

Hamilton County, Texas

Annual Financial Report
For the Year Ended September 30, 2020

HAMILTON COUNTY, TEXAS
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For the Year Ended September 30, 2020

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INTRODUCTORY SECTION

**HAMILTON COUNTY, TEXAS
PRINCIPAL OFFICIALS**

as of September 30, 2020

<u>Title</u>	<u>Name</u>
County Judge	Mark Tynes
Commissioner, Precinct 1	Johnny Wagner
Commissioner, Precinct 2	Keith Curry
Commissioner, Precinct 3	Lloyd Huggins
Commissioner, Precinct 4	Dickie Clary
County Auditor	Kent Reeves
County Treasurer	Shawna Dyer
Tax Assessor-Collector	Terry Payne Short
County Clerk	Leanne Jackson
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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton County, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton County, Texas, as of September 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Texas County and District Retirement System schedules on pages 10 through 17, and pages 51 through 57, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hamilton County's financial statements as a whole. The combining fund statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining fund statements are 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 by us in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Boucher, Morgan ¹/₂ Young

Stephenville, Texas
January 5 , 2022

**HAMILTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended September 30, 2020**

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, 2020. 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.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the County exceeded its liabilities and deferred inflows by \$8,140,510 as of September 30, 2020. The government-wide net position decreased by \$535,457 from the previous year.

As of September 30, 2020, the County's combined governmental funds had a fund balance of \$2,817,392.

Cash and investments totaled \$3,201,425.

Revenue in primary governmental activities increased by \$149,659 from the prior year.

During the same period expenditures increased by \$683,836.

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 resource's 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 27 individual governmental funds, 26 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, 2020 and 2019 are summarized as follows:

	Primary Government Governmental Activities		
	2020	2019	Change
Assets:			
Current and other assets	\$ 3,459,017	\$ 3,401,969	\$ 57,048
Capital assets (net of accumulated depreciation)	<u>7,131,854</u>	<u>7,310,818</u>	<u>(178,964)</u>
Total assets	<u>10,590,871</u>	<u>10,712,787</u>	<u>(121,916)</u>
Deferred outflows of resources:			
Deferred outflows of resources	<u>215,086</u>	<u>441,264</u>	<u>(226,178)</u>
Total assets and deferred outflows	<u>10,805,957</u>	<u>11,154,051</u>	<u>(348,094)</u>
Liabilities:			
Current and other liabilities	641,449	180,058	461,391
Long-term liabilities	<u>1,823,051</u>	<u>1,429,798</u>	<u>393,253</u>
Total liabilities	<u>2,464,500</u>	<u>1,609,856</u>	<u>854,644</u>
Deferred inflows of resources:	<u>200,947</u>	<u>5,964</u>	<u>194,983</u>
Total liabilities and deferred inflows	<u>2,665,447</u>	<u>1,615,820</u>	<u>854,644</u>
Net Position:			
Net investment in capital assets	6,775,338	7,187,103	(411,765)
Restricted	299,664	322,676	(23,012)
Unrestricted	<u>1,065,508</u>	<u>1,166,188</u>	<u>(100,680)</u>
Total net position	<u><u>\$ 8,140,510</u></u>	<u><u>\$ 8,675,967</u></u>	<u><u>\$ (535,457)</u></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 \$ 8,140,510 at the close of the most recent fiscal year, representing a \$535,457 decrease from the prior year. \$1,065,508 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, \$299,664, 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*, \$6,775,338, 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, 2020 and 2019 are as follows:

	Primary Government		
	Governmental Activities		
	2020	2019	Change
Revenues:			
Net Program Revenues:			
Fines, Fees, and Charges for services	\$ 842,970	\$ 1,079,491	\$ (236,521)
Operating grants and contributions	272,529	102,825	169,704
General Revenues:			
Property taxes	3,303,699	3,122,660	181,039
Other Taxes	532,408	481,542	50,866
Miscellaneous	41,799	25,978	15,821
Unrestricted investments earnings	50,207	81,457	(31,250)
Total revenues	<u>5,043,612</u>	<u>4,893,953</u>	<u>149,659</u>
Expenses:			
General administration	1,463,905	1,449,180	14,725
Administration of justice	913,723	824,806	88,917
Highways and streets	1,453,272	1,092,249	361,023
Health and welfare	57,553	89,148	(31,595)
Public safety	1,682,335	1,436,205	246,130
Interest on long-term debt	8,281	3,645	4,636
Total expense	<u>5,579,069</u>	<u>4,895,233</u>	<u>683,836</u>
Change in net position	<u>(535,457)</u>	<u>(1,280)</u>	<u>\$ (534,177)</u>
Net position - beginning	<u>8,675,967</u>	<u>8,677,247</u>	
Net position - ending	<u>\$ 8,140,510</u>	<u>\$ 8,675,967</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 \$5,043,612 compared to \$4,895,233 for prior fiscal year or 3% increase.

Property taxes received increased by \$181,039 during the year. The maintenance and operations tax rate adopted on for 2020 remained at .5323 cents per \$100 (dollar).

Grants

During fiscal year 2020 the County received the following grant funds:

Indigent Defense Grant
Tobacco Settlement
Lateral Road
Law Enforcement Continuing Education

The total amount received from all grants was \$162,986 with expenditures of \$162,986 and, accordingly, no single audit was required.

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 2020, expenditures over revenue were (\$4,463,570) compared to (\$3,712,917) in FY 2019.

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 FY2020 legally adopted cash budget approved for the General Fund totaled \$4,169,467 .

Highlights from Hamilton County FY 2021 Budget include the following:

The County's property tax rate for valuation date January 1, 2020 was set at .5323 cents per \$100 (dollar) assessed valuation and includes no bonded debt.

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 FY2021 budget meets the key established policy directive of the Commissioners Court. The FY2021 budget process was primarily focused identifying various balancing strategies that impact services provided to the citizens of Hamilton County as minimally as possible.

Highlights from Hamilton County FY2021 Budget include the following:

- Election Equipment Upgrades
- Equipment additions to Road and Bridge Precinct II
- Vehicle additions to the Law Enforcement Operations

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, 2020**

		<u>Governmental Activities</u>
ASSETS:		
Cash and investments	\$	3,275,189
Receivables (net of allowance for uncollectible)		
Taxes		134,498
Other receivable		13,970
Other assets		34,424
Capital Assets (net of accumulated depreciation)		
Land		30,407
Buildings, net		6,269,224
Furniture and equipment		264,775
Vehicles		256,131
Infrastructure		311,317
Total Assets		<u>10,590,871</u>
DEFERRED OUTFLOWS:		
Deferred retirement contributions-TCDRS		95,356
Deferred actual vs. assumption-TCDRS		13,252
Deferred changes of assumptions-OPEB		106,478
Total deferred outflows		<u>215,086</u>
Total assets and deferred outflows		<u>10,805,957</u>
LIABILITIES:		
Accounts payable and accrued liabilities		202,987
Accrued salaries and wages		61,157
Due to other governments		279,394
Note payable-due within one year		97,911
Noncurrent liabilities		.
Note payable		258,605
OPEB obligation		1,521,843
Net pension liability		42,603
Total Liabilities		<u>2,464,500</u>
DEFERRED INFLOWS:		
Deferred investment experience-TCRDS		160,346
Deferred investment experience-OPEB		40,601
Total deferred inflows		<u>200,947</u>
Total liabilities and deferred inflows		2,665,447
NET POSITION:		
Net investment in capital assets		6,775,338
Restricted for:		
Special revenue purposes		299,664
Unrestricted		1,065,508
Total Net Position	\$	<u>8,140,510</u>

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

**HAMILTON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Program Activities	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General administration	\$ 1,463,905	\$ 267,663	\$ 120,000
Judicial administration	913,723	88,706	73,260
Public safety and law enforcement	1,682,335	10,170	30,436
Road and bridge	1,453,272	476,431	36,748
Health and welfare	57,553	-	12,085
Interest and fees on long-term debt	8,281	-	-
Total Governmental Activities	<u>5,579,069</u>	<u>842,970</u>	<u>272,529</u>
Total primary government	<u>\$ 5,579,069</u>	<u>\$ 842,970</u>	<u>\$ 272,529</u>

General Revenues:
Property taxes, levied for general purposes
Other taxes
Miscellaneous revenue
Investment earnings
Total General Revenues
Change in Net Position
Net Position - Beginning of Year
Net Position - End of Year

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

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Governmental Activities</u>
\$ -	\$ (1,076,242)
-	(751,757)
-	(1,641,729)
-	(940,093)
-	(45,468)
-	(8,281)
<u>-</u>	<u>(4,463,570)</u>
<u>\$ -</u>	<u>\$ (4,463,570)</u>
	\$ 3,303,699
	532,408
	41,799
	<u>50,207</u>
	<u>3,928,113</u>
	(535,457)
	<u>8,675,967</u>
	<u>\$ 8,140,510</u>

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

**HAMILTON COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General Fund	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 2,290,233	\$ 634,861	\$ 350,095	\$ 3,275,189
Taxes receivable	123,896	8,515	2,087	134,498
Other assets	29,347	5,077	-	34,424
Due from other government	936	-	-	936
Total Assets and Other Debits	<u>\$ 2,444,412</u>	<u>\$ 648,453</u>	<u>\$ 352,182</u>	<u>\$ 3,445,047</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 123,174	\$ 27,295	\$ 52,518	\$ 202,987
Wages and salaries payable	45,265	15,892	-	61,157
Due to others	279,394	-	-	279,394
Total Liabilities	<u>447,833</u>	<u>43,187</u>	<u>52,518</u>	<u>543,538</u>
Deferred inflows:				
Deferred property taxes	<u>75,601</u>	<u>8,516</u>	<u>-</u>	<u>84,117</u>
Fund Balances:				
Restricted				
Election	-	-	2,155	2,155
General administration	-	-	7,178	7,178
Judicial	-	-	141,746	141,746
Legal	-	-	37,146	37,146
Public safety	-	-	5,617	5,617
Records management	-	-	105,822	105,822
Committed				
Road & bridge	-	596,750	-	596,750
Unassigned	1,920,978	-	-	1,920,978
Total Fund Balances	<u>1,920,978</u>	<u>596,750</u>	<u>299,664</u>	<u>2,817,392</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 2,444,412</u>	<u>\$ 648,453</u>	<u>\$ 352,182</u>	<u>\$ 3,445,047</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, 2020**

Total Fund Balances- Governmental Funds	\$	2,817,392
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Amounts reported in governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds balance sheet.

Governmental capital assets	\$ 31,993,756	
Accumulated depreciation	<u>(24,861,902)</u>	7,131,854

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements.

(356,516)

Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.

Office fees	13,970	
Property taxes	<u>84,117</u>	98,087

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 liability	(42,603)	
Deferred retirement contributions	95,356	
Deferred actual vs. assumption	13,252	
Deferred assumptions and changes	-	
Deferred investment experience	<u>(160,346)</u>	(94,341)

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

Net OPEB liability	(1,521,843)	
Deferred investment experience	(40,601)	
Deferred outflow-assumptions and changes	<u>106,478</u>	(1,455,966)

Net Position of Governmental Activities	\$	<u><u>8,140,510</u></u>
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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, 2020

	General Fund	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
REVENUE:				
Taxes:				
Property taxes	\$ 2,624,920	\$ 640,000	\$ -	\$ 3,264,920
General sales and other taxes	532,408	-	-	532,408
Intergovernmental revenue and grants	231,318	73,904	-	305,222
Fines and fees	484,872	87,460	84,588	656,920
Contributions	-	-	2,775	2,775
Licenses and permits	-	356,776	-	356,776
Investment earnings	50,207	-	-	50,207
Other revenue	26,027	288,722	-	314,749
Total Revenues	<u>3,949,752</u>	<u>1,446,862</u>	<u>87,363</u>	<u>5,483,977</u>
EXPENDITURES:				
Current:				
General Government:				
Public finance	383,545	-	-	383,545
General administration	730,345	-	32,040	762,385
Legal and Judicial	815,629	-	71,521	887,150
Public safety	1,548,911	-	5,529	1,554,440
Health and welfare	57,553	-	-	57,553
Road and bridge	17,640	1,196,322	-	1,213,962
Debt Service:				
Principal	21,336	30,891	-	52,227
Interest	5,289	2,992	-	8,281
Capital Outlay:				
Capital outlay	96,975	303,412	-	400,387
Total Expenditures	<u>3,677,223</u>	<u>1,533,617</u>	<u>109,090</u>	<u>5,319,930</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>272,529</u>	<u>(86,755)</u>	<u>(21,727)</u>	<u>164,047</u>
OTHER FINANCING SOURCES (USES):				
Loan Proceeds	-	5,701	-	5,701
Transfers in	2,117	110,000	-	112,117
Transfers out	<u>(100,833)</u>	<u>(10,000)</u>	<u>(1,284)</u>	<u>(112,117)</u>
Total Other Financing Sources (Uses)	<u>(98,716)</u>	<u>105,701</u>	<u>(1,284)</u>	<u>5,701</u>
Net Change in Fund Balances	173,813	18,946	(23,011)	169,748
Fund Balances - Beginning	1,747,165	577,804	322,675	2,647,644
Fund Balances - Ending	<u>\$ 1,920,978</u>	<u>\$ 596,750</u>	<u>\$ 299,664</u>	<u>\$ 2,817,392</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, 2020**

Net Change in Fund Balances-Total Governmental Funds	\$	169,748
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Amounts reported for governmental activities in the statement of activities are different because:

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.		338,768
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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.		(517,732)
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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.

Principal payments	52,225	
Issuance of debt	<u>(285,310)</u>	(233,085)

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.

Office fees	(199,251)	
Property taxes	<u>38,779</u>	(160,472)

Net pension 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.		(35,085)
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Other postemployment benefit liability 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 liabilities are not payable from current resources and therefore, are not reported in the governmental funds. These balances increase (decreased) by this amount.		<u>(97,599)</u>
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Change in Net Position of Governmental Activities	\$	<u><u>(535,457)</u></u>
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The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

**HAMILTON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 1,886,930
Total Assets	<u>\$ 1,886,930</u>
Liabilities:	
Due to others	\$ 1,886,930
Total Liabilities	<u>\$ 1,886,930</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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, 2020

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 Fund - The Road and Bridge Fund is a 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, 2020

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. Proceeds of general long-term debt and acquisitions under capital leases 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.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

Cash and Cash Equivalents

Cash and cash equivalents 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.

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 (\$34,857 General Fund, \$8,516 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.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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, 2020 to finance maintenance and operations of the County were \$0.5323 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. Allowances for uncollectible taxes within funds are based upon historical experience in collecting property taxes.

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 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

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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.

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.

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.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

Fund Balance Classification

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

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 funds 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.

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.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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 2020.

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, 2020, 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 \$3,563,417 and the bank balance was \$3,687,324.

As of September 30, 2020, the County had the following investments and maturities:

Investment Type	Carrying Amount	Maturity in Years		% of total Portfolio
		less than 1	1-5	
U.S Agency and government				
Certificate of deposit	1,589,000	-	1,589,000	99%
Investment pools:				
Logic	9,702	-	9,702	1%
Total Investments	\$ 1,598,702	\$ -	\$ 1,598,702	100%

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3: Deposits and Investments (cont.)

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.

Certificates of deposit and LOGIC investment pool are not classified in the fair value hierarchy. Certificates of deposit are recorded using a cost-based measure. 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. The certificate of deposit is uninsured.

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, 2020, 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 and by collateral held by the County's agent in the County's name.

Concentration of credit risk: The County will diversify its investments by institution. With the exception of US Treasury securities, no more than 50% of the County's total investment portfolio will be invested with a single financial 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, 2020

NOTE 3: Deposits and Investments (cont.)

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

Cash	\$ 1,676,487
Investments	1,598,702
Total	<u>\$ 3,275,189</u>

Cash and investments per Statement of Net Position:

Unrestricted	\$ 1,676,487
Cash and investments per Statement of Fiduciary Net Position	
Unrestricted	<u>1,886,930</u>
Total	<u>\$ 3,563,417</u>

NOTE 4: Capital Assets

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

	September 30, 2019	Increase	Decrease	September 30, 2020
Government activities capital assets:				
Non-depreciable assets:				
Land	\$ 30,407	\$ -	\$ -	\$ 30,407
Total non-depreciable assets	<u>30,407</u>	<u>-</u>	<u>-</u>	<u>30,407</u>
Depreciable assets:				
Buildings	9,113,381	-	-	9,113,381
Furniture and equipment	3,489,181	291,645	-	3,780,826
Vehicles	1,196,157	47,123	-	1,243,280
Infrastructure	17,825,862	-	-	17,825,862
Total depreciable assets	<u>31,624,581</u>	<u>338,768</u>	<u>-</u>	<u>31,963,349</u>
Totals at historic cost	<u>31,654,988</u>	<u>338,768</u>	<u>-</u>	<u>31,993,756</u>
Less accumulated depreciation:				
Buildings	(2,543,679)	(300,478)	-	(2,844,157)
Furniture and equipment	(3,382,731)	(133,320)	-	(3,516,051)
Vehicles	(933,136)	(54,013)	-	(987,149)
Infrastructure	(17,484,624)	(29,921)	-	(17,514,545)
Total accumulated depreciation	<u>(24,344,170)</u>	<u>(517,732)</u>	<u>-</u>	<u>(24,861,902)</u>
Total capital assets, being depreciated, net	<u>7,280,411</u>	<u>(178,964)</u>	<u>-</u>	<u>7,101,447</u>
Governmental capital assets, net	<u>\$ 7,310,818</u>	<u>\$ (178,964)</u>	<u>\$ -</u>	<u>\$ 7,131,854</u>

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 4: Capital Assets (cont.)

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

Depreciation by function:	
General administration	\$ 292,234
Highways	140,605
Public safety	84,893
Total depreciation expense	<u>\$ 517,732</u>

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, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes Payable					
\$83,950; Note payable to Extraco, payable in annual installments of \$ 22,769 including interest at 3.75%. Note is secured by the related property	\$ 43,565	\$ -	\$ 21,336	\$ 22,229	\$ 22,229
\$65,000; Note payable to First State Bank, payable in annual installments of \$ 17,814, including interest at 4.67%. Note is secured by the related property	48,813	-	15,555	33,258	16,260
\$109,000; 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	-	109,000	-	109,000	16,771
\$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	-	176,310	-	176,310	26,934
\$101,000; Note payable to Government Capital Corp, payable in annual installments of \$ 16,089 including interest at 2.36%. Note is secured by the related property	31,053	-	15,334	15,719	15,717
Total Notes Payable	<u>\$ 123,431</u>	<u>\$285,310</u>	<u>\$ 52,225</u>	<u>\$ 356,516</u>	<u>\$ 97,911</u>
Net Pension Liability	<u>\$ 494,556</u>	<u>\$ -</u>	<u>\$ 451,953</u>	<u>\$ 42,603</u>	<u>\$ -</u>
Total OPEB Liability	<u>\$1,358,367</u>	<u>\$ 163,476</u>	<u>\$ -</u>	<u>\$1,521,843</u>	<u>\$ -</u>
Total Governmental Activities	<u>\$ 1,976,354</u>	<u>\$ 448,786</u>	<u>\$ 504,178</u>	<u>\$ 1,920,962</u>	<u>\$ 97,911</u>

**HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 5: Long-Term Debt (cont.)

The following is a schedule of payments to maturity on notes payable:

	Principal	Interest	Total
2021	97,911	12,700	110,611
2022	62,106	9,436	71,542
2023	46,695	7,032	53,727
2024	48,361	5,366	53,727
2025	50,087	3,640	53,727
Thereafter	51,356	1,852	53,208
	<u>\$ 356,516</u>	<u>\$ 40,026</u>	<u>\$ 396,542</u>

NOTE 6: Interfund Transactions

The General fund and non major funds transferred a total \$100,000 to the Road and Bridge fund for future projects.

NOTE 7: 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, 2020, the employees of the County were covered by a health insurance plan. Employees had the option of participating in 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, 2020

NOTE 8: 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 a comprehensive annual financial report on a calendar year basis. The comprehensive annual 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, 2019 valuation and measurement date, the following employees were covered by the benefits terms:

Inactive employees of beneficiaries currently receiving benefits	49
Inactive employees entitled to but not yet receiving benefits	76
Active employees	55
	<hr/>
	180
	<hr/>

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.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8: Pension Plan (cont.)

The employer contributed using the actuarially determined rate of 6.63% for the calendar year ending in 2020. The deposit rate payable by the employee members for calendar year 2020 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 Liability

The employer's Net Pension Liability (NPL) for the year ended September 30, 2020, was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Overall payroll growth	2.25% per year
Investment Rate of Return	8.0%, 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 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee.

Updated mortality assumptions were as follows:

Depositing Members-90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.

Service retirees, beneficiaries and non-depositing members-130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Disabled retirees-130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014

The assumed long-term investment return of 8% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 8% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

**HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 8: Pension Plan (cont.)

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus inflation)
US Equities	Dow Jones U.S. Total Stock Market Index	14.5%	5.20%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	20.0%	8.20%
Global Equities	MSCI World (net) Index	2.5%	5.50%
International Equities - Developed	MSCI World Ex USA (net) Index	7.0%	5.20%
International Equities - Emerging	MSCI Emerging Markets (net) Index	7.0%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.0%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.0%	7.16%
Distressed Debt	Cambridge Associates Distressed Securities Index	4.0%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	3.0%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.0%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.0%	5.50%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	8.0%	2.30%
Total		100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 8.1%. 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 County 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.

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.

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8: Pension Plan (cont.)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 12/31/2018	\$ 6,097,663	\$ 5,603,107	\$ 494,556
Changes for the year:			
Service cost	171,013	-	171,013
Interest on total pension liability	493,769	-	493,769
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	21,835	-	21,835
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(35,699)	(35,699)	-
Benefit payments	(316,694)	(316,694)	-
Administrative expenses	-	(4,869)	4,869
Member contributions	-	107,302	(107,302)
Net investment income	-	920,270	(920,270)
Employer contributions	-	119,284	(119,284)
Other	-	(3,417)	3,417
Net changes	\$ 334,224	\$ 786,177	\$ (451,953)
Balance at 12/31/2019	\$ 6,431,887	\$ 6,389,284	\$ 42,603

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

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.1%) or 1-percentage point higher (9.1%) than the current rate:

	1% Decrease in Discount Rate (7.1%)	Current Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
Total pension liability	\$ 7,189,180	\$ 6,431,888	\$ 5,790,936
Fiduciary net position	6,389,284	6,389,285	6,389,284
Net pension liability (asset)	\$ 799,896	\$ 42,603	\$ (598,348)

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.

F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2020, the County recognized pension expense of \$159,527.

As of September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 8: Pension Plan (cont.)

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,252
Changes of assumptions	-	-
Net difference between projected and actual earnings	160,346	-
Contributions subsequent to the measurement date	N/A	95,356

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, 2020. 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:	
2020	\$ (34,713)
2021	(39,523)
2022	21,489
2023	(94,347)
2024	-
Thereafter	-

NOTE 9: 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, 2020, 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, 2020

NOTE 10: 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.

County health care coverage terminates once the retiree is eligible for Medicare. The retiree is then eligible for the County's contracted Medicare Supplement health plan.

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. 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, 2020, the following employees were covered by the benefit terms:

Retired	10
Active plan members	43
	<hr/>
	53
	<hr/> <hr/>

HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 10: Other Postemployment Benefit Obligation (OPEB) (cont.)

D. Total OPEB Liability

The County's Total OPEB liability was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2020. The following table shows the County's total OPEB liability for the year ended September 30, 2020.

	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balance- October 1, 2019	\$ 1,358,367	-	1,358,367.00
Changes for the Year:			
Service Cost	71,842	-	71,842.00
Interest	57,206	-	57,206.00
Changes in Assumptions	124,194	-	124,194.00
Differences Between Expected and Actual Experience	(47,357)	-	(47,357.00)
Benefit Payments	(42,409)	-	(42,409.00)
Net Changes	163,476	-	163,476
Balance-September 30, 2020	\$ 1,521,843	-	1,521,843

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:

Description	1% Decrease in Discount Rate	Discount Rate (2.25%)	1% Increase in Discount Rate
Total OPEB Liability	1,816,423	1,521,843	1,291,158

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:

Description	1% Decrease in Healthcare Cost Trend Rate	Healthcare Cost Trend Rate (4.50%)	1% Increase in Healthcare Cost Trend Rate
Total OPEB Liability	1,264,877	1,521,843	1,860,959

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

For the year ending September 30, 2020 the County reported no deferred inflows or outflows of resources related to the OPEB.

**HAMILTON COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE 10: Other Postemployment Benefit Obligation (OPEB) (cont.)

H. Acturial Valuation

The total OPEB liability in the September 30, 2020 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	2.25% (-.025 real rate of return plus 2.50% inflation)
Healthcare Cost Trend Rates	4.50%
Actuarial Method	Individual Entry Age Normal Cost Method-Level Percentage
	Salary
Payroll growth rate	3.50%
Mortality	RHP-2014 Total Table with Projection MP-2019
Disability	None assumed

NOTE 11: COVID-19

County officials are currently evaluating the COVID-19 virus and its impact on the County and has concluded that while it is reasonably possible that the virus has had a negative effect on the County and results of operations, the specific impact is not readily determinable as of the date of these financial statements. The County is currently working with multiple federal, state and local entities on the COVID-19 virus impact. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

HAMILTON COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget - Positive (Negative)
REVENUE:				
Taxes:				
Property taxes	\$ 2,667,712	\$ 2,667,712	\$ 2,624,920	\$ (42,792)
General sales and other taxes	438,000	438,000	532,408	94,408
Intergovernmental revenue and grants	61,683	206,383	231,318	24,935
Charges for services	500	500	-	(500)
Fines and fees	547,000	547,000	484,872	(62,128)
Investment earnings	49,000	49,000	50,207	1,207
Other revenue	22,400	36,840	26,027	(10,813)
Total Revenues	<u>3,786,295</u>	<u>3,945,435</u>	<u>3,949,752</u>	<u>4,317</u>
EXPENDITURES:				
Current:				
General Government:				
Public finance	424,289	424,300	383,545	40,755
General administration	886,452	1,041,235	730,345	310,890
Judicial	865,139	870,228	815,629	54,599
Public safety	1,564,316	1,627,482	1,548,911	78,571
Health and welfare	76,007	76,007	57,553	18,454
Road and bridge	-	17,640	17,640	-
Debt Service:				
Principal	172,881	172,881	21,336	151,545
Interest	5,383	5,383	5,289	94
Capital Outlay:				
Capital outlay	50,000	96,975	96,975	-
Total Expenditures	<u>4,169,467</u>	<u>4,443,691</u>	<u>3,677,223</u>	<u>766,468</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(383,172)	(498,256)	272,529	1,532,936
OTHER FINANCING SOURCES (USES):				
Loan Proceeds	-	-	-	-
Transfers in	-	-	2,117	2,117
Transfers out	100,000	100,000	(100,833)	(200,833)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>(98,716)</u>	<u>(198,716)</u>
Net Change in Fund Balances	(283,172)	(398,256)	173,813	1,332,103
Fund Balances - Beginning	-	-	1,747,165	
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,920,978</u>	<u>\$ -</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, 2020

	Budgeted Amounts		Actual	Variance With
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive (Negative)
REVENUES:				
Property taxes, penalties and interest	\$ 640,000	\$ 640,000	\$ 640,000	\$ -
Fees and fines	80,000	80,000	87,460	7,460
Intergovernmental	80,000	80,000	73,904	(6,096)
Licenses and permits	400,000	400,000	356,776	(43,224)
Miscellaneous	-	284,805	288,722	3,917
Total Revenues	<u>1,440,000</u>	<u>1,724,805</u>	<u>1,446,862</u>	<u>(277,943)</u>
EXPENDITURES:				
Salaries	784,081	785,167	741,659	43,508
Equipment	116,100	312,305	303,412	8,893
Equipment repair	106,000	138,671	128,923	9,748
Fuel	117,000	99,926	69,139	30,787
Road expense	348,000	431,554	201,522	230,032
Operating	106,125	94,939	55,079	39,860
Miscellaneous	-	-	-	-
Debt- principal	30,787	30,907	30,891	16
Debt- interest	3,581	3,011	2,992	19
Total Expenditures	<u>1,611,674</u>	<u>1,896,480</u>	<u>1,533,617</u>	<u>362,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(171,674)</u>	<u>(171,675)</u>	<u>(86,755)</u>	<u>84,920</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	110,000	110,000	110,000	-
Proceeds from Sale of Assets	5,000	5,000	5,701	701
Transfers Out	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	<u>105,000</u>	<u>105,000</u>	<u>105,701</u>	<u>701</u>
Net Changes in Fund Balances	(66,674)	(66,675)	18,946	85,621
Fund Balance-Beginning	-	-	577,804	-
Fund Balance-Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 596,750</u>	<u>\$ -</u>

HAMILTON COUNTY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

Last 10 Years (will ultimately be displayed)

Total Pension Liability	2019	2018	2017	2016	2015	2014
Service Cost	\$ 171,013	\$ 167,879	\$ 161,726	\$ 174,734	\$ 161,122	\$ 178,410
Interest on total pension liability	493,769	470,689	447,961	427,875	415,154	394,186
Effect of plan changes	-	-	-	-	(22,650)	-
Effect of assumption changes or inputs	-	-	14,527	-	48,748	-
Effect of economic/demographic (gains) or losses	21,835	(3,917)	(10,059)	(117,821)	(151,152)	(61,704)
Benefit payments/refunds of contributions	(352,393)	(353,293)	(326,642)	(299,629)	(276,927)	(236,552)
						0
Net Change in Total Pension Liability	334,224	281,358	287,513	185,159	174,295	0
Total Pension Liability, beginning	6,097,663	5,816,305	5,528,792	5,343,634	5,169,339	0
Total Pension Liability, ending (a)	\$ 6,431,887	\$ 6,097,663	\$ 5,816,305	\$ 5,528,793	\$ 5,343,634	\$ 0
Fiduciary Net Position						
Employer contributions	\$ 119,284	\$ 116,121	\$ 112,182	\$ 122,965	\$ 118,979	\$ 0
Member contributions	107,302	104,059	103,394	101,068	101,836	0
Investment income net of investment expenses	920,270	(110,558)	759,004	367,191	31,990	327,395
Benefit payments/refunds of contributions	(352,393)	(353,293)	(326,642)	(299,629)	(276,927)	0
Administrative expenses	(4,869)	(4,500)	(3,894)	(4,002)	(3,618)	(3,788)
Other	(3,417)	(3,378)	(1,525)	(49,298)	(77,053)	8,555
Net Change in Fiduciary Net Position	786,177	(251,549)	642,519	238,295	(104,793)	332,162
Fiduciary Net Position, beginning	5,603,107	5,854,656	5,212,137	4,973,843	5,078,636	4,751,251
Fiduciary Net Position, ending (b)	\$ 6,389,284	\$ 5,603,107	\$ 5,854,656	\$ 5,212,138	\$ 4,973,843	\$ 5,083,413
Net Pension Liability (Asset), ending = (a) - (b)	\$ 42,603	\$ 494,556	\$ (38,351)	\$ 316,655	\$ 369,791	\$ (5,083,413)
Fiduciary net position as a % of total pension liability	99.34%	91.89%	100.66%	94.27%	93.08%	98.25%
Pensionable covered payroll	\$ 1,788,370	\$ 1,734,314	\$ 1,723,226	\$ 1,684,462	\$ 1,697,265	\$ 1,742,616
Net pension liability as a % of covered payroll	2.38%	28.52%	-2.23%	18.80%	21.79%	-291.71%

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.

HAMILTON COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Years

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2010	\$ 135,958	\$ 135,958	\$ -	\$ 2,023,189	6.7%
2011	121,062	121,062	-	2,014,291	6.0%
2012	120,600	120,600	-	1,887,330	6.4%
2013	123,233	123,233	-	1,779,309	6.9%
2014	124,944	124,944	-	1,742,616	7.2%
2015	118,979	118,879	-	1,697,265	7.0%
2016	122,965	122,965	-	1,684,462	7.3%
2017	112,182	112,182	-	1,723,226	6.5%
2018	116,026	116,121	(95)	1,734,314	6.7%
2019	113,919	119,284	(5,365)	1,788,370	6.7%

HAMILTON COUNTY
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 71,842	\$ 71,842	69039
Interest	57,206	50,963	50511
Changes in Assumptions	124,194	-	0
Differences Between Expected and Actual Experience	(47,357)	-	0
Benefit Payments	<u>(42,409)</u>	<u>(39,381)</u>	<u>(39,381)</u>
Net Change in Total OPEB Liability	163,476	83,424	80,169
Total OPEB Liability-Beginning	<u>1,358,367</u>	<u>1,274,973</u>	<u>1194774</u>
Total OPEB Liability-Ending	<u>\$ 1,521,843</u>	<u>\$ 1,358,397</u>	<u>\$ 1,274,943</u>
 County's Covered-employee Payroll	 \$ 1,703,051	 \$ 1,499,175	 \$ 1,499,175
 County's Total OPEB Liability as a Percentage of Covered-employee Payroll	 89.36%	 90.61%	 85.04%
 OPEB Plan's Fiduciary Net Position	 \$ -	 \$ -	 \$ -
 OPEB Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	 N/A	 N/A	 N/A

This is the third year of the implementation of GASB 75, so only three years are available for the required 10-year schedule.

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 statements.

HAMILTON COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Retirement Schedules (cont'd)

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	5.5 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of 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	130% of the RP-2014 Healthy annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for femals, both projected with 110% of the MP-2014 Ultimate scale after 2014.
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.
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

*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, 2020**

	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	\$155,878	\$ 67,920	\$ 49,668	\$ 161,395	\$ 200,000	\$ 634,861
Receivables (net of Allowance for Uncollectible)	2,129	2,128	2,129	2,129	-	8,515
Due from other funds	-	-	-	-	-	-
Other Assets	<u>1,192</u>	<u>1,587</u>	<u>889</u>	<u>1,409</u>	<u>-</u>	<u>5,077</u>
Total Assets	<u>\$ 159,199</u>	<u>\$ 71,635</u>	<u>\$ 52,686</u>	<u>\$ 164,933</u>	<u>\$ 200,000</u>	<u>\$ 648,453</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 21,880	\$ 2,867	\$ 242	\$ 2,306	\$ -	\$ 27,295
Salary payable	<u>8,425</u>	<u>2,447</u>	<u>2,561</u>	<u>2,459</u>	<u>-</u>	<u>15,892</u>
Total Liabilities	<u>30,305</u>	<u>5,314</u>	<u>2,803</u>	<u>4,765</u>	<u>-</u>	<u>43,187</u>
Deferred inflows:						
Deferred property taxes	<u>2,129</u>	<u>2,129</u>	<u>2,129</u>	<u>2,129</u>	<u>-</u>	<u>8,516</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Committed	126,765	64,192	47,754	158,039	200,000	596,750
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>126,765</u>	<u>64,192</u>	<u>47,754</u>	<u>158,039</u>	<u>200,000</u>	<u>596,750</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 159,199</u>	<u>\$ 71,635</u>	<u>\$ 52,686</u>	<u>\$ 164,933</u>	<u>\$ 200,000</u>	<u>\$ 648,453</u>

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ROAD AND BRIDGE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	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, penalties and interest	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ -	\$ 640,000
Fee and fines	21,865	21,865	21,865	21,865	-	87,460
Intergovernmental	18,476	18,476	18,476	18,476	-	73,904
Licenses and permits	89,194	89,194	89,194	89,194	-	356,776
Miscellaneous Revenue	<u>175,855</u>	<u>3,673</u>	<u>109,192</u>	<u>2</u>	<u>-</u>	<u>288,722</u>
Total Revenues	<u>465,390</u>	<u>293,208</u>	<u>398,727</u>	<u>289,537</u>	<u>-</u>	<u>1,446,862</u>
EXPENDITURES:						
Salaries	176,411	189,874	204,156	171,218	-	741,659
Equipment	178,013	1,576	109,000	14,823	-	303,412
Equipment repair	32,457	32,179	21,948	42,339	-	128,923
Fuel	17,571	17,920	14,668	18,980	-	69,139
Road expense	48,794	60,178	48,791	43,759	-	201,522
Operating	23,771	10,306	11,650	9,352	-	55,079
Miscellaneous	<u>-</u>	<u>-</u>	<u>2</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Debt- principal	-	-	15,555	15,336	-	30,891
Debt- interest	<u>-</u>	<u>-</u>	<u>2,259</u>	<u>733</u>	<u>-</u>	<u>2,992</u>
Total Expenditures	<u>477,017</u>	<u>312,033</u>	<u>428,029</u>	<u>316,538</u>	<u>-</u>	<u>1,533,617</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,627)</u>	<u>(18,825)</u>	<u>(29,302)</u>	<u>(27,001)</u>	<u>-</u>	<u>(86,755)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	10,000	-	100,000	110,000
Proceeds from sale of assets	-	-	-	5,701	-	5,701
Transfers out	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,000)</u>	<u>10,000</u>	<u>5,701</u>	<u>100,000</u>	<u>105,701</u>
Net Changes in Fund Balances	(11,627)	(28,825)	(19,302)	(21,300)	100,000	18,946
Fund Balance-Beginning	<u>138,392</u>	<u>93,017</u>	<u>67,056</u>	<u>179,339</u>	<u>100,000</u>	<u>577,804</u>
Fund Balance-Ending	<u>\$ 126,765</u>	<u>\$ 64,192</u>	<u>\$ 47,754</u>	<u>\$ 158,039</u>	<u>\$ 200,000</u>	<u>\$ 596,750</u>

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Vital Statistics	Co Clerk Records Management	District Clerk Vital Statistics	District Clerk Records Management	District Clerk Records Archive Fee
ASSETS					
Cash and investments	\$ 5,983	\$ 56,918	\$ 1,195	\$ 140	\$ 192
Receivables (net of Allowance for Uncollectible)	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	<u>\$ 5,983</u>	<u>\$ 56,918</u>	<u>\$ 1,195</u>	<u>\$ 140</u>	<u>\$ 192</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	52,362	\$ -	\$ -	\$ -
Salary payable	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>52,362</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:					
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Restricted					
Committed					
Debt service	-	-	-	-	-
Election	-	-	-	-	-
General administration	5,983	-	1,195	-	-
Judicial	-	-	-	-	-
Legal	-	-	-	-	-
Public safety	-	-	-	-	-
Records management	-	4,556	-	140	192
Total Fund Balances	<u>5,983</u>	<u>4,556</u>	<u>1,195</u>	<u>140</u>	<u>192</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 5,983</u>	<u>\$ 56,918</u>	<u>\$ 1,195</u>	<u>\$ 140</u>	<u>\$ 192</u>

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	County Clerk Records Archive	Court Reporter	Justice Court Technology	County Clerk Probate
ASSETS				
Cash and investments	\$ 75,386	\$ 11,771	\$ 32,891	\$ 2,109
Receivables (net of Allowance for Uncollectible)	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 75,386</u>	<u>\$ 11,771</u>	<u>\$ 32,891</u>	<u>\$ 2,109</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	-	-	-	-
Fund Balances:				
Restricted				
Election	-	-	-	-
Debt service	-	-	-	-
Election	-	-	-	-
General administration	-	-	-	-
Judicial	-	11,771	32,891	-
Legal	-	-	-	2,109
Public safety	-	-	-	-
Records management	75,386	-	-	-
Total Fund Balances	<u>75,386</u>	<u>11,771</u>	<u>32,891</u>	<u>2,109</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 75,386</u>	<u>\$ 11,771</u>	<u>\$ 32,891</u>	<u>\$ 2,109</u>

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Election Contracting	County Court Technology	District Court Technology	Sheriff's Office LEOCE
ASSETS				
Cash and investments	\$ 534	\$ 472	\$ 1,820	\$ 1,581
Receivables (net of Allowance for Uncollectible)	1,621	-	-	466
Due from other funds	-	-	-	-
Total Assets	<u>\$ 2,155</u>	<u>\$ 472</u>	<u>\$ 1,820</u>	<u>\$ 2,047</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salary payable	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows:				
Deferred property taxes	-	-	-	-
Fund Balances:				
Restricted				
Election	-	-	-	-
Debt service	-	-	-	-
Election	2,155	-	-	-
General administration	-	-	-	-
Judicial	-	472	1,820	-
Legal	-	-	-	-
Public safety	-	-	-	2,047
Records management	-	-	-	-
Total Fund Balances	<u>2,155</u>	<u>472</u>	<u>1,820</u>	<u>2,047</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 2,155</u>	<u>\$ 472</u>	<u>\$ 1,820</u>	<u>\$ 2,047</u>

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Law Library	Records Management Preservation	Courthouse Security	District Clerk Records Preservation	Justice Crt Bldg Sec Fund
ASSETS					
Cash and investments	\$ 20,466	\$ 8,467	\$ 91,152	17,081	\$ 3,796
Receivables (net of Allowance for Uncollectible)	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	<u>\$ 20,466</u>	<u>\$ 8,467</u>	<u>\$ 91,152</u>	<u>\$ 17,081</u>	<u>\$ 3,796</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 156	\$ -	\$ -
Salary payable	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>156</u>	<u>-</u>	<u>-</u>
Deferred inflows:					
Deferred property taxes	-	-	-	-	-
Fund Balances:					
Restricted					
Election	-	-	-	-	-
Debt service	-	-	-	-	3,796
Election	-	-	-	-	-
General administration	-	-	-	-	-
Judicial	-	-	90,996	-	-
Legal	20,466	-	-	-	-
Public safety	-	-	-	-	-
Records management	-	8,467	-	17,081	-
Total Fund Balances	<u>20,466</u>	<u>8,467</u>	<u>90,996</u>	<u>17,081</u>	<u>3,796</u>
Total Liabilities, Deferred inflows, and Fund Balances	<u>\$ 20,466</u>	<u>\$ 8,467</u>	<u>\$ 91,152</u>	<u>\$ 17,081</u>	<u>\$ 3,796</u>

**HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Probate Supplemental Guardianship	Sheriff's Trust	County Attorney Check Collection	Total
ASSETS				
Cash and investments	\$ 9,704	\$ 3,570	\$ 4,867	\$ 350,095
Receivables (net of Allowance for Uncollectible)	-	-	-	2,087
Due from other funds	-	-	-	-
Total Assets	\$ 9,704	\$ 3,570	\$ 4,867	\$ 352,182
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 52,518
Salary payable	-	-	-	-
Total Liabilities	-	-	-	52,518
Deferred inflows:				
Deferred property taxes	-	-	-	-
Fund Balances:				
Restricted				
Election	-	-	-	-
Debt service	-	-	-	-
Election	-	-	-	2,155
General administration	-	-	-	7,178
Judicial	-	-	-	141,746
Legal	9,704	-	4,867	37,146
Public safety	-	3,570	-	5,617
Records management	-	-	-	105,822
Total Fund Balances	9,704	3,570	4,867	299,664
Total Liabilities, Deferred inflows, and Fund Balances	\$ 9,704	\$ 3,570	\$ 4,867	\$ 352,182

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Vital Statistics	County Clerk Records Management	District Clerk Vital Statistics	District Clerk Records Management	District Clerk Records Archive Fee
REVENUES:					
Property taxes, penalties and interest	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	964	24,743	86	-	-
Intergovernmental	-	-	-	-	-
Charges for service	-	-	-	-	-
Contributions	-	-	-	-	-
Investment earnings	-	-	-	-	-
Total Revenues	<u>964</u>	<u>24,743</u>	<u>86</u>	<u>-</u>	<u>-</u>
EXPENDITURES:					
General Government	-	-	-	-	-
Administration of justice	-	70,021	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>70,021</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>964</u>	<u>(45,278)</u>	<u>86</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	964	(45,278)	86	-	-
Fund Balance-Beginning	5,019	49,834	1,109	140	192
Fund Balance-Ending	<u>\$ 5,983</u>	<u>\$ 4,556</u>	<u>\$ 1,195</u>	<u>\$ 140</u>	<u>\$ 192</u>

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	County Clerk Records Archive	Court Reporter	Justice Court Technology	County Clerk Probate
REVENUES:				
Property taxes, penalties and interest	\$ -	\$ -	\$ -	\$ -
Fees and fines	22,887	1,365	10,791	215
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Contributions	-	-	-	-
Investment earnings	-	-	-	-
Total Revenues	<u>22,887</u>	<u>1,365</u>	<u>10,791</u>	<u>215</u>
EXPENDITURES:				
General Government	-	-	23,815	-
Administration of justice	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>23,815</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,887</u>	<u>1,365</u>	<u>(13,024)</u>	<u>215</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital lease proceeds	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	22,887	1,365	(13,024)	215
Fund Balance-Beginning	<u>52,499</u>	<u>10,406</u>	<u>45,915</u>	<u>1,894</u>
Fund Balance-Ending	<u>\$ 75,386</u>	<u>\$ 11,771</u>	<u>\$ 32,891</u>	<u>\$ 2,109</u>

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Law Library	Records Management Preservation	Courthouse Security	District Clerk Records Preservation	Justice Court Security Fund
REVENUES:					
Property taxes, penalties and interest	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	5,048	1,156	9,971	994	1,091
Intergovernmental	-	-	-	-	-
Charges for service	-	-	-	-	-
Contributions	-	-	-	-	-
Investment earnings	-	-	-	-	-
Total Revenues	5,048	1,156	9,971	994	1,091
EXPENDITURES:					
General Government	2,911	-	-	-	-
Administration of justice	-	-	-	-	-
Public safety	-	-	3,885	-	-
Highways and streets	-	-	-	-	-
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	2,911	-	3,885	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,137	1,156	6,086	994	1,091
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-
Total other financing sources (uses):	-	-	-	-	-
Net change in fund balances	2,137	1,156	6,086	994	1,091
Fund Balance-Beginning	18,329	7,311	84,910	16,087	2,705
Fund Balance-Ending	\$ 20,466	\$ 8,467	\$ 90,996	\$ 17,081	\$ 3,796

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Election Contracting	County Court Technology	District Court Technology	Sheriff's Office LEOCE	Special Fund LEOCE
REVENUES:					
Property taxes, penalties and interest	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	199	1,331	1,688.00	-
Intergovernmental	-	-	-	-	-
Charges for service	-	-	-	-	-
Contributions	-	-	-	-	-
Investment earnings	-	-	-	-	-
Total Revenues	<u>-</u>	<u>199</u>	<u>1,331</u>	<u>1,688.00</u>	<u>-</u>
EXPENDITURES:					
General Government	-	-	2,500	-	-
Administration of justice	-	-	-	-	-
Public safety	-	-	-	1,644	-
Highways and streets	-	-	-	-	-
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>1,644</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	<u>-</u>	<u>199</u>	<u>(1,169)</u>	<u>44</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(1,284)
Capital lease proceeds	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,284.00)</u>
Net change in fund balances	-	199	(1,169)	44	(1,284)
Fund Balance-Beginning	<u>2,155</u>	<u>273</u>	<u>2,989</u>	<u>2,003</u>	<u>1,284</u>
Fund Balance-Ending	<u>\$ 2,155</u>	<u>\$ 472</u>	<u>\$ 1,820</u>	<u>\$ 2,047</u>	<u>\$ -</u>

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Probate Supplemental Guardianship	Sheriff's Trust	County Attorney Check Collection	Total
REVENUES:				
Property taxes, penalties and interest	\$ -	\$ -	\$ -	\$ -
Fees and fines	860	1,089	110	84,588
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Contributions	-	2,775	-	2,775.00
Investment earnings	-	-	-	-
Total Revenues	<u>860</u>	<u>3,864</u>	<u>110</u>	<u>87,363</u>
EXPENDITURES:				
General Government	-	2,814	-	32,040
Administration of justice	1,500	-	-	71,521
Public safety	-	-	-	5,529
Highways and streets	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,500</u>	<u>2,814</u>	<u>-</u>	<u>109,090</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(640)</u>	<u>1,050</u>	<u>110</u>	<u>(21,727)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,284)
Capital lease proceeds	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,284)</u>
Net change in fund balances	(640)	1,050	110	(23,011)
Fund Balance-Beginning	<u>10,344</u>	<u>2,520</u>	<u>4,757</u>	<u>322,675</u>
Fund Balance-Ending	<u>\$ 9,704</u>	<u>\$ 3,570</u>	<u>\$ 4,867</u>	<u>\$ 299,664</u>

**HAMILTON COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	County Clerk Registry	District Clerk Registry	Probation Trust	Child Support	Total
Assets					
Cash	41,621	1,842,658	2,261	390	1,886,930
Total assets	<u>\$ 41,621</u>	<u>\$ 1,842,658</u>	<u>\$ 2,261</u>	<u>\$ 390</u>	<u>\$ 1,886,930</u>
Liabilities:					
Due to others	41,621	1,842,658	2,261	390	1,886,930
Total liabilities	<u>\$ 41,621</u>	<u>\$ 1,842,658</u>	<u>\$ 2,261</u>	<u>\$ 390</u>	<u>\$ 1,886,930</u>