

TOWN OF BARTONVILLE, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2023



**TOWN OF BARTONVILLE, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
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 - 33	
REQUIRED SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule - General Fund	34	B-1
Notes to Required Supplementary Information	35	
Schedule of Changes in Net Pension Liability and Related Ratios	36	B-2
Schedule of Pension Contributions	37	B-3
Schedule of Changes in Total OPEB Liability and Related Ratios	38	B-4
OTHER SUPPLEMENTARY INFORMATION:		
Budgetary Comparison Schedule - Capital Improvement Fund	39	C-1
Budgetary Comparison Schedule - Community Development Corporation	40	C-2
Budgetary Comparison Schedule - Crime Control & Prevention District	41	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	42	

Financial Section



Independent Auditor's Report on Financial Statements

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

Report on the 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, 2023 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, 2023, 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 34 through 38, 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 June 13, 2025, 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,

MWH Group, P.C.

MWH GROUP, P.C.

Wichita Falls, Texas
June 13, 2025

TOWN OF BARTONVILLE, TEXAS

TOWN OFFICIALS

September 30, 2023

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	Thad Chambers
TOWN SECRETARY	Shannon Montgomery
POLICE CHIEF	Vacant
MUNICIPAL COURT JUDGE	Robin Ramsay
ATTORNEY	Ed Voss



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Bartonville, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023. 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, 2023, by \$8,205,331, an increase of \$678,594 from the prior year.
- At September 30, 2023, the Town's governmental funds reported combined fund balances of \$5,271,221, an increase of \$119,397 from the prior year.
- At September 30, 2023 the Town's capital assets, reported at cost less accumulated depreciation, totaled \$3,457,734 at September 30, 2023, while the Town's long-term debt totaled \$311,000.

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		
	2023	2022
Current and Other Assets	\$ 5,755,323	\$ 5,543,309
Capital Assets	3,457,734	3,220,101
Total Assets	<u>9,213,057</u>	<u>8,763,410</u>
Deferred Outflows of Resources	<u>185,233</u>	<u>74,718</u>
Current Liabilities	808,421	663,337
Net Pension & OPEB Liability	362,385	252,779
Long-Term Liabilities	-	311,000
Total Liabilities	<u>1,170,806</u>	<u>1,227,116</u>
Deferred Inflows of Resources	<u>22,153</u>	<u>84,275</u>
Net Position:		
Invested in Capital Assets, net of debt	3,146,860	2,658,490
Restricted	1,572,747	1,513,801
Unrestricted	3,485,724	3,354,446
Total Net Position	<u>\$ 8,205,331</u>	<u>\$ 7,526,737</u>

The Town's net position increased by \$678,594 during the fiscal year ended September 30, 2023, to \$8,205,331. 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, 2023, the Town's revenues totaled \$3,552,217, an increase of \$148,926 (4%) from 2022. Property tax revenues increased \$168,636 (18%) due to the increase in property appraisals. Sales and beverage tax revenue increased \$152,197 (10%) due to the continued increase in residential and business development projects in 2023. Contributions and grants decreased \$632,694 (99%) due to the receipt of Coronavirus Local Fiscal Recovery grant funds in the prior year which was discontinued in the current year.

Total government-wide expenses increased \$740,510 (35%) in 2023 compared to 2022. General government expenses increased \$327,268 (29%) in 2023 compared to 2022. The increase was primarily driven by the increase in salaries (\$106,544) grant expenses (\$72,500), and banner and signs expenses (\$59,106).

Public safety expenditures increased \$246,411 (44%) in 2023. The increase was mainly due to salaries \$154,195 (52%) and employee benefits \$33,340 (67%). The Town increased staffing at the end 2022 that remained on staff for the full fiscal year of 2023, which resulted in significantly higher payroll costs.

Public works expenditures increased \$176,634 (42%) compared to 2022 due to multiple street maintenance and repairs throughout the Town.

A summary of the Town's operations for the years ended September 30, 2023 and 2022 is as follows:

	2023	2022
Program Revenues:		
Permits & Fees	\$ 244,270	\$ 199,931
Municipal Court	120,025	62,262
Contributions & Grants	7,197	639,891
General Revenues:		
Property Taxes	980,482	811,846
Sales & Beverage Taxes	1,615,101	1,462,904
Franchise Fees	239,305	211,360
Interest Income	345,837	15,097
Total Revenues	<u>3,552,217</u>	<u>3,403,291</u>
 PROGRAM EXPENSES		
General Government	1,456,374	1,129,106
Public Safety	811,220	564,809
Public Works	598,126	421,492
Interest on Long-Term Debt	7,903	17,706
Total Expenses	<u>2,873,623</u>	<u>2,133,113</u>
 Increase in Net Position	<u>\$ 678,594</u>	<u>\$ 1,270,178</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 2023 and 2022 fund basis revenues is as follows:

	2023	2022
REVENUES		
Property Taxes	\$ 986,184	\$ 810,247
Sales & Beverage Taxes	1,615,101	1,462,904
Franchise Taxes	239,305	211,360
Permits & Fees	233,073	198,010
Municipal Court	120,025	62,262
Intergovernmental	46,160	593,898
Grants & Donations	1,250	5,780
Interest Income	11,198	15,095
Other Income	345,837	1,922
Total Revenues	<u>\$ 3,598,133</u>	<u>\$ 3,361,478</u>

The Town's property and sales taxes revenues increased \$328,134 (14%) from 2022 to 2023. The increase was primarily due to higher commercial businesses sales in 2023 compared to 2022. The Town's property tax rate was \$0.173646 in 2023, which was unchanged from 2022. Notably, the Town approved a resolution to change the allocation of sales tax that is distributed to its streets and Community Development Corporation during 2023. While the overall tax allocation amount was unchanged, beginning June 1, 2023, 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.

A comparison of fiscal years 2023 and 2022 fund basis expenditures is as follows:

	2023	2022
EXPENDITURES		
General Government	\$ 1,443,834	\$ 1,033,906
Public Safety	803,711	644,457
Public Works	326,699	152,845
Capital Outlay		
Community Development Corp	19,346	-
General Fund	567,828	112,474
Debt Service - Principal	303,000	296,000
Debt Service - Interest	14,318	21,242
Total Expenditures	\$ 3,478,736	\$ 2,260,924

Total governmental fund basis expenditures increased \$1,217,812 (54%). Public works and capital outlay represented significant increases in 2023 of \$173,853 (or 114%) and \$474,701 (or 422%), respectively. Public works expenses were all related to street maintenance and repair work. The major capital outlay expenses during fiscal year 2023 included: a 2022 Chevy Tahoe for the police department (\$60,996), Charter broadband infrastructure (\$112,350), and construction in progress that includes improvements on E. Jeter Road (\$378,522).

GENERAL FUND BUDGETARY HIGHLIGHTS

The original 2023 budget was amended by the Town Council. The amendments were made to more accurately reflect changes in revenues and expenses incurred by the Town.

The Town's actual General Fund revenues were \$757,407 more than budgeted revenues. Sales and beverage taxes were \$316,574 over the budgeted amount and interest income was \$273,175 over the budgeted amount.

General Fund expenditures totaled \$3,233,988 which were \$423,824 under final budgeted General Fund expenditures.

The Town budgeted for the General Fund to have a deficit of \$1,168,943 while the actual General Fund surplus was \$47,341.

CAPITAL ASSETS

The Town's investment in capital assets as of September 30, 2023, amounts to \$3,457,734 (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:

	2023	2022
Land	\$ 119,275	\$ 119,275
Construction in progress	378,522	-
Buildings	228,486	272,732
Equipment	184,190	86,972
Infrastructure	2,547,261	2,966,487
Total	<u>\$ 3,457,734</u>	<u>\$ 3,445,466</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 2023. Outstanding long-term debts are as follows:

	2023	2022
Tax Notes	\$ 311,000	\$ 614,000
Total	<u>\$ 311,000</u>	<u>\$ 614,000</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budgeted General Fund revenues for fiscal year 2024 are \$2,469,300 and exceed expenditures by \$51,851. Of the 2024 budgeted revenues property tax revenues represent \$1,050,000, based upon a tax rate of 0.173646 per \$100 of valuation. The property tax rate remained the same in 2022 and 2023. The 2024 budget anticipates the Town collecting \$785,000 of sales and beverage tax revenues, \$200,000 of franchise fees and \$180,000 of permits and fee revenues.

Budgeted General Fund expenditures total \$2,417,449 including \$344,610 for contracted services, \$506,669 for administrative staff personnel costs, \$779,942 for police department personnel costs, \$210,000 for sales tax economic development grant payments, \$50,000 for capital improvements, and \$94,000 for vehicles and equipment capital additions.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Town of Bartonville. If you have questions about this report or need any additional information, contact the Town Secretary at 1941 E. Jeter Road, Bartonville, TX 76226 or at (817) 693-5280.

Basic Financial Statements

TOWN OF BARTONVILLE, TEXAS
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities
Assets	
Cash	\$ 1,485,383
Receivables	418,948
Prepaid expenses	9,853
Restricted cash & cash equivalents	3,841,139
Capital assets	
Land	119,275
Construction in progress	378,522
Buildings & improvements	551,111
Equipment	581,857
Infrastructure	7,738,907
Less: accumulated depreciation	<u>(5,911,938)</u>
Capital assets, net	<u>3,457,734</u>
Total assets	<u><u>9,213,057</u></u>
Deferred outflows of resources	
Deferred outflows of resources related to pension	181,934
Deferred outflows of resources related to OPEB	<u>3,299</u>
Total deferred outflows of resources	<u><u>185,233</u></u>
Liabilities	
Accounts payable	467,292
Accrued liabilities	4,736
Accrued compensated absences	24,472
Accrued interest payable	921
General obligation bonds due within one year	311,000
General obligation bonds due in more than one year	-
Net pension liability	334,635
Total OPEB liability	<u>27,750</u>
Total liabilities	<u><u>1,170,806</u></u>
Deferred inflows of resources	
Deferred inflows of resources related to pension	14,512
Deferred inflows of resources related to OPEB	<u>7,641</u>
Total deferred inflows of resources	<u><u>22,153</u></u>
Net position	
Invested in capital asset, net of related debt	3,146,860
Restricted for:	
Community development	828,585
Crime control & prevention	278,226
Other purposes	465,936
Unrestricted	<u>3,485,724</u>
Total net position	<u><u>\$ 8,205,331</u></u>

12

The accompanying notes are an integral part of this statement.

TOWN OF BARTONVILLE, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	Capital Improvement Fund	Community Development Fund	Crime Control & Prevention District	Total Governmental Funds
Assets:					
Cash	\$ 4,226,728	\$ 35,866	\$ 806,306	\$ 257,622	\$ 5,326,522
Receivables:					
Sales & beverage taxes, franchise fees & other	364,348	-	22,460	20,066	406,874
Developer	-	-	-	-	-
Property taxes	12,074	-	-	-	12,074
Grants	-	-	-	-	-
Prepaid expenses	6,602	-	-	3,251	9,853
Total Assets	\$ 4,609,752	\$ 35,866	\$ 828,766	\$ 280,939	\$ 5,755,323
Liabilities:					
Accounts payable	\$ 441,261	\$ 23,137	\$ 181	\$ 2,713	\$ 467,292
Accrued liabilities	4,736	-	-	-	4,736
Interfund	-	-	-	-	-
Total Liabilities	445,997	23,137	181	2,713	472,028
Deferred inflows:					
Unavailable revenue-property taxes	12,074	-	-	-	12,074
	<u>12,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,074</u>
Fund balance:					
Non-spendable - prepaid expenses	6,602	-	-	-	6,602
Restricted for:					
Community development	-	-	828,585	-	828,585
Crime control & prevention	-	-	-	278,226	278,226
Covid-19	443,957	-	-	-	443,957
Court related	21,853	-	-	-	21,853
Street Improvements	126	-	-	-	126
Committed To:					
Capital improvements	-	12,729	-	-	12,729
Debt service	656,646	-	-	-	656,646
Vehicle & equipment replacement	30,435	-	-	-	30,435
Streets	1,154,168	-	-	-	1,154,168
Unassigned	1,837,894	-	-	-	1,837,894
Total Fund balance	4,151,681	12,729	828,585	278,226	5,271,221
Total Liabilities, deferred inflows and fund balances	\$ 4,609,752	\$ 35,866	\$ 828,766	\$ 280,939	\$ 5,755,323

TOWN OF BARTONVILLE, TEXAS**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION**

Fund Balance - governmental funds balance sheet	\$ 5,271,221
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Fund Balance Sheet.	3,457,734
Property taxes receivable are not available to pay for current period expenditures and, therefore, are deferred in the Fund Balance Sheet.	12,074
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Fund Balance Sheet:	
2019 Tax Notes	(311,000)
Accrued compensated absences	(24,472)
Accrued interest	(921)
Net OPEB Liability and related deferred inflows and deferred outflows of resources	(32,092)
Net Pension Liability and related deferred inflows and deferred outflows of resources	(167,213)
Net position of governmental activities - statement of net position	\$ <u>8,205,331</u>

TOWN OF BARTONVILLE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	COMMUNITY DEVELOPMENT CORPORATION	CRIME CONTROL & PREVENTION DISTRICT	TOTAL GOVERNMENTAL FUNDS
Revenues					
Property taxes	\$ 986,184	\$ -	\$ -	\$ -	\$ 986,184
Sales & beverage taxes	1,341,374	-	158,347	115,380	1,615,101
Franchise fees	239,305	-	-	-	239,305
Permits & fees	233,073	-	-	-	233,073
Municipal court	120,025	-	-	-	120,025
Intergovernmental revenues	46,160	-	-	-	46,160
Grants & donations	-	-	-	1,250	1,250
Miscellaneous revenues	11,180	-	-	18	11,198
Interest income	278,975	3,214	50,044	13,604	345,837
Total revenues	3,256,276	3,214	208,391	130,252	3,598,133
Expenditures					
General government	1,285,492	30,876	127,466	-	1,443,834
Public safety	736,651	-	-	67,060	803,711
Public works	326,699	-	-	-	326,699
Debt service - principal	303,000	-	-	-	303,000
Debt service - interest	14,318	-	-	-	14,318
Capital outlay	567,828	-	19,346	-	587,174
Total expenditures	3,233,988	30,876	146,812	67,060	3,478,736
Excess of revenues over (under) expenditures before other sources	22,288	(27,662)	61,579	63,192	119,397
Other financing sources (uses)					
Transfer from Community Development	20,000	-	(20,000)	-	-
Transfer from Capital Improvement	5,053	(5,053)	-	-	-
Total other financing sources	25,053	(5,053)	(20,000)	-	-
Excess of revenues and other sources over (under) expenditures	47,341	(32,715)	41,579	63,192	119,397
Fund balance - beginning	4,104,340	45,444	787,006	215,034	5,151,824
Fund balance - ending	\$ 4,151,681	\$ 12,729	\$ 828,585	\$ 278,226	\$ 5,271,221

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, 2023**

Net Change in Fund Balance - Governmental Funds	\$ 119,397
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	587,174
Depreciation expense on capital assets	(349,541)
Loss on disposal of equipment	-
Repayment on debt principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:	303,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Deferred revenues - property taxes	(45,915)
Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Compensated absences	(4,967)
Accrued Interest on long-term debts	6,415
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 2022):	63,031
Change in net position of governmental activities - statement of activities	\$ <u>678,594</u>

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting entity

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

Blended component units:

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

Individual audited financial statements of the component units are not issued. 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, public works, 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, 2023

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

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

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

The Town does not allocate indirect costs.

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

C. Basic Financial Statements - Fund Financial Statements

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

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

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

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

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

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 be used for crime control and prevention within the scope of the Bartonville Crime Control and Prevention District's governing code.

The Town does not provide any business-type activities or have any fiduciary funds.

D. Measurement Focus / Basis of Accounting

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

1. Government-wide financial statements: These financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total assets. Under the accrual basis of accounting revenues are recognized when earned and 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 and demand deposits and time deposits with an original maturity of 90 days or less.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

2. Capital Assets

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

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

3. Restricted Resources

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

4. Compensated Absences

The Town accrues accumulated unpaid 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.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

6. Deferred Inflows of Resources

The Town reports increases in net assets that relate to future periods as deferred inflows of revenues. This separate financial statement element reflects an increase in net assets that applies to a future period(s). Deferred inflows of resources reported in this year's financial statements include (1) a deferred inflow of resources for revenues that are not considered available and (2) differences between expected and actual economic experience for pension and OPEB.

For revenues that are not considered available, the Town will not recognize the related revenues until they are available (collected no later than 60 days after the end of the Town's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes are reported in the governmental funds balance sheet as deferred inflows of resources. The deferred inflows related to differences between expected and actual pension experience will be amortized over the expected remaining service lives of all employees participating in the plan. Deferred inflows related differences between the 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 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.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

- c. Unrestricted net position - All other net assets that do not meet the criteria of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

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

F. Budgets and Budgetary Accounting

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

1. Prior to September 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, 2023, no departments had expenditures that exceeded appropriations.

NOTE 2: DEPOSITS

At September 30, 2023, the Town's cash and cash equivalents were made up of the following:

Petty cash accounts	\$	200
Held at a local bank		5,326,196
Held at LOGIC		126
Total Cash & Cash Equivalents	\$	<u>5,326,522</u>

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

Deposit and Investment risk Disclosures:

- (1) Custodial credit risk:

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

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

At September 30, 2023, the Town's bank balances (per bank) totaled \$5,406,506. Of the bank balances, \$250,000 was covered by federal depository insurance and \$5,156,506 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, 2023.

Securities pledged by the Town's depository institution at September 30, 2023, are as follows:

	PAR	FMV
US Treasury Notes	\$ 400,000	\$ 409,529
US Treasury Bond	250,000	265,033
US Treasury N/B	400,000	400,404
US Treasury Notes	200,000	196,065
FFCB Call	250,000	250,000
FHLMC Gold #G18469	1,000,000	121,023
FHLMC #SB8155	50,000	42,434
Panther Creek TX Cons ISD BQ GO	435,000	435,000
Ysleta TX ISD GO Call	4,500,000	4,997,810
	<u>\$ 7,485,000</u>	<u>\$ 7,117,298</u>

(2) Credit Risk:

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

(3) Concentration of credit risk:

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

(4) Interest rate risk:

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

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, 2023, the Town had committed capital improvement funds totaling \$12,729.

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, 2023, the Town had committed vehicle and equipment funds totaling \$30,435.

By Town Council resolution, funds held in the "Street Maintenance" accounts at a local bank are committed for Town road improvements. At September 30, 2023, the Town had committed road improvement funds totaling \$1,154,168.

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, 2023, the Town had committed debt service funds totaling \$656,646.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023, is as follows:

<u>Governmental activities:</u>	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Capital assets not being depreciated				
Land	\$ 119,275	\$ -	\$ -	\$ 119,275
Construction in progress	-	378,522	-	378,522
Total non-depreciable assets	<u>119,275</u>	<u>378,522</u>	<u>-</u>	<u>497,797</u>
Capital assets being depreciated:				
Building & Improvements	551,111	-	-	551,111
Equipment	92,930	12,796	(1,200)	104,526
Police Equipment	453,734	75,007	(51,410)	477,331
Infrastructure	7,618,058	120,849	-	7,738,907
Total assets being depreciated	<u>8,715,833</u>	<u>208,652</u>	<u>(52,610)</u>	<u>8,871,875</u>
Total assets as historical cost	<u>8,835,108</u>	<u>587,174</u>	<u>(52,610)</u>	<u>9,369,672</u>
Less: accumulated depreciation				
Building & Improvements	298,487	24,138	-	322,625
Equipment	35,007	12,762	(1,200)	46,569
Police Equipment	361,295	41,213	(51,410)	351,098
Infrastructure	4,920,218	271,428	-	5,191,646
Total accumulated depreciation	<u>5,615,007</u>	<u>349,541</u>	<u>(52,610)</u>	<u>5,911,938</u>
Total capital assets, net	\$ <u>3,220,101</u>	\$ <u>237,633</u>	\$ <u>-</u>	\$ <u>3,457,734</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 36,900
Police	41,213
Public Works	271,428
Total depreciation expense	\$ <u>349,541</u>

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5: LONG-TERM DEBT

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

	<u>Beginning</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u>	<u>Current Portion</u>
2019 Tax Notes	\$ 614,000	\$ -	\$ (303,000)	\$ 311,000	\$ 311,000
Total Tax Notes	<u>614,000</u>	<u>-</u>	<u>(303,000)</u>	<u>311,000</u>	<u>311,000</u>
Compensated Absences	19,505	-	(4,967)	24,472	-
Total Long-term Debt	<u>\$ 633,505</u>	<u>\$ -</u>	<u>\$ (307,967)</u>	<u>\$ 335,472</u>	<u>\$ 311,000</u>

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

Tax Notes:

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

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 311,000	\$ 7,371	\$ 318,371
Total	<u>\$ 311,000</u>	<u>\$ 7,371</u>	<u>\$ 318,371</u>

NOTE 6: RETIREMENT PLAN

A. Plan Description

The Town participates as one of 919 plans in the non-traditional, joint contributory, hybrid defined benefit plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at www.TMRS.com.

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

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 2022	Plan Year 2023
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, 2022, valuation and measurement date, the following number of employees were covered by the benefit terms was:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	16
Active employees	10
	<u>34</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 14.93% and 16.02% for the calendar years 2022 and 2023, respectively. The Town's contributions to TMRS for the fiscal year ended September 30, 2023, were \$123,968 and were equal to the required contributions.

D. Net Pension Liability or Asset

The Town's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net pension Liability was determined by

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the general Employee table used for females. Mortality tables for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

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

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

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35%	7.7%
Core Fixed Income	6%	4.9%
Non-Core Fixed Income	20%	8.7%
Other Public & Private Markets	12%	8.1%
Real Estate	12%	5.8%
Hedge Funds	5%	6.9%
Private Equity	10%	11.8%
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, 2021	\$ 1,491,693	\$ 1,279,831	\$ 211,862
Service Cost	88,472	-	88,472
Interest	101,349	-	101,349
Change in benefit terms	-	-	-
Differences between expected and actual results	(24,436)	-	(24,436)
Changes in assumptions	-	-	-
Contributions - employer	-	92,408	(92,408)
Contributions - employee	-	43,736	(43,736)
Net investment income	-	(93,688)	93,688
Benefit Payments, including refunds of employee contributions	(68,937)	(68,937)	-
Administrative expense	-	(808)	808
Other	-	964	(964)
Net Changes	96,448	(26,325)	122,773
Balance at December 31, 2022	\$ 1,588,141	\$ 1,253,506	\$ 334,635

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Town's Net Pension Liability	\$ <u>551,776</u>	\$ <u>334,635</u>	\$ <u>158,275</u>

Pension Plan Fiduciary Net Position:

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

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

For the year ended September 30, 2023, the Town recognized pension expense of \$60,696.

At September 30, 2023, 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	\$ -	\$ (14,512)	\$ (14,512)
Differences in assumptions	-	-	-
Differences between projected and actual investment earnings	84,988	-	84,988
To be recognized in the future	<u>84,988</u>	<u>(14,512)</u>	<u>\$ 70,476</u>
Contributions subsequent to the measurement date	<u>96,946</u>	<u>-</u>	
Total	\$ <u>181,934</u>	\$ <u>(14,512)</u>	

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$96,946 will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. 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, 2023

Year Ending December 31,	
2023	\$ (8,308)
2024	20,550
2025	22,221
2026	36,013
2027	-
Thereafter	-
	\$ <u><u>70,476</u></u>

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

A. Benefit Plan Description

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

The member Town contributes to the SBDF 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 SBDF 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, 2022, valuation and measurement date, the following number of employees were covered by the SBDF benefit plan:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>10</u>
	<u><u>19</u></u>

B. Total OPEB Liability

The Town's Total OPEB Liability was measured as of December 31, 2022, and the Total OPEB Liability was determined by actuarial valuation as of that date.

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2022, actuarial valuation was determined using the

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

following actuarial assumptions:

Inflation	2.50%
Salary increases	3.5% to 11.5% including inflation
Discount rate	4.05%
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 Morality Tables, the rates are projected on a fully generational basis with scale UMP.
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 Scale UMP to account for future mortality improvements subject to the floor.

The discount rate was based on the Fidelity Index's "20-year Municipal GO AA index" rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014, to December 31, 2018.

Changes in Total OPEB Liability:

Balance at December 31, 2021	\$	40,917
Changes for the year		
Service Cost		1,687
Interest on Total OPEB Liability		764
Changes in benefit terms		-
Differences between expected and actual experience		1,998
Changes in assumptions or other inputs		(17,179)
Benefit Payments *		(437)
Net Changes		<u>(13,167)</u>
Balance at December 31, 2022	\$	<u>27,750</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.

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 (4.05)%, 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 (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

	1% Decrease (3.05%)	Current (4.05%)	1% Increase (5.05%)
Total OPEB Liability	\$ <u>34,195</u>	\$ <u>27,750</u>	\$ <u>22,856</u>

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

For the year ended September 30, 2023, the Town recognized OPEB expense of \$3,894.

At September 30, 2023, 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	\$ 2,560	\$ -	\$ 2,560
Differences in assumptions	-	(7,641)	(7,641)
To be recognized in the future	2,560	(7,641)	\$ (5,081)
Contributions subsequent to the measurement date	739	-	
Total	\$ <u>3,299</u>	\$ <u>(7,641)</u>	

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$739 will be recognized as a reduction of the OPEB liability for the year ending September 30, 2023. 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,	
2023	\$ (1,642)
2024	(1,730)
2025	(1,709)
2026	-
2027	-
Thereafter	-
	\$ <u>(5,081)</u>

NOTE 8: PROPERTY TAX

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

TOWN OF BARTONVILLE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, 2023, 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, 2023

EXHIBIT B-1

	Original Budget	Amended Budget	Actual	Variance with Budget Positive Negative
Resources (inflows):				
Property taxes	\$ 943,000	\$ 943,000	\$ 986,184	\$ 43,184
Sales & beverage taxes	1,024,800	1,024,800	1,341,374	316,574
Franchise fees	157,500	157,500	239,305	81,805
Permits & development fees	162,900	162,900	233,073	70,173
Municipal court	65,400	65,400	120,025	54,625
Intergovernmental revenues	-	5,469	46,160	40,691
Other revenues	64,000	134,000	11,180	(122,820)
Interest income	5,800	5,800	278,975	273,175
Total resources	\$ 2,423,400	\$ 2,498,869	\$ 3,256,276	\$ 757,407
Charges to appropriations:				
Administration	\$ 1,052,716	\$ 1,622,045	\$ 1,485,674	\$ 136,371
Public safety	812,125	878,215	736,651	141,564
Public works	840,000	840,000	694,346	145,654
Debt service - principal and interest	317,552	317,552	317,318	234
Total expenditures	3,022,393	3,657,812	3,233,989	423,823
Transfers & other sources				
Transfers	(10,000)	(10,000)	25,053	35,053
Total transfers & other sources	(10,000)	(10,000)	25,053	35,053
Excess of revenues over (under) expenditures	\$ (608,993)	\$ (1,168,943)	\$ 47,340	\$ 368,637
Fund balance - beginning of year			4,104,340	
Fund balance - end of year			\$ 4,151,680	

TOWN OF BARTONVILLE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

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, 2023.

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
DECEMBER 31, 2022

	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability								
Service Cost	\$ 55,319	\$ 64,881	\$ 59,627	\$ 59,355	\$ 60,133	\$ 67,596	\$ 65,561	\$ 88,472
Interest (on the total pension liability)	60,634	66,333	71,891	77,079	82,839	89,720	95,065	101,349
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)
Change of assumptions	32,978	-	-	-	5,524	-	-	-
Benefit payments, including refunds of employee contributions	(53,782)	(51,439)	(52,636)	(52,636)	(66,706)	(64,544)	(62,905)	(68,937)
Net change in pension liability	110,561	85,562	76,997	91,983	97,126	79,378	84,654	96,448
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
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>
Plan fiduciary net position								
Contributions - Employer	\$ 40,164	\$ 46,233	\$ 54,423	\$ 62,240	\$ 64,889	\$ 74,337	\$ 75,670	\$ 92,408
Contributions - Employee	27,483	30,177	28,394	28,974	29,727	33,463	33,064	43,736
Net investment income	889	41,694	94,693	(24,205)	127,143	74,162	142,687	(93,688)
Benefit payments, including refunds of employee contributions	(53,782)	(51,439)	(52,636)	(52,636)	(66,706)	(64,544)	(62,905)	(68,937)
Administrative expense	(541)	(470)	(490)	(467)	(717)	(479)	(659)	(808)
Other	(27)	(25)	(24)	(24)	(22)	(19)	5	964
Net change in plan fiduciary net position	14,186	66,170	124,360	13,882	154,314	116,920	187,862	(26,325)
Net fiduciary position - beginning	602,137	616,323	682,493	806,853	820,735	975,049	1,091,969	1,279,831
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>
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>
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%
Covered employee payroll	\$ 392,611	\$ 431,101	\$ 405,629	\$ 413,912	\$ 424,666	\$ 478,049	\$ 472,345	\$ 624,800
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%

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF PENSION CONTRIBUTIONS
SEPTEMBER 30, 2023

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially Determined Contribution	\$ 45,993	\$ 54,687	\$ 57,849	\$ 66,194	\$ 71,613	\$ 81,958	\$ 81,880	\$ 125,948
Contributions in relation to the actuarially determined contribution	45,993	54,687	57,849	66,194	71,613	81,958	81,880	125,948
Contribution deficiency (excess)	<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
Contributions as a percentage of covered employee payroll	10.69%	12.77%	14.97%	15.34%	15.57%	16.04%	14.95%	20.16%

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	21 Years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.5% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the Generational Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

TOWN OF BARTONVILLE, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
DECEMBER 31, 2022

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

NOTES TO SCHEDULE

Changes of assumptions:

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

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

Other Supplementary Information

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

TOWN OF BARTONVILLE, TEXAS
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenues:				
Interest income	\$ 300	\$ 300	\$ 3,214	\$ 2,914
Total revenues	<u>300</u>	<u>300</u>	<u>3,214</u>	<u>2,914</u>
Expenditures:				
Capital outlay				
Equipment purchases	15,000	15,000	30,876	(15,876)
Total capital outlay	<u>15,000</u>	<u>15,000</u>	<u>30,876</u>	<u>(15,876)</u>
Transfers & other uses				
Transfer to General Fund	10,000	10,000	(5,053)	15,053
Excess of revenues over (under) expenditures	<u>\$ (4,700)</u>	<u>\$ (4,700)</u>	(32,715)	<u>\$ 2,091</u>
Fund balance - beginning of year			45,444	
Fund balance - end of year			<u>\$ 12,729</u>	

TOWN OF BARTONVILLE, TEXAS
COMMUNITY DEVELOPMENT CORPORATION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Sales taxes	\$ 197,950	\$ 158,347	\$ (39,603)
Interest income	2,000	50,044	48,044
Total revenues	<u>199,950</u>	<u>208,391</u>	<u>8,441</u>
Expenditures:			
Administration			
Accounting & auditing services	-	-	-
Consulting fees	62,100	2,500	59,600
Development grants	100,000	82,400	17,600
IT services & software	-	4,382	(4,382)
Legal services	-	2,031	(2,031)
Marketing	20,875	22,740	(1,865)
Old Town maintenance & repair	40,000	27,209	12,791
Postage	-	-	-
Professional development	-	150	(150)
Supplies	4,500	-	4,500
Traffic study	-	5,400	(5,400)
Total administration	<u>227,475</u>	<u>146,812</u>	<u>80,663</u>
Transfers & other uses			
Transfer to General Fund	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>\$ (47,525)</u>	41,579	<u>\$ 89,104</u>
Fund balance - beginning of year		787,006	
Fund balance - end of year		<u>\$ 828,585</u>	

TOWN OF BARTONVILLE, TEXAS
CRIME CONTROL & PREVENTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Original</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sales taxes	\$ 96,750	\$ 115,380	\$ 18,630
Grants & donations	400	1,250	850
Miscellaneous revenues		18	18
Interest income	1,500	13,604	12,104
Total revenues	<u>98,650</u>	<u>130,252</u>	<u>31,602</u>
Expenditures:			
Public safety			
Contracted services	250	-	250
Other	200	-	200
Police/other	36,500	4,210	32,290
Police/supplies	70,500	62,850	7,650
Total administration	<u>107,450</u>	<u>67,060</u>	<u>40,390</u>
Excess of revenues over (under) expenditures	<u>\$ (8,800)</u>	63,192	<u>\$ 71,992</u>
Fund balance - beginning of year		215,034	
Fund balance - end of year		<u>\$ 278,226</u>	

Internal Control and Compliance



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, each major fund, and the aggregate remaining fund information of Town of Bartonville, Texas, as of and for the year ended September 30, 2023, 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 June 13, 2025.

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.

June 13, 2025

**TOWN OF BARTONVILLE, TEXAS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

A. Summary of Auditor's Results - Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness identified?

_____ Yes X No

Significant deficiency identified that is not
considered to be material weaknesses?

_____ Yes X No

Noncompliance material to financial
statements noted?

_____ Yes X No

B. Financial Statement Finding

There were no findings to report for the year ended September 30, 2023.