

Hamilton County, Texas

Annual Financial Report
For the Year Ended September 30, 2023

HAMILTON COUNTY, TEXAS
Annual Financial Report
For the Year Ended September 30, 2023

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INTRODUCTORY SECTION

**HAMILTON COUNTY, TEXAS
PRINCIPAL OFFICIALS**

as of September 30, 2023

| <u>Title</u> | <u>Name</u> |
|--------------------------|-------------------|
| County Judge | James Yates |
| Commissioner, Precinct 1 | Johnny Wagner |
| Commissioner, Precinct 2 | Keith Curry |
| Commissioner, Precinct 3 | Lloyd Huggins |
| Commissioner, Precinct 4 | Dickie Clary |
| County Auditor | Janie Stanosch |
| County Treasurer | Tonya Cox |
| Tax Assessor-Collector | Terry Payne Short |
| County Clerk | Rachel Geeslin |
| District Judge | Shaun Carpenter |
| District Clerk | Sandy Layhew |
| Justice of the Peace | James Lively |
| County Attorney | Mark Henkes |
| Sheriff | Justin Caraway |

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Members
of the Commissioners' Court
Hamilton County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton County, Texas (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, 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 County, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 County, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 County's 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 opinion. 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 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, 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 County's 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 County's 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 information, Texas County and District Retirement System pension schedules, and OPEB schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Boucher, Morgan & Young". The ampersand is clearly visible between the last name and "Young".

Stephenville, Texas
January 17, 2025

**HAMILTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended September 30, 2022**

Profile of the County

Hamilton County was founded in 1856 and the County seat is Hamilton. It is located in the Edwards Plateau in Central Texas and bounded on the north by Comanche, Erath, and Bosque counties, on the west by Mills County, and on the south by Lampasas and Coryell counties. The county was named for **James Hamilton**, a South Carolina governor who invested some \$216,000 in gold to finance the Texas struggle for independence from Mexico.

Hamilton County covers approximately 844 square miles and has a population of around 8,500. The two largest towns are Hamilton and Hico.

Hamilton County is a political subdivision of the State of Texas with no legislative powers and very restrictive judicial and administrative powers. The governing body of the County is the Commissioners' Court which consists of five members. The County Judge is the chairman of the Court and the Commissioner from each of the four precincts are members. The Court has only such powers as are conferred upon it by the Constitution, Statutes, or by necessary implication from the Constitution or Statutes. Among the major duties of the Court, the Court is to:

1. Set the tax rate and adopt the County budget
2. Appoint County officials and hire personnel
3. Fill elective and appointee vacancies
4. Establish voting precincts, appoint precinct election judges and call county bond elections
5. Let contracts and authorize payment of all County bills
6. Build and maintain County roads and bridges
7. Build, maintain and improve County facilities, including jails
8. Provide for the data service and archival needs of the County

The County provides those services allowed by the Constitution and Statutes of the State of Texas. Services include but are not limited to: law enforcement, judicial proceedings, probation monitoring services, juvenile services, recording services related to judicial proceedings, public health and welfare, veterans services, Texas AgriLife Extension Service, maintaining road and bridges principally within the unincorporated areas of the County and other related governmental functions.

Budget Process

In counties with a population less than 225,000 the County Judge serves as the budget officer assisted by the County Auditor. The County Judge may also solicit from each department whatever data may be required to prepare an accurate budget. The budget is presented on a line-item basis and adopted on the fund level. The budget must be itemized to make possible a comparison of the

proposed expenditures with the prior year expenditures. The budget must show, as accurately as possible, the purpose of each expenditure and the amount of money appropriated.

Upon completion of the proposed budget, the County Judge files a copy with the County Clerk and posts it on the County website. The Commissioners Court holds a public hearing on the proposed budget. Any taxpayer of the County may attend and participate in the hearing(s). The hearing(s) are held in accordance with the Texas Open Meetings Act and the calendar for the hearing(s) is set by the Texas Comptroller of Public Accounts and the Texas Local Government Code.

At the conclusion of the public hearing, the Commissioners Court takes action on the proposed budget. The Commissioners Court may make any changes in the proposed budget that it considers warranted by law and required in the best interest of the taxpayers. The Commissioners Court may levy taxes only in accordance with the budget. After final approval of the budget, the County Judge shall file a copy with the County Clerk and post it on the County website and the County may spend County funds only in strict compliance with the budget, except in an emergency.

The Commissioners' Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. If the Court amends the original budget to meet an emergency, the Court files a copy of its order amending the budget with the County Clerk. The clerk attaches the copy to the original budget.

The Commissioners' Court, by order, may amend the budget to transfer an amount budgeted for one item to another budgeted item within the same fund without authorizing an emergency expenditure.

State law requires counties to adopt a budget before adopting a tax rate. The Commissioners' Court may levy taxes only in accordance with the budget. Chapter 26 of the Property Tax Code requires taxing units to comply with truth-in-taxation laws in setting tax rates. This law has two purposes:

- To make the taxpayers more knowledgeable about tax rate proposals
- To allow taxpayers to roll back or limit a tax increase in certain cases

Factors Affecting Financial Condition

The information presented in the financial statements is better understood when it is considered from a broader perspective of the environment within which Hamilton County operates.

Discussion of the Financial Statements and Performance

The Management's Discussion and Analysis of Hamilton County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2023. The MD&A should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements. This discussion and analysis includes comparative data for the prior year, which was unaudited.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the County exceeded its liabilities and deferred inflows by \$10,041,209 as of September 30, 2023. The government-wide net position increased by \$543,813 from the previous year.

As of September 30, 2023, the County's combined governmental funds had a fund balance of \$3,298,411.

Cash and investments totaled \$3,342,104.

Revenue in primary governmental activities decreased by \$826,744 or 12% over the prior year.

During the same period expenses increased by \$192,467 or 3% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also contains other required supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private sector business. They present the financial picture of the County from an economic resources measurement focus using full accrual basis of accounting. These statements include all assets of the County (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred in regard to inter-fund activity, payables, and receivables.

The *statement of net position* presents information on the County's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as *net position*. Fiduciary assets and liabilities are excluded. Increases or decreases in net position contrasted with

budgetary decisions should serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent fiscal year using full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other business functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include general administration, judicial administration, public safety and law enforcement, road and bridge, and health and welfare.

Fund financial statements. A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County are considered governmental funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. In particular, unrestricted, unassigned, assigned, and committed fund balances may be useful in evaluating the County's near-term financing requirements. Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The County maintains 28 individual governmental funds, 27 special revenue funds and the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Road & Bridge Fund which are classified as major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the Combining Fund Statements.

Notes to the basic 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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning pension and OPEB benefits for the County and general fund budgetary schedules.

GOVERNMENT -WIDE FINANCIAL ANALYSIS

The County's net position at September 30, 2023 and 2022 are summarized as follows:

| | Primary Government | | |
|--|---------------------------|---------------------|--------------------|
| | Governmental Activities | | |
| | 2023 | Unaudited 2022 | Change |
| Assets: | | | |
| Current and other assets | \$ 3,753,795 | \$ 5,914,097 | \$ (2,160,302) |
| Capital assets (net of accumulated depreciation) | 7,490,216 | 7,947,549 | (457,333) |
| Total assets | <u>11,244,011</u> | <u>13,861,646</u> | <u>(2,617,635)</u> |
| Deferred outflows of resources: | | | |
| Deferred outflows of resources | 341,517 | 242,126 | 99,391 |
| Total assets and deferred outflows | <u>11,585,528</u> | <u>14,103,772</u> | <u>(2,518,244)</u> |
| Liabilities: | | | |
| Current and other liabilities | 280,576 | 190,905 | 89,671 |
| Noncurrent liabilities | 36,604 | 2,559,345 | (2,522,741) |
| Total liabilities | <u>317,180</u> | <u>2,750,250</u> | <u>(2,433,070)</u> |
| Deferred inflows of resources: | 482,413 | 1,856,126 | (1,373,713) |
| Total liabilities and deferred inflows | <u>799,593</u> | <u>4,606,376</u> | <u>(2,433,070)</u> |
| Net Position: | | | |
| Net investment in capital assets | 7,947,826 | 6,517,935 | 1,429,891 |
| Restricted | 333,216 | 352,864 | (19,648) |
| Unrestricted | <u>1,760,167</u> | <u>2,626,597</u> | <u>(866,430)</u> |
| Total net position | <u>\$10,041,209</u> | <u>\$ 9,497,396</u> | <u>\$ 543,813</u> |

The current financial reporting model focusing on net position serves as a useful indicator of a government's financial position. Net position is unrestricted, subject to external restrictions as to how they may be used, or are invested in capital assets less any related outstanding debt used to acquire those assets. Total assets exceeded liabilities by \$10,041,209 at the close of the most recent fiscal year, representing a \$543,813 increase from the prior year. \$1,760,167 of net position may be used to meet the government's commitments and on-going obligations to citizens and creditors. An additional portion of net position, \$333,216, represents resources that are subject to external restrictions on how they may be used. Restrictions on net position include statutory requirements, bond covenants, and grantor conditions. The remaining balance of *net position*, \$7,947,826, reflects investments in capital assets (e.g., land, buildings, furniture and equipment, vehicles,

infrastructure), less any related and outstanding debt used to acquire those assets. The County uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay any necessary debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental activities. Program revenues and expenses are presented net of inter-fund eliminations. Key elements for the years ended September 30, 2023 and 2022 are as follows:

| | Primary Government | | |
|---------------------------------------|--------------------------------|---------------------|---------------------|
| | Governmental Activities | | |
| | 2023 | Unaudited 2022 | Change |
| Revenues: | | | |
| Net Program Revenues: | | | |
| Fines, Fees, and Charges for services | \$ 920,216 | \$ 1,003,164 | \$ (82,948) |
| Operating grants and contributions | 143,846 | 162,980 | (19,134) |
| Capital grants and contributions | 414,651 | 1,238,659 | (1,238,659) |
| General Revenues: | | | |
| Property taxes | 3,935,699 | 3,529,937 | 405,762 |
| Other Taxes | 648,096 | 727,688 | (79,592) |
| Gain on sale of asset | 23,347 | 33,939 | (10,592) |
| Miscellaneous | 56,893 | 23,593 | 33,300 |
| Unrestricted investment earnings | 201,472 | 36,353 | 165,119 |
| Total revenues | <u>6,344,220</u> | <u>6,756,313</u> | <u>(826,744)</u> |
| Expenses: | | | |
| General administration | 1,362,805 | 2,498,782 | (1,135,977) |
| Judicial Administration | 865,724 | 794,408 | 71,316 |
| Road and Bridge | 1,367,194 | 869,248 | 497,946 |
| Health and welfare | 26,710 | 44,179 | (17,469) |
| Public safety and law enforcement | 2,114,725 | 1,382,732 | 731,993 |
| Interest on long-term debt | 63,249 | 18,591 | 44,658 |
| Total expense | <u>5,800,407</u> | <u>5,607,940</u> | <u>192,467</u> |
| Change in net position | <u>543,813</u> | <u>1,148,373</u> | <u>\$ (604,560)</u> |
| Net position - beginning | <u>9,497,396</u> | <u>8,349,023</u> | |
| Net position - ending | <u>\$ 10,041,209</u> | <u>\$ 9,497,396</u> | |

General Revenues and Program Revenues

General revenues are revenues that are not assigned to support a specific function, but are available to provide financial resources as necessary. Included in general revenues are ad valorem taxes, other tax related revenues, interest earned from investments, and miscellaneous income. Total revenues (including program revenues) were \$6,344,220 compared to \$6,756,313 for prior fiscal year or 12% decrease.

Property taxes received increased by \$405,762 during the year. The maintenance and operations tax rate adopted on for 2023 remained at .3783 cents per \$100 (dollar).

Expenses and Program Revenues - Governmental

Net functions/programs costs include the revenue generated from a particular service and the costs of the function. For FY 2023, expenditures over revenue were (\$4,321,694) compared to (\$3,203,137) in FY 2022.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted, the County uses *fund accounting* to ensure and demonstrate compliance with finance related legal requirements. Fund accounting budget controls and fiscal responsibility are the framework of the County's strong fiscal management and accountability.

Governmental funds. The general government functions are reported in the General Fund and Special Revenue Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's annual financing and budgeting requirements. In particular, *unassigned, assigned, and committed fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY2023 legally adopted cash budget approved for the General Fund totaled \$6,424,403 .

Highlights from Hamilton County FY 2023 Budget include the following:

The County's property tax rate for valuation date January 1, 2023 was set at .3783 cents per \$100 (dollar) assessed valuation and includes no bonded debt. The 2023 original budget includes the County's investment in capital assets (communication towers) expenditures of \$1,732,552 as a part of the ongoing construction of a communication tower project. Hamilton County's original budget reflects a deficit of \$ 2,161,151 , which will be funded with the fund balance carried over from prior years.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Hamilton County budget is developed annually and intended to provide efficient, effective and controlled usage of the County's resources, as well as a means to accomplish the highest priorities of the Hamilton County Commissioners. Through the budget, the County Commissioners set the direction of the County, allocate its resources and establish its priorities. The FY2024 budget meets the key established policy directive of the Commissioners Court. The FY2024

budget process was primarily focused identifying various balancing strategies that impact services provided to the citizens of Hamilton County as minimally as possible.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the appropriate financial office (County Auditor, County Treasurer, or Budget Officer) at 102 N. Rice, Ste. 205 Hamilton, Texas 76531.

GOVERNMENT -WIDE FINANCIAL STATEMENTS

**HAMILTON COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

| | Governmental Activities |
|--|----------------------------|
| ASSETS: | |
| Cash and investments | \$ 3,342,104 |
| Receivables (net of allowance for uncollectible) | |
| Taxes | 183,703 |
| Other receivables | 16,730 |
| Other assets | 132,213 |
| Due from other government | 936 |
| Noncurrent Assets | |
| Net pension asset | 78,109 |
| Capital Assets (net of accumulated depreciation) | |
| Land | 138,415 |
| Buildings, net | 5,404,683 |
| Furniture and equipment | 1,334,014 |
| Vehicles | 444,207 |
| Infrastructure | 168,897 |
| Construction in progress | 1,732,552 |
| Total Assets | 12,976,563 |
| DEFERRED OUTFLOWS: | |
| Related to TCDRS pension | 288,187 |
| Related to the OPEB | 53,330 |
| Total deferred outflows | 341,517 |
| Total assets and deferred outflows | 13,318,080 |
| LIABILITIES: | |
| Accounts payable and accrued liabilities | 169,229 |
| Accrued salaries and wages | 111,347 |
| Unearned revenues-grant | 36,604 |
| Noncurrent liabilities | . |
| Long-term debt due within one year | 309,495 |
| Long-term debt due in more than one year | 2,167,783 |
| Total Liabilities | 2,794,458 |
| DEFERRED INFLOWS: | |
| Related to the TCDRS Pension | 74,270 |
| Related to the OPEB | 408,143 |
| Total deferred inflows | 482,413 |
| Total liabilities and deferred inflows | 3,276,871 |
| NET POSITION: | |
| Net investment in capital assets | 7,947,826 |
| Restricted for: | |
| Special revenue purposes | 333,216 |
| Unrestricted | 1,760,167 |
| Total Net Position | \$ 10,041,209 |

**HAMILTON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| Program Activities | Expenses | Program Revenues | |
|-------------------------------------|---------------------|--------------------------------------|------------------------------------|
| | | Fees, Fines and Charges for Services | Operating Grants and Contributions |
| Primary Government: | | | |
| Governmental Activities: | | | |
| General administration | \$ 1,362,805 | \$ 272,502 | \$ 8,148 |
| Judicial administration | 865,724 | 149,375 | 96,076 |
| Public safety and law enforcement | 2,114,725 | 9,621 | 941 |
| Road and bridge | 1,367,194 | 488,718 | 38,040 |
| Health and welfare | 26,710 | - | 641 |
| Interest and fees on long-term debt | 63,249 | - | - |
| Total Governmental Activities | <u>5,800,407</u> | <u>920,216</u> | <u>143,846</u> |
| Total primary government | <u>\$ 5,800,407</u> | <u>\$ 920,216</u> | <u>\$ 143,846</u> |

General Revenues:

Property taxes, levied for general purposes
Other taxes
Gain on sale of asset
Miscellaneous revenue
Investment earnings
Total General Revenues
Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

| <u>Capital Grants and Contributions</u> | <u>Net (Expense) Revenue and Changes in Net Position</u> <u>Governmental Activities</u> |
|---|--|
| \$ - | \$ (1,082,155) |
| - | (620,273) |
| 409,731 | (1,694,432) |
| 4,920 | (835,516) |
| - | (26,069) |
| - | (63,249) |
| <u>414,651</u> | <u>(4,321,694)</u> |
| <u>\$ 414,651</u> | <u>\$ (4,321,694)</u> |
| | \$ 3,935,699 |
| | 648,096 |
| | 23,347 |
| | 56,893 |
| | <u>201,472</u> |
| | <u>4,865,507</u> |
| | 543,813 |
| | <u>9,497,396</u> |
| | <u>\$ 10,041,209</u> |

GOVERNMENTAL FUND FINANCIAL STATEMENTS

HAMILTON COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

| | General Fund | Road and Bridge | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 2,112,979 | \$ 898,295 | \$ 330,830 | \$ 3,342,104 |
| Taxes receivable (net of allowance for uncollectible) | 144,663 | 39,040 | - | 183,703 |
| Other receivable | - | - | 2,572 | 2,572 |
| Other assets | 106,132 | 26,081 | - | 132,213 |
| Due from other government | 936 | - | - | 936 |
| Total Assets and Other Debits | <u>\$ 2,364,710</u> | <u>\$ 963,416</u> | <u>\$ 333,402</u> | <u>\$ 3,661,528</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 104,385 | \$ 64,658 | \$ 186 | \$ 169,229 |
| Wages and salaries payable | 87,923 | 23,424 | - | 111,347 |
| Unearned revenue-grants | 36,604 | - | - | 36,604 |
| Total Liabilities | <u>228,912</u> | <u>88,082</u> | <u>186</u> | <u>317,180</u> |
| Deferred inflows: | | | | |
| Deferred property taxes | 35,029 | 10,908 | - | 45,937 |
| Total Deferred Inflows | <u>35,029</u> | <u>10,908</u> | <u>-</u> | <u>45,937</u> |
| Fund Balances: | | | | |
| Restricted | | | | |
| Election | - | - | 2,665 | 2,665 |
| General administration | - | - | 10,277 | 10,277 |
| Judicial | - | - | 165,250 | 165,250 |
| Legal | - | - | 51,099 | 51,099 |
| Public safety | - | - | 7,013 | 7,013 |
| Records management | - | - | 96,912 | 96,912 |
| Committed | | | | |
| Road & bridge | - | 864,426 | - | 864,426 |
| Unassigned | 2,100,769 | - | - | 2,100,769 |
| Total Fund Balances | <u>2,100,769</u> | <u>864,426</u> | <u>333,216</u> | <u>3,298,411</u> |
| Total Liabilities, Deferred Inflows, and Fund Balances | <u>\$ 2,364,710</u> | <u>\$ 963,416</u> | <u>\$ 333,402</u> | <u>\$ 3,661,528</u> |

The accompanying notes are an integral part of the financial statements.

HAMILTON COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Total Fund Balances- Governmental Funds \$ 3,298,411

Amounts reported in governmental activities in the statement of net position are different because:

Capital assets, net of related depreciation/amortization used in governmental activities are not financial resources and therefore are not reported in governmental funds balance sheet.

| | | |
|-----------------------------|---------------------|-----------|
| Governmental capital assets | \$ 35,278,546 | |
| Accumulated depreciation | <u>(26,055,778)</u> | 9,222,768 |

Long-term liabilities (including notes payable and financed purchases) are not due and payable in the current period and therefore are not reported in the fund financial statements. (1,274,942)

Revenues earned, but unavailable to pay for current period expenditures are deferred in the fund financial statements.

| | | |
|----------------|---------------|--------|
| Office fees | 14,158 | |
| Property taxes | <u>45,937</u> | 60,095 |

The statement of net position includes the County's proportionate share of the TCDRS net pension liability as well as certain pension related transactions accounted for as Deferred Inflows and Outflows of resources.

| | | |
|--------------------------------------|----------|---------|
| Net pension asset (liability) | 78,109 | |
| Deferred outflows related to pension | 288,187 | |
| Deferred inflows related to pension | (74,270) | 292,026 |

The statement of net position includes the County's liability for OPEB as well as certain OPEB related adjustments accounted for as Deferred Inflows and Outflows or resources

| | | |
|----------------------------------|-------------|-------------|
| OPEB asset (liability) | (1,202,336) | |
| Deferred inflows related to OPEB | (354,813) | (1,557,149) |

| | |
|---|---------------|
| Net Position of Governmental Activities | \$ 10,041,209 |
|---|---------------|

The accompanying notes are an integral part of the financial statements.

**HAMILTON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | General Fund | Road and Bridge | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------|-----------------------------------|--------------------------------|
| REVENUE: | | | | |
| Taxes: | | | | |
| Property taxes | \$ 3,193,547 | \$ 740,000 | \$ - | \$ 3,933,547 |
| General sales and other taxes | 648,096 | - | - | 648,096 |
| Intergovernmental revenue and grants | 506,448 | 78,380 | 941 | 585,769 |
| Charges for services | 600 | - | - | 600 |
| Fines and fees | 348,083 | 92,970 | 82,822 | 523,875 |
| Licenses and permits | - | 368,476 | - | 368,476 |
| Investment earnings | 155,954 | 45,518 | - | 201,472 |
| Other revenue | 51,105 | 5,788 | - | 56,893 |
| Total Revenues | <u>4,903,833</u> | <u>1,331,132</u> | <u>83,763</u> | <u>6,318,728</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General Government: | | | | |
| Public finance | 513,805 | - | - | 513,805 |
| General administration | 769,945 | - | 76,075 | 846,020 |
| Judicial | 877,686 | - | 6,673 | 884,359 |
| Public safety | 1,707,105 | - | 17,163 | 1,724,268 |
| Health and welfare | 26,710 | - | - | 26,710 |
| Road and bridge | - | 1,098,605 | - | 1,098,605 |
| Debt Service: | | | | |
| Principal | 157,280 | 129,410 | - | 286,690 |
| Interest | 41,057 | 22,192 | - | 63,249 |
| Capital Outlay: | | | | |
| Capital outlay | 1,818,461 | 201,005 | 3,500 | 2,022,966 |
| Total Expenditures | <u>5,912,049</u> | <u>1,451,212</u> | <u>103,411</u> | <u>7,466,672</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | |
| | <u>(1,008,216)</u> | <u>(120,080)</u> | <u>(19,648)</u> | <u>(1,147,944)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Issuance of finance purchase liabilities | 54,378 | - | - | 54,378 |
| Issuance of notes payable | - | 77,640 | - | 77,640 |
| Proceeds from sale of capital assets | - | 23,347 | - | 23,347 |
| Transfers in | - | 188,148 | - | 188,148 |
| Transfers out | (100,000) | (88,148) | - | (188,148) |
| Total Other Financing Sources (Uses) | <u>(45,622)</u> | <u>200,987</u> | <u>-</u> | <u>155,365</u> |
| Net Change in Fund Balances | (1,053,838) | 80,907 | (19,648) | (992,579) |
| Fund Balances - Beginning | 3,154,607 | 783,519 | 352,864 | 4,290,990 |
| Fund Balances - Ending | <u>\$ 2,100,769</u> | <u>\$ 864,426</u> | <u>\$ 333,216</u> | <u>\$ 3,298,411</u> |

The accompanying notes are an integral part of the financial statements.

**HAMILTON COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

| | | |
|---|------------------|----------------|
| Net Change in Fund Balances-Total Governmental Funds | \$ | (992,579) |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> | | |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of net capital activity recorded in the current period.</p> | | 1,912,195 |
| <p>Depreciation expense on capital assets is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.</p> | | (636,976) |
| <p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.</p> | | |
| Principal payments | 286,690 | |
| Issuance of debt | <u>(132,018)</u> | 154,672 |
| <p>Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.</p> | | |
| Property taxes | <u>2,154</u> | 2,154 |
| <p>Net pension assets (liabilities) as well as the related deferred outflows of resources generated from those liabilities are not payable from current resources and therefore, are not reported in the governmental funds. These balances increase (decreased) by this amount.</p> | | 95,576 |
| <p>OPEB liability as well as the related deferred outflows of resources generated from those liabilities are not payable from current resources and therefore, not reported in the governmental funds. These balances increase (decreased) by this amount.</p> | | (673) |
| <p>Current year changes in compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds</p> | | <u>9,444</u> |
| Change in Net Position of Governmental Activities | <u>\$</u> | <u>543,813</u> |

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

The accompanying notes are an integral part of the financial statements.

**HAMILTON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | <u>Total Fiduciary Funds</u> |
|--|----------------------------------|
| ASSETS | |
| Cash and investments | \$ 533,046 |
| Total assets | <u>533,046</u> |
| LIABILITIES | |
| Held for others | 240,855 |
| Due to other government agencies | <u>292,191</u> |
| Total liabilities | 533,046 |
| NET POSITION | |
| Restricted for: | |
| Individuals, organizations, and other governments | <u>-</u> |
| Total net position | <u><u>\$ -</u></u> |

The accompanying notes are an integral part of the financial statements.

HAMILTON COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | <u>Total Fiduciary Funds</u> |
|---|----------------------------------|
| ADDITIONS | |
| Vehicle registration fees collected for State | \$ 47,149 |
| Custodial Accounts | 229 |
| Fees and child support | 2,437,018 |
| Total earnings | <u>2,484,396</u> |
| DEDUCTIONS | |
| Vehicle registration due to State | 47,149 |
| Custodial Accounts | 229 |
| Fees and child support | <u>2,437,018</u> |
| Total deductions | <u>2,484,396</u> |
| Net increase (decrease) in fiduciary net position | <u>-</u> |
| Net position - beginning of year | <u>-</u> |
| Net position - ending | <u><u>\$ -</u></u> |

The accompanying notes are an integral part of the financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: Summary of Significant Accounting Policies

The financial statements of Hamilton County, Texas (the County) included in the accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's basic financial statements.

A. Reporting Entity

Hamilton County, Texas is a state mandated governmental unit of the State of Texas. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general administration, judicial (courts, juries, etc.), legal (district attorney, county attorney, etc.), public safety (sheriff, jail, etc.), transportation, facilities, and public service (e.g. emergency management).

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either there is ongoing financial benefit or burden or operational responsibility. A primary government might also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has operational responsibility for an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Some organizations are included as component units because of the fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. Based on these criteria, the County has no component units.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: Summary of Significant Accounting Policies (cont.)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Financial Statement Presentation

Government-wide financial statements - The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements - The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The County reports the following fund types:

Major Governmental Funds:

General Fund - This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

Road and Bridge Funds - The Road and Bridge Funds are special revenue funds that are used to account for resources used by the County in connection with providing transportation services to its citizens.

Nonmajor Governmental Funds:

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: Summary of Significant Accounting Policies (cont.)

Measurement Focus and Basis of Accounting

Government-wide and Fiduciary Fund Financial statements - These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund Financial Statements - Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenue and sales tax receipts are considered measurable and available when collected by the respective intermediary agency and recognized as revenue at that time. Miscellaneous revenues are recorded as revenue when received because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt are reported as other financing sources.

When the County incurs expenditures or expenses for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

B. Assets, Liabilities, and Net Position or Fund Balance

Cash and Investments

Cash and investments of the County are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: Summary of Significant Accounting Policies (cont.)

Property tax revenues are considered available 1) when they become due or past due and receivable within the current period and 2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Property taxes are recorded net of the allowance for uncollectible taxes (\$78,946 General Fund, \$19,736 Road and Bridge Fund). Allowances for uncollectible tax receivables at the fund level are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature that affects the methods of property assessment and tax collection in the County. This legislation, with certain exceptions, exempts intangible personal property, household goods and family-owned automobiles from taxation. In addition, this legislation creates a "Property Tax Code" and provides, among other things, for the establishment of county wide appraisal districts and for the State Property Tax Board which commenced operation in January 1980.

As of October 1, 1981, the appraisal of property within the County is the responsibility of Hamilton County Appraisal District. The Hamilton County Tax Assessor-Collector assesses and collects the County's property taxes. The Appraisal District is required under the Property Tax Code to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment rations. Beginning January 1, 1984, the value of property within the Appraisal District must be reappraised every three years. The County may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action. Under this legislation, the County continues to set tax rates on County property. However, if the effective tax rates for bonds and other contractual obligations and adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the County may petition for an election to determine whether to limit the tax rate to no more than 8% above the effective rate of the previous year.

The County's taxes on real property are a lien against such property until paid. The County may foreclose real property upon which it has a lien for unpaid taxes. Although the County makes little effort to collect delinquent taxes through foreclosure proceedings, delinquent taxes on property not otherwise collected are generally paid when there is a sale or transfer of the title on property.

The tax rate assessed for the year ended September 30, 2023 to finance maintenance and operations of the County were \$0.3783 per \$100 valuation.

Property tax revenues are recorded as receivables and deferred revenue at the time the tax levy is billed. Revenues are recognized as the related property taxes are collected.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: Summary of Significant Accounting Policies (cont.)

Capital Assets

General capital assets are not capitalized in the funds used to acquire them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are capitalized in the government-wide statement of net position.

Donated capital assets are recorded at their estimated fair value at the date of the donation.

The County capitalizes all capital assets which have a cost of \$5,000 or more and a useful life in excess of two years. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

| | |
|------------------------------|---------------|
| Buildings | 30 – 40 years |
| Furniture and Equipment | 3 – 15 years |
| Vehicles | 5 – 7 years |
| Infrastructure | 15 – 35 years |
| Right-to-use assets-vehicles | 5-7 years |

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions, except quasi-external transactions and reimbursements, are treated as transfers. Transfers in and transfers out are netted and presented as a single “transfers” line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single “internal balance” line of the government-wide statement of net position.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: Summary of Significant Accounting Policies (cont.)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

Leases

The County recognizes a lease liability, reported with noncurrent liabilities, and a right-to-use asset reported with capital assets in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual net present value of \$15,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
-
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the County is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: Summary of Significant Accounting Policies (cont.)

Legally Adopted Budgets

All governmental funds have legally adopted budgets.

Other Accounting Policies

The County provides statutory workers' compensation insurance for its employees through Texas Association of Counties ("TAC"), a joint insurance fund, in which the County is a member.

Fund Balance Classification

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in the spendable form or are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations. Examples include federal and state grant programs, retirement of long-term debt, and construction. The proceeds of specific revenue sources that are restricted to expenditures for specified purposes as designated by grantors, contributors, by vote of citizens, or governmental entities over state or local program grants.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the County Commissioners' Court. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provision, or enabling legislation.

Assigned Fund Balance – represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1: Summary of Significant Accounting Policies (cont.)

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending or specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for a purpose of which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Net Position

Net Investment in Capital Assets-This component of net position is reported in the government-wide financial statements and represents the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt and related accounts, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvements of these capital assets.

Restricted -This component of net position is reported in the government-wide financial statements and represents the difference between assets and liabilities that are restricted for specific use by legal or external restrictions.

Unrestricted -This component of net position is reported in the government-wide financial statements and represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources that is not reported in the other categories of net position; net investment in capital assets or restricted.

NOTE 2: Compliance and Accountability

Finance-Related Legal and Contractual Provisions - In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures,” violations of finance-related legal and contractual provisions are to be disclosed along with actions required to address such violations are to be disclosed. The County did not have any such violations during fiscal year 2023.

NOTE 3: Deposits and Investments

The County’s funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County’s agent bank approved pledged securities in an amount sufficient to protect County 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.

On September 30, 2023, the County’s cash deposits were entirely covered by FDIC insurance or by pledged collateral held by the County’s bank in the County’s name. The County’s carrying amount of cash (including unrestricted and restricted cash in the fiduciary funds) was \$568,966 and the bank balance was \$602,627.

**HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 3: Deposits and Investments (cont.)

As of September 30, 2023, the County had the following investments and maturities:

| Investment Type | Carrying Amount | Maturity in Years | | % of total Portfolio |
|------------------------|----------------------------|--------------------------|-------------|---------------------------------|
| | | less than 1 | 1-5 | |
| Investment pools: | | | | |
| Logic | \$ 3,306,184 | \$ 3,306,184 | \$ - | 0% |
| Total Investments | <u>\$ 3,306,184</u> | <u>\$ 3,306,184</u> | <u>\$ -</u> | <u>0%</u> |

The county categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

LOGIC investment pool is not classified in the fair value hierarchy. The recorded position of the pool for LOGIC is measured at amortized cost as this pool meets the requirements of GASB Statement No. 79. The recorded position of the pool for LOGIC is measured at net asset value to approximate fair value, which is designed to approximate the share value; however, the net asset value is not guaranteed or insured. LOGIC offers same day access to investments. The County has no unfunded commitments to this pool and may redeem investments at any time.

Regulatory oversight for the operations of this investment pool is found in the Public Funds Investment Act of the State of Texas. Required oversight for pools includes compliance with investment guidelines, annual independent audits, and the establishment of oversight boards.

Interest rate risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the County’s investment policy limits the County’s investment holdings to maturities of less than 60 months. All investments will be in high quality securities with no perceived default risk.

Credit risk: In accordance with the County’s investment policy, the primary objective of all investment activity is the preservation of capital and the safety of principal in the overall portfolio. Each investment transaction shall seek to ensure first that capital losses are avoided, whether they are from security defaults or erosion of market value. All external investment pools in which the County participates have a credit quality rating of “AAA” by Standard and Poor’s.

Custodial credit risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. County policy requires all investments to be acquired on a delivery vs. payment basis at the custodial agent from brokers independent of the custodial agent. As of September 30, 2023, all of the County’s investments are held in the County’s name. The County’s accounts exceeded amounts covered by Federal Depository Insurance Corporation but was fully collateral ized by the County’s agent in the County’s name.

Concentration of credit risk: The County will diversify its investments by institution The amount, type of investment, and percentage in the portfolio is listed in the table above.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 3: Deposits and Investments (cont.)

The following is a reconciliation of cash and investments to the statement of net position:

| | | |
|--|----|------------------|
| Cash | \$ | 35,920 |
| Investments | | 3,306,184 |
| Total | \$ | <u>3,342,104</u> |
| | | |
| Cash and investments per Statement of Net Position: | | |
| Cash and investments | \$ | 3,342,104 |
| Cash and investments per Statement of Fiduciary Net Position | | |
| Cash | | <u>533,046</u> |
| Total | \$ | <u>3,875,150</u> |

NOTE 4: Capital Assets

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

| | September 30, 2022 | Increase | Decrease | September 30, 2023 |
|--|-----------------------|---------------------|-----------------|-----------------------|
| Government activities capital and right-of-use assets: | | | | |
| Non-depreciable assets: | | | | |
| Land | \$ 138,415 | \$ - | \$ - | \$ 138,415 |
| Construction in process | - | 1,732,552 | - | 1,732,552 |
| Total non-depreciable assets | <u>138,415</u> | <u>1,732,552</u> | <u>-</u> | <u>1,870,967</u> |
| Capital and right-to-use assets, being depreciated/amortized: | | | | |
| Buildings | 9,152,791 | - | - | 9,152,791 |
| Furniture and equipment | 4,930,834 | - | (68,000) | 4,862,834 |
| Vehicles | 1,215,689 | 125,265 | (19,000) | 1,321,954 |
| Infrastructure | 17,773,284 | - | - | 17,773,284 |
| Right-to-use assets - vehicles | 242,338 | 54,378 | - | 296,716 |
| Total capital and right-to-use assets, being depreciated/amortized | <u>33,314,936</u> | <u>179,643</u> | <u>(87,000)</u> | <u>33,407,579</u> |
| Totals at historic cost | <u>33,453,351</u> | <u>1,912,195</u> | <u>(87,000)</u> | <u>35,278,546</u> |
| Less accumulated depreciation/amortization: | | | | |
| Buildings | (3,447,471) | (300,637) | - | (3,748,108) |
| Furniture and equipment | (3,396,270) | (200,550) | 68,000 | (3,528,820) |
| Vehicles | (1,059,401) | (57,321) | 19,000 | (1,097,722) |
| Infrastructure | (17,574,387) | (30,000) | - | (17,604,387) |
| Right-to-use assets - vehicles | (28,273) | (48,468) | - | (76,741) |
| Total accumulated depreciation | <u>(25,505,802)</u> | <u>(636,976)</u> | <u>87,000</u> | <u>(26,055,778)</u> |
| Total capital and right-of-use assets, being depreciated/amortized, net | <u>7,809,134</u> | <u>(457,333)</u> | <u>-</u> | <u>7,351,801</u> |
| Total governmental capital and right-of-use assets, net | <u>\$ 7,947,549</u> | <u>\$ 1,275,219</u> | <u>\$ -</u> | <u>\$ 9,222,768</u> |

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4: Capital Assets (cont.)

Current year depreciation/amortization expense was charged to governmental functions as follows:

| | |
|---|------------|
| Depreciation/amortization by function: | |
| General administration | \$ 28,927 |
| Road and Bridge | 425,706 |
| Public safety | 182,343 |
| Total depreciation/amortization expense | \$ 636,976 |

NOTE 5: Long-Term Debt

Long-term liabilities applicable to the County’s governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Long-term debt at September 30, 2023, is as follows:

| | Governmental Activities |
|--|------------------------------------|
| \$109,500; Note payable to Government Capital Corp, payable in annual installments of \$ 20,417 including interest at 3.29%. Note is secured by the related property | \$ 57,452 |
| \$176,310; Note payable to Government Capital Corp, payable in annual installments of \$ 33,310 including interest at 3.74%. Note is secured by the related property | 93,629 |
| \$62,545; Note Payable to First Financial Bank payable in annual installments of \$16,923.38 including interest at 3.24%. Note is secured by the related property | 32,238 |
| \$600,000; Note Payable to First Financial Bank payable in annual installments of \$75,411.94 including interest at 4.24%. Note is secured by the related property | 524,588 |
| \$35,750; Note Payable to First Financial Bank payable in annual installments of \$11,473.35 including interest at 3.68%. Note is secured by the related property. | 24,262 |
| \$174,457; Note Payable to First Financial Bank payable in annual installments of \$26,405.14 including interest at 3.64%. Note is secured by the related property. | 148,046 |
| \$158,542; Note Payable to First Financial Bank payable in annual installments of \$29,416.99 including interest at 3.60%. Note is secured by the related property. | 129,105 |
| \$77,640; Note Payable to Government Capital Corp, payable in annual installments of \$28,854.20 including interest at 9.32%. Note is secured by the related property. | 77,640 |
| | \$ 1,086,960 |

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5: Long-Term Debt (cont.)

The following is a summary of all long-term debt transactions of the County for the year ended September 30, 2023:

| <u>Description</u> | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--|----------------------------|--------------------------|----------------------------|----------------------------|----------------------------|
| Governmental Activities: | | | | | |
| Notes Payable | \$ 1,214,142 | \$ 77,640 | \$ 204,822 | \$1,086,960 | \$ 238,086 |
| Financed Purchases Payable | 215,472 | 54,378 | 81,868 | 187,982 | 71,409 |
| Net Pension Liability (Asset) | (936,528) | - | (858,419) | (78,109) | NA |
| OPEB Liability | 1,120,285 | - | (82,051) | 1,202,336 | NA |
| Governmental Activities long-term liabilities | <u>\$ 1,613,371</u> | <u>\$ 132,018</u> | <u>\$ (653,780)</u> | <u>\$ 2,399,169</u> | <u>\$ 309,495</u> |

The annual requirements to amortize all notes payable outstanding as of September 30, 2023 are as follows:

| <u>Notes Payable - Equipment</u> | <u>Governmental Activities</u> | | |
|--|--------------------------------|--------------------------|----------------------------|
| <u>Due Fiscal Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2024 | \$ 238,086 | \$ 44,213 | \$ 282,299 |
| 2025 | 246,089 | 35,230 | 281,319 |
| 2026 | 227,742 | 24,586 | 252,328 |
| 2027 | 153,704 | 15,312 | 169,016 |
| 2028 | 124,583 | 9,196 | 133,779 |
| Thereafter | 96,756 | 4,103 | 100,859 |
| | <u>\$ 1,086,960</u> | <u>\$ 132,640</u> | <u>\$ 1,219,600</u> |

NOTE 6: Financed Purchases

The County has entered into the following finance purchase agreements as of September 30, 2023:

| | <u>Governmental Activities</u> |
|--|--------------------------------|
| \$242,338 Finance purchase for 5 Sheriff Office vehicle to Enterprise Fleet Management payable in monthly installments of \$1,154 including interest at 6.71% for four years. Whereby the ownership transfers automatically at the end of the agreement. | \$ 148,943 |
| \$54,378 Finance purchase for 1 Sheriff Office vehicles to Enterprise Fleet Management payable in monthly installments of \$1,155 including interest at 9.32% for four years. Whereby the ownership transfers automatically at the end of the agreement. | 39,039 |
| | <u>\$ 187,982</u> |

**HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 6: Financed Purchases (cont.)

The annual requirements to amortize all financed purchases outstanding as of September 30, 2023, are as follows:

| <u>Finance Purchase - Lease</u> | <u>Governmental Activities</u> | | |
|--|--------------------------------|------------------|-------------------|
| <u>Due Fiscal Year Ending September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2024 | 71,409 | 11,700 | 83,109 |
| 2025 | 76,340 | 6,770 | 83,110 |
| 2026 | 36,819 | 1,644 | 38,463 |
| 2027 | 3,414 | 53 | 3,467 |
| | <u>\$ 187,982</u> | <u>\$ 20,167</u> | <u>\$ 208,149</u> |

NOTE 7: Interfund Transactions

Transfers, totaling \$100,000, from the general fund to the road and bridge fund were for funding operations.

NOTE 8: Risk Management

The County has risk exposure in various areas including general liability, workers compensation, automobile liability, property damage, etc. To reduce its risk exposure in these areas, the County is a member of Texas Association of Counties Risk Pool (“the Pool”) for liability, property, and worker’s compensation. The Pool is a public entity risk pool and was created based on the general objectives of formulating, developing, and administering a program of self-insurance for membership and obtaining lower costs for coverage. The Pool coverage is offered through interlocal agreements between the Pool and counties. The Pool has the power to establish fees, contributions and methods for establishing rates. Under contract with the Pool, the Association provides for such services as claims administration and management, underwriting, loss control services and training and financial reporting for its members. The Association submits sealed bids to counties during the bid process. The Pool is governed by a Board of Directors made up of employees or officials of counties, which are members of the Pool. Member counties make contributions to the Pool, and the Pool provides insurance coverage and applicable reinsurance or stop loss coverage. The insurance policies carry various deductibles and aggregate maximum loss totals. The by-laws of the Pool are detailed in a separate document, which can be obtained from the Texas Association of Counties, 1210 San Antonio Street, Austin, TX 78701.

Health Care

During the year ended September 30, 2023, the employees of the County were covered by a health insurance plan. Employees had the option of participating in a PPO provider plan. Employees, at their option, authorize payroll withholdings to pay remaining premiums for dependents. All premiums were paid to a licensed insurer. The plan was authorized by Article 3.51.2 of the Texas Insurance Code and was documented by contractual agreement.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9: Pension Plan

A. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for administration of the statewide agent multiple-employer public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report on a calendar year basis. The annual comprehensive financial report is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, TX 78768-2034.

B. Benefits Provided

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can expect to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes, including automatic COLAs.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefits terms:

| | |
|--|-----|
| Inactive employees of beneficiaries currently receiving benefits | 53 |
| Inactive employees entitled to but not yet receiving benefits | 92 |
| Active employees | 52 |
| | 197 |
| | 197 |

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9: Pension Plan (cont.)

C. Contributions

The employer has elected the annually determined contribution rate (Variable Rate) plan provision of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

The employer contributed using the actuarially determined rate of 9.79% for the calendar year ending in 2023. The deposit rate payable by the employee members for calendar year 2023 is the rate of 6% as adopted by the governing body of the employer. The employee and employer deposit rates may be changed by the governing body of the employer within the options available in the TCDRS Act.

D. Net Pension Asset

The employer's Net Pension Asset (NPA) for the year ended September 30, 2023, was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Asset was determined by an 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 | 2.25% per year |
| Investment rate of return | 7.50%, net of pension plan investment and administrative expenses |
| Actuarial cost method | Entry Age |
| Retirement age | Average age is 61 |

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.

Mortality assumptions were as follows:

Depositing Members-135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Service retirees, beneficiaries and non-depositing members-135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Disabled retirees-160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9: Pension Plan (cont.)

Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The assumed long-term investment return of 7.6% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.6% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

| Asset Class | Benchmark | Target Allocation | Geometric Real Rate of Return (Expected minus inflation) |
|------------------------------------|--|-------------------|--|
| US Equities | Dow Jones U.S. Total Stock Market Index | 11.5% | 4.95% |
| Global Equities | MSCI World (net) Index | 2.5% | 4.95% |
| International Equities - Developed | MSCI World Ex USA (net) Index | 5.0% | 4.95% |
| International Equities - Emerging | MSCI Emerging Markets (net) Index | 6.0% | 4.95% |
| Investment-Grade Bonds | Bloomberg U.S. Aggregate Bond Index | 3.0% | 2% |
| Strategic Credit | FTSE High-Yield Cash-Pay Capped Index | 9.0% | 3.39% |
| Direct Lending | Morningstar LSTA US Leveraged Loan TR USD Index | 16.0% | 6.95% |
| Distressed Debt | Cambridge Associates Distressed Securities Index | 4.0% | 7.60% |
| REIT Equities | 67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index | 2.0% | 4.15% |
| Master Limited Partnerships (MLPs) | Alerian MLP Index | 2.0% | 5.30% |
| Private Real Estate Partnerships | Cambridge Associates Real Estate Index | 6.0% | 5.70% |
| Private Equity | Cambridge Associates Global Private Equity & Venture Capital Index | 25.0% | 7.95% |
| Hedge Funds | Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index | 6.0% | 2.90% |
| Cash Equivalents | 90-Day U.S. Treasury | 2.0% | 0.20% |
| Total | | 100.0% | |

Discount Rate:

The discount rate used to measure the Total Pension Liability was 7.60%. Using the alternative method, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments based on the funding requirements under the County's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the unfunded actuarial accrued liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the County is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the County is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and the net pension liability of the County is equal to the long-term assumed rate of return on investments. The long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9: Pension Plan (cont.)

| | Increase (Decrease) | | |
|--|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| | (a) | (b) | (a) - (b) |
| Balance at 12/31/2021 | \$ 7,459,860 | \$ 8,396,386 | \$ (936,527) |
| Changes for the year: | | | |
| Service cost | 210,722 | - | 210,722 |
| Interest on total pension liability | 568,839 | - | 568,839 |
| Effect of plan changes | - | - | - |
| Effect of economic/demographic gains or losses | (111,405) | - | (111,405) |
| Effect of assumptions changes or inputs | - | - | - |
| Refund of contributions | (25,562) | (25,562) | - |
| Benefit payments | (353,071) | (353,071) | - |
| Administrative expenses | - | (4,590) | 4,590 |
| Member contributions | - | 115,394 | (115,394) |
| Net investment income | - | (485,817) | 485,817 |
| Employer contributions | - | 188,285 | (188,285) |
| Other | - | (3,536) | 3,534 |
| Net changes | \$ 289,523 | \$ (568,897) | \$ 858,418 |
| Balance at 12/31/2022 | \$ 7,749,384 | \$ 7,827,491 | \$ (78,109) |

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

The following presents the net pension liability of the County, calculated using the discount rate of 7.60%, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.60%) or 1-percentage point higher (8.60%) than the current rate:

| | 1% Decrease in Discount Rate (6.60%) | Current Discount Rate (7.60%) | 1% Increase in Discount Rate (8.60%) |
|-------------------------------|---|--|---|
| Total pension liability | \$ 8,708,610 | \$ 7,749,384 | \$ 6,943,685 |
| Fiduciary net position | 7,827,493 | 7,827,493 | 7,827,493 |
| Net pension liability (asset) | \$ 881,117 | \$ (78,109) | \$ (883,808) |

E. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the internet at www.tcdrs.org.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9: Pension Plan (cont.)

A. Pension Income and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the County recognized pension income of \$110,716. As of September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Inflows of Resources | Deferred Outflows of Resources |
|--|--|---|
| Differences between expected and actual experience | \$ 74,270 | \$ - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings | - | 147,970 |
| Contributions subsequent to the measurement date | N/A | 140,217 |

Amounts currently reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Valuation year ended December 31: | |
|--|--------------|
| 2023 | \$ (135,197) |
| 2024 | (40,851) |
| 2025 | 25,581 |
| 2026 | 224,167 |
| 2027 | - |
| Thereafter | - |

NOTE 10: Commitments and Contingencies

Contingencies

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds or any money received may be required and collectability of any related receivable at September 30, 2023, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulation governing the respective grant; therefore no provision has been recorded in the accompanying financial statements for such contingencies.

Litigation

The County Attorney has indicated that there are no lawsuits filed and pending against the County that will result in a material effect on the County's financial position.

**HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11: Other Postemployment Benefit Obligation (OPEB)

A. Plan Description

The Hamilton County Retiree Health Care Plan is not a formal document detailing the specific terms of the plan, but is a substantive plan- loosely defined as the benefit covered by the plan as understood by the employer and plan members at the time of each actuarial valuation.

The County has implemented the alternative measurement method for employers with fewer than 100 plan members and performed an actuarial study to quantify the amount of the County’s OPEB obligations.

Permanent full-time employees who retire drawing a monthly county pension from the Texas County & District Retirement System (TCDRS) are eligible to participate in the County’s employee health care plan. Hamilton County will pay an amount not to exceed \$250 per month with the remainder of the premium to be paid at the expense of the retiree.

Members are eligible for retirement in TCERS at age 60 with 8 years of service credit or at any age with 20 years of service credit or when the member’s age plus service credit totals 75. Retirees who terminate employment before normal retirement conditions are not eligible.

Retiree medical coverage for retirees is the same as coverage provided to active County employees in accordance with the terms and conditions of the current County health care coverage if they were enrolled at the time of death. Benefits include medical and prescription drug, and vision screenings. All benefits for dependent children or spouse are provided at the expense of the retiree.

B. Funding Policies

The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) or the net OPEB obligation. Contribution requirements of the County are established and may be amended through the County. The plan is currently being funded on a pay-as-you-go basis. For the year ended September 30, 2023, the total benefit payments made to the plan was \$37,089. No trust or agency fund has been established for the plan. The plan does not issue a separate financial report.

C. Employees Covered by Benefit Terms

At September 30, 2023, the following employees were covered by the benefit terms:

| | | |
|---------------------|--|----|
| Retired | | 10 |
| Active plan members | | 47 |
| | | 57 |
| | | 57 |

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 11: Other Postemployment Benefit Obligation (OPEB) (cont.)

D. Total OPEB Liability

The County's Total OPEB liability was measured as of September 30, 2023 and was determined by an actuarial valuation as of September 30, 2022 and rolled forward to September 30, 2023. The following table shows the County's total OPEB liability for the year ended September 30, 2023.

| | <u>Total OPEB Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Total OPEB Liability</u> |
|--|---------------------------------|--|---------------------------------|
| Balance- October 1, 2022 | \$ 1,120,285 | \$ - | \$ 1,120,285 |
| Changes for the year: | | | |
| Service cost | 63,555 | - | 63,555 |
| Interest | 55,585 | - | 55,585 |
| Changes in assumptions | - | - | - |
| Differences between expected and actual experience | - | - | - |
| Benefit payments | (37,089) | - | (37,089) |
| Net changes | <u>82,051</u> | <u>-</u> | <u>82,051</u> |
| Balance-September 30, 2023 | <u>\$ 1,202,336</u> | <u>\$ -</u> | <u>\$ 1,202,336</u> |

E. Discount Rate Sensitivity

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

| <u>Description</u> | <u>1% Decrease in Discount Rate</u> | <u>Discount Rate (4.77%)</u> | <u>1% Increase in Discount Rate</u> |
|----------------------|---|------------------------------|---|
| Total OPEB liability | \$ 1,056,945 | \$ 1,202,336 | \$ 1,380,312 |

F. Healthcare Trend Rate Sensitivity

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| <u>Description</u> | <u>1% Decrease in Healthcare Cost Trend Rate</u> | <u>Healthcare Cost Trend Rate (4.50%)</u> | <u>1% Increase in Healthcare Cost Trend Rate</u> |
|----------------------|--|---|--|
| Total OPEB liability | \$ 1,041,794 | \$ 1,202,336 | \$ 1,402,326 |

G. OPEB Income

The following represents OPEB income as of September 30, 2023:

| | |
|---|------------------|
| Service cost | \$ 63,555 |
| Interest on the total OPEB liability | 55,585 |
| Difference between expected and actual experience | (14,639) |
| Changes in assumptions or other inputs | <u>(66,739)</u> |
| | <u>\$ 37,762</u> |

**HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11: Other Postemployment Benefit Obligation (OPEB) (cont.)

H. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ending September 30, 2023 the County reported the following deferred inflows or outflows of resources related to the OPEB:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 53,436 |
| Changes of assumptions/inputs | 53,330 | 354,707 |

Amounts currently reported as deferred outflows of resources and deferred (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ended September 30,</u> | <u>Net Outflows (Inflows)</u> |
|-------------------------------------|-----------------------------------|
| 2024 | \$ (81,378) |
| 2025 | (81,378) |
| 2026 | (81,378) |
| 2027 | (92,221) |
| 2028 | (18,458) |

I. Actuarial Valuation

The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Significant Actuarial Assumptions

| | |
|-----------------------------|--|
| Discount rate | 4.77% (2.27% real rate of return plus 2.50% inflation) |
| Healthcare Cost Trend Rates | 4.50% |
| Actuarial Method | Individual Entry Age Normal Cost Method-Level Percentage of projected Salary |
| Mortality | RHP-2014 Total Table with Projection MP-2021 |
| Disability | None assumed |

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 12: Implementation of New Standard

In the current fiscal year, the County implemented GASB Statement No. 96, *Subscription - Based Information Technology Arrangements*. This Statement provides guidance on the account and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including costs of SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange for exchange-like transaction.

The requirements of this Statement are effective for the fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The County implemented this Statement during the current year. The County did not have any subscription agreements that met the criteria of the Statement for fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

HAMILTON COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Budgeted Amounts | | Actual GAAP BASIS | Variance With Final Budget - Positive |
|--|-------------------|---------------------|----------------------|---|
| | Original | Final | (See Note) | (Negative) |
| REVENUE: | | | | |
| Taxes: | | | | |
| Property taxes | \$ 3,142,727 | \$ 3,142,727 | \$ 3,193,547 | \$ 50,820 |
| General sales and other taxes | 615,000 | 615,000 | 648,096 | 33,096 |
| Intergovernmental revenue and grants | 66,525 | 66,525 | 506,448 | 439,923 |
| Charges for services | - | - | 600 | 600 |
| Fines and fees | 512,000 | 512,000 | 348,083 | (163,917) |
| Investment earnings | 10,000 | 10,000 | 155,954 | 145,954 |
| Other revenue | 17,000 | 17,000 | 51,105 | 34,105 |
| Total Revenues | <u>4,363,252</u> | <u>4,363,252</u> | <u>4,903,833</u> | <u>540,581</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General Government: | | | | |
| Public finance | 515,915 | 530,915 | 513,805 | 17,110 |
| General administration | 822,772 | 855,627 | 769,945 | 85,682 |
| Judicial | 939,179 | 953,849 | 877,686 | 76,163 |
| Legal | 125,000 | 111,560 | - | 111,560 |
| Public safety | 1,815,929 | 1,847,363 | 1,707,105 | 140,258 |
| Health and welfare | 55,803 | 55,803 | 26,710 | 29,093 |
| Road and bridge | 100,000 | 6,141 | - | 6,141 |
| Debt Service: | | | | |
| Principal | 188,858 | 188,858 | 157,280 | 31,578 |
| Interest | 25,446 | 25,446 | 41,057 | (15,611) |
| Capital Outlay: | | | | |
| Capital outlay | 1,835,500 | 1,835,500 | 1,818,461 | 17,039 |
| Total Expenditures | <u>6,424,403</u> | <u>6,411,063</u> | <u>5,912,049</u> | <u>499,014</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,061,151) | (2,047,811) | (1,008,216) | 1,039,595 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Issuance of finance purchase liabilities | - | - | 54,378 | 54,378 |
| Transfers out | (100,000) | (100,000) | (100,000) | - |
| Total Other Financing Sources (Uses) | <u>(100,000)</u> | <u>(100,000)</u> | <u>(45,622)</u> | <u>54,378</u> |
| Net Change in Fund Balances | (2,161,151) | (2,147,811) | (1,053,838) | 1,093,973 |
| Fund Balances - Beginning | <u>3,154,607</u> | <u>3,154,607</u> | <u>3,154,607</u> | - |
| Fund Balances - Ending | <u>\$ 993,456</u> | <u>\$ 1,006,796</u> | <u>\$ 2,100,769</u> | \$ - |

HAMILTON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | <u>Budgeted Amounts</u> | | Actual | Variance With |
|--|-------------------------|------------------|-------------------|------------------|
| | Original | Final | GAAP BASIS | Final Budget |
| | | | (See Note) | Positive |
| | | | | (Negative) |
| REVENUES: | | | | |
| Property taxes, penalties and interest | \$ 832,500 | \$ 832,500 | \$ 740,000 | \$ (92,500) |
| Fines and fees | 80,000 | 80,000 | 92,970 | 12,970 |
| Intergovernmental revenue and grants | 65,000 | 65,000 | 78,380 | 13,380 |
| Licenses and permits | 292,500 | 292,500 | 368,476 | 75,976 |
| Investment earnings | 80,000 | 80,000 | 45,518 | (34,482) |
| Other revenue | - | 30,000 | 5,788 | (24,212) |
| Total Revenues | <u>1,350,000</u> | <u>1,380,000</u> | <u>1,331,132</u> | <u>(48,868)</u> |
| EXPENDITURES: | | | | |
| Salaries | 889,073 | 889,553 | 724,603 | 164,950 |
| Equipment | 518,000 | 558,316 | 201,005 | 357,311 |
| Equipment repair | 112,000 | 176,000 | 110,235 | 65,765 |
| Fuel | 188,000 | 164,816 | 125,548 | 39,268 |
| Road expense | 90,000 | 112,843 | 63,497 | 49,346 |
| Operating | 92,300 | 90,678 | 74,722 | 15,956 |
| Debt service- principal | 135,086 | 135,083 | 129,410 | 5,673 |
| Debt service- interest | 22,531 | 22,841 | 22,192 | 649 |
| Total Expenditures | <u>2,046,990</u> | <u>2,150,130</u> | <u>1,451,212</u> | <u>698,918</u> |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures | <u>(696,990)</u> | <u>(770,130)</u> | <u>(120,080)</u> | <u>650,050</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 160,000 | 160,000 | 108,148 | (51,852) |
| Proceeds from sale of capital assets | - | - | 23,347 | 23,347 |
| Issuance of notes payable | 143,000 | 216,140 | 77,640 | (138,500) |
| Transfers out | <u>(60,000)</u> | <u>(60,000)</u> | <u>(8,148)</u> | <u>51,852</u> |
| Total Other Financing Sources (Uses) | <u>243,000</u> | <u>316,140</u> | <u>200,987</u> | <u>(115,153)</u> |
| Net Changes in Fund Balances | (453,990) | (453,990) | 80,907 | 534,897 |
| Fund Balance-Beginning | <u>783,519</u> | <u>783,519</u> | <u>783,519</u> | <u>-</u> |
| Fund Balance-Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 864,426</u> | <u>\$ -</u> |

HAMILTON COUNTY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
Last 10 Measurement Years (will ultimately be displayed)

| Total Pension Liability | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service Cost | \$ 210,722 | \$ 198,439 | \$ 176,772 | \$ 171,013 | \$ 167,879 |
| Interest on total pension liability | 568,840 | 546,962 | 520,848 | 493,769 | 470,689 |
| Effect of plan changes | - | - | - | - | - |
| Effect of assumption changes or inputs | - | (17,209) | 385,564 | - | - |
| Effect of economic/demographic (gains) or losses | (111,405) | (75,413) | 31,801 | 21,835 | (3,917) |
| Benefit payments/refunds of contributions | (378,632) | (375,826) | (363,966) | (352,393) | (353,293) |
| Net Change in Total Pension Liability | 289,525 | 276,953 | 751,019 | 334,224 | 281,358 |
| Total Pension Liability, beginning | 7,459,859 | 7,182,906 | 6,431,887 | 6,097,663 | 5,816,305 |
| Total Pension Liability, ending (a) | \$ 7,749,384 | \$ 7,459,859 | \$ 7,182,906 | \$ 6,431,887 | \$ 6,097,663 |
| Fiduciary Net Position | | | | | |
| Employer contributions | \$ 188,285 | \$ 197,246 | \$ 153,404 | \$ 119,284 | \$ 116,121 |
| Member contributions | 115,394 | 114,832 | 115,013 | 107,302 | 104,059 |
| Investment income net of investment expenses | (485,817) | 1,518,255 | 659,857 | 920,270 | (110,558) |
| Benefit payments/refunds of contributions | (378,632) | (375,826) | (363,966) | (352,393) | (353,293) |
| Administrative expenses | (4,587) | (4,544) | (5,082) | (4,869) | (4,500) |
| Other | (3,536) | 1,797 | (3,884) | (3,417) | (3,378) |
| Net Change in Fiduciary Net Position | (568,893) | 1,451,760 | 555,342 | 786,177 | (251,549) |
| Fiduciary Net Position, beginning | 8,396,386 | 6,944,626 | 6,389,284 | 5,603,107 | 5,854,656 |
| Fiduciary Net Position, ending (b) | \$ 7,827,493 | \$ 8,396,386 | \$ 6,944,626 | \$ 6,389,284 | \$ 5,603,107 |
| Net Pension Liability (Asset), ending = (a) - (b) | \$ (78,109) | \$ (936,527) | \$ 238,280 | \$ 42,603 | \$ 494,556 |
| Fiduciary net position as a % of total pension liability | 101.01% | 112.55% | 96.68% | 99.34% | 91.89% |
| Pensionable covered payroll | \$ 1,923,240 | \$ 1,913,862 | \$ 1,916,888 | \$ 1,788,370 | \$ 1,734,314 |
| Net pension liability/ (assets) as a % of covered payroll | -4.06% | -48.93% | 12.43% | 2.38% | 28.52% |

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

| 2017 | 2016 | 2015 | 2014 |
|---------------------|---------------------|---------------------|---------------------|
| \$ 161,726 | \$ 174,734 | \$ 161,122 | \$ 178,410 |
| 447,961 | 427,875 | 415,154 | 394,186 |
| - | - | (22,650) | - |
| 14,527 | - | 48,748 | - |
| (10,059) | (117,821) | (151,152) | (61,704) |
| (326,642) | (299,629) | (276,927) | (236,552) |
| 287,513 | 185,159 | 174,295 | - |
| 5,528,792 | 5,343,634 | 5,169,339 | - |
| <u>\$ 5,816,305</u> | <u>\$ 5,528,793</u> | <u>\$ 5,343,634</u> | <u>\$ -</u> |
| \$ 112,182 | \$ 122,965 | \$ 118,979 | \$ - |
| 103,394 | 101,068 | 101,836 | - |
| 759,004 | 367,191 | 31,990 | 327,395 |
| (326,642) | (299,629) | (276,927) | - |
| (3,894) | (4,002) | (3,618) | (3,788) |
| (1,525) | (49,298) | (77,053) | 8,555 |
| 642,519 | 238,295 | (104,793) | 332,162 |
| 5,212,137 | 4,973,843 | 5,078,636 | 4,751,251 |
| <u>\$ 5,854,656</u> | <u>\$ 5,212,138</u> | <u>\$ 4,973,843</u> | <u>\$ 5,083,413</u> |
| \$ (38,351) | \$ 316,655 | \$ 369,791 | \$ (5,083,413) |
| 100.66% | 94.27% | 93.08% | 98.25% |
| \$ 1,723,226 | \$ 1,684,462 | \$ 1,697,265 | \$ 1,742,616 |
| -2.23% | 18.80% | 21.79% | -291.71% |

HAMILTON COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Fiscal Years

| Year Ending September 30 | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Pensionable Covered Payroll | Actual Contribution as a % of Covered Payroll |
|--------------------------------|---|------------------------------------|--|-----------------------------------|---|
| 2014 | 123,233 | 124,944 | - | 1,742,616 | 7.2% |
| 2015 | 124,944 | 118,879 | - | 1,697,265 | 7.0% |
| 2016 | 118,979 | 122,965 | - | 1,684,462 | 7.3% |
| 2017 | 122,965 | 112,182 | - | 1,723,226 | 6.5% |
| 2018 | 112,182 | 116,121 | (95) | 1,734,314 | 6.7% |
| 2019 | 116,026 | 119,284 | (5,365) | 1,788,370 | 6.7% |
| 2020 | 113,919 | 153,404 | (26,314) | 1,916,888 | 8.0% |
| 2021 | 127,090 | 197,246 | (73,037) | 1,913,862 | 10.3% |
| 2022 | 124,210 | 211,009 | (86,799) | 2,110,090 | 10.0% |
| 2023 | 136,935 | 198,382 | (61,447) | 2,184,699 | 10.0% |

HAMILTON COUNTY
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 MEASUREMENT YEARS (WILL ULTIMATELY BE DISPLAYED)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service cost | 63,555 | \$ 105,546 | \$ 71,842 | \$ 71,842 | \$ 71,842 | 69039 |
| Interest | 55,585 | 37,657 | 35,381 | 57,206 | 50,963 | 50511 |
| Changes in assumptions | - | (523,617) | - | 124,194 | - | - |
| Differences between expected and actual experience | - | (48,869) | - | (47,357) | - | - |
| Benefit payments | (37,089) | (37,089) | (42,409) | (42,409) | (39,381) | (39,381) |
| Net change in total OPEB liability | 82,051 | (466,372) | 64,814 | 163,476 | 83,424 | 80,169 |
| Total OPEB liability-beginning | 1,120,285 | 1,586,657 | 1,521,843 | 1,358,367 | 1,274,973 | 1,194,774 |
| Total OPEB liability-ending | <u>\$ 1,202,336</u> | <u>\$ 1,120,285</u> | <u>\$ 1,586,657</u> | <u>\$ 1,521,843</u> | <u>\$ 1,358,397</u> | <u>\$ 1,274,943</u> |
| County's covered-employee payroll | \$ 1,923,240 | \$ 1,913,862 | \$ 1,916,888 | \$ 1,788,370 | \$ 1,734,314 | \$ 1,723,226 |
| County's total OPEB liability as a percentage of covered-employee payroll | 62.52% | 58.54% | 82.77% | 85.10% | 78.32% | 73.99% |
| OPEB plan's fiduciary net position | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| OPEB plan's fiduciary net position as a percentage of total OPEB liability | NA | N/A | N/A | N/A | N/A | N/A |

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 75, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

HAMILTON COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Information

Annual budgets are adopted on the cash basis of accounting for the General Fund and certain Special Revenue Funds. The County employs an encumbrance system as a method of accomplishing budgetary control. At year end, open encumbrances are closed, and departments are required to re-appropriate those funds in the following year's budget.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds an informal hearing when needed. Before October 1, a proposed budget is presented to Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the condition of various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. No amendments may be made without Commissioners' Court approval to the total budget for each department within a fund. Thus, the legal level of budgetary control is at the department level. No supplemental appropriations were required during the year.

Retirement Schedules

Valuation Date

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later. GASB 68, Paragraph 81.2.b requires that the data in the Schedule of Contributions be presented as of the District's current fiscal year as opposed to the valuation measurement date as provided in other schedules of these financial statement.

HAMILTON COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Methods and Assumptions Used to Determine Contribution Rates

| | |
|---|--|
| Actuarial Cost Method | Entry Age (level percentage of pay) |
| Amortization Method | Level percentage of payroll, closed |
| Remaining Amortization Period | 2.6 years (based on contribution rate calculated in 12/31/2022 valuation) |
| Asset Valuation Method | 5-year smoothed market |
| Inflation | 2.50% |
| Salary Increases | Varies by age and service. 4.7% average over career including inflation. |
| Investment Rate of Return | 7.50%, net of administrative and investment expenses, including inflation |
| Retirement Age | Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61. |
| | |
| Mortality | 135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010 |
| | |
| Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions | 2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected |
| | |
| Changes in Plan Provisions Reflected in the Schedule of Employer Contributions* | 2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule 2020: No changes in plan provisions were reflected in the Schedule 2021: No changes in plan provisions were reflected in the Schedule 2022: No changes in plan provisions were reflected in the Schedule |

*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

COMBINING FUND STATEMENTS

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
ROAD AND BRIDGE FUNDS
SEPTEMBER 30, 2023**

| | Road and Bridge #1 | Road and Bridge #2 | Road and Bridge #3 | Road and Bridge #4 | Maintenance Barn | Total Road and Bridge Funds |
|---|--------------------------|--------------------------|--------------------------|--------------------------|---------------------|--------------------------------------|
| ASSETS | | | | | | |
| Cash and investments | \$134,248 | \$ 157,462 | \$ 53,776 | \$ 204,314 | \$ 348,495 | \$ 898,295 |
| Taxes receivables (net of allowance for uncollectible) | 9,760 | 9,760 | 9,760 | 9,760 | - | 39,040 |
| Other assets | 5,992 | 6,597 | 6,330 | 7,162 | - | 26,081 |
| Total Assets | <u>\$ 150,000</u> | <u>\$ 173,819</u> | <u>\$ 69,866</u> | <u>\$ 221,236</u> | <u>\$ 348,495</u> | <u>\$ 963,416</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 9,708 | \$ 3,759 | \$ 49,490 | \$ 1,701 | \$ - | \$ 64,658 |
| Wages and salaries payable | 5,777 | 5,991 | 6,475 | 5,181 | - | 23,424 |
| Total Liabilities | 15,485 | 9,750 | 55,965 | 6,882 | - | 88,082 |
| Deferred inflows: | | | | | | |
| Deferred property taxes | 2,727 | 2,727 | 2,727 | 2,727 | - | 10,908 |
| Fund Balances: | | | | | | |
| Committed | 131,788 | 161,342 | 11,174 | 211,627 | 348,495 | 864,426 |
| Total Fund Balances | 131,788 | 161,342 | 11,174 | 211,627 | 348,495 | 864,426 |
| Total Liabilities, Deferred inflows, and Fund Balances | <u>\$ 150,000</u> | <u>\$ 173,819</u> | <u>\$ 69,866</u> | <u>\$ 221,236</u> | <u>\$ 348,495</u> | <u>\$ 963,416</u> |

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FUND BALANCES - ROAD AND BRIDGE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Road and Bridge #1 | Road and Bridge #2 | Road and Bridge #3 | Road and Bridge #4 | Road and Bridge Barn | Total Road and Bridge Funds |
|--|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|--------------------------------------|
| REVENUES: | | | | | | |
| Property taxes | \$ 185,000 | \$ 185,000 | \$ 185,000 | \$ 185,000 | \$ - | \$ 740,000 |
| Fines and fees | 23,330 | 23,030 | 23,330 | 23,280 | - | 92,970 |
| Intergovernmental revenue and grants | 17,558 | 17,558 | 17,558 | 17,558 | 8,148 | 78,380 |
| Investment earnings | 4,816 | 2,457 | - | 29,649 | 8,596 | 45,518 |
| Licenses and permits | 92,119 | 92,119 | 92,119 | 92,119 | - | 368,476 |
| Other Revenue | 215 | - | 6,073 | (500) | - | 5,788 |
| Total Revenues | <u>323,038</u> | <u>320,164</u> | <u>324,080</u> | <u>347,106</u> | <u>16,744</u> | <u>1,331,132</u> |
| EXPENDITURES: | | | | | | |
| Salaries | 170,802 | 174,985 | 194,908 | 183,908 | - | 724,603 |
| Equipment | - | 67,863 | 49,901 | 83,240 | 1 | 201,005 |
| Equipment repair | 22,606 | 15,707 | 28,570 | 43,352 | - | 110,235 |
| Fuel | 32,589 | 34,852 | 26,422 | 31,685 | - | 125,548 |
| Road expense | 13,558 | 1,239 | 40,082 | 8,618 | - | 63,497 |
| Operating | 13,756 | 11,995 | 41,106 | 7,865 | - | 74,722 |
| Debt service- principal | 58,123 | 41,793 | 29,494 | - | - | 129,410 |
| Debt service- interest | 10,413 | 8,051 | 3,728 | - | - | 22,192 |
| Total Expenditures | <u>321,847</u> | <u>356,485</u> | <u>414,211</u> | <u>358,668</u> | <u>1</u> | <u>1,451,212</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,191</u> | <u>(36,321)</u> | <u>(90,131)</u> | <u>(11,562)</u> | <u>16,743</u> | <u>(120,080)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | 32,037 | 12,037 | 12,037 | 12,037 | 120,000 | 188,148 |
| Proceeds from sale of assets | - | 17,800 | 5,547 | - | - | 23,347 |
| Issuance of note payable | - | - | - | 77,640 | - | 77,640 |
| Transfers out | - | - | - | (20,000) | (68,148) | (88,148) |
| Total Other Financing Sources (Uses) | <u>32,037</u> | <u>29,837</u> | <u>17,584</u> | <u>69,677</u> | <u>51,852</u> | <u>200,987</u> |
| Net Changes in Fund Balances | 33,228 | (6,484) | (72,547) | 58,115 | 68,595 | 80,907 |
| Fund Balance-Beginning | <u>98,560</u> | <u>167,826</u> | <u>83,721</u> | <u>153,512</u> | <u>279,900</u> | <u>783,519</u> |
| Fund Balance-Ending | <u>\$ 131,788</u> | <u>\$ 161,342</u> | <u>\$ 11,174</u> | <u>\$ 211,627</u> | <u>\$ 348,495</u> | <u>\$ 864,426</u> |

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

| | Vital Statistics | Co Clerk Records Management | District Clerk Vital Statistics | District Clerk Records Management |
|---|---------------------|-----------------------------------|--|--|
| ASSETS | | | | |
| Cash and investments | \$ 8,856 | \$ 45,260 | \$ 1,421 | \$ 140 |
| Other receivables | - | - | - | - |
| Total Assets | <u>\$ 8,856</u> | <u>\$ 45,260</u> | <u>\$ 1,421</u> | <u>\$ 140</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | |
| Restricted | | | | |
| Election | - | - | - | - |
| General administration | 8,856 | - | 1,421 | - |
| Judicial | - | - | - | - |
| Legal | - | - | - | - |
| Public safety | - | - | - | - |
| Records management | - | 45,260 | - | 140 |
| Total Fund Balances | <u>8,856</u> | <u>45,260</u> | <u>1,421</u> | <u>140</u> |
| Total Liabilities, Deferred inflows, and Fund Balances | <u>\$ 8,856</u> | <u>\$ 45,260</u> | <u>\$ 1,421</u> | <u>\$ 140</u> |

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

| | District Clerk Records Archive Fee | County Clerk Records Archive | Justice Court Technology #3 | Court Reporter |
|---|---|---------------------------------------|--------------------------------------|-------------------|
| ASSETS | | | | |
| Cash and investments | \$ 1,081 | \$ 19,996 | \$ - | \$ 20,337 |
| Other receivables | - | - | - | - |
| Total Assets | <u>\$ 1,081</u> | <u>\$ 19,996</u> | <u>\$ -</u> | <u>\$ 20,337</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | |
| Restricted | | | | |
| Election | - | - | - | - |
| General administration | - | - | - | - |
| Judicial | - | - | - | 20,337 |
| Legal | - | - | - | - |
| Public safety | - | - | - | - |
| Records management | 1,081 | 19,996 | - | - |
| Total Fund Balances | <u>1,081</u> | <u>19,996</u> | <u>-</u> | <u>20,337</u> |
| Total Liabilities, Deferred inflows, and Fund Balances | <u>\$ 1,081</u> | <u>\$ 19,996</u> | <u>\$ -</u> | <u>\$ 20,337</u> |

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

| | Justice Court Technology | County Clerk Probate | Election Contracting | County Court Technology |
|---|--------------------------------|----------------------------|-------------------------|-------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 46,387 | \$ 2,484 | \$ 1,043 | \$ 947 |
| Other receivables | - | - | 1,622 | - |
| Total Assets | <u>\$ 46,387</u> | <u>\$ 2,484</u> | <u>\$ 2,665</u> | <u>\$ 947</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 186 | \$ - | \$ - | \$ - |
| Total Liabilities | <u>186</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | |
| Restricted | | | | |
| Election | - | - | 2,665 | - |
| General administration | - | - | - | - |
| Judicial | 46,201 | - | - | 947 |
| Legal | - | 2,484 | - | - |
| Public safety | - | - | - | - |
| Records management | - | - | - | - |
| Total Fund Balances | <u>46,201</u> | <u>2,484</u> | <u>2,665</u> | <u>947</u> |
| Total Liabilities, Deferred inflows, and Fund Balances | <u>\$ 46,387</u> | <u>\$ 2,484</u> | <u>\$ 2,665</u> | <u>\$ 947</u> |

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

| | District Court Technology | Sheriff's Office LEOSE | Law Library | Records Management Preservation |
|---|---------------------------------|------------------------------|------------------|---------------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 93 | \$ 477 | \$ 30,720 | \$ 9,293 |
| Other receivables | - | - | - | - |
| Total Assets | <u>\$ 93</u> | <u>\$ 477</u> | <u>\$ 30,720</u> | <u>\$ 9,293</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | |
| Restricted | | | | |
| Election | - | - | - | - |
| General administration | - | - | - | - |
| Judicial | 93 | - | - | - |
| Legal | - | - | 30,720 | - |
| Public safety | - | 477 | - | - |
| Records management | - | - | - | 9,293 |
| Total Fund Balances | <u>93</u> | <u>477</u> | <u>30,720</u> | <u>9,293</u> |
| Total Liabilities, Deferred inflows, and Fund Balances | <u>\$ 93</u> | <u>\$ 477</u> | <u>\$ 30,720</u> | <u>\$ 9,293</u> |

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

| | Courthouse Security | District Clerk Records Preservation | Justice Crt Bldg Sec Fund | Probate Supplemental Guardianship |
|---|------------------------|--|------------------------------------|---|
| ASSETS | | | | |
| Cash and investments | \$ 97,647 | \$ 21,142 | \$ 25 | \$ 12,944 |
| Other receivables | - | - | - | - |
| Total Assets | <u>\$ 97,647</u> | <u>\$ 21,142</u> | <u>\$ 25</u> | <u>\$ 12,944</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | |
| Restricted | | | | |
| Election | - | - | - | - |
| General administration | - | - | - | - |
| Judicial | 97,647 | - | 25 | - |
| Legal | - | - | - | 12,944 |
| Public safety | - | - | - | - |
| Records management | - | 21,142 | - | - |
| Total Fund Balances | <u>97,647</u> | <u>21,142</u> | <u>25</u> | <u>12,944</u> |
| Total Liabilities, Deferred inflows, and Fund Balances | <u>\$ 97,647</u> | <u>\$ 21,142</u> | <u>\$ 25</u> | <u>\$ 12,944</u> |

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

| | Sheriff's Trust | County Attorney Check Collection | Total |
|---|--------------------|---|-------------------|
| ASSETS | | | |
| Cash and investments | \$ 5,586 | \$ 4,951 | \$ 330,830 |
| Other receivables | 950 | - | 2,572 |
| Total Assets | <u>\$ 6,536</u> | <u>\$ 4,951</u> | <u>\$ 333,402</u> |
| LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 186</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>186</u> |
| Fund Balances: | | | |
| Restricted | | | |
| Election | - | - | 2,665 |
| General administration | - | - | 10,277 |
| Judicial | - | - | 165,250 |
| Legal | - | 4,951 | 51,099 |
| Public safety | 6,536 | - | 7,013 |
| Records management | - | - | 96,912 |
| Total Fund Balances | <u>6,536</u> | <u>4,951</u> | <u>333,216</u> |
| Total Liabilities, Deferred inflows, and Fund Balances | <u>\$ 6,536</u> | <u>\$ 4,951</u> | <u>\$ 333,402</u> |

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Vital Statistics | County Clerk Records Management | District Clerk Vital Statistics | District Clerk Records Management |
|--|---------------------|---------------------------------------|--|--|
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Fines and Fees | 1,038 | 24,227 | 102 | - |
| Intergovernmental revenue and grants | - | - | - | - |
| Total Revenues | <u>1,038</u> | <u>24,227</u> | <u>102</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| General administration | - | - | - | - |
| Judicial | - | 6,673 | - | - |
| Public safety | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>6,673</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,038</u> | <u>17,554</u> | <u>102</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 1,038 | 17,554 | 102 | - |
| Fund Balance-Beginning | <u>7,818</u> | <u>27,706</u> | <u>1,319</u> | <u>140</u> |
| Fund Balance-Ending | <u>\$ 8,856</u> | <u>\$ 45,260</u> | <u>\$ 1,421</u> | <u>\$ 140</u> |

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | District Clerk Records Archive Fee | County Clerk Records Archive | Justice Court Technology #3 | Court Reporter |
|--|---|---------------------------------------|--------------------------------------|-------------------|
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Fines and Fees | 30 | 22,594 | - | 3,997 |
| Intergovernmental revenue and grants | - | - | - | - |
| Total Revenues | <u>30</u> | <u>22,594</u> | <u>-</u> | <u>3,997</u> |
| EXPENDITURES: | | | | |
| General administration | - | 73,618 | - | - |
| Judicial | - | - | - | - |
| Public safety | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>73,618</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>30</u> | <u>(51,024)</u> | <u>-</u> | <u>3,997</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 30 | (51,024) | - | 3,997 |
| Fund Balance-Beginning | <u>1,051</u> | <u>71,020</u> | <u>-</u> | <u>16,340</u> |
| Fund Balance-Ending | <u>\$ 1,081</u> | <u>\$ 19,996</u> | <u>\$ -</u> | <u>\$ 20,337</u> |

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Justice Court Technology | County Clerk Probate | Election Contracting | County Court Technology |
|--|--------------------------------|----------------------------|-------------------------|-------------------------------|
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Fines and Fees | 8,277 | - | - | 166 |
| Intergovernmental revenue and grants | - | - | - | - |
| Total Revenues | <u>8,277</u> | <u>-</u> | <u>-</u> | <u>166</u> |
| EXPENDITURES: | | | | |
| General administration | 3,828 | - | - | - |
| Judicial | - | - | - | - |
| Public safety | - | - | - | - |
| Total Expenditures | <u>3,828</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>4,449</u> | <u>-</u> | <u>-</u> | <u>166</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 4,449 | - | - | 166 |
| Fund Balance-Beginning | <u>41,752</u> | <u>2,484</u> | <u>2,665</u> | <u>781</u> |
| Fund Balance-Ending | <u>\$ 46,201</u> | <u>\$ 2,484</u> | <u>\$ 2,665</u> | <u>\$ 947</u> |

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | District Court Technology | Sheriff's Office LEOSE | Law Library | Records Management Preservation |
|--|---------------------------------|------------------------------|------------------|---------------------------------------|
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Fines and Fees | 69 | - | 5,117 | 1,240 |
| Intergovernmental revenue and grants | - | 941 | - | - |
| Total Revenues | <u>69</u> | <u>941</u> | <u>5,117</u> | <u>1,240</u> |
| EXPENDITURES: | | | | |
| General administration | - | - | 1,337 | 792 |
| Judicial | - | - | - | - |
| Public safety | 3,500 | 946 | - | - |
| Total Expenditures | <u>3,500</u> | <u>946</u> | <u>1,337</u> | <u>792</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(3,431)</u> | <u>(5)</u> | <u>3,780</u> | <u>448</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (3,431) | (5) | 3,780 | 448 |
| Fund Balance-Beginning | <u>3,524</u> | <u>482</u> | <u>26,940</u> | <u>8,845</u> |
| Fund Balance-Ending | <u>\$ 93</u> | <u>\$ 477</u> | <u>\$ 30,720</u> | <u>\$ 9,293</u> |

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Courthouse Security | District Clerk Records Preservation | Justice Court Security Fund | Probate Supplemental Guardianship |
|--|------------------------|--|--------------------------------------|---|
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Fines and Fees | 12,069 | 2,853 | 103 | 940 |
| Intergovernmental revenue and grants | - | - | - | - |
| Total Revenues | <u>12,069</u> | <u>2,853</u> | <u>103</u> | <u>940</u> |
| EXPENDITURES: | | | | |
| General administration | - | - | - | - |
| Judicial | - | - | - | - |
| Public safety | 12,717 | - | - | - |
| Total Expenditures | <u>12,717</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(648)</u> | <u>2,853</u> | <u>103</u> | <u>940</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 4,200 | - | - | - |
| Transfers out | - | - | (4,200) | - |
| Total other financing sources (uses): | <u>4,200</u> | <u>-</u> | <u>(4,200)</u> | <u>-</u> |
| Net change in fund balances | 3,552 | 2,853 | (4,097) | 940 |
| Fund Balance-Beginning | <u>94,095</u> | <u>18,289</u> | <u>4,122</u> | <u>12,004</u> |
| Fund Balance-Ending | <u>\$ 97,647</u> | <u>\$ 21,142</u> | <u>\$ 25</u> | <u>\$ 12,944</u> |

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | Sheriff's Trust | County Attorney Check Collection | Total |
|--|--------------------|---|-------------------|
| REVENUES: | | | |
| Property taxes | \$ - | \$ - | \$ - |
| Fines and Fees | - | - | 82,822 |
| Intergovernmental revenue and grants | - | - | 941 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>83,763</u> |
| EXPENDITURES: | | | |
| General administration | - | - | 79,575 |
| Judicial | - | - | 6,673 |
| Public safety | - | - | 17,163 |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>103,411</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>-</u> | <u>(19,648)</u> |
| Other financing sources (uses): | | | |
| Transfers in | - | - | 4,200 |
| Transfers out | <u>-</u> | <u>-</u> | <u>(4,200)</u> |
| Total other financing sources (uses): | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | - | (19,648) |
| Fund Balance-Beginning | <u>6,536</u> | <u>4,951</u> | <u>352,864</u> |
| Fund Balance-Ending | <u>\$ 6,536</u> | <u>\$ 4,951</u> | <u>\$ 333,216</u> |