

**THE VILLAGE OF
TIKI ISLAND, TEXAS
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDING SEPTEMBER 30, 2020**

Prepared by:
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THE VILLAGE OF TIKI ISLAND, TEXAS

BOARD OF ALDERMAN

**Goldie Teltschick
Mayor**

**Tom Fisher
Alderman**

**Ray Dell'Osso
Alderman**

**Karen Herring
Alderman**

**Liz Comiskeyl
Alderman**

**Hunter Neblett
Alderman**

**Brandee Lawther
City Secretary**

FINANCIAL SECTION

STEVEN L. JENKINS, CPA
Certified Public Accountant

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Houston, Texas 77058

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Independent Auditors' Report

To the Honorable Mayor and
Members of Village Aldermen
The Village of Tiki Island, Texas

We have audited the accompanying general purpose financial statements of The Village of Tiki Island, Texas as of September 30, 2020, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

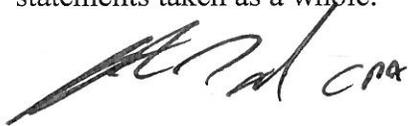
We conducted our audit in accordance auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The Village of Tiki Island, Texas, as of September 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplemental information, as listed in the table of contents, is not a part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This required supplemental information is the responsibility of the Village of Tiki Island's management. It has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, if fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 7, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of The Village of Tiki Island, Texas. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "S. L. Jenkins CPA".

Steven L. Jenkins, CPA
Certified Public Accountant

GENERAL PURPOSE FINANCIAL STATEMENTS

**THE VILLAGE OF TIKI ISLAND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

This section of Village of Tiki Island's annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year ended September 30, 2017. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, the Village implemented the new concept in governmental accounting during the previous fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The government-wide financial statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Village's assets and all of the Village's liabilities.

The government-wide financial statements are divided into two categories, which are described as follows:

- Governmental Activities - Expenses incurred in connection with providing basic services including police protection, fire protection, culture, recreation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license fees, fines, court cost, interest, grants and contributions.
- Business-Type Activities - Since the Village does not provide water and sewer services or any other services in which they charge a fee, there are no business-type activities to report.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Village's most significant activities and are not intended to provide information for the Village as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Village has two types of funds that are described as follows:

**THE VILLAGE OF TIKI ISLAND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 31, 2020**

- **Governmental Funds** - These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund use a modified accrual basis of accounting that provides a short-term view of the Village's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Funds** - These funds are used to account for activities that function in a manner similar to commercial enterprises such as water and sewer services. Since the Village does not provide water and sewer services or any other services for which they charge a fee, no proprietary fund financial statements are presented.

**THE VILLAGE OF TIKI ISLAND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Because the Village is implementing new reporting standards for this fiscal year with significant changes in content and structure, the following tables present only current year data. In future years, comparative analysis of government-wide data will be presented.

Net Assets

A condensed version of the government-wide Statement of Net Assets is presented as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets:</u>			
Current and Other Assets	\$ 5,938,806	\$ 0	\$ 5,938,806
Internal Balances	0	0	0
Capital Assets(Net)	<u>2,677,283</u>	<u>0</u>	<u>2,677,283</u>
Total Assets	<u>8,616,089</u>	<u>0</u>	<u>8,616,089</u>

<u>Liabilities:</u>			
Current and Other Liabilities	262,132	0	262,132
Long-Term Liabilities	<u>2,964,656</u>	<u>0</u>	<u>2,964,656</u>
Total Liabilities	<u>3,226,788</u>	<u>0</u>	<u>3,226,788</u>

<u>Net Assets:</u>			
Invested in Capital Assets(Net)	2,677,283	0	2,677,283
Restricted	1,133,430	0	1,133,430
Unrestricted	<u>1,578,588</u>	<u>0</u>	<u>1,578,588</u>
Total Net Assets	<u>\$ 8,616,089</u>	<u>\$ 0</u>	<u>\$ 8,616,089</u>

As the presentation appearing above demonstrates, a large portion of the Village's net assets (31%) are invested in capital assets. Net assets invested in capital assets consist of land, buildings, and equipment less any debt used to acquire the assets that remains outstanding.

**THE VILLAGE OF TIKI ISLAND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
SEPTEMBER 30, 2020**

In addition, net assets invested in capital assets also includes any infrastructure acquired after September 30, 2020. The Village uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending. The implementation of GASB 34 required that previous year and current year depreciation be recorded on those capital assets. Accumulated depreciation on capital assets through September 30, 2019 totaled \$1,807,733. Along with current year depreciation of \$124,365, accumulated depreciation on capital assets through September 30, 2020 amounted to \$1,932,098.

**THE VILLAGE OF TIKI ISLAND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Changes in Net Assets

A condensed version of the government-wide Statement of Changes in Net Assets is presented as

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Revenues:</u>			
Capital Grants and Contributions	0	0	0
General Revenue: Property Taxes	1,323,701	0	1,323,701
Sales and Franchise Taxes	213,240	0	213,240
License and Permits	90,337	0	90,337
Fines and Court Cost	14,804	0	14,804
Other	<u>71,913</u>	<u>0</u>	<u>71,913</u>
Total Revenue	\$ 1,713,995	\$ 0	\$ 1,713,995
<u>Program Expenses:</u>			
General Government	167,964	0	167,964
Public Safety Police Department	454,872	0	454,872
Fire and Ambulance	51,000	0	51,000
Debt Service	313,606	0	313,606
Inspection	140,066	0	140,066
Municipal Court	34,845	0	34,845
Capital Outlay	0	0	0
Public Works	<u>316,968</u>	<u>0</u>	<u>316,968</u>
Total Expenses	<u>1,479,321</u>	<u>0</u>	<u>1,479,321</u>
Change in Net Assets From Revenue and Expense	234,674	0	234,674
Accumulated Depreciation	(1,932,098)	0	(1,932,098)
Net Assets Beginning	<u>10,313,513</u>	<u>0</u>	<u>10,313,513</u>
Net Assets Ending	<u>\$ 8,616,089</u>	<u>0</u>	<u>\$ 8,616,089</u>

**THE VILLAGE OF TIKI ISLAND, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

For the year ended September 30, 2020

activity in governmental funds was limited to the general fund. The only differences between amounts reported by the general fund and governmental activities reported in the government-wide financial statements are attributable to including fixed assets in the government-wide presentation.

Amounts reported for business-type activities in the Village's individual funds are identical to the business-type activities reported in the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

The general fund is the only fund required by law to adopt a budget. A summary of the general fund budget compared to actual amounts is presented as follows:

	<u>Budget Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget
				Positive
				(Negative)
Total Revenues	\$1,916,883	\$1,749,982	\$1,713,995	\$ (35,987)
Total Expenditures	<u>1,572,187</u>	<u>1,754,883</u>	<u>1,479,321</u>	<u>275,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 344,696</u>	<u>\$ (4,901)</u>	<u>\$ 234,674</u>	<u>\$ 239,575</u>

CAPITAL ASSET ADMINISTRATION

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

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Beginning Capital Assets	\$ 4,611,706	\$ 0	\$ 4,611,706
Additions/Deletions	<u>(2,325)</u>	<u>0</u>	<u>(2,325)</u>
Subtotal	4,609,381	0	4,609,381
Accumulated Depreciation as of September 30, 2019	(1,807,733)	0	(1,807,733)
Depreciation For Fiscal Year Ending September 30, 2020	<u>(124,365)</u>	<u>0</u>	<u>(124,365)</u>
Ending Capital Assets (Net)	<u>\$ 2,677,283</u>	<u>0</u>	<u>\$2,677,283</u>

THE VILLAGE OF TIKI ISLAND, TEXAS
 STATEMENT OF NET ASSETS
 AS OF SEPTEMBER 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Totals</u>
ASSETS			
Cash	2,980,689		2,980,689
Property taxes receivable(net)	33,274		33,274
Certificates of obligation	2,209,834		2,209,834
Plan Fiduciary Net Position	715,009		715,009
Other assets	0		0
General fixed assets:			0
Land	11,300		11,300
Buildings and improvements	818,379		818,379
Streets and roadways	1,496,551		1,496,551
Bridge improvements	84,544		84,544
Park improvements	208,080		208,080
Equipment	104,753		104,753
Vehicles	81,493		81,493
Canal project	1,804,281		1,804,281
Less:Accumulated Depreciation	<u>(1,932,098)</u>		<u>(1,932,098)</u>
Total Assets	<u>8,616,089</u>	<u>0</u>	<u>8,616,089</u>
LIABILITIES			
Accounts payable	5,633		5,633
Certificates of obligation	2,209,834		2,209,834
Other liabilities	40,635		40,635
Builders bonds payable	71,513		71,513
Deferred revenue	141,437		141,437
State court costs	2,914		2,914
Total Pension Liability	754,822		754,822
Total Liabilities	<u>3,226,788</u>	<u>0</u>	<u>3,226,788</u>
NET ASSETS			
Investment in general fixed assets	2,677,283	0	2,677,283
Fund Balance			
Reserved:			
Reserve for police car and radios	9,984		9,984
Reserve for contingency	296,976		296,976
Reserve for emergency	400,000		400,000
Reserve for dredging	426,469		426,469
Unreserved	<u>1,578,589</u>		<u>1,578,589</u>
Total net assets(deficit)	<u>8,616,089</u>	<u>0</u>	<u>8,616,089</u>

THE VILLAGE OF TIKI ISLAND, TEXAS
 STATEMENT OF ACTIVITIES
 AS OF SEPTEMBER 30, 2020

Program Revenues

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
GOVERNMENTAL ACTIVITIES:							
General Government	167,964	0	0	0	167,964	0	167,964
Contingency	1,713	0	0	0	1,713	0	1,713
Law Enforcement	454,872	0	0	0	454,872	0	454,872
General Safety	366,255	0	0	0	366,255	0	366,255
Municipal Court	34,845	0	0	0	34,845	0	34,845
Public Works	140,066	0	0	0	140,066	0	140,066
Debt Service	<u>313,606</u>				<u>313,606</u>		<u>313,606</u>
Total Governmental Activities	1,479,321	0	0	0	<u>1,479,321</u>	0	<u>1,479,321</u>
BUSINESS-TYPE ACTIVITIES:							
Water	0	0	0	0	0	0	0
Sewer	0	0	0	0	0	0	0
Total Business-Type Activities	0	0	0	0	0	0	0
Total Primary Government	<u>1,479,321</u>	0	0	0	<u>1,479,321</u>	0	<u>1,479,321</u>

General Revenues:

Taxes:							
Property					1,323,701	0	1,323,701
Franchise					132,373	0	132,373
Sales					80,867	0	80,867
Licenses and Permits					90,337	0	90,337
Fines and Court Costs					14,804	0	14,804
Miscellaneous					<u>71,913</u>	0	<u>71,913</u>
Total General Revenues					1,713,995	0	1,713,995
Changes in Net Assets					234,674	0	234,674
Net Assets Beginning					10,313,513	0	10,313,513
Less: Accumulated Depreciation					<u>(1,932,098)</u>	0	<u>(1,932,098)</u>
Net Assets Ending					<u>8,616,089</u>	0	<u>8,616,089</u>

THE VILLAGE OF TIKI ISLAND, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2020

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	2,980,689	0	2,980,689
Taxes Receivable(net)	33,274	0	33,274
Other Assets	0	0	0
Plan fiduciary net position	715,009	0	715,009
Certificates of obligation	<u>2,209,834</u>	<u>0</u>	<u>2,209,834</u>
TOTAL ASSETS	<u>5,938,806</u>	<u>0</u>	<u>5,938,806</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	5,633	0	5,633
State court costs	2,914	0	2,914
Builder bonds payable	71,513	0	71,513
Deferred revenue	141,437	0	141,437
Total pension liability	754,822	0	754,822
Other liabilities	40,635	0	40,635
Certificates of obligation	<u>2,209,834</u>	<u>0</u>	<u>2,209,834</u>
TOTAL LIABILITIES	<u>3,226,788</u>	<u>0</u>	<u>3,226,788</u>
Fund Balances:			
Unreserved	1,578,588	0	1,578,588
Reserve for emergency	400,000	0	400,000
Reserve for dredging	426,469	0	426,469
Reserve for contingency	296,976	0	296,976
Reserve for police car and radios	<u>9,985</u>	<u>0</u>	<u>9,985</u>
TOTAL FUND EQUITY	<u>2,712,018</u>	<u>0</u>	<u>2,712,018</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>5,938,806</u>	<u>0</u>	<u>5,938,806</u>

THE VILLAGE OF TIKI ISLAND, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR FISCAL YEAR ENDING SEPTEMBER 30, 2020

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes:			
Ad Valorem	1,323,701	0	1,323,701
Franchise	132,373	0	132,373
Sales	80,867	0	80,867
Licenses and Permits	90,337	0	90,337
Fines and Court Costs	14,804	0	14,804
Miscellaneous	<u>40,155</u>	<u>0</u>	<u>40,155</u>
Total Revenues	<u>1,682,237</u>	<u>0</u>	<u>1,682,237</u>
EXPENDITURES:			
General Government	167,964	0	167,964
Public Safety	454,872	0	454,872
General Safety	366,255	0	366,255
Municipal Court	34,845	0	34,845
Debt Service	313,606	0	313,606
Public Works Department	<u>141,779</u>	<u>0</u>	<u>141,779</u>
Total Expenditures	<u>1,479,321</u>	<u>0</u>	<u>1,479,321</u>
Excess(deficiency) of revenues over expenditures	202,916	0	202,916
Fund balance-October 1, 2019	5,735,890	0	5,735,890
Fund balance-September 30, 2020	<u>5,938,806</u>	<u>0</u>	<u>5,938,806</u>

**THE VILLAGE OF TIKI ISLAND, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 1 – ORGANIZATION AND OPERATIONS

The Village of Tiki Island, Texas (the Village) was incorporated as of August 14, 1982 by virtue of an election held before the residents. It is a Type A general municipality and operates under the aldermanic plan of government in accordance with statutes applicable to Type A general law municipalities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Tiki Island, Texas conform to generally accounting principles as applicable to governments. The following is a summary of the significant policies.

A. Reporting Entity

The combined financial statements of the Village include all government activities, organizations and functions which the Village oversees. The criteria considered in determining governmental activities to be reported within the Village’s combined financial statements are based on and consistent with those set forth in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. As defined in this section, oversight responsibility is derived from the governmental unit’s power and includes the following:

1. Financial interdependency,
2. Selection of governing authority,
3. Designation of management,
4. Ability to significantly influence operations, and
5. Accountability for fiscal matters.

**THE VILLAGE OF TIKI ISLAND, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operated in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Village's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Village as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and proprietary funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Village's major funds are described as follows:

- Governmental Funds-The Village's only active major governmental fund is its general fund. The general fund is the primary operating fund and is used to account for all governmental activities.

THE VILLAGE OF TIKI ISLAND, TEXAS (Continued)
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

- Proprietary Funds-Are used to account for business type activities. Since the Village does not provide water and sewer services or any other service for which they charge a fee, no proprietary fund financial statements are presented.

**THE VILLAGE OF TIKI ISLAND, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources
Fiduciary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of account and the current financial resources measure focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgements are recorded as expenses when payment is made. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as an other financing source and repayment of long-term debt is reported as an expenditure.

Non-Exchange Transactions

Revenue from certain non-exchange transactions cannot be properly measured prior to collection. Furthermore, it is not practical to determine the probability of collection resulting rom certain non-exchange transactions such as traffic citations. Consequently, revenue from franchise taxes, fines and court cost is not recognized until it is collected.

THE VILLAGE OF TIKI ISLAND TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2020

Use of Estimates

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

Restricted Assets

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. In situations where it is permissible to spend restricted resources, the Village typically depletes the available restricted resources before consuming unrestricted resources.

Budget Practices

The Mayor prepares and annual budget for the Village's general fund. This budget is submitted to the Village Council and an approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles.

Capital Assets

Capital assets are carried at historical cost or estimated historical cost including interest incurred during construction. Prior to October 1, 1996, there were few records supporting the cost.

Depreciation associated with capital assets is computed using the straight-line method over the estimated useful lives of the assets.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

Encumbrance Accounting:

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

Internal Balances:

All funds paid to vendors are typically disbursed from the General Fund. Amounts paid by the General Fund on behalf of other funds and any reimbursements received by the General Fund are reported as internal receivables and payables. In the government-wide Statement of Net Assets internal balances are eliminated except for the presentation of net residual amounts due between governmental and business-type activities.

**THE VILLAGE OF TIKI ISLAND, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Deposits and Investments

Deposits - The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing investments and disclosed as part of the Village's investments.

The bank balances of the Village at September 30, 2020 totaled \$220,721. The bank balances were secured by federal depository insurance provided by statutes.

The Board has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act. The investments of the Village comply with the Village's investment policies. Applicable state law allows the Village to invest its funds in direct or indirect obligations of the United States, the State, or any county, Village, school district, or political subdivision of the State. Funds may also be placed in certificates of deposit of state or national banks or savings and loan associations (depository institutions) within the State. Related state statutes require that all funds invested in depository institutions be covered by federal depository insurance and/or be secured in the manner provided by law.

TexPool

The market value of TexPool investments are based on quoted market values of underlying investments of the pool. TexPool is an investment service authorized by the Texas Legislature and administered by the State Comptroller. The investments are reported by the District at amortized cost in accordance with the 90-day exception rule of GASB 31. No unrealized gains are reported in the financial statements under the 90-day exception in GASB 31 to reporting unrealized gains/losses.

The purpose of TexPool is to allow for the pooling of public funds to provide a higher yield on the pooled investment than would be possible with the investment of the individual public entity's funds. These investments are subject to the same safety investment instruments for public funds, including repurchase agreements, U.S. Treasury bills and bonds, securities of other U.S. government agencies, commercial paper and other safe instruments.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poors. As a requirement to maintain the rating weekly portfolio, information must be submitted to Standard & Poors, as well as the office of the Comptroller of Public Accounts to review.

**THE VILLAGE OF TIKI ISLAND, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Texpool operates in a manner consistent with SEC’s rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

The investment in TexPool and any accrued interest may be redeemed at the Village’s discretion.

D. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) provides an indication of available spendable or appropriable resources during a period.

Fixed assets used in governmental fund type operation are accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical costs. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a “fund.” It is concerned only with measurement of financial position. It is not involved with measurement of results of operations.

E. Budgets and Budgetary Accounting

Purpose of Budget – The budget is used to plan, monitor, and control the use of resources. The budget then:

1. Identifies resources and funds to provide for the delivery of services,
2. Appropriates funds for the level of service to be provided,
3. Provides the basis for recording and controlling revenues and expenditures.

**THE VILLAGE OF TIKI ISLAND, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

Budget Process - The budget process is a systematic approach to providing reasonable estimates of revenues and expenditures for a certain level of activity. These revenue and expenditure estimates are based on past, current, and future anticipated activity. The information is accumulated and proceeds from the departments to the City Secretary, the City Council, and the public. Therefore, budget preparation is an opportunity to review each activity and present a realistic, adequately documented budget to provide those services in a low-cost efficient manner.

The Village follows these procedures, which comply with legal requirements, in establishing the budgetary data reflected in the financial statements:

1. The General Fund has a legally adopted annual budget. The City Secretary submits to the City 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. The budget is legally enacted through passage of a resolution.
4. Budgets for the General Fund are principally prepared on the modified accrual basis of accounting.

Budget amounts are as originally adopted or as amended by the City Council. All budget amendments are brought to and approved by the City Council.

**THE VILLAGE OF TIKI ISLAND, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, comparative data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

G. Reclassification

Certain amounts in 2019 have been reclassified to conform with the 2020 presentation.

H. Risk Management

The Village is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the fiscal year under audit, the Village purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

THE VILLAGE OF TIKI ISLAND, TEXAS

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets:

	Balance 09-30-19	Additions	Deletions	Balance 09-30-20
Land	\$ 11,300	\$		\$ 11,300
Buildings and Improvements	815,529			818,379
Street Improvements	1,499,401			1,499,401
Bridge Improvements	84,544			84,544
Park Improvements	207,555	525		208,080
Vehicles	81,493			81,493
Equipment	104,753			104,753
Canal Project/Dredging	<u>1,804,281</u>			<u>1,804,281</u>
Total	<u>\$4,608,856</u>	<u>\$ 525</u>		<u>\$4,609,381</u>

NOTE 4 - DONATIONS

From time to time the Village receives non-cash donations from residents and/or businesses in the community. No donated services were recorded during the years ended September 2019.

NOTE 5 - PROPERTY TAX

The property tax calendar is as follows:

- Property tax levy on assessed values which approximate 100% of market value occurs on October 1st.
- Taxes are due October 1st immediately following the levy date and are delinquent February 1st of the following year.
- Property taxes attach as an enforceable lien on property as of January 1st.
- Ad valorem tax revenues are recorded in the General Fund.

THE VILLAGE OF TIKI ISLAND, TEXAS

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

**NOTES TO FINANCIAL STATEMENTS - (Continued)
NOTE 6 - DEPOSITORY CONTRACT LAW**

The Village's agent bank is required to pledge securities in an amount sufficient to protect Village funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. The Village's cash deposits at September 30, 2019 and during the year ended September 30, 2020 were fully insured by FDIC insurance or pledged collateral held by the Village's agent bank in the Village's name.

At September 30, 2019, the carrying amount of the Village's cash, savings, and time deposits with it's agent bank was \$220,721.

NOTE 7 - APPROPRIATIONS AND ENCUMBRANCES

Encumbrances for goods or purchased services are documented by purchase orders or contracts.

All budgeted appropriations lapse at year end, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. There were no outstanding encumbrances at September 30, 2020.

NOTE 8 - RESERVATION OF FUND BALANCE

The Board of Aldermen has reserved General Fund Equity as follows:

Reserve for police and radios	\$9,984
Reserve for emergency	400,000
Reserve for contingency	296,976
Reserve for dredging	426,469
Reserve for repairs	0
Subtotal	1,133,429
Undesignated Fund Balance	1,578,589
Total	\$2,712,018

THE VILLAGE OF TIKI ISLAND, TEXAS

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Commitments:

Construction - There were no significant commitments for the construction, repair or renovation of Village facilities as of September 30, 2020.

Litigation - The Village is a party to various legal actions. Attorneys for the Village are unable to determine at present that a final outcome of these legal actions unfavorable to the Village is either probable or remote. Accordingly, no provision for losses has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 10 - ACCRUED COMPENSATION ABSENCES

The Village of Tiki Island has not accrued amounts for unused compensated absences because those amounts are not material to the financial statements.

NOTE 11- RISK MANAGEMENT

The government is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the government carries commercial insurance.

For insured programs, there has been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 12 - FIRE SAFETY GRANT

During a previous fiscal year, the Village received fire safety grant funds from the Texas General Land Office in the amount of \$81,945. The purpose of the grant was to make capital improvements to the Village's fire station. The amount of the funds expended for this purpose during a previous fiscal year was \$81,945.

THE VILLAGE OF TIKI ISLAND, TEXAS

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE 13 - CERTIFICATES OF OBLIGATION

The Village issued \$500,000 Certificates of Obligation Series 2011 and \$300,000 Certificates of Obligation Series 2012 during previous fiscal years. The purpose of the certificates was the funding of a dredging project. The certificates carry a interest rate of 3.46% and are being amortized over a 10 year period. A principal payment of \$55,623 was made on the \$500,000 certificate during the. During the current fiscal year, a Certificate of Obligation for \$1,990,000 was issued. A principal payment of \$52,686 was paid during the previous fiscal year.

NOTE 14 - ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS

A new auditing requirement for this fiscal year is the requirement for cities to disclose their participation in the Texas Municipal Retirement System (TMRS) according to Governmental Accounting Standards Board (GASB) Statement No. 68 Under GASB 68, the Village must report the net pension liability, pension expense, and the related deferred inflows and outflows of resources associated with providing retirement benefits to its employees (and former employees) in their basic financial statements. In addition, extensive note disclosures and related Required Supplementary Information are also required. The purpose of this report is to provide the employer government with the actuarially calculated pension amounts in the format recommended by the AICPA State and Local Government Expert Panel Whitepaper: *“Governmental Employer Participation in Agent Multiple-Employer Plans: Issues Related to Information for Employer Reporting.”*

Pursuant to the above reporting requirements, please find attached on pages 41 through 44 the Executive Summary as of December 31, 2019, Schedule of Pension Expense, Schedule of Outflows and Inflows-Current and Future Expense and Schedule of Changes in Net Pension Liability ad Related Rates as compiled by Gabriel Roeder Smith & Company, Consultants and Actuaries specifically for the Village of Tiki Island.

THE VILLAGE OF TIKI ISLAND, TEXAS
**STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
REVENUES				
Taxes:				
Property Taxes	1,271,087	1,390,907	1,323,701	-67,206
Franchise Tax	112,000	112,000	132,373	20,373
Sales Tax	62,802	65,000	80,867	15,867
Municipal Court	27,952	24,000	14,804	(9,196)
Licenses and Permits	63,769	62,500	90,337	27,837
Interest	32,000	35,000	31,758	(3,242)
Donations	23,486	23,500	26,287	2,787
Other Revenues	<u>120,834</u>	<u>37,075</u>	<u>13,868</u>	<u>-23,207</u>
Total Revenues	<u>1,713,930</u>	<u>1,749,982</u>	<u>1,713,995</u>	<u>(35,987)</u>
EXPENDITURES				
General Government				
Salaries and Wages	80,929	83,650	85,425	(1,775)
Payroll Taxes and Benefits	9,350	9,945	10,533	(588)
Insurance	8,955	12,000	12,184	(184)
Accounting and Audit	32,500	27,500	22,905	4,595
Repairs and Maintenance	0	0	0	0
Rent and Utilities	3,000	3,000	4,214	(1,214)
Telephone and Internet	4,075	5,615	5,906	(291)
Office Expense	1,500	2,000	2,118	(118)
Appraisal District	12,000	12,000	10,181	1,819
Tax Collection	500	500	275	225
Website Hosting	1,200	1,200	4,250	(3,050)
Dues and Subscriptions	1,500	1,500	1,575	(75)
IT Service	2,425	2,250	6,440	(4,190)
Miscellaneous	<u>5,650</u>	<u>4,400</u>	<u>1,958</u>	<u>2,442</u>
Total General Government	<u>163,584</u>	<u>165,560</u>	<u>167,964</u>	<u>(2,404)</u>

THE VILLAGE OF TIKI ISLAND, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Public Safety				
Law Enforcement:				
Salaries and Wages	298,534	326,590	325,830	760
Payroll Taxes and Benefits	34,860	37,767	39,711	(1,944)
Equipment	5,500	5,500	7,562	-2,062
Police Car Reserve	20,000	20,000	0	20,000
Telephone	6,100	4,500	5,392	-892
Radio Subscription Fee	1,200	1,200	1,080	120
Uniforms	3,500	3,500	3,098	402
Training	1,500	3,000	384	2,616
Vehicle Expense	20,000	20,000	13,971	6,029
Internet	6,900	9,820	10,428	-608
Miscellaneous	7,900	6,700	6,791	-91
Insurance	35,819	36,500	39,770	-3,270
Repairs and Maintenance	0	0	855	-855
Total Law Enforcement	<u>441,813</u>	<u>475,077</u>	<u>454,872</u>	<u>20,205</u>
Municipal Court:				
Judge	11,100	11,100	10,175	925
Attorney	90,600	90,600	23,612	66,988
Maintenance	0	0	0	0
Office Expense	750	750	458	292
Prosecutor	<u>10,500</u>	<u>10,500</u>	<u>600</u>	<u>9,900</u>
Total Municipal Court	<u>112,950</u>	<u>112,950</u>	<u>34,845</u>	<u>78,105</u>
Inspection Department:				
Salaries and Wages	106,022	109,203	112,182	(2,979)
Payroll Taxes and Benefits	21,515	29,708	14,244	15,464
Miscellaneous	14,700	13,040	13,640	-600
Total Inspection Department	<u>142,237</u>	<u>151,951</u>	<u>140,066</u>	<u>11,885</u>

THE VILLAGE OF TIKI ISLAND, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget</u>		<u>Actual</u> Amounts	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
General Safety/Maintenance:				
Ambulance	25,000	25,000	25,000	0
Animal Control	8,400	8,400	8,835	(435)
Fire Protection	26,000	26,000	26,000	0
Street	75,000	75,000	19,482	55,518
Street Lights	23,000	23,000	118,149	(95,149)
Advertising	200	200	1,732	(1,532)
Contract Labor	5,000	7,500	6,644	856
Canal Maintenance	95,759	9,000	12,412	(3,412)
Office Expense	0	0	434	(434)
Insurance	60,000	55,000	68,597	(13,597)
Exit 4 Maintenance	7,600	7,600	7,500	100
Galveston County Mayor	800	500	601	(101)
Island Landscaping	13,000	10,500	6,044	4,456
Maintenance	42,900	39,900	34,498	5,402
Election	8,000	8,000	0	8,000
Mosquito Control	20,000	20,000	8,732	11,268
Emergency Management	5,000	2,500	3,381	(881)
Park and Pavilion	2,000	10,000	9,588	412
Capital Outlay-Road	8,500	100,000	2,850	97,150
Miscellaneous	5,200	6,200	5,776	424
Contingency	75,000	75,000	1,713	73,287
Total General Safety	<u>506,359</u>	<u>509,300</u>	<u>367,968</u>	<u>141,332</u>
Debt Service Interest-2011	5,882	3,980	3,978	2
Debt Service Principal-2011	55,000	55,000	55,000	0
Debt Service Principal-2012	35,000	35,000	35,000	0
Debt Service Interest-2012	3,729	2,550	2,542	8
Debt Service Principal-2016	185,000	190,000	217,086	(27,086)
Debt Service Interest-2016	<u>29,684</u>	<u>26,370</u>	<u>0</u>	<u>26,370</u>
Total Debt Service	<u>314,295</u>	<u>312,900</u>	<u>313,606</u>	<u>(706)</u>
Total Expenditures	<u>1,681,238</u>	<u>1,727,738</u>	<u>1,479,321</u>	<u>248,417</u>
Excess revenues over(under) expenditures	32,692	22,244	234,674	212,430
Fund balances, October 1, 2019	<u>1,556,344</u>	<u>1,556,344</u>	<u>1,343,914</u>	<u>1312055</u>
Fund balances, September 30, 2020	<u>1,589,036</u>	<u>1,578,588</u>	<u>1,578,588</u>	<u>1,524,485</u>

SUPPLEMENTARY FINANCIAL INFORMATION

GOVERNMENTAL FUND TYPES

GENERAL FUND - The General Fund is used to account for all unrestricted resources except those required to be accounted for in another fund.

**THE VILLAGE OF TIKI ISLAND, TEXAS
GENERAL FUND
COMPARATIVE BALANCE SHEET
SEPTEMBER 30, 2020 AND 2019**

	September 2020	September 2019
ASSETS		
Cash and Investments	2,980,689	2,736,701
Taxes Receivable(net)	33,274	20,673
Other Assets	0	5,351
Plan fiduciary net position	715,009	589,302
Certificates of Obligation	<u>2,209,834</u>	<u>2,209,834</u>
TOTAL ASSETS	<u>5,938,806</u>	<u>5,561,861</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	5,633	2,077
Other liabilities	40,635	37,911
Builder bonds payable	71,513	83,513
Deferred revenue	141,437	94,671
Total pension liability	754,822	686,112
State court costs	2,914	2,259
Certificates of Obligation	<u>2,209,834</u>	<u>2,209,834</u>
TOTAL LIABILITIES	<u>3,226,788</u>	<u>3,116,377</u>
Fund Balances:		
Unreserved	1,578,589	1,312,055
Reserve for contingency	296,976	296,976
Reserve for emergency	400,000	400,000
Reserve for police car and radios	9,984	9,984
Reserve for dredging	<u>426,469</u>	<u>426,469</u>
TOTAL FUND EQUITY	<u>2,712,018</u>	<u>2,445,484</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>5,938,806</u>	<u>5,561,861</u>

THE VILLAGE OF TIKI ISLAND, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2020 WITH
 COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>
REVENUES				
Taxes:				
Property	1,390,907	1,323,701	(67,206)	1,261,783
Franchise	112,000	132,373	20,373	116,000
Sales	<u>70,000</u>	<u>80,867</u>	<u>10,867</u>	<u>77,359</u>
Total taxes	<u>1,572,907</u>	<u>1,536,941</u>	<u>(35,966)</u>	<u>1,455,142</u>
Licenses and permits:				
Building permits	62,500	90,337	27,837	89,664
Total licenses and permits	<u>62,500</u>	<u>90,337</u>	<u>27,837</u>	<u>89,664</u>
Interest income	<u>35,000</u>	<u>31,758</u>	<u>(3,242)</u>	<u>59,244</u>
Fines and forfeits:				
Municipal court fines	24,000	11,875	(12,125)	27,326
Warrant fees	3,500	2,929	(571)	4,601
Other fees	1,475	0	(1,475)	750
Total fines and forfeits	<u>28,975</u>	<u>14,804</u>	<u>(14,171)</u>	<u>32,677</u>
Other revenues::				
Property lease	12,000	12,000	0	13,570
Donations	23,500	26,287	2,787	25,259
Golf cart registration	2,500	1,840	(660)	4,169
Miscellaneous	<u>12,600</u>	<u>28</u>	<u>(12,572)</u>	<u>1,881</u>
Total other revenues	<u>50,600</u>	<u>40,155</u>	<u>(10,445)</u>	<u>44,879</u>
TOTAL REVENUES	<u>1,749,982</u>	<u>1,713,995</u>	<u>(35,987)</u>	<u>1,681,606</u>

THE VILLAGE OF TIKI ISLAND, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020 WITH
COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>2020</u>	<u>2020</u>	<u>2020</u> Variance Favorable (Unfavorable)	<u>2019</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
EXPENDITURES				
General government:				
Salaries and Wages	83,650	85,425	(1,775)	80,852
Payroll Taxes and Benefits	9,945	10,533	(588)	8,507
Insurance	12,000	12,184	(184)	10,100
Accounting and Audit	27,500	22,905	4,595	24,533
Repairs and Maintenance	0	0	0	2,990
Rent and Utilities	3,000	4,214	(1,214)	3,172
Telephone and Internet	5,615	5,906	(291)	6,818
Office Expense	2,000	2,118	(118)	1,528
Appraisal District	12,000	10,181	1,819	8,757
Tax Collection	500	275	225	276
Website Hosting	1,200	4,250	(3,050)	1,200
Dues and Subscriptions	1,500	1,575	(75)	1,346
IT Service	2,250	6,440	(4,190)	4,192
Miscellaneous	<u>4,400</u>	<u>1,958</u>	<u>2,442</u>	<u>4,518</u>
Total General Government	<u>165,560</u>	<u>167,964</u>	<u>(2,404)</u>	<u>158,789</u>
Law Enforcement:				
Salaries and Wages	326,590	325,830	760	339,078
Payroll Taxes and Benefits	37,767	39,711	(1,944)	36,370
Equipment	5,500	7,562	(2,062)	4,319
Police Car Reserve	20,000	0	20,000	30,120
Dues and Subscriptions	0	0	0	1,170
Telephone	4,500	5,392	(892)	6,189
Radio Subscription Fee	1,200	1,080	120	0
Uniforms	3,500	3,098	402	5,579
Training	3,000	384	2,616	1,230
Vehicle Expense	20,000	13,971	6,029	21,135
Internet	9,820	10,428	(608)	7,187
Miscellaneous	6,700	6,791	(91)	3,094
Insurance	36,500	39,770	(3,270)	32,049
Repairs and Maintenance		<u>855</u>	(855)	<u>0</u>
Total Law Enforcement	<u>475,077</u>	<u>454,872</u>	<u>20,205</u>	<u>487,520</u>
Municipal Court:				
Salaries and Wages	0	0	0	0
Payroll Taxes and Benefits	0	0	0	0
Judge	11,100	10,175	925	11,100
Prosecutor	10,500	600	9,900	10,500
Attorney	90,600	23,612	66,988	37,825
Office Expense	<u>750</u>	<u>458</u>	<u>292</u>	<u>890</u>
Total Municipal Court	<u>112,950</u>	<u>34,845</u>	<u>78,105</u>	<u>60,315</u>

THE VILLAGE OF TIKI ISLAND, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020 WITH
COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>
Inspection Department:				
Salaries and Wages	109,203	112,182	(2,979)	105,087
Payroll Taxes and Benefits	29,708	14,244	15,464	24,187
Miscellaneous	<u>13,040</u>	<u>13,640</u>	<u>(600)</u>	<u>6,266</u>
Total Inspection Department	<u>151,951</u>	<u>140,066</u>	<u>11,885</u>	<u>135,540</u>
General Safety/Maintenance:				
Ambulance	25,000	25,000	0	25,000
Animal Control	8,400	8,835	(435)	8,396
Fire Protection	26,000	26,000		26,000
Street Lights	23,000	19,482	3,518	72,363
Streets	75,000	118,149	(43,149)	
Advertising	200	1,732	(1,532)	
Contract Labor	7,500	6,644	856	5,914
Canal Maintenance	9,000	12,412	(3,412)	9,808
Office Expense	0	434	(434)	1,151
Insurance	55,000	68,597	(13,597)	49,613
Exit 4 Maintenance	7,600	7,500	100	6,500
Galveston County Mayor	500	601	(101)	366
Island Landscaping	10,500	6,044	4,456	7,909
Maintenance	39,900	34,498	5,402	34,997
Election	8,000	0	8,000	0
Mosquito Control	20,000	8,732	11,268	2,982
Emergency Management	2,500	3,381	(881)	10,069
Park and Pavilion	10,000	9,588	412	13,157
Capital Outlay-Road	100,000	2,850	97,150	0
Miscellaneous	6,200	5,776	424	9,371
Contingency	<u>75,000</u>	<u>1,713</u>	<u>73,287</u>	<u>0</u>
Total General Safety/Maintenance	<u>509,300</u>	<u>367,968</u>	<u>141,332</u>	<u>283,596</u>
Debt Service-Principal 2011	55,000	55,000	0	5,881
Debt Service-Interest 2011	3,978	3,978	0	55,000
Debt Service-Interest 2012	2,550	2,542	8	35,000
Debt Service-Principal 2012	35,000	35,000	0	3,513
Debt Service-Principal 2016	190,000	217,086	(27,086)	185,000
Debt Service-Interest 2016	<u>26,370</u>	<u>0</u>	<u>26,370</u>	<u>30,734</u>
Total Debt Service	<u>312,898</u>	<u>313,606</u>	<u>(708)</u>	<u>315,128</u>
TOTAL EXPENDITURES	<u>1,727,736</u>	<u>1,479,321</u>	<u>248,415</u>	<u>1,440,888</u>
Excess revenues over(under)				
expenditures	<u>22,246</u>	<u>234,674</u>	<u>(284,402)</u>	<u>240,718</u>
Fund Balance, October 1, 2019	<u>1,556,344</u>	<u>1,343,914</u>	<u>97,538</u>	<u>1,071,337</u>
Fund Balance, September 30, 2020	<u>1,578,590</u>	<u>1,578,588</u>	<u>(186,864)</u>	<u>1,312,055</u>

GENERAL FIXED ASSETS - A group of accounts used to establish accounting control and accountability for the Village's general fixed assets and report the accumulated cost and the sources of the funds used to acquire the assets.

VILLAGE OF TIKI ISLAND, TEXAS
STATEMENT OF GENERAL FIXED ASSETS
AS OF SEPTEMBER 30, 2020

GENERAL FIXED ASSETS

Land	\$11,300
Buildings and Improvements	818,379
Street Improvements	1,496,551
Bridge Improvements	84,544
Park improvements	208,080
Vehicles	81,493
Equipment	104,753
Canal Project	<u>1,804,281</u>

TOTAL GENERAL FIXED ASSETS \$4,609,381

INVESTMENTS IN GENERAL FIXED ASSETS FROM:

General Fund revenues	\$4,609,381
Gifts and donations	<u>0</u>

TOTAL INVESTMENT IN GENERAL FIXED ASSETS \$4,609,381

THE CITY OF BAYOU VISTA, TEXAS
 STATEMENT OF GENERAL FIXED ASSETS
 BY FUNCTIONS AND ACTIVITIES
 AS OF SEPTEMBER 30, 2020

	<u>TOTAL</u>	<u>LAND</u>	<u>STREETS</u>	<u>VEHICLES</u>	<u>EQUIPMENT</u>	<u>BRIDGES</u>	<u>BUILDINGS</u>
General Government:							
Administration	48,460	0	0	0	39,187	0	9,273
Total General Government	<u>48,460</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,187</u>	<u>0</u>	<u>9,273</u>
Public Safety:							
Police and fire protection	965,290	10,000	0	81,493	67,541	0	806,256
Judicial	875	0	0	0	875	0	0
Total Public Safety	<u>966,165</u>	<u>10,000</u>	<u>0</u>	<u>81,493</u>	<u>68,416</u>	<u>0</u>	<u>806,256</u>
Public Works:							
Street department	1,581,095	0	1,496,551	0	0	84,544	0
Parks department	2,013,661	1,300	0	0	0	0	0
Total Public Works	<u>3,594,756</u>	<u>1,300</u>	<u>1,496,551</u>	<u>0</u>	<u>0</u>	<u>84,544</u>	<u>0</u>
TOTAL GENERAL FIXED ASSETS	<u>4,609,381</u>	<u>11,300</u>	<u>1,496,551</u>	<u>81,493</u>	<u>107,603</u>	<u>0</u>	<u>815,529</u>

STATISTICAL SECTION

VILLAGE OF TIKI ISLAND, TEXAS
STATEMENT OF CHANGES IN TAXES RECEIVABLE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Taxes to account for:

Delinquent taxes, October 1, 2019	\$22,153	
Net taxes levied, per 2020 tax roll	1,348,095	
TOTAL TAXES TO ACCOUNT FOR	\$1,370,248	

Less collections:

Current taxes	1,316,879	
Delinquent taxes	18,615	
Total collections	1,335,494	

BALANCE TO ACCOUNT FOR	\$34,754	
-------------------------------	-----------------	--

Accounted for by:

2018 taxes receivable	9,337	
Delinquent taxes receivable	12,816	
DELINQUENT TAXES RECEIVABLE, SEPTEMBER 30, 2020	\$22,153	

Collection Rates	<u>2020-19</u>	<u>2019-18</u>	<u>2018-17</u>	<u>2017-16</u>
Current levy	97.50%	99.27%	99.88%	99.89%

Valuation of real and personal property for 2020 was \$436,719. The tax rate was \$.319150 per \$100 of assessed valuation for a tax roll of \$1,348,095

THE VILLAGE OF TIKI ISLAND, TEXAS
 COMBINED SCHEDULE OF INVESTMENTS
 AS OF SEPTEMBER 30, 2020

<u>DESCRIPTION</u>	<u>ACCOUNT NUMBER</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
GENERAL FUND:			
Unrestricted assets			
Other investments:			
TexPool	449/840700001	\$235,925	\$235,925
Logic Investment Coop		<u>\$2,390,989</u>	<u>\$2,390,989</u>
Total Unrestricted		<u>\$2,626,914</u>	<u>\$2,626,914</u>
TOTAL GENERAL FUNDS		<u>\$2,626,914</u>	<u>\$2,626,914</u>

VILLAGE OF TIKI ISLAND, TEXAS

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

GENERAL FUND

LAST SEVENTEEN FISCAL YEARS

September 30, 2020

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Court/ Inspection</u>	<u>Debt Service</u>	<u>Capital Outlay</u>	<u>Total</u>
9-30-03	86,379	291,561	26,578	25,262	0	0	429,780
9-30-04	89,567	305,533	22,470	107,733	0	0	525,303
9-30-05	98,753	327,917	28,155	38,118	0	0	492,943
9-30-06	109,907	372,423	148,893	12,500	0	0	643,723
9-30-07	109,397	395,627	34,372	29,370	0	0	568,766
9-30-08	112,803	355,099	106,563	139,425	0	0	713,890
9-30-09	140,447	333,185	149,631	122,215	0	0	745,478
9-30-10	136,905	354,643	38,108	138,876	0	0	668,532
9-30-11	144,047	442,745	47,789	70,385	0	0	704,966
9-30-12	153,912	460,376	47,676	71,315	71,522	2,116,254	2,921,055
9-30-13	174,974	369,832	78,113	154,995	100,146	697,764	1,575,824
9-30-14	204,962	414,397	138,160	221,438	98,661	151,236	1,228,854
9-30-15	255,471	423,628	227,724	205,128	96,057	107,637	1,315,645
9-30-16	191,247	467,583	103,723	263,085	156,191	98,303	1,280,132
9-30-17	212,676	476,375	195,153	207,128	310,661	1,660,357	3,062,350
9-30-18	169,454	460,662	453,170	195,323	46,476	0	1,325,085
9-30-19	158,789	538,520	232,596	195,855	315,128	0	1,440,888
9-30-20	167,964	454,872	367,968	174,911	313,606	0	1,479,321

VILLAGE OF TIKI ISLAND, TEXAS
GENERAL REVENUES BY SOURCE
GENERAL FUND
LAST SEVENTEEN FISCAL YEARS
SEPTEMBER 30, 2020

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Other Taxes</u>	<u>Licenses Permits</u>	<u>Interest Income</u>	<u>Fines Forfeits</u>	<u>Intergovt Revenue</u>	<u>Donations</u>	<u>Other Revenue</u>	<u>Total</u>
9-30-03	317,899	102,049	37,314	8,120	35,029	760	18,028	12,107	531,306
9-30-04	348,742	105,098	57,459	8,617	41,646	0	22,123	4,837	588,522
9-30-05	374,452	113,717	68,020	22,098	39,288	0	19,632	4,311	641,517
9-30-06	412,295	119,135	48,494	42,063	45,506	0	19,628	20,939	708,060
9-30-07	452,879	149,234	47,594	55,925	47,097	0	20,072	14,296	787,097
9-30-08	493,904	135,900	48,790	40,008	54,072	0	22,619	11,863	807,156
9-30-09	538,536	150,914	130,812	16,401	56,894	0	30,552	11,300	935,409
9-30-10	589,004	139,250	49,076	6,966	74,755	0	20,120	13,126	892,297
9-30-11	638,815	139,069	33,148	2,705	40,888	0	20,183	14,630	889,438
9-30-12	686,761	151,139	37,425	2,828	48,435	2,133,129	19,170	14,346	3,093,233
9-30-13	796,462	144,938	64,911	1,864	39,362	40,900	24,379	13,815	1,126,631
9-30-14	852,046	152,716	84,959	844	57,808	0	23,950	24,665	1,196,988
9-30-15	927,457	153,864	93,703	1,131	53,845	81,945	24,076	20,210	1,356,231
9-30-16	1,016,157	181,275	85,005	5,495	65,771	0	24,306	2,011,574	3,389,583
9-30-17	1,245,505	180,427	82,076	15,029	39,041	0	23,815	21,976	1,607,869
9-30-18	1,232,452	177,204	38,490	33,380	29,821	0	24,251	58,080	1,593,678
9-30-19	1,261,783	193,359	89,664	59,244	27,326	0	25,259	24,971	1,681,606
9-30-20	1,323,701	213,240	90,337	31,758	14,804	0	26,287	13,868	1,713,995

VILLAGE OF TIKI ISLAND, TEXAS**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST SIXTEEN FISCAL YEARS**

September 30, 2020

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditure
9-30-04	0	0	0	525,303	0.00%
9-30-05	0	0	0	492,942	0.00%
9-30-06	0	0	0	643,723	0.00%
9-30-07	0	0	0	568,766	0.00%
9-30-08	0	0	0	713,890	0.00%
9-30-09	0	0	0	745,478	0.00%
9-30-10	0	0	0	668,532	0.00%
9-30-11	0	0	0	704,966	0.00%
9-30-12	40,000	31,522	71,522	2,921,055	2.45%
9-30-13	60,000	30,146	90,146	1,575,824	5.72%
9-30-14	75,000	23,661	98,661	1,228,854	8.03%
9-30-15	75,000	23,682	98,682	1,315,645	7.50%
9-30-16	146,953	9,238	156,191	1,280,132	12.20%
9-30-17	0	310,661	310,661	3,062,350	10.14%
9-30-18	0	46,476	46,476	1,325,085	3.00%
9-30-19	275,000	40,343	315,343	1,440,888	21.00%
9-30-20	307,086	6,520	313,606	1,479,321	21.00%

VILLAGE OF TIKI ISLAND, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST EIGHTEEN FISCAL YEARS
SEPTEMBER 30, 2020

Fiscal Year	Total Tax Levy	Collections On Current Taxes	% Of Levy Collected	Collections Of Delinquent Taxes	% Total Collections Of Levy	Outstanding Delinquent Taxes	% Delinquer Tax To Current Lev
PRIOR YRS	251,380	251,346	97.82%	5,221	99.89%	16	0.32%
9-30-02	279,835	279,799	97.75%	6,264	99.99%	36	0.04%
9-30-03	313,013	312,996	98.76%	3,860	98.76%	17	0.04%
9-30-04	341,945	341,929	99.04%	3,255	99.04%	16	0.04%
9-30-05	372,337	372,320	99.30%	3,355	99.29%	17	0.03%
9-30-06	413,197	412,847	98.20%	6,429	98.88%	350	1.07%
9-30-07	448,413	448,025	98.28%	6,847	98.28%	388	1.05%
9-30-08	495,494	495,101	97.88%	9,735	98.67%	393	1.04%
9-30-09	531,194	530,843	98.69%	6,588	98.69%	351	0.35%
9-30-10	581,765	581,377	99.04%	4,871	99.04%	355	0.35%
9-30-11	633,755	633,227	99.04%	2,183	99.54%	394	0.11%
9-30-12	685,148	684,669	99.55%	13,526	98.91%	274	0.11%
9-30-13	792,616	792,244	98.08%	3	99.88%	372	0.11%
9-30-14	846,681	846,068	99.06%	912	99.55%	613	0.38%
9-30-15	921,699	921,216	99.51%	0	99.21%	483	0.78%
9-30-16	1,030,673	1,029,942	98.59%	0	98.59%	731	1.41%
9-30-17	1,256,106	1,253,846	99.15%	0	99.15%	2,260	1.41%
9-30-18	1,222,382	1,217,338	99.15%	0	99.15%	5,044	0.90%
9-30-19	1,296,279	1,289,774	99.27%	0	99.27%	6,505	0.17%
9-30-20	1,348,095	1,331,956	98.80%	0	98.80%	16,139	0.11%

STEVEN L. JENKINS, CPA
Certified Public Accountant

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Houston, Texas 77058

Telephone 281/480-9000
Facsimile 281/486-4379

January 7, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Mayor and Village Aldermen
The Village of Tiki Island, Texas

We have audited the financial statements of the Village of Tiki Island, Texas, as of and for the year ended September 30, 2020, and have issued our report thereon dated January 7, 2021. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Tiki Island's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

The Village of Tiki Island, Texas
January 7, 2021

We noted no matters involving the internal control over financial reporting and its operation that we consider to material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "S. L. Jenkins CPA". The signature is written in a cursive style with a large, sweeping initial "S".

Steven L. Jenkins, CPA,
Certified Public Accountant

EXECUTIVE SUMMARY

Actuarial Valuation and Measurement Date, December 31,	2019	2018
Membership		
Number of		
- Inactive employees or beneficiaries currently receiving benefits	1	1
- Inactive employees entitled to but not yet receiving benefits	7	7
- Active employees	8	8
- Total	16	16
 Covered Payroll	 \$ 526,004	 \$ 480,659
Net Pension Liability		
Total Pension Liability	\$ 754,822	\$ 686,112
Plan Fiduciary Net Position	715,009	589,302
Net Pension Liability/(Asset)	\$ 39,813	\$ 96,810
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.73%	85.89%
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	7.57%	20.14%
Development of the Single Discount Rate		
Single Discount Rate	6.75%	6.75%
Long-Term Expected Rate of Return	6.75%	6.75%
Long-Term Municipal Bond Rate*	2.75%	3.71%
 Last year ending December 31 in the 100 year projection period for which projected benefit payments are fully funded	 N/A	 N/A

* The rate is based on the Fidelity 20-Year Municipal GO AA Index daily rate closest to but not later than the Measurement Date.



SCHEDULE OF PENSION EXPENSE

1. Total Service Cost	\$	44,027
2. Interest on the Total Pension Liability		47,276
3. Changes in Current Period Benefits Including Substantively Automatic Status		0
4. Employee Contributions (Reduction of Expense)		(31,560)
5. Projected Earnings on Plan Investments (Reduction of Expense)		(39,778)
6. Administrative Expense		515
7. Other Changes in Fiduciary Net Position		15
8. Recognition of Current Year Outflow (Inflow) of Resources-Liabilities		(1,651)
9. Recognition of Current Year Outflow (Inflow) of Resources-Assets		(10,310)
10. Amortization of Prior Year Outflows (Inflows) of Resources-Liabilities		2,470
11. Amortization of Prior Year Outflows (Inflows) of Resources-Assets		10,141
12. Total Pension Expense (Income)	\$	<u>21,145</u>

SCHEDULE OF OUTFLOWS AND INFLOWS – CURRENT AND FUTURE EXPENSE

A.	Recognition Period (or amortization years)	Total (Inflow) or Outflow of Resources	2019 Recognized in current pension expense	Deferred (Inflow)/Outflow in future expense
Due to Liabilities:				
Difference in expected and actual experience [actuarial (gains) or losses]	4.31	\$ (2,603)	\$ (604)	\$ (1,999)
Change in assumptions [actuarial (gains) or losses]	4.31	(4,511)	(1,047)	(3,464)
			<u>\$ (1,651)</u>	<u>\$ (5,463)</u>
Due to Assets:				
Difference in projected and actual earnings on pension plan investments [actuarial (gains) or losses]	5.00	\$ (51,552)	\$ (10,310)	\$ (41,242)
			<u>\$ (10,310)</u>	<u>\$ (41,242)</u>
Total:				<u>\$ (46,705)</u>

B. Deferred Outflows and Deferred Inflows of Resources by Year, to be recognized in future pension expense as follows:

	<u>Net Deferred Outflows/ (Inflows) of Resources</u>
2020	\$ (6,159)
2021	(8,036)
2022	(1,515)
2023	(10,822)
2024	0
Thereafter	0
Total	<u>\$ (26,532)</u>



SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS - CURRENT PERIOD

A. Total pension liability		
1. Service Cost	\$	44,027
2. Interest (on the Total Pension Liability)		47,276
3. Change in benefit terms including substantively automatic status		0
4. Difference between expected and actual experience		(2,603)
5. Change in assumptions		(4,511)
6. Benefit payments, including refunds of employee contributions		(15,479)
7. Net change in total pension liability	\$	68,710
8. Total pension liability – beginning		686,112
9. Total pension liability – ending	\$	754,822
B. Plan fiduciary net position		
1. Contributions – employer	\$	18,825
2. Contributions – employee		31,560
3. Net investment income		91,330
4. Benefit payments, including refunds of employee contributions		(15,479)
5. Administrative Expense		(515)
6. Other		(15)
7. Net change in plan fiduciary net position*	\$	125,707
8. Plan fiduciary net position – beginning		589,302
9. Plan fiduciary net position – ending	\$	715,009
C. Net pension liability/(asset) (Item A.9 - Item B.9)	\$	39,813
D. Plan fiduciary net position as a percentage of the total pension liability (Item B.9 / Item A.9)		94.73%
E. Covered-employee payroll	\$	526,004
F. Net pension liability/(asset) as a percentage of covered employee payroll		7.57%

* May be off due to rounding.

Note to City:

The schedule above reflects the changes in the net pension liability for the current year. GASB 68 requires 10 fiscal years of data to be provided in this schedule. The employer/city will be required to build this schedule over the 10-year period; as such, the employer should retain the annual GASB packages to utilize in building this schedule.

