention	226,305
Other purposes	29,919
Unrestricted	4,728,010
Total net position	<u>\$ 10,161,741</u>

TOWN OF BARTONVILLE, TEXAS
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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	\$ (1,386,745)	\$ 357,654	\$ -	\$ -	\$ (1,029,091)
Public Safety	(1,103,392)	123,959	1,986	-	(977,447)
Street Maintenance	(350,374)	-	-	-	(350,374)
Interest on Long-Term Debt	(17,236)	-	-	-	(17,236)
Total Governmental activities	\$ (2,857,747)	\$ 481,613	\$ 1,986	\$ -	(2,374,148)
		General Revenues:			
					1,205,395
					1,867,832
					267,207
					249,239
			Total general revenues		3,589,673
			Change in net position		1,215,525
			Net position, beginning		8,946,216
			Net position, ending		\$ 10,161,741

TOWN OF BARTONVILLE, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Community Development Fund</u>	<u>Crime Control & Prevention District</u>	<u>Total Governmental Funds</u>
Assets:					
Cash	\$ 4,442,425	\$ 230,755	\$ 688,240	\$ 222,457	\$ 5,583,877
Receivables:					
Sales & beverage taxes, franchise fees & other	396,520	-	24,346	23,344	444,210
Property taxes	9,965	-	-	-	9,965
Prepaid expenses	10,508	-	-	128	10,636
Total assets	<u>4,859,418</u>	<u>230,755</u>	<u>712,586</u>	<u>245,929</u>	<u>6,048,688</u>
Liabilities:					
Accounts payable	251,427	-	309	19,624	271,360
Accrued liabilities	20,491	-	-	-	20,491
Unearned revenue	543	-	-	-	543
Total liabilities	<u>272,461</u>	<u>-</u>	<u>309</u>	<u>19,624</u>	<u>292,394</u>
Deferred inflows:					
Unavailable revenue-property taxes	9,965	-	-	-	9,965
	<u>9,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,965</u>
Fund balance:					
Non-spendable - prepaid expenses	10,508	-	-	-	10,508
Restricted for:					
Community development	-	-	712,277	-	712,277
Crime control & prevention	-	-	-	226,305	226,305
Court related	29,779	-	-	-	29,779
Street Improvements	140	-	-	-	140
Committed to:					
Capital improvements	-	230,755	-	-	230,755
Debt service	367,290	-	-	-	367,290
Streets	1,334,791	-	-	-	1,334,791
Unassigned	2,834,484	-	-	-	2,834,484
Total fund balance	<u>4,576,992</u>	<u>230,755</u>	<u>712,277</u>	<u>226,305</u>	<u>5,746,329</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,859,418</u>	<u>\$ 230,755</u>	<u>\$ 712,586</u>	<u>\$ 245,929</u>	<u>\$ 6,048,688</u>

TOWN OF BARTONVILLE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund Balance - governmental funds balance sheet	\$ 5,746,329
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.	4,708,490
Property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the Fund Balance Sheet.	9,965
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Fund Balance Sheet:	
Notes and leases payable	(243,400)
Accrued compensated absences	(40,207)
Accrued interest	(1,478)
Net OPEB Liability and related deferred inflows and deferred outflows of resources	(31,948)
Net Pension Liability and related deferred inflows and deferred outflows of resources	13,990
Net position of governmental activities - statement of net position	\$ <u>10,161,741</u>

TOWN OF BARTONVILLE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Capital Improvement Fund	Community Development Corporation	Crime Control & Prevention District	Total Governmental Funds
Revenues					
Property taxes	\$ 1,208,772	\$ -	\$ -	\$ -	\$ 1,208,772
Sales & beverage taxes	1,605,750	-	122,824	139,259	1,867,833
Franchise fees	267,207	-	-	-	267,207
Permits & fees	303,197	-	-	-	303,197
Municipal court	123,959	-	-	-	123,959
Intergovernmental revenues	1,986	-	-	-	1,986
Miscellaneous revenues	54,457	-	-	-	54,457
Interest income	210,373	-	27,468	11,397	249,238
Total revenues	3,775,701	-	150,292	150,656	4,076,649
Expenditures					
General government	1,324,521	3,907	46,885	-	1,375,313
Public safety	904,495	-	-	88,027	992,522
Street maintenance	14,580	-	-	-	14,580
Debt service - principal	-	-	-	90,398	90,398
Debt service - interest	-	-	-	17,915	17,915
Capital outlay	979,203	-	4,000	50,153	1,033,356
Total expenditures	3,222,799	3,907	50,885	246,493	3,524,084
Excess of revenues over (under) expenditures before other sources	552,902	(3,907)	99,407	(95,837)	552,565
Other financing sources (uses)					
Transfer from Community Development	10,000	-	(10,000)	-	-
Transfer from Crime Control & Prevention	30,000	-	-	(30,000)	-
Total other financing sources (uses)	40,000	-	(10,000)	(30,000)	-
Excess of revenues and other sources over (under) expenditures	592,902	(3,907)	89,407	(125,837)	552,565
Fund balance - beginning	3,984,090	234,662	622,870	352,142	5,193,764
Fund balance - ending	\$ 4,576,992	\$ 230,755	\$ 712,277	\$ 226,305	\$ 5,746,329

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, 2025**

Net Change in Fund Balance - Governmental Funds	\$ 552,565
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	1,033,356
Depreciation expense on capital assets	(526,054)
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:	90,398
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	(3,377)
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	(22,897)
Accrued Interest on long-term debts	679
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 2024):	90,855
Change in net position of governmental activities - statement of activities	<u>\$ 1,215,525</u>

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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, street maintenance, 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, who are appointed by the Town Council of the Town of Bartonville; 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 C.C.P.D.) and adopted a local sales and use tax of one-quarter of one percent (.25%) to fund the C.C.P.D. The District is governed by a board of seven directors, who are appointed by the Town Council of the Town of Bartonville. The purpose of the C.C.P.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 C.C.P.D. began collecting sales tax revenues in October 2010.

Individual audited financial statements of the component units are not issued. Financial statements for these component units may 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, street maintenance, and general administrative services are classified as governmental activities. The Town does not provide any business-type activities.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 street maintenance). 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 street maintenance infrastructure are included in capital grants.

The net costs (by function) are normally covered by general revenue (property, sales, and 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 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 for economic development within the scope of the Bartonville Community Development Corporation's by-laws.

Crime Control and Prevention District Fund - 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

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 expenses are recognized in the accounts and reported in the financial statements. Basis of accounting is 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 expenses 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 (typically 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.

E. Financial Statement Amounts

1. Cash and Cash Equivalents

The Town has defined cash and cash equivalents to include cash on hand, 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

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

infrastructure (roads, bridges, and drainage systems) purchased or acquired with an original cost of \$5,000 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	5 - 30 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 compensated 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) deferred outflow of resources for contributions made to the Town's retirement plan between the measurement date of the net pension liability from the plan and the end of the Town's fiscal year end (2) deferred outflow of resources for contributions made to the Town's OPEB plan between the measurement date of the OPEB liability from the plan and the end of the Town's fiscal year end (3) deferred outflows of resources related to differences between expected and actual pension experience.

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

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 and (2) differences between expected and actual economic experience for pension and OPEB

For revenues that are considered unavailable, 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 to differences between the plan's 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, 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 by 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, 2025

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 1st, the Town Administrator submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1st. 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 1st, 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, 2025, expenditures exceeded appropriations in the Administration Fund.

NOTE 2: DEPOSITS

At September 30, 2025, the Town's cash and cash equivalents were made up of the following:

Petty cash accounts	\$ 200
Held at a local bank	5,583,537
Held at LOGIC	140
Total Cash & Cash Equivalents	<u>\$5,583,877</u>

Cash and cash equivalents include the Town's investments in LOGIC, a Texas local government investment pool. These investment pool funds are readily available and are recorded at cost. All investment risks have been evaluated in accordance with GASB 40.

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.

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

At September 30, 2025, the Town's bank balances (per bank) totaled \$5,645,960. Of the bank balances, \$250,000 was covered by federal depository insurance and \$5,395,960 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, 2025.

Securities pledged by the Town's depository institution at September 30, 2025, were as follows:

	PAR	FMV
FNMA CMBS BL1840	\$ 3,425,000	\$ 3,328,623
FNMA CMBS BZ2175	4,095,000	4,001,003
	<u>\$ 7,520,000</u>	<u>\$ 7,329,626</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. As of September 30, 2025, all of the Town's investments were with LOGIC, which were rated AAA by Standard & Poor's.

(3) Concentration of credit risk:

This is the risk of loss attributable to the magnitude of the Town's investment in a single issuer. As of September 30, 2025, the Town had, 100% of its investments with LOGIC, as allowed by its investment policy.

(4) Interest rate risk:

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town did not invest in any securities which are highly sensitive to interest rate fluctuations.

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, 2025, the Town had committed capital improvement funds totaling \$230,755.

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, 2025, the Town had a deficit balance of committed vehicle and equipment funds totaling \$50,092. As the fund is at a deficit, no amount is reported as committed on the Governmental Funds Balance Sheet.

By Town Council resolution, funds held in the "Street Maintenance" accounts at a local bank are committed for Town road improvements. At September 30, 2025, the Town had committed road improvement funds totaling \$1,334,791.

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, 2025, the Town had committed debt service funds totaling \$367,290.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2025, is as follows:

Governmental activities:	Beginning	Increases	Decreases	Ending
Capital assets not being depreciated				
Land	\$ 119,275	\$ -	\$ -	\$ 119,275
Construction in progress	-	-	-	-
Total non-depreciable assets	119,275	-	-	119,275
Capital assets being depreciated:				
Building & Improvements	555,931	143,526	-	699,457
Equipment	119,447	27,856	-	147,303
Police Equipment	689,098	36,229	-	725,327
Infrastructure	8,787,288	825,745	-	9,613,033
Right-to-use subscription asset (SBITA)	246,905	-	(42,838)	204,067
Total assets being depreciated	10,398,669	1,033,356	(42,838)	11,389,187
Total assets as historical cost	10,517,944	1,033,356	(42,838)	11,508,462
Less: accumulated depreciation				
Building & Improvements	364,138	25,203	-	389,341
Equipment	43,823	17,462	-	61,285
Police Equipment	352,944	106,781	-	459,725
Infrastructure	5,472,199	335,794	-	5,807,993
Right-to-use subscription asset (SBITA)	40,814	40,814	-	81,628
Total accumulated depreciation	6,273,918	526,054	-	6,799,972
Total capital assets, net	\$ 4,244,026	\$ 507,302	\$ (42,838)	\$ 4,708,490

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 42,665
Police	147,595
Street Maintenance	335,794
Total depreciation expense	\$ 526,054

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 5: LONG-TERM LIABILITIES

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

	Beginning	Additions	Payments	Ending	Current Portion
Finance contract	\$ 156,500	\$ -	\$ (49,263)	\$ 107,237	\$ 52,112
SBITA agreement	177,298	-	(41,135)	136,163	43,192
Total long-term debt	<u>333,798</u>	<u>-</u>	<u>(90,398)</u>	<u>243,400</u>	<u>95,304</u>
Compensated absences	17,310	22,897	-	40,207	-
Total long-term liabilities	<u>\$ 351,108</u>	<u>\$ 22,897</u>	<u>\$ (90,398)</u>	<u>\$ 283,607</u>	<u>\$ 95,304</u>

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

A. Finance Contract

In July 2024, the Town entered into a financed purchase agreement totaling \$156,000 for the acquisition of two 2024 Chevrolet Tahoe Police Pursuit Vehicles, including police equipment and upfitting. The agreement bears interest at 5.783% and requires three annual payments of \$58,313, with a final maturity date of July 5, 2027. The obligation is secured by a pledge of ad valorem taxes and other lawfully available funds, and the vehicles serve as collateral under the agreement.

Annual payments for the Town's finance contracts are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 52,112	\$ 6,201	\$ 58,313
2027	<u>55,125</u>	<u>3,188</u>	<u>58,313</u>
Total	<u>\$ 107,237</u>	<u>\$ 9,389</u>	<u>\$ 116,626</u>

B. Subscription-Based Information Technology Arrangement (SBITA)

In December 2023, the Town entered into a Subscription-Based Information Technology Arrangement (SBITA) with Flock Group, Inc. to obtain the right to access and use Flock Safety's software platform, related technology services, ongoing maintenance and 20 Falcon automated license plate recognition (ALPR) camera units installed and maintained by Flock. The Town does not obtain ownership of the related hardware; all equipment remains the property of Flock Group, Inc.

a. Naure of the SBITA

Under the terms of GASB 96, the Town has the right to use the vendor-hosted software over the subscription term and therefore recognizes a subscription asset and subscription liability at the commencement of the subscription term. The initial term is 60 months with an automatic renewal option for 24-month terms unless terminated by either party. Annual installments are \$50,000 with a total contract value of \$250,000. The Town received a reimbursement in the

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

amount of \$13,027 to partially defray some of the initial costs of the equipment and paid the balance of \$36,973 in the first year.

b. Accounting Treatment Under GASB 96

At the commencement of the subscription term, the Town recognizes:

- A subscription asset measured at the present value of subscription payments required over the subscription term
- A corresponding subscription liability, also measured at present value

The subscription asset is amortized over the 60-month term on a straight-line basis. Interest expense is recognized on the subscription liability using the effective interest method.

c. Subscription Liability and Amortization

At fiscal year-end, the Town's subscription asset and related subscription liability reflect:

- Initial measurement: Present value of \$204,067 in future subscription payments
- Amortization: Systematic amortization of the subscription asset over four years
- Interest on liability: Recognized annually based on the Town's incremental borrowing rate, which was estimated as 5%.

Annual payments for the Town's SBITA agreements are as follows:

Year Ending September 30,	Principal	Interest	Total
2026	\$ 43,192	\$ 6,808	\$ 50,000
2027	45,351	4,649	50,000
2028	47,620	2,380	50,000
Total	<u>\$ 136,163</u>	<u>\$ 13,837</u>	<u>\$ 150,000</u>

NOTE 6: RETIREMENT PLAN

A. Plan Description

The Town participates as one of 938 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 <u>2024</u>	Plan Year <u>2023</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (Town 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, 2024, valuation and measurement date, the following number of employees were covered by the benefit terms was:

Inactive employees or beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	13
Active employees	<u>10</u>
	<u>33</u>

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 13.67% and 11.67% for the calendar years 2023 and 2024, respectively. The Town's contributions to TMRS for the fiscal year ended September 30, 2025, were \$123,867 and were equal to the required contributions.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

D. Net Pension Liability or Asset

The Town's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024, 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 are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% 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 the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018, to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, 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 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

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
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35%	7.1%
Core Fixed Income	6%	5.0%
Non-Core Fixed Income	6%	6.8%
Hedge Funds	5%	6.4%
Private Equity	13%	8.5%
Private Debt	13%	8.2%
Real Estate	12%	6.7%
Infrastructure	6%	6.0%
Other Private Markets	4%	7.3%
Total	100%	

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, 2023	\$ 1,638,238	\$ 1,477,647	\$ 160,591
Service cost	138,939	-	138,939
Interest	108,769	-	108,769
Change in benefit terms	-	-	-
Differences between expected and actual results	(56,766)	-	(56,766)
Changes in assumptions	-	-	-
Contributions - employer	-	132,724	(132,724)
Contributions - employee	-	67,964	(67,964)
Net investment income	-	154,195	(154,195)
Benefit payments, including refunds of employee contributions	(192,631)	(192,631)	-
Administrative expense	-	(985)	985
Other	-	(22)	22
Net changes	(1,689)	161,245	(162,934)
Balance at December 31, 2024	\$ 1,636,549	\$ 1,638,892	\$ (2,343)

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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	\$ 209,243	\$ (2,343)	\$ (175,223)

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, 2025, the Town recognized pension expense of \$33,199.

At September 30, 2025, 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	\$ -	\$ (52,457)	\$ (52,457)
Differences in assumptions	-	(2,523)	(2,523)
Differences between projected and actual investment earnings		(21,969)	(21,969)
To be recognized in the future	-	(76,949)	\$ (76,949)
Contributions subsequent to the measurement date	88,596	-	
Total	\$ 88,596	\$ (76,949)	

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$88,596 will be recognized as a reduction of the net pension liability for the year ending September 30, 2026. 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, 2025**

Year Ending December 31,	
2025	\$ (45,250)
2026	2,294
2027	(23,104)
2028	(10,889)
2029	-
Thereafter	-
	<u>\$ (76,949)</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, 2024, 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	2
Active employees	10
	<u>18</u>

B. Total OPEB Liability

The Town's Total OPEB Liability was measured as of December 31, 2024, and the Total OPEB Liability was determined by actuarial valuation as of that date.

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	4.08%
Retirees' 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 Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward 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 younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) 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, 2024.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Changes in Total OPEB Liability:

Balance at December 31, 2023	\$	29,836
Changes for the year		
Service Cost		1,651
Interest on Total OPEB Liability		1,145
Changes in benefit terms		-
Differences between expected and actual experience		(1,844)
Changes in assumptions or other inputs		(1,654)
Benefit Payments *		(583)
Net Changes		<u>(1,285)</u>
Balance at December 31, 2024	\$	<u>28,551</u>

* 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.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

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 (4.08)%, 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 (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

	1% Decrease (3.08%)	Current (4.08%)	1% Increase (5.08%)
Total OPEB Liability	<u>\$ 34,495</u>	<u>\$ 28,551</u>	<u>\$ 23,951</u>

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

For the year ended September 30, 2025, the Town recognized OPEB expense of \$499.

At September 30, 2025, 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	\$ -	\$ (1,244)	\$ (1,244)
Differences in assumptions	-	(2,684)	(2,684)
To be recognized in the future	-	(3,928)	<u>\$ (3,928)</u>
Contributions subsequent to the measurement date	<u>531</u>	-	
Total	<u>\$ 531</u>	<u>\$ (3,928)</u>	

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$531 will be recognized as a reduction of the OPEB liability for the year ending September 30, 2026. 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,	
2025	\$ (2,276)
2026	(567)
2027	(567)
2028	(518)
2029	-
Thereafter	-
	<u>\$ (3,928)</u>

**TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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, 2025, through the date the financial statement was 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, 2025

EXHIBIT B-1

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Budget Positive (Negative)
Resources (inflows):				
Property taxes	\$ 1,200,000	\$ 1,208,770	\$ 1,208,772	\$ 2
Sales & beverage taxes	1,440,000	1,484,644	1,605,750	121,106
Franchise fees	260,000	264,374	267,207	2,833
Permits & development fees	179,000	292,159	303,197	11,038
Municipal court	85,000	107,299	123,959	16,660
Intergovernmental revenues	1,000	1,000	1,986	986
Other revenues	-	22,763	54,457	31,694
Interest income	120,000	126,476	210,373	83,897
Total resources	<u>3,285,000</u>	<u>3,507,485</u>	<u>3,775,701</u>	<u>268,216</u>
Charges to appropriations:				
Administration	1,382,012	1,320,778	1,354,270	(33,492)
Public safety	1,124,682	941,297	910,575	30,722
Street maintenance	1,310,000	1,310,000	957,954	352,046
Total expenditures	<u>3,816,694</u>	<u>3,572,075</u>	<u>3,222,799</u>	<u>349,276</u>
Transfers & other sources				
Transfers	<u>(10,000)</u>	<u>(40,000)</u>	40,000	80,000
Total transfers & other sources	<u>(10,000)</u>	<u>(40,000)</u>	40,000	80,000
Excess of revenues over (under) expenditures	<u>\$ (541,694)</u>	<u>\$ (104,590)</u>	592,902	<u>\$ 697,492</u>
Fund balance - beginning of year			3,984,090	
Fund balance - end of year			<u>\$ 4,576,992</u>	

**TOWN OF BARTONVILLE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2025**

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 three times during the year ended September 30, 2025.

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2024

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total pension liability										
Service cost	\$ 55,319	\$ 64,881	\$ 59,627	\$ 59,355	\$ 60,133	\$ 67,596	\$ 65,561	\$ 88,472	\$ 115,203	\$ 138,939
Interest (on the total pension liability)	60,634	66,333	71,891	77,079	82,839	89,720	95,065	101,349	107,479	108,769
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	15,412	5,787	(1,885)	8,185	15,336	(13,394)	(13,067)	(24,436)	(57,869)	(56,766)
Change of assumptions	32,978	-	-	-	5,524	-	-	-	(7,783)	-
Benefit payments, including refunds of employee contributions	(53,782)	(51,439)	(52,636)	(52,636)	(66,706)	(64,544)	(62,905)	(68,937)	(106,933)	(192,631)
Net change in pension liability	110,561	85,562	76,997	91,983	97,126	79,378	84,654	96,448	50,097	(1,689)
Total pension liability - beginning	865,432	975,993	1,061,555	1,138,552	1,230,535	1,327,661	1,407,039	1,491,693	1,588,141	1,638,238
Total pension liability - ending	<u>975,993</u>	<u>1,061,555</u>	<u>1,138,552</u>	<u>1,230,535</u>	<u>1,327,661</u>	<u>1,407,039</u>	<u>1,491,693</u>	<u>1,588,141</u>	<u>1,638,238</u>	<u>1,636,549</u>
Plan fiduciary net position										
Contributions - employer	\$ 40,164	\$ 46,233	\$ 54,423	\$ 62,240	\$ 64,889	\$ 74,337	\$ 75,670	\$ 92,408	\$ 128,969	\$ 132,724
Contributions - employee	27,483	30,177	28,394	28,974	29,727	33,463	33,064	43,736	57,356	67,964
Net investment income	889	41,694	94,693	(24,205)	127,143	74,162	142,687	(93,688)	145,680	154,195
Benefit payments, including refunds of employee contributions	(53,782)	(51,439)	(52,636)	(52,636)	(66,706)	(64,544)	(62,905)	(68,937)	(106,933)	(192,631)
Administrative expense	(541)	(470)	(490)	(467)	(717)	(479)	(659)	(808)	(923)	(985)
Other	(27)	(25)	(24)	(24)	(22)	(19)	5	964	(8)	(22)
Net change in plan fiduciary net position	14,186	66,170	124,360	13,882	154,314	116,920	187,862	(26,325)	224,141	161,245
Net fiduciary position - beginning	602,137	616,323	682,493	806,853	820,735	975,049	1,091,969	1,279,831	1,253,506	1,477,647
Net fiduciary position - ending	<u>\$ 616,323</u>	<u>\$ 682,493</u>	<u>\$ 806,853</u>	<u>\$ 820,735</u>	<u>\$ 975,049</u>	<u>\$ 1,091,969</u>	<u>\$ 1,279,831</u>	<u>\$ 1,253,506</u>	<u>\$ 1,477,647</u>	<u>\$ 1,638,892</u>
Net pension liability (a) - (b)	<u>\$ 359,670</u>	<u>\$ 379,062</u>	<u>\$ 331,699</u>	<u>\$ 409,800</u>	<u>\$ 352,612</u>	<u>\$ 315,070</u>	<u>\$ 211,862</u>	<u>\$ 334,635</u>	<u>\$ 160,591</u>	<u>\$ (2,343)</u>
Plan fiduciary net position as a percentage of total pension liability	63.15%	64.29%	70.87%	66.70%	73.44%	77.61%	85.80%	78.93%	90.20%	100.14%
Covered employee payroll	\$ 392,611	\$ 431,101	\$ 405,629	\$ 413,912	\$ 424,666	\$ 478,049	\$ 472,345	\$ 624,800	\$ 819,370	\$ 970,919
Net pension liability as a percentage of covered payroll	91.61%	87.93%	81.77%	99.01%	83.03%	65.91%	44.85%	53.56%	19.60%	-0.24%

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF PENSION CONTRIBUTIONS
SEPTEMBER 30, 2025

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Actuarially determined contribution	\$ 45,993	\$ 54,687	\$ 57,849	\$ 66,194	\$ 71,613	\$ 81,958	\$ 81,880	\$ 125,948	\$ 131,616	\$ 128,876
Contributions in relation to the actuarially determined contribution	45,993	54,687	57,849	66,194	71,613	81,958	81,880	125,948	131,616	128,876
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 430,043	\$ 428,159	\$ 386,369	\$ 431,475	\$ 459,929	\$ 510,933	\$ 547,707	\$ 624,800	\$ 819,370	\$ 970,919
Contributions as a percentage of covered employee payroll	10.69%	12.77%	14.97%	15.34%	15.57%	16.04%	14.95%	20.16%	16.06%	13.27%

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	6 Years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

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, 2024

Plan Year	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL OPEB LIABILITY								
Total OPEB liability beginning of year	\$ 18,434	\$ 22,062	\$ 21,721	\$ 28,553	\$ 35,142	\$ 40,917	\$ 27,750	\$ 29,836
Changes for the year								
Service cost	852	952	849	1,482	1,275	1,687	1,065	1,651
Interest on total OPEB liability	712	745	820	804	712	764	1,126	1,145
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(61)	(195)	(948)	2,631	1,998	(994)	(1,844)
Change of assumptions or other inputs	2,105	(1,894)	5,443	5,347	1,535	(17,179)	1,872	(1,654)
Benefit payments	(41)	(83)	(85)	(96)	(378)	(437)	(983)	(583)
NET CHANGE IN OPEB LIABILITY	3,628	(341)	6,832	6,589	5,775	(13,167)	2,086	(1,285)
TOTAL OPEB LIABILITY - END OF YEAR	\$ 22,062	\$ 21,721	\$ 28,553	\$ 35,142	\$ 40,917	\$ 27,750	\$ 29,836	\$ 28,551
Covered employee payroll	\$ 405,629	\$ 413,912	\$ 424,666	\$ 478,049	\$ 472,345	\$ 624,800	\$ 819,370	\$ 970,919
OPEB Liability as a percentage of covered payroll	5.44%	5.25%	6.72%	7.35%	8.66%	4.44%	3.64%	2.94%

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. The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
Equipment purchases	\$ -	\$ -	\$ 3,907	\$ (3,907)
Total expenditures	<u>-</u>	<u>-</u>	<u>3,907</u>	<u>(3,907)</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(3,907)	<u>\$ (3,907)</u>
Fund balance - beginning of year			234,662	
Fund balance - end of year			<u>\$ 230,755</u>	

TOWN OF BARTONVILLE, TEXAS
COMMUNITY DEVELOPMENT CORPORATION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Sales taxes	\$ 120,000	\$ 120,000	\$ 122,823	\$ 2,823
Interest income	25,000	25,000	27,469	2,469
Transfer In	2,125	28,465	-	(28,465)
Total revenues	<u>147,125</u>	<u>173,465</u>	<u>150,292</u>	<u>(23,173)</u>
Expenditures:				
Administration				
Consulting fees	1,500	1,500	-	1,500
Development grants	100,000	100,000	8,700	91,300
IT services & software	1,500	3,500	3,000	500
Legal services	1,500	1,500	1,228	272
Marketing	12,000	28,585	19,585	9,000
Old Town maintenance & repair	10,000	17,555	17,642	(87)
Postage	625	825	730	95
Traffic study	10,000	10,000	-	10,000
Total expenditures	<u>137,125</u>	<u>163,465</u>	<u>50,885</u>	<u>112,580</u>
Transfers & other uses				
Transfer to General Fund	(10,000)	(10,000)	(10,000)	-
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	89,407	<u>\$ 89,407</u>
Fund balance - beginning of year			622,870	
Fund balance - end of year			<u>\$ 712,277</u>	

TOWN OF BARTONVILLE, TEXAS
CRIME CONTROL & PREVENTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Sales taxes	\$ 100,000	\$ 120,000	\$ 139,259	\$ 19,259
Grants & donations	1,500	1,500	-	(1,500)
Interest income	7,000	7,000	11,397	4,397
Total revenues	<u>108,500</u>	<u>128,500</u>	<u>150,656</u>	<u>22,156</u>
Expenditures:				
Public safety				
Contracted services	250	250	-	250
Other	200	200	140	60
Police/other	37,500	4,500	3,973	527
Police/supplies	73,200	254,750	192,227	62,523
Capital outlay	-	80,000	50,153	29,847
Total expenditures	<u>111,150</u>	<u>339,700</u>	<u>246,493</u>	<u>93,207</u>
Transfers & other uses				
Transfers to General Fund	-	-	(30,000)	(30,000)
Excess of revenues over (under) expenditures	<u>\$ (2,650)</u>	<u>\$ (211,200)</u>	(125,837)	<u>\$ 85,363</u>
Fund balance - beginning of year			352,142	
Fund balance - end of year			<u>\$ 226,305</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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Bartonville, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Town of Bartonville, Texas' basic financial statements, and have issued our report thereon dated March 27, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Bartonville, Texas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Bartonville, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Respectfully submitted,

MWH Group, P.C.

MWH GROUP, P.C.

March 27, 2026

**TOWN OF BARTONVILLE, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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

There were no findings to report for the year ended September 30, 2025.