

HILL COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2022

HILL COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

For the Year Ended September 30, 2022

	<u>Page Number</u>
Independent Auditor’s Report.....	1 – 3
Management’s Discussion and Analysis.....	4 – 9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	12 – 13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	15 – 16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Fiduciary Net Position – Custodial Funds.....	18
Statement of Changes in Fiduciary Net Position – Custodial Funds	19
Notes to Financial Statements	20 – 39
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	40 – 41
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund	42
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – ARP Grant Fund	43
Schedule of Changes in Net Pension Liability and Related Ratios.....	44 – 45
Schedule of Employer Pension Contributions.....	46
Notes to the Schedule of Employer Pension Contributions	47

Schedule of Changes in Total OPEB Liability and Related Ratios – Group Term Life	48
Schedule of Changes in Total OPEB Liability and Related Ratios – Retiree Health Care Benefit Plan.....	49
Combining Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	50 – 55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	56 – 61
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – County Clerk Fund	62
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – County Clerk Probate Court Preservation Fund	63
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – County Specialty Court Fund	64
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Courthouse Security Fund	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – D.A Forfeited Property Fund	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – District Clerk Archive Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Election Machine Lease Fund	68
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Hill County Tourism Fund	69
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Indigent Health Care Fund	70
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Jury Fund	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Justice Court Technology Fund.....	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Law Library Fund	73

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Records Management and Management Fund.....	74
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Sheriff Department Fund.....	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	76
Combining Balance Sheet – Road and Bridge Subfunds	77 – 78
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Road and Bridge Subfunds.....	79 – 80
Combining Statement of Fiduciary Net Position – Custodial Funds	81 – 82
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	83 – 84



INDEPENDENT AUDITOR'S REPORT

To the Honorable County Judge
and Members of the Commissioners' Court
Hill County, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hill County, Texas (the "County") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the County's ability to continue as a going concern for one year after the date that the financial statements are issued.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information, and OPEB information 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 about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
August 18, 2023

HILL COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Hill County, Texas (the "County") Financial Report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2022.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Hill County, Texas exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$35,514,797 (net position). Of this amount, \$7,855,521 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$821,650. This increase is due primarily to an increase in property taxes and sales taxes.
- As of the close of the current fiscal year, Hill County, Texas' governmental funds reported combined ending fund balances of \$14,747,003 an increase of \$1,531,371 in comparison with the prior year. Approximately 57% of this total amount, \$8,477,841 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the General fund was \$8,477,841, or 50% of total General fund expenditures, the fund balance for the road and bridge fund was \$1,548,290, or 24% of total road and bridge fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of the following three components: 1) governmental-wide financial statements; 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all County assets, deferred inflows/outflows of resources and liabilities, with the difference between them representing net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information that indicates how net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The governmental activities of the County include general government, judicial, legal, public facilities, public safety, health and welfare, conservation, public transportation, elections, financial administration, cultural and recreation and interest on long-term debt.

Fund Financial Statements are groupings of related accounts that are 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 finance-related legal requirements. All the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, 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. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than the 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains various individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the major governmental funds. Data from other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Budgets for the 2022 fiscal year were adopted for the General Fund, the Road and Bridge Fund, ARP Grand Fund, Indigent Health Care Fund, the Law Library Fund, the Jury Fund, the Debt Service Fund, County Clerk Fund, County Clerk Probate Court Fund, County Specialty Court Fund, District Clerk Records Preservation and Management Fund, the Sheriff Department Fund, the D.A. Forfeited Property Fund, the Justice Court Technology Fund, the District Clerk Archive Fund, the Courthouse Security Fund, the Hill County Tourism Fund and the Election Machine Lease Fund.

The basic governmental fund financial statements can be found on pages 12 - 17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 – 39 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary information and the net pension liability information. Required supplementary information can be found on pages 40 – 49 of this report.

The combining statements and schedules referred to earlier are presented immediately following the required supplementary information. Combining fund statements and schedules can be found on pages 50-61 and 77-84 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 62 - 76 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,514,797 at the close of the most recent fiscal year.

59% of the County’s net position (\$20,927,102) reflects its net investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Hill County’s Net Position

	Governmental Activities	
	2022	2021
Current and other assets	\$ 22,039,591	\$ 21,188,499
Net pension asset	2,887,911	-
Capital assets	<u>27,414,580</u>	<u>26,397,599</u>
Total assets	<u>52,342,082</u>	<u>47,586,098</u>
 Deferred outflows of resources	 <u>2,201,380</u>	 <u>3,206,932</u>
 Long-term liabilities	 9,815,310	 9,555,124
Other liabilities	<u>4,651,334</u>	<u>2,223,292</u>
Total liabilities	<u>14,466,644</u>	<u>11,778,416</u>
 Deferred inflows of resources	 <u>4,562,021</u>	 <u>1,032,497</u>
 Net position:		
Net investment in capital assets	20,927,102	20,483,509
Restricted	6,732,174	7,677,547
Unrestricted	<u>7,855,521</u>	<u>9,821,061</u>
 Total net position	 <u>\$ 35,514,797</u>	 <u>\$ 37,982,117</u>

An additional portion of the County’s net position (19%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$7,855,521) may be used to meet the governments ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County reported a positive balance in net position, both for the government as a whole, as well as for its separate components.

Governmental activities:

Governmental activities increased the County’s net position by \$821,650.

The following table indicates changes in net position for governmental activities:

Hill County’s Changes in Net Position

	Governmental Activities	
	2022	2021
REVENUES		
Program revenues:		
Charges for services	\$ 3,769,685	\$ 3,456,008
Operating grants and contributions	4,831,569	4,011,951
Capital grants and contributions	279,443	2,001,189
General revenues:		
Property taxes	15,188,595	14,695,976
Sales taxes	3,870,001	3,134,455
Other taxes	77,356	35,026
Investment earnings	328,079	238,730
Gain on sale of capital assets	92,984	95,892
Contributions and Donations	189,400	131,100
Miscellaneous	<u>467,570</u>	<u>1,889,299</u>
Total Revenues	<u>29,094,682</u>	<u>29,689,626</u>
EXPENSES		
General government	2,777,978	2,357,328
Legal	455,899	419,332
Judicial	2,887,213	2,636,746
Financial administration	1,053,254	913,093
Public facilities	1,282,131	2,044,473
Public safety	7,789,409	7,348,296
Public transportation	6,318,150	7,161,982
Culture and recreation	538	-
Elections	523	-
Health and welfare	5,310,305	1,128,349
Conservation - agriculture	175,146	129,357
Interest on long-term debt	<u>222,486</u>	<u>149,989</u>
Total Expenses	<u>28,273,032</u>	<u>24,288,945</u>
INCREASE IN NET POSITION	821,650	5,400,681
NET POSITION, BEGINNING	<u>37,982,117</u>	<u>32,581,436</u>
PRIOR PERIOD ADJUSTMENT	<u>(3,288,971)</u>	<u>-</u>
NET POSITION, ENDING	<u>\$ 35,514,796</u>	<u>\$ 37,982,117</u>

The charges for services increased by -\$313,677 due mainly to decreases in general government. Operating grants and contributions increased -\$819,618 mainly due to more disaster recovery grants received during the prior year, while capital grants and contributions decreased by \$1,721,746 due to the TXDOT bridge construction project ending. Property taxes increased by \$492,619 due to an increase in assessed taxable property values and new construction.

Total expenses for governmental activities increased by \$3,984,087 primarily due to a greater investment in health and welfare.

Financial Analysis of the Government’s Funds. As noted earlier, the County’s uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government 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 financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,747,003, an increase of \$1,531,371 in comparison with the prior year. Approximately 57% of this total amount (\$8,477,841), constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General fund is the chief operating fund of the County. At the end of the current fiscal year, fund balance for the General fund was \$8,657,171 which included unassigned fund balance of \$8,477,841. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 50% of total general fund expenditures.

The fund balance of the County's General fund decreased by \$148,087 during the current fiscal year.

At the end of the current fiscal year, total fund balance of the Road and Bridge fund was \$1,548,290 which was entirely restricted for public transportation. As a measure of the Road and Bridge fund's liquidity, it may be useful to compare restricted fund balance to total fund expenditures. Restricted fund balance represents 24% of total Road and Bridge fund expenditures.

The fund balance of the County's Road and Bridge fund decreased by \$6,386 during the current fiscal year.

Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the General fund expenditures amounted to an increase of \$2.3 million due to 2021 encumbrances budgeted in the current year. The largest components of the increase were attributable to increases in public facilities, public safety, and general government for capital expenditures.

Road and Bridge revenues were \$352,522 more than budgeted for. Expenses were \$1,518,895 less than budgeted for. Differences between the original budget and the final amended budget for the Road and Bridge was \$1.4 million for public transportation and \$1 million in additional funds related to the issuance of financing purchase agreements.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of September 30, 2022, amounts to \$27,414,580 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was \$1,016,981 or 4%.

Depreciation on the County's capital assets of \$3,233,792 was less than its net capital purchases of \$4,359,104. Together with the sale and retirement of assets, this resulted in a net increase in capital assets.

Additional information on the County's capital assets can be found in the notes to the financial statements on page 26 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$4,055,000. All of which comprises debt backed by the full faith and credit of the County.

The County's total bonded debt decreased by \$580,000 during the current fiscal year. The key factor in this decrease was the payment of bonds.

Additional information on the County's long-term debt can be found in notes to the financial statements on pages 27 - 28 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors currently affect the County and were considered in developing the Fiscal Year 2023 budget.

- The Fiscal Year 2023 budget will raise more total taxes than last year's budget by \$1,709,204 or 11.46%. Of that amount, \$930,658 is tax revenue to be raised from new property added to the tax roll.
- The Fiscal Year 2023 budget for the General Fund includes \$17,964,072 of revenues and \$18,143,402 of expenditures.
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$8,657,171. The County has appropriated \$179,330 of this amount for spending in the 2023 fiscal year budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If questions are encountered regarding this report, contact the Hill County Auditor's Office, P.O. Box 783, Hillsboro, TX 76645; Phone: (254) 582-4060, Fax: (254) 582-4033, or Email: auditor@co.hill.tx.us.

**BASIC
FINANCIAL STATEMENTS**

HILL COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

	Governmental Activities
ASSETS	
Cash and investments	\$ 18,196,431
Receivables (net of allowance for uncollectibles)	2,361,101
Due from other governments	274,871
Inventories	408,819
Prepaid items	798,369
Net pension asset	2,887,911
Capital assets:	
Non-depreciable	365,655
Depreciable	27,048,925
Total Assets	52,342,082
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow related to pensions	1,912,898
Deferred outflow related to OPEB - TCDRS group term life	137,850
Deferred outflow related to OPEB - retiree health	51,855
Deferred charge on refunding	98,777
Total Deferred Outflows of Resources	2,201,380
LIABILITIES	
Accounts payable	1,705,286
Accrued wages	402,487
Accrued interest	13,504
Unearned revenue	2,530,057
Noncurrent liabilities:	
Due within one year:	
Long-term debt	1,748,995
Total OPEB liability - TCDRS group term life	15,729
Due in more than one year:	
Long-term debt	7,093,808
Total OPEB liability - TCDRS group term life	703,483
Total OPEB liability - retiree health	253,295
Total Liabilities	14,466,644
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow related to pensions	4,427,401
Deferred inflow related to OPEB - TCDRS group term life	21,830
Deferred inflow related to OPEB - retiree health	112,790
Total Deferred Inflows of Resources	4,562,021
NET POSITION	
Net investment in capital assets	20,927,102
Restricted for:	
General government	1,897,362
Construction	1,432,312
Culture and recreation	6,156
Debt service	258,469
Elections	42,677
Health and welfare	421,416
Judicial	737,409
Public safety	117,408
Public transportation	1,804,746
Unrestricted	7,855,521
Total Net Position	\$ 35,514,797

The notes to the financial statements are an integral part of this statement.

HILL COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental activities:					
General government	\$ 2,777,978	\$ 388,344	\$ 193,303	\$ -	\$(2,196,331)
Legal	455,899	-	168,000	-	(287,899)
Judicial	2,887,213	1,291,565	66,888	-	(1,528,760)
Financial administration	1,053,254	774,058	-	-	(279,196)
Public facilities	1,282,131	-	-	-	(1,282,131)
Public safety	7,789,409	201,725	73,367	-	(7,514,317)
Public transportation	6,318,150	1,050,030	-	279,443	(4,988,677)
Culture and recreation	538	-	-	-	(538)
Elections	523	-	-	-	(523)
Health and welfare	5,310,305	63,963	4,330,011	-	(916,331)
Conservation - agriculture	175,146	-	-	-	(175,146)
Interest and fiscal charges	<u>222,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(222,486)</u>
Total Governmental Activities	\$ <u>28,273,032</u>	\$ <u>3,769,685</u>	\$ <u>4,831,569</u>	\$ <u>279,443</u>	<u>(19,392,335)</u>
General revenues:					
Taxes:					
Property, levied for general purposes					14,571,884
Property, levied for debt service					616,711
Sales					3,870,001
Other					77,356
Unrestricted investment earnings					328,079
Miscellaneous					467,570
Contributions and donations					189,400
Gain on sale of capital assets					<u>92,984</u>
Total General Revenues					<u>20,213,985</u>
Change in Net Position					821,650
Net position, beginning					37,982,118
Prior period adjustment					<u>(3,288,971)</u>
Net position, beginning, restated					<u>34,693,147</u>
Net position, ending					\$ <u>35,514,797</u>

The notes to the financial statements are an integral part of this statement.

HILL COUNTY, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	<u>General</u>	<u>Road and Bridge</u>	<u>ARP Grant</u>
ASSETS			
Cash and cash equivalents	\$ 8,596,561	\$ 1,500,969	\$ 3,194,881
Receivables (net of allowance for uncollectibles)	1,788,595	366,201	-
Due from other governments	41,240	205,489	-
Due from other funds	<u>38,382</u>	<u>-</u>	<u>-</u>
Total Assets	<u>10,464,778</u>	<u>2,072,659</u>	<u>3,194,881</u>
LIABILITIES			
Accounts payable	299,173	187,567	625,221
Accrued liabilities	338,441	59,347	-
Unearned revenue	-	-	2,530,057
Due to other funds	<u>104,518</u>	<u>20,999</u>	<u>-</u>
Total Liabilities	<u>742,132</u>	<u>267,913</u>	<u>3,155,278</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - court fines	260,247	-	-
Unavailable revenue - property taxes	<u>805,228</u>	<u>256,456</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,065,475</u>	<u>256,456</u>	<u>-</u>
FUND BALANCES			
Restricted:			
General government	-	-	-
Construction	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Elections	-	-	-
Health and welfare	-	-	39,603
Judicial	-	-	-
Legal	-	-	-
Public safety	-	-	-
Public transportation	-	1,548,290	-
Assigned:			
Subsequent year's budget:			
appropriation of fund balance	179,330	-	-
Unassigned	<u>8,477,841</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>8,657,171</u>	<u>1,548,290</u>	<u>39,603</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,464,778</u>	<u>\$ 2,072,659</u>	<u>\$ 3,194,881</u>

Other Governmental Funds	Total Governmental Funds
\$ 4,904,020	\$ 18,196,431
206,305	2,361,101
28,142	274,871
<u>104,518</u>	<u>142,900</u>
<u>5,242,985</u>	<u>20,975,303</u>
593,325	1,705,286
4,699	402,487
-	2,530,057
<u>17,383</u>	<u>142,900</u>
<u>615,407</u>	<u>4,780,730</u>
-	260,247
<u>125,639</u>	<u>1,187,323</u>
<u>125,639</u>	<u>1,447,570</u>
1,897,362	1,897,362
1,432,312	1,432,312
6,156	6,156
209,977	209,977
42,677	42,677
304,666	344,269
477,162	477,162
14,219	14,219
117,408	117,408
-	1,548,290
-	179,330
<u>-</u>	<u>8,477,841</u>
<u>4,501,939</u>	<u>14,747,003</u>
\$ <u>5,242,985</u>	\$ <u>20,975,303</u>

HILL COUNTY, TEXAS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

SEPTEMBER 30, 2022

Total Fund Balances - Governmental Funds \$ 14,747,003

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 27,414,580

Prepaid items are expenditures in the funds but are recorded as assets in the governmental activities. 798,369

Inventory costs are expenditures in the funds but are recorded as assets in the governmental activities. 408,819

Bonds payable, financed purchases and accrued compensated absences will not be liquidated with current financial resources and therefore have not been included in the fund financial statements. (8,842,033)

Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. (13,504)

Premiums on bond issuances and deferred losses on bond refunding are recorded as other financing sources and uses when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.
Premiums (770)
Deferred loss 98,777

Receivables from property taxes, fines and fees are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the fund financial statements. 1,447,570

Included in the items related to debt is the recognition of the County's net pension liability (asset) and related deferred outflows and inflows of resources. The net effect is to increase net position.
Net pension asset 2,887,911
Deferred outflows related to pensions 1,912,898
Deferred inflows related to pensions (4,427,401)

Included in the items related to debt is the recognition of the County's total OPEB liability and related deferred outflows and inflows of resources. The net effect is to decrease net position.
Total OPEB liability (972,507)
Deferred outflows related to OPEB 189,705
Deferred inflows related to OPEB (134,620)

Net Position of Governmental Activities \$ 35,514,797

HILL COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>General</u>	<u>Road and Bridge</u>	<u>ARP Grant</u>
REVENUES			
Taxes:			
Property	\$ 10,195,826	\$ 3,374,816	\$ -
Sales	3,231,451	328,950	-
Other	43,415	-	-
Intergovernmental	428,533	313,943	4,318,234
Licenses and permits	-	885,192	-
Charges for services	1,903,590	130,338	-
Fines and forfeitures	82,828	-	-
Investment earnings	224,828	18,231	38,168
Contributions and donations	-	189,250	-
Miscellaneous	71,946	45,364	-
Total Revenues	<u>16,182,417</u>	<u>5,286,084</u>	<u>4,356,402</u>
EXPENDITURES			
Current:			
General government	3,943,199	-	-
Legal	456,390	-	-
Judicial	2,288,748	-	-
Financial administration	1,038,710	-	-
Public facilities	863,304	-	-
Public safety	7,646,873	-	-
Public transportation	-	5,834,737	-
Culture and recreation	-	-	-
Elections	-	-	-
Health and welfare	382,972	-	4,318,234
Conservation - agriculture	177,118	-	-
Capital outlay	-	-	-
Debt service:			
Principal	275,050	590,300	-
Interest and fiscal charges	52,043	57,255	-
Total Expenditures	<u>17,124,407</u>	<u>6,482,292</u>	<u>4,318,234</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(941,990)</u>	<u>(1,196,208)</u>	<u>38,168</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	54,510	141,756	-
Issuance of notes payable	-	-	-
Issuance of financed purchases	316,342	598,066	-
Insurance recoveries	118,551	-	-
Transfers in	434,500	450,000	-
Transfers out	<u>(130,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>793,903</u>	<u>1,189,822</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(148,087)</u>	<u>(6,386)</u>	<u>38,168</u>
FUND BALANCE, BEGINNING	8,805,258	1,554,676	3,290,406
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>(3,288,971)</u>
FUND BALANCES, BEGINNING AS RESTATED	<u>8,805,258</u>	<u>1,554,676</u>	<u>1,435</u>
FUND BALANCE, ENDING	<u>\$ 8,657,171</u>	<u>\$ 1,548,290</u>	<u>\$ 39,603</u>

The accompanying notes are an integral part of this statement.

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,583,964	\$ 15,154,606
309,600	3,870,001
33,941	77,356
84,802	5,145,512
-	885,192
687,892	2,721,820
19,087	101,915
46,852	328,079
150	189,400
<u>231,709</u>	<u>349,019</u>
<u>2,997,997</u>	<u>28,822,900</u>
101,102	4,044,301
2,051	458,441
643,724	2,932,472
-	1,038,710
-	863,304
51,120	7,697,993
-	5,834,737
259	259
6,360	6,360
613,190	5,314,396
-	177,118
1,094,076	1,094,076
580,000	1,445,350
<u>68,988</u>	<u>178,286</u>
<u>3,160,870</u>	<u>31,085,803</u>
(162,873)	(2,262,903)
5,049	201,315
2,560,000	2,560,000
-	914,408
-	118,551
130,000	1,014,500
<u>(884,500)</u>	<u>(1,014,500)</u>
<u>1,810,549</u>	<u>3,794,274</u>
1,647,676	1,531,371
2,854,263	16,504,603
<u>-</u>	<u>(3,288,971)</u>
<u>2,854,263</u>	<u>13,215,632</u>
\$ <u>4,501,939</u>	\$ <u>14,747,003</u>

HILL COUNTY, TEXAS

RECONCILIATION OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net Changes in Fund Balances - Governmental Funds	\$	1,531,371
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities that cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		4,359,104
Depreciation expense	(3,233,792)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
	(108,331)
<p>Prepaid items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
	(96,946)
<p>Inventory items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
		228,879
<p>The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.</p>		
Issuance of debt	(3,474,408)
Repayment of principal of long-term debt		1,445,350
Amortization of:		
Premium on bond issuance		257
Loss on refunding	(32,926)
<p>Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences	(94,421)
Net pension liability (asset)		454,899
Total OPEB liability	(206,102)
<p>Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The increase in interest accrual decreases net position.</p>		
	(11,531)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		<u>60,247</u>
Change in Net Position of Governmental Activities	\$	<u>821,650</u>

HILL COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

SEPTEMBER 30, 2022

ASSETS

Cash and cash equivalents	\$	4,235,805
Due from other governments		67,099
Prepaid items		300
Accounts receivable		<u>111</u>
Total assets		<u>4,303,315</u>

LIABILITIES

Accounts payable		240,399
Accrued liabilities		<u>44,407</u>
Total liabilities		<u>284,806</u>

NET POSITION

Restricted for:		
Individuals and organizations		<u>4,018,509</u>
Total net position	\$	<u>4,018,509</u>

HILL COUNTY, TEXAS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

ADDITIONS

State fees	\$	872,871
Receipts from other governments		1,040,822
Receipts from other individuals		34,960,256
Charges for services		627,381
Court fees		2,363,444
Interest income		8,929
Miscellaneous		4,911
Seized funds		<u>40,110</u>
Total additions		<u>39,918,724</u>

DEDUCTIONS

Distributions to other governments		36,349,535
Distributions to others		<u>3,859,134</u>
Total deductions		<u>40,208,669</u>

Net increase (decrease) in fiduciary net position (289,945)

Net position - beginning 4,308,454

Net position - ending \$ 4,018,509

HILL COUNTY, TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Hill County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (dispatch, jail, and law enforcement), public transportation (roads), health, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the County’s nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported primarily by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

General Fund – The General Fund is the County’s primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Road and Bridge Fund – The Road and Bridge Fund accounts for the activities of the County’s road and bridge operations.

ARP Grant Fund – The fund accounts for funds received under the American Rescue Plan Act grant and the related expenditures.

Additionally, the County reports the following fund type:

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. The County uses custodial funds to account for assets held for others. These funds are custodial in nature. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County’s own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

D. Assets, Liabilities Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Deposits and Investments

The County’s cash and cash equivalents 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.

Investments for the County are reported at fair value, except for the position in investment pools.

Interfund receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Taxes Receivable

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 10 percent of outstanding property taxes at year-end.

Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1 of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased in the government-wide financial statements. In the governmental funds the purchasing method is used thus expenditures are recognized at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements. The cost of prepaid items are recorded as expenses when consumed rather than when purchased in the government-wide financial statements. In the governmental funds the purchasing method is used thus expenditures are recognized at the time of purchase.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20 -50
Building improvements	20 -50
System infrastructure	35 - 50
Vehicles	5 - 20
Office equipment	5 - 20
Computer equipment	5 - 20

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

TCDRS Group Term Life Fund. The County participates in the Texas County & District Group Term Life Fund (TCDRS GTLF), which is an optional single-employer defined benefit life insurance plan that is administered by TCDRS. It provides death benefits to active and, if elected, retired employees of participating employers. Contribution rates are determined annually for each participating entity as a percentage of that County's covered payroll. The death benefit for retirees is considered an other postemployment benefit (OPEB). The OPEB program is an unfunded trust because the GTLF trust covers both actives and retirees and is not segregated. The Total OPEB Liability of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Total OPEB Liability, deferred inflows and outflows of resources, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Retiree Health Insurance. For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the County for benefits due and payable that are not reimbursed by plan assets. Information regarding the County's total OPEB liability is obtained from a report prepared by a consulting actuary.

Long-term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category:

- Deferred charge on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience - This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Changes in actuarial assumptions – The changes are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by resolution of Commissioners' Court, the County's highest level of decision making authority. These amounts cannot be used for any other purpose unless Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Commissioners' Court or County official delegated that authority by ordinance.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted resources 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, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions.

Commissioners' Court adopted a minimum fund balance policy for the County's General Fund. The policy requires unassigned fund balance at fiscal year-end to be at least equal to 25 percent of the subsequent year's budgeted General Fund expenditures.

Net Position

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

II. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) (the "Act") contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: safety of principal and liquidity, portfolio diversification, allowable investments, acceptable risk levels, expected rates of return, maximum allowable stated maturity of portfolio investments, maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, investment staff quality and capabilities, and bid solicitation preferences for certificates of deposit.

Statutes authorize the County to invest in: obligations of the U. S. Treasury, certain U.S. agencies, and the State of Texas, certificates of deposit, certain municipal securities, money market savings accounts, repurchase agreements, bankers' acceptances, mutual funds, investment pools, guaranteed investment contracts, and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in compliance with the requirement of the Act and with local policies.

Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County has a deposit policy for custodial credit risk. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2022, pledged securities that are in the County's name and FDIC insurance exceeded bank balances.

B. Receivables

Receivables as of year-end including the applicable allowances for uncollectible accounts, were as follows:

	<u>General</u>	<u>Road and Bridge</u>	<u>Other Governmental</u>	<u>Total</u>
Receivables:				
Ad valorem taxes	\$ 941,163	\$ 300,253	\$ 146,849	\$ 1,388,265
Sales taxes	615,095	62,614	58,931	736,640
Court fines and fees	1,387,759	-	-	1,387,759
Other	<u>66,206</u>	<u>33,359</u>	<u>15,210</u>	<u>114,775</u>
Gross receivables	3,010,223	396,226	220,990	3,627,439
Less: allowance for uncollectibles	<u>(1,221,628)</u>	<u>(30,025)</u>	<u>(14,685)</u>	<u>(1,266,338)</u>
Net accounts receivable	<u>\$ 1,788,595</u>	<u>\$ 366,201</u>	<u>\$ 206,305</u>	<u>\$ 2,361,101</u>

C. Capital Assets

Capital asset activity for the fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ <u>237,069</u>	\$ <u>128,586</u>	\$ <u>-</u>	\$ <u>365,655</u>
Total assets not being depreciated	<u>237,069</u>	<u>128,586</u>	<u>-</u>	<u>365,655</u>
Capital assets, being depreciated:				
Buildings	23,494,466	2,065,861	-	25,560,327
Machinery and equipment	17,232,964	1,600,271	(942,379)	17,890,856
Infrastructure	<u>13,606,531</u>	<u>564,386</u>	<u>-</u>	<u>14,170,917</u>
Total capital assets being depreciated	<u>54,333,961</u>	<u>4,230,518</u>	<u>(942,379)</u>	<u>57,622,100</u>
Less accumulated depreciation:				
Buildings	(11,361,958)	(632,816)	-	(11,994,774)
Machinery and equipment	(11,028,298)	(1,707,663)	834,048	(11,901,913)
Infrastructure	<u>(5,783,175)</u>	<u>(893,313)</u>	<u>-</u>	<u>(6,676,488)</u>
Total accumulated depreciation	<u>(28,173,431)</u>	<u>(3,233,792)</u>	<u>834,048</u>	<u>(30,573,175)</u>
Total capital assets being depreciated, net	<u>26,160,530</u>	<u>996,726</u>	<u>(108,331)</u>	<u>27,048,925</u>
Total capital assets, net	<u>\$ 26,397,599</u>	<u>\$ 1,125,312</u>	<u>\$ (108,331)</u>	<u>\$ 27,414,580</u>

Depreciation expense was charged to governmental activities of the County as follows:

Governmental activities:	
General administration	\$ 224,815
Financial administration	5,566
Judicial	3,045
Public facilities	438,310
Public safety	717,124
Public transportation	<u>1,844,932</u>
Total depreciation expense	<u>\$ 3,233,792</u>

D. Interfund Receivables, Payables, and Transfers

In the fund financial statements, interfund balances are the result of normal transactions between funds that will be liquidated in the subsequent fiscal year. The following is a summary of amounts due from and due to other funds.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Road and bridge	\$ 20,999
General fund	Nonmajor governmental	17,383
Nonmajor governmental	General fund	104,518

The following is a summary of interfund activity for the fiscal year.

<u>Transfer Out</u>	<u>Transfer In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ 434,500	\$ -	\$ 130,000	\$ 564,500
Road and Bridge	-	450,000	-	450,000
Total	<u>\$ 434,500</u>	<u>\$ 450,000</u>	<u>\$ 130,000</u>	<u>\$ 1,014,500</u>

Transfers made during the year were budgeted for to cover maintenance and operating expenditures.

E. Long-term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Limited tax refunding bonds	\$ 2,075,000	\$ -	\$ 580,000	\$ 1,495,000	\$ 585,000
Tax Notes	-	2,560,000	-	2,560,000	-
Premium on bonds	1,027	-	257	770	-
Total bonds & notes payable	<u>2,076,027</u>	<u>2,560,000</u>	<u>580,257</u>	<u>4,055,770</u>	<u>585,000</u>
Financed purchases	3,904,090	914,408	865,350	3,953,148	955,524
Compensated absences	739,464	943,038	848,617	833,885	208,471
Total long-term liabilities	<u>\$ 6,719,581</u>	<u>\$ 4,417,446</u>	<u>\$ 2,294,224</u>	<u>\$ 8,842,803</u>	<u>\$ 1,748,995</u>

Compensated absences are primarily liquidated by the General Fund and Road and Bridge Funds.

Limited Tax Refunding Bonds

In 2021, the County issued \$6,740,000 in limited tax refunding bonds, Series 2020 (Private Placement) with an interest rate ranging from .05% - .10%. The proceeds were used to refund \$2,595,000 limited tax refunding bonds with an interest rate ranging from 2.00% - 3.50%.

Annual debt service requirements to maturity for the refunding bonds are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 585,000	\$ 12,303	\$ 597,303
2024	595,000	8,208	603,208
2025	<u>315,000</u>	<u>3,150</u>	<u>318,150</u>
Total	<u>\$ 1,495,000</u>	<u>\$ 23,661</u>	<u>\$ 1,518,661</u>

Tax Notes

In 2022, the County issued \$2,560,000 in tax notes, Series 2022 (Private Placement) with an interest rate of 3.1894%. The proceeds are being used to fund ongoing construction projects related to the Covington Street Annex Renovations.

Annual debt service requirements to maturity for the Tax Notes are as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ -	\$ 88,696	\$ 88,696
2024	-	81,664	81,664
2025	225,000	78,075	303,075
2026	555,000	65,634	620,634
2027	575,000	47,611	622,611
2028-2029	<u>1,205,000</u>	<u>38,679</u>	<u>1,243,679</u>
Total	<u>\$ 2,560,000</u>	<u>\$ 400,359</u>	<u>\$ 2,960,359</u>

Financed Purchases

The County finances various vehicles and Road & Bridge motor equipment. Interest rates range from 0.03% to 5.25%. In the current year, the County financed an additional \$914,408 in vehicles and Road & Bridge equipment with interest rates ranging from 2.75% to 5.25%.

Annual debt service requirements to maturity for the Financed Purchases are as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 955,524	\$ 110,501	\$ 1,066,025
2024	719,605	84,648	804,253
2025	738,439	66,156	804,595
2026	874,039	45,506	919,545
2027	312,625	17,992	330,617
2028-2030	<u>352,916</u>	<u>18,795</u>	<u>371,711</u>
Total	<u>\$ 3,953,148</u>	<u>\$ 343,598</u>	<u>\$ 4,296,746</u>

III. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. There were no instances where settlements exceeded insurance coverage in any part of the three previous years.

B. Contingent Liabilities

Various claims and lawsuits are pending against the County. The evaluation of County management is that any liability to the County relating to such claims and lawsuits will not have a material impact on the County's financial position. Historically, the County has not incurred significant losses from claims or lawsuits which arise during the ordinary course of business.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

C. Defined Benefit Pension Plan

Plan Description

The County's nontraditional defined benefit pension plan, Texas County and District Retirement System (TCDRS), provides pensions for all of its full-time employees. The TCDRS Board of Trustees is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of over nontraditional defined benefit pension plans. TCDRS in the aggregate issues an Annual Comprehensive Financial Report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034 Austin, TX, 78768-2034.

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

Benefits Provided

TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

Members can retire at age 60 and above with 8 or more years of service, with 20 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 eight 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 be expected to be adequately financed by the employer's commitment to contribute. By law, employee accounts earn 7% interest. 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.

Employees covered by benefit terms

At the December 31, 2021, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees receiving benefits	152
Inactive employees entitled to but not yet receiving benefits	202
Active employees	<u>209</u>
Total	<u><u>563</u></u>

Contributions

The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 9.81% and 10.60% in calendar years 2021 and 2022, respectively. The County's contributions to TCDRS for the year ended September 30, 2022, were \$1,020,276, and were equal to the required contributions.

Net Pension Liability (Asset)

The County's Net Pension Liability (Asset) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment rate of return	7.50%, net of investment expenses, including inflation

The County has no automatic cost-of-living adjustments ("COLA") and one is not considered to be substantively automatic. Therefore, no assumption for future cost-of-living adjustments is included in the actuarial valuation. Each year, the County may elect an ad-hoc COLA for its retirees.

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disable Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions that determined the total pension liability as of December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68.

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments is 7.50%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. The application of the investment return assumptions was changed for purposes of determining plan liabilities at the March 2022 meeting. All plan liabilities are now valued using a 7.6% discount rate.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2022 information for a 10-year time horizon. The valuation assumption for long-term expected return is reassessed at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in 2022. The target allocation and best estimates of geometric real rates return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	3.80%
Global Equities	MSCI World (net) Index	2.50%	4.10%
International Equities - Developed Markets	MSCI World Ex USA (net)	5.00%	3.80%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.30%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.25%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.10%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	6.80%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-1.05%

⁽¹⁾ Target asset allocation adopted at the March 2022 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.6%, per Cliffwater's 2022 capital market assumptions

⁽³⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act. 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. The employee is legally required to make the contribution specified in the funding policy. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable. Based on the above assumptions, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future 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 net pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 7.60% has been used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2020	\$ 32,395,478	\$ 30,349,641	\$ 2,045,837
Changes for the year:			
Service cost	1,299,910	-	1,299,910
Interest on total pension liability ⁽¹⁾	2,495,032	-	2,495,032
Effect of economic/demographic gains or losses	(380,421)	-	(380,421)
Effect of assumptions changes or inputs	(54,718)	-	(54,718)
Refund of contributions	(353,493)	(353,493)	-
Benefit payments	(1,410,849)	(1,410,849)	-
Administrative expenses	-	(19,952)	19,952
Member contributions	-	688,152	(688,152)
Net investment income	-	6,653,705	(6,653,705)
Employer contributions	-	966,397	(966,397)
Other ⁽²⁾	-	5,249	(5,249)
Balance at 12/31/2021	<u>\$ 33,990,939</u>	<u>\$ 36,878,850</u>	<u>\$(2,887,911)</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability/(asset) of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.6%) or 1-percentage-point higher (8.6%) than the current rate:

	1% Decrease 6.6%	Current Discount Rate 7.6%	1% Increase 8.6%
Total pension liability	\$ 38,515,916	\$ 33,990,939	\$ 30,210,150
Fiduciary net position	<u>36,878,850</u>	<u>36,878,850</u>	<u>36,878,850</u>
Net pension liability/(asset)	<u>\$ 1,637,066</u>	<u>\$(2,887,911)</u>	<u>\$(6,668,700)</u>

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2022, the County recognized pension expense of \$65,316. At year-end, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 227,230	\$ 253,614
Changes in actuarial assumptions	928,604	36,479
Difference between projected and actual investment earnings	-	4,137,308
Contributions subsequent to the measurement date	<u>757,064</u>	<u>-</u>
Total	<u>\$ 1,912,898</u>	<u>\$ 4,427,401</u>

\$757,064 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, but before September 30, 2022, will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

For the Year Ended September 30,	
2023	\$(453,671)
2024	(957,860)
2025	(989,680)
2026	(870,356)

D. Defined Other Post-Employment Benefit Plan – TCDRS Group Term Life Fund

Plan Description. The County voluntarily participates in the Texas County & District Group Term Life Fund (TCDRS GTLF). The GTLF is a single employer defined Other Post-Employment Benefit (OPEB) plan as defined by GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TCDRS Act.

Benefits and Eligibility. The GTLF provides group-term life insurance to County employees who are active members in TCDRS, including or not including retirees. The County’s Board of Managers opted into this program via a resolution, and may terminate coverage under, and discontinue participation in, the GTLF by adopting a resolution.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s most recent regular annualized salary. The death benefit for retirees is considered an other-employment benefit and is a fixed amount of \$5,000.

Employees covered by benefit terms. The number of employees currently covered by the benefit terms is as follows:

Inactive employees receiving benefits	122
Inactive employees entitled to but not yet receiving benefits	44
Active employees	<u>209</u>
Total	<u><u>375</u></u>

Contributions. The County contributes to the GTLF at a contractually required rate as determined by an annual actuarial valuation, which was 0.24% for 2021 and 0.24% for 2022, of which 0.16% and 0.16%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the GTLF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The County's contributions to the GTLF for the year ended September 30, 2022 was \$15,720, representing contributions for both active and retiree coverage, which equaled the required contributions for the year.

Total OPEB Liability. The County's Total OPEB Liability (TOL) was measured as of December 31, 2021 as determined by an actuarial valuation as of that date.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Investment rate of return (discount rate)	2.06%
Actuarial cost method	Entry Age Level Percent of Salary

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	135% of the Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Employees Amount-Weighted Mortality Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and non-depositing members	135% of the Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Healthy Retirees Amount-Weighted Mortality Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.

All actuarial assumptions and methods that determined the Total OPEB Liability as of December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 75. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Discount Rate. The TCDRS GTLF program is treated as an unfunded OPEB plan because the GTLF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.06% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2021.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the total OPEB Liability of the employer, calculated using the discount rate of 2.06%, as well as what the Hill County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.06%) or 1 percentage point higher (3.06%) than the current rate.

	1% Decrease in Discount Rate (1.06%)	Current Discount Rate (2.06%)	1% Increase in Discount Rate (3.06%)
Total OPEB Liability	\$ 867,825	\$ 719,212	\$ 604,583

OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB. At September 30, 2022, the County reported a liability of \$719,212 for its Total OPEB Liability, and is typically funded with the General and Road and Bridge Funds. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021. For the year ended September 30, 2022, the County recognized OPEB expense of \$69,244. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Changes in the Total OPEB Liability

	<u>Changes in Total OPEB Liability</u>
Balance at December 31, 2020	\$ 675,054
Changes for the year:	
Service cost	27,597
Interest on total OPEB liability ⁽¹⁾	14,730
Effect of economic/demographic gains or losses	2,444
Effect of assumptions changes or inputs ⁽²⁾	15,116
Benefit payments	<u>(15,729)</u>
Balance at December 31, 2021	<u>\$ 719,212</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Reflects change in discount rate and the new assumptions adopted based on the January 1, 2013 - December 31, 2016 Investigation of Experience.

At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 4,111	\$ 5,028
Changes in actuarial assumptions	122,311	16,802
Contributions subsequent to the measurement date	<u>11,428</u>	<u>-</u>
Total	<u>\$ 137,850</u>	<u>\$ 21,830</u>

\$11,428 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	
2023	\$ 26,917
2024	26,337
2025	35,848
2026	15,490

E. Other Post Employment Benefits – Retiree Health Insurance Plan

Plan Description. The County sponsors a Retiree Health Insurance Benefits Plan (the “Plan”). The Plan provides these other post-employment benefits (“OPEB”) for eligible employees through a single-employer defined benefit plan, under the County’s policy. This plan is administered by the County, and it has the authority to establish and amend the benefit terms and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits and Eligibility. Employees who meet the following criteria will qualify for health insurance benefits on County-sponsored plans, as described below. Retirees and Spouses may purchase medical coverage by paying 100% of the blended rate. Retirees and Spouses may also purchase dental and vision and life insurance coverage by paying 100% of the blended rate. As a result, the County’s only “contribution” is the “implied subsidy”. No pre-funding is performed (i.e., only pay-as-you-go funding would occur; no retirees currently for Hill County). The earlier of (i) Age 60 and completion of 8 years of vesting service, (ii) Rule of 75 years total age + service, and (iii) completion of 30 years of service.

Employees covered by benefit terms. The number of employees currently covered by the benefit terms is as follows:

Active employees	<u>183</u>
Total	<u><u>183</u></u>

Actuarial Assumptions and Methods

Significant methods and assumptions were as follows:

Actuarial Valuation Date	December 1, 2021
Actuarial Cost Method	Entry Age Normal
Discount rate	2.43% per annum (for FYE 22 Expense), 4.77% per annum (disclosures*) (3.77% and 5.77% are illustrated for sensitivity)
Inflation Rate	3.00% per annum
Salary Increases	3.00% per annum
Mortality	PUB-2010 mortality table with MP-2021 projection
Health care cost trend rates	8% decreasing to 5% ultimate
Participation rates	15% to elect to pay full premium for coverage
*Notes	GASB #75 requires results be presented on your financial statements based on actual rates as of your year-end (reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Rate Index as of 9/30/2022 was 4.77%). Since the plan is not pre-funded, the Index will apply.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

A Single Discount Rate of 4.77% was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of September 30, 2022.

Changes in the Total OPEB Liability

The County’s total OPEB liability of \$253,295 was measured as of September 30, 2022 and was determined by an actuarial valuation as of December 1, 2021. This liability is typically funded by the General Fund.

	Total OPEB Liability
Balance at 9/30/2021	\$ 251,736
Changes for the year:	
Service cost	27,944
Interest	6,117
Difference between expected and actual experience	22,344
Changes of assumptions	(54,846)
Net changes	<u>1,559</u>
Balance at 9/30/2022	<u>\$ 253,295</u>

Changes of assumptions reflect a change in the discount rate from 2.43% as of September 30, 2021 to 4.77% as of September 30, 2022 and revised TCDRS demographic and salary increase assumptions.

Discount Rate Sensitivity Analysis

The following presents the plan’s total OPEB liability, calculated using a discount rate of 4.77%, as well as what the plan’s total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher.

	1% Decrease in Discount Rate (3.77%)	Discount Rate (4.77%)	1% Increase in Discount Rate (5.77%)
Total OPEB Liability	\$ 275,549	\$ 253,295	\$ 233,371

Healthcare Cost Trend Rate Sensitivity Analysis

The following presents the plan’s total OPEB liability, calculated using the assumed trend rates as well as what the plan’s total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

	Current Healthcare Rates 7% decreasing to 4%	Current Healthcare Rates 8% decreasing to 5%	Current Healthcare Rates 9% decreasing to 6%
Total OPEB Liability	\$ 228,353	\$ 253,295	\$ 282,655

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

For the year ended September 30, 2022, the County recognized OPEB expense of \$2,600,074. At September 30, 2022, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 20,110	\$ 55,518
Changes in actuarial assumptions	<u>31,745</u>	<u>57,272</u>
Totals	<u>\$ 51,855</u>	<u>\$ 112,790</u>

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

For the Year Ended September 30,	
2023	\$(7,129)
2024	(7,129)
2025	(7,129)
2026	(7,129)
2027	(7,129)
Thereafter	(25,290)

F. Tax Abatements

The County enters into economic development agreements designed to promote development and redevelopment with the County, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the County. This program reduces the assessed property values and refunds sales tax as authorized under Chapter 381 of the Texas Local Government Code and Chapter 312 of the Property Tax Code.

The County has entered into various agreements that reduce property and sales taxes. Each agreement requires a minimum developer commitment and/or employment requirement. For fiscal year 2022, the County did not rebate any taxes.

G. Prior Period Adjustment

An adjustment was required to correct beginning equity and unearned revenue in the ARP Grant Fund in the fund financial statements and the Governmental Activities column in the government-wide financial statements. All receipts received in the prior year for the ARP grant were recorded as revenue even though qualifying expenditures had not yet been made. This resulted in a \$3,288,971 prior period adjustment in the current year.

H. New Accounting Principles

Significant new accounting standards issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the County include the following:

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. GASB 94 will become effective for reporting periods beginning after June 15, 2022, and the impact has not yet been determined.

Statement No. 96, Subscription-Based Information Technology Arrangements – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. GASB 96 will become effective for reporting periods beginning after June 15, 2022, and the impact has not yet been determined.

Statement No. 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62 - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

Statement No. 101, Compensated Absences - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

HILL COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 10,170,623	\$ 10,170,623	\$ 10,195,826	\$ 25,203
Sales	2,421,500	2,421,500	3,231,451	809,951
Other	28,308	28,308	43,415	15,107
Intergovernmental	290,439	410,695	428,533	17,838
Charges for services	1,798,515	1,798,515	1,903,590	105,075
Fines and forfeitures	96,288	96,288	82,828	(13,460)
Investment earnings	225,000	225,000	224,828	(172)
Miscellaneous	<u>10,000</u>	<u>37,302</u>	<u>71,946</u>	<u>34,644</u>
Total Revenues	<u>15,040,673</u>	<u>15,188,231</u>	<u>16,182,417</u>	<u>994,186</u>
EXPENDITURES				
Current:				
General government:				
Computer	1,018,568	1,024,186	780,836	243,350
County Clerk	383,972	383,972	367,483	16,489
County Judge	223,605	223,605	232,116	(8,511)
Elections Administration	205,708	236,558	241,335	(4,777)
Non-departmental	1,584,561	2,755,444	2,263,253	492,191
Veterans Service	<u>63,980</u>	<u>63,980</u>	<u>58,176</u>	<u>5,804</u>
Total general government	<u>3,480,394</u>	<u>4,687,745</u>	<u>3,943,199</u>	<u>744,546</u>
Legal:				
County Attorney	452,536	452,536	450,343	2,193
County Attorney Excess	<u>32,921</u>	<u>32,921</u>	<u>6,047</u>	<u>26,874</u>
Total legal	<u>485,457</u>	<u>485,457</u>	<u>456,390</u>	<u>29,067</u>
Judicial:				
County Court-at-Law	399,734	399,734	397,193	2,541
District Attorney	535,243	585,243	566,138	19,105
District Clerk	485,576	486,328	472,428	13,900
District Judge	260,416	260,416	249,219	11,197
Justices of the Peace	<u>609,010</u>	<u>610,514</u>	<u>603,770</u>	<u>6,744</u>
Total judicial	<u>2,289,979</u>	<u>2,342,235</u>	<u>2,288,748</u>	<u>53,487</u>
Financial administration:				
County Auditor	355,019	355,019	312,060	42,959
County Treasurer	246,741	246,741	238,182	8,559
Tax Assessor-Collector	<u>498,317</u>	<u>498,317</u>	<u>488,468</u>	<u>9,849</u>
Total financial administration	<u>1,100,077</u>	<u>1,100,077</u>	<u>1,038,710</u>	<u>61,367</u>
Public facilities:				
Courthouse	<u>490,004</u>	<u>894,414</u>	<u>863,304</u>	<u>31,110</u>
Total public facilities	<u>490,004</u>	<u>894,414</u>	<u>863,304</u>	<u>31,110</u>

HILL COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Public Safety:				
911 Dispatch	\$ 616,573	\$ 616,573	\$ 638,500	\$(21,927)
Animal Control	82,192	82,192	93,970	(11,778)
Constables	465,928	526,154	519,889	6,265
Courthouse Security	336,295	336,295	356,590	(20,295)
Crime Victims Assistance Coordinator	22,721	22,721	18,552	4,169
Emergency Management	139,605	150,580	142,107	8,473
Jail	2,847,353	2,847,353	2,821,292	26,061
Sheriff	<u>2,511,613</u>	<u>3,049,027</u>	<u>3,055,973</u>	<u>(6,946)</u>
Total public safety	<u>7,022,280</u>	<u>7,630,895</u>	<u>7,646,873</u>	<u>(15,978)</u>
Health and Welfare:				
Public assistance	241,886	295,716	295,715	1
Health and safety	85,479	85,479	84,627	852
TIF commitments	<u>12,998</u>	<u>12,998</u>	<u>2,630</u>	<u>10,368</u>
Total health and welfare	<u>340,363</u>	<u>394,193</u>	<u>382,972</u>	<u>11,221</u>
Conservation - agriculture:				
Agriculture Extension Service	<u>169,514</u>	<u>180,614</u>	<u>177,118</u>	<u>3,496</u>
Total conservation - agriculture	<u>169,514</u>	<u>180,614</u>	<u>177,118</u>	<u>3,496</u>
Debt Service:				
Principal	461,445	471,276	275,050	196,226
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>52,043</u>	<u>(52,043)</u>
Total debt service	<u>461,445</u>	<u>471,276</u>	<u>327,093</u>	<u>144,183</u>
Total expenditures	<u>15,839,513</u>	<u>18,186,906</u>	<u>17,124,407</u>	<u>1,062,499</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(798,840)	(2,998,675)	(941,990)	2,056,685
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	54,510	54,510	-
Issuance of financed purchases	-	436,342	316,342	(120,000)
Insurance recoveries	-	43,910	118,551	74,641
Transfers in	434,500	434,500	434,500	-
Transfers out	<u>(130,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>304,500</u>	<u>839,262</u>	<u>793,903</u>	<u>(45,359)</u>
NET CHANGE IN FUND BALANCE	(494,340)	(2,159,413)	(148,087)	2,011,326
FUND BALANCE, BEGINNING	<u>8,805,258</u>	<u>8,805,258</u>	<u>8,805,258</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>8,310,918</u>	\$ <u>6,645,845</u>	\$ <u>8,657,171</u>	\$ <u>2,011,326</u>

HILL COUNTY, TEXAS

ROAD AND BRIDGE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget- Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 3,357,340	\$ 3,357,340	\$ 3,374,816	\$ 17,476
Sales	246,501	246,501	328,950	82,449
Intergovernmental	85,518	91,930	313,943	222,013
Licenses and permits	850,702	850,702	885,192	34,490
Charges for services	137,277	137,277	130,338	(6,939)
Investment earnings	17,365	17,365	18,231	866
Contributions and donations	-	187,107	189,250	2,143
Miscellaneous	-	45,340	45,364	24
Total Revenues	<u>4,694,703</u>	<u>4,933,562</u>	<u>5,286,084</u>	<u>352,522</u>
EXPENDITURES				
Current:				
Public transportation	6,017,743	7,407,801	5,834,737	1,573,064
Debt service:				
Principal	489,746	593,386	590,300	3,086
Interest and other	-	-	57,255	(57,255)
Total Expenditures	<u>6,507,489</u>	<u>8,001,187</u>	<u>6,482,292</u>	<u>1,518,895</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,812,786)</u>	<u>(3,067,625)</u>	<u>(1,196,208)</u>	<u>1,871,417</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	107,750	141,756	34,006
Issuance of financed purchases	-	1,012,625	598,066	(414,559)
Transfers in	450,000	450,000	450,000	-
Total Other Financing Sources (Uses)	<u>450,000</u>	<u>1,570,375</u>	<u>1,189,822</u>	<u>(380,553)</u>
Net Change in Fund Balance	(1,362,786)	(1,497,250)	(6,386)	1,490,864
Fund Balances - Beginning	<u>1,554,676</u>	<u>1,554,676</u>	<u>1,554,676</u>	<u>-</u>
Fund Balances - Ending	\$ <u>191,890</u>	\$ <u>57,426</u>	\$ <u>1,548,290</u>	\$ <u>1,490,864</u>

HILL COUNTY, TEXAS

ARP GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 3,559,319	\$ 3,559,319	\$ 4,318,234	\$ 758,915
Investment earnings	<u>77,800</u>	<u>77,800</u>	<u>38,168</u>	<u>(39,632)</u>
Total Revenues	<u>3,637,119</u>	<u>3,637,119</u>	<u>4,356,402</u>	<u>719,283</u>
EXPENDITURES				
Current:				
Health and welfare	<u>6,750,000</u>	<u>6,750,000</u>	<u>4,318,234</u>	<u>2,431,766</u>
Total Expenditures	<u>6,750,000</u>	<u>6,750,000</u>	<u>4,318,234</u>	<u>2,431,766</u>
Net Change in Fund Balance	(3,112,881)	(3,112,881)	38,168	3,151,049
Fund Balances - Beginning	3,290,406	3,290,406	3,290,406	-
Prior Period Adjustment	<u>(3,288,971)</u>	<u>(3,288,971)</u>	<u>(3,288,971)</u>	<u>-</u>
Fund Balances - Beginning as Restated	<u>1,435</u>	<u>1,435</u>	<u>1,435</u>	<u>-</u>
Fund Balances - Ending	<u>\$(3,111,446)</u>	<u>\$(3,111,446)</u>	<u>\$ 39,603</u>	<u>\$ 3,151,049</u>

HILL COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Measurement Date December 31,	<u>2014</u>	<u>2015</u>
Total Pension Liability		
Service Cost	\$ 736,319	\$ 741,781
Interest total pension liability	1,618,264	1,696,658
Changes in benefit terms	-	(128,791)
Effect of economid/demographic gains or losses	(213,147)	(604,476)
Effect of assumption changes or inputs	-	243,723
Benefit payments/refunds of contributions	<u>(1,269,827)</u>	<u>(1,193,954)</u>
Net change in total pension liability	871,609	754,941
Total pension liability - beginning	<u>20,240,126</u>	<u>21,111,735</u>
Total pension liability - ending (a)	<u>\$ 21,111,735</u>	<u>\$ 21,866,676</u>
Plan Fiduciary Net Position		
Employer contributions	\$ 582,857	\$ 580,880
Member contributions	432,819	444,556
Investment income net of investment expenses	1,323,214	124,531
Benefit payments, including refunds of contributions	(1,269,827)	(1,193,954)
Administrative expenses	(15,369)	(14,664)
Other	<u>84,216</u>	<u>(213,412)</u>
Net change in plan fiduciary net position	1,137,910	(272,063)
Plan fiduciary net position - beginning	<u>19,400,585</u>	<u>20,538,495</u>
Plan fiduciary net position - ending (b)	<u>\$ 20,538,495</u>	<u>\$ 20,266,432</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 573,240</u>	<u>\$ 1,600,244</u>
Fiduciary net position as a percentage of total pension liability	97%	93%
Pensionable covered payroll	\$ 7,213,645	\$ 7,409,269
Net pension liability as a percentage of covered payroll	8%	22%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

2016	2017	2018	2019	2020	2021
\$ 803,411	\$ 758,111	\$ 796,750	\$ 957,841	\$ 1,015,360	\$ 1,299,910
1,751,847	1,828,219	1,927,436	2,155,420	2,310,208	2,495,032
-	-	1,256,874	-	-	-
(653,505)	(213,836)	(13,252)	108,335	400,292	(380,421)
-	120,687	-	-	1,857,208	(54,718)
<u>(1,290,764)</u>	<u>(1,356,766)</u>	<u>(1,255,072)</u>	<u>(1,375,852)</u>	<u>(1,360,150)</u>	<u>(1,764,342)</u>
610,989	1,136,415	2,712,736	1,845,744	4,222,918	1,595,461
<u>21,866,676</u>	<u>22,477,665</u>	<u>23,614,080</u>	<u>26,326,816</u>	<u>28,172,560</u>	<u>32,395,478</u>
\$ <u>22,477,665</u>	\$ <u>23,614,080</u>	\$ <u>26,326,816</u>	\$ <u>28,172,560</u>	\$ <u>32,395,478</u>	\$ <u>33,990,939</u>
\$ 571,008	\$ 526,404	\$ 546,983	\$ 828,873	\$ 980,979	\$ 966,397
450,797	464,501	489,836	646,870	683,271	688,152
1,493,867	3,103,076	(449,842)	3,830,265	2,814,823	6,653,705
(1,290,764)	(1,356,766)	(1,255,072)	(1,375,852)	(1,360,150)	(1,764,342)
(16,280)	(15,971)	(18,734)	(20,759)	(22,207)	(19,952)
(175,715)	5,055	(14,199)	7,215	11,697	5,249
1,032,913	2,726,299	(701,028)	3,916,612	3,108,413	6,529,209
<u>20,266,432</u>	<u>21,299,345</u>	<u>24,025,644</u>	<u>23,324,616</u>	<u>27,241,228</u>	<u>30,349,641</u>
\$ <u>21,299,345</u>	\$ <u>24,025,644</u>	\$ <u>23,324,616</u>	\$ <u>27,241,228</u>	\$ <u>30,349,641</u>	\$ <u>36,878,850</u>
\$ <u>1,178,320</u>	\$ <u>(411,564)</u>	\$ <u>3,002,200</u>	\$ <u>931,332</u>	\$ <u>2,045,837</u>	\$ <u>(2,887,911)</u>
95%	102%	89%	97%	94%	108%
\$ 7,513,289	\$ 7,741,686	\$ 8,163,936	\$ 8,652,103	\$ 9,761,008	\$ 9,830,745
16%	-5%	37%	11%	21%	-29%

HILL COUNTY, TEXAS

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2014	\$ 573,479	\$ 573,479	\$ -	\$ 7,235,095	7.9%
2015	581,944	581,944	-	7,362,640	7.9%
2016	596,235	596,235	-	7,781,758	7.7%
2017	532,555	532,555	-	7,627,266	7.0%
2018	546,983	546,983	-	8,163,936	6.7%
2019	828,873	828,873	-	8,652,103	9.6%
2020	980,979	980,979	-	9,761,008	10.0%
2021	963,428	963,428	-	9,820,879	9.8%
2022	1,020,275	1,020,275	-	9,825,207	10.4%

(1) Payroll is calculated based on contributions as reported to TCDRS.

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

HILL COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	18.8 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5-year smoothed fair value
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP 2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule*	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2019: Employer contributions reflect that the member contribution rate was increased to 7% and the current service matching rate was increased to 200% for future benefits.

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

HILL COUNTY, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
GROUP TERM LIFE

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Measurement Date December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability					
Service cost	\$ 16,344	\$ 17,245	\$ 15,433	\$ 20,608	\$ 27,597
Interest on total OPEB liability	17,451	16,756	18,382	16,296	14,730
Effect of economic/demographic gains or losses	(16,828)	(6,669)	3,471	631	2,444
Effect of assumption changes or inputs	20,307	(50,407)	118,687	71,235	15,116
Benefit payments	<u>(11,613)</u>	<u>(13,879)</u>	<u>(13,843)</u>	<u>(15,618)</u>	<u>(15,729)</u>
Net change in Total OPEB Liability	<u>25,661</u>	<u>(36,954)</u>	<u>142,130</u>	<u>93,152</u>	<u>44,158</u>
Total OPEB Liability - beginning	<u>451,065</u>	<u>476,726</u>	<u>439,772</u>	<u>581,902</u>	<u>675,054</u>
Total OPEB Liability - ending	<u>\$ 476,726</u>	<u>\$ 439,772</u>	<u>\$ 581,902</u>	<u>\$ 675,054</u>	<u>\$ 719,212</u>
Covered-employee payroll	\$ 7,741,686	\$ 8,163,936	\$ 8,652,103	\$ 9,761,008	\$ 9,830,745
Total OPEB liability as a percentage of covered-employee payroll	6.16%	5.39%	6.73%	6.92%	7.32%

Notes to Schedule:

- No assets are accumulated in a trust for the retiree health care plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

- Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates

2021	2.06%
2020	2.00%
2019	2.75%
2018	3.71%
2017	3.31%
2016	3.81%

HILL COUNTY, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
RETIREE HEALTH CARE BENEFIT PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2022

Measurement Date September 30,	2018	2019	2020	2021	2022
Total OPEB liability					
Service cost	\$ 13,826	\$ 26,934	\$ 23,160	\$ 28,361	\$ 27,944
Interest on total OPEB liability	6,614	7,171	6,832	4,884	6,117
Difference between expected and actual experience	(4,334)	(41,120)	(33,857)	(219)	22,344
Effect of assumption changes or inputs	-	1,245	41,221	(9,493)	(54,846)
Benefit payments	(800)	(800)	-	-	-
Net change in total OPEB liability	<u>15,306</u>	<u>(6,570)</u>	<u>37,356</u>	<u>23,533</u>	<u>1,559</u>
Total OPEB liability - beginning	<u>182,111</u>	<u>197,417</u>	<u>190,847</u>	<u>228,203</u>	<u>251,736</u>
Total OPEB liability - ending	<u>\$ 197,417</u>	<u>\$ 190,847</u>	<u>\$ 228,203</u>	<u>\$ 251,736</u>	<u>\$ 253,295</u>
Covered-employee payroll	\$ 8,251,280	\$ 8,456,291	\$ 9,391,481	\$ 9,939,445	\$ 9,248,880
Total OPEB liability as a percentage of covered-employee payroll	2.39%	2.26%	2.43%	2.53%	2.74%

Notes to Schedule:

-No assets are accumulated in a trust for the retiree health care plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

-This schedule is required to have 10 years of information, but the information prior to 2018 is not available.

**COMBINING STATEMENTS
AND SCHEDULES**

HILL COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	Special Revenue			
	County Attorney Hot Check	Child Welfare Board	County Clerk	County Clerk Court Preservation
ASSETS				
Cash and cash equivalents	\$ 14,219	\$ 590	\$ 1,225,144	\$ 6,862
Receivables (net of allowance for uncollectibles)	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	13,355	-
Total Assets	14,219	590	1,238,499	6,862
LIABILITIES				
Accounts payable	-	590	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	590	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted:				
General government	-	-	1,238,499	6,862
Construction	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Elections	-	-	-	-
Health and welfare	-	-	-	-
Judicial	-	-	-	-
Legal	14,219	-	-	-
Public safety	-	-	-	-
Total Fund Balances	14,219	-	1,238,499	6,862
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,219	\$ 590	\$ 1,238,499	\$ 6,862

Special Revenue

County Dispute Resolution	County Historical Commission	County Specialty Court	Courthouse Security	Crime Victim Assistance	District Attorney Forfeited Property
\$ 9,252	\$ 6,156	\$ 31,712	\$ 57,541	\$ -	\$ 235,080
-	-	-	-	-	-
-	-	-	-	19,344	-
-	-	-	3,134	-	8,192
<u>9,252</u>	<u>6,156</u>	<u>31,712</u>	<u>60,675</u>	<u>19,344</u>	<u>243,272</u>
-	-	-	-	-	-
-	-	-	-	1,961	990
-	-	-	-	17,383	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,344</u>	<u>990</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	31,712	-	-	-
-	-	-	-	-	-
-	6,156	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,252	-	-	60,675	-	242,282
-	-	-	-	-	-
<u>9,252</u>	<u>6,156</u>	<u>31,712</u>	<u>60,675</u>	<u>-</u>	<u>242,282</u>
<u>\$ 9,252</u>	<u>\$ 6,156</u>	<u>\$ 31,712</u>	<u>\$ 60,675</u>	<u>\$ 19,344</u>	<u>\$ 243,272</u>

HILL COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	Special Revenue			
	District Clerk Archive	Economic Development	Election Chapter 19	Election Contract
ASSETS				
Cash and cash equivalents	\$ 18,744	\$ 396,981	\$ 206	\$ 8,963
Receivables (net of allowance for uncollectibles)	-	-	-	3,833
Due from other governments	-	-	-	-
Due from other funds	-	5,718	-	-
Total Assets	18,744	402,699	206	12,796
LIABILITIES				
Accounts payable	-	-	180	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	180	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted:				
General government	18,744	402,699	-	-
Construction	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Elections	-	-	26	12,796
Health and welfare	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Total Fund Balances	18,744	402,699	26	12,796
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,744	\$ 402,699	\$ 206	\$ 12,796

Special Revenue

Election Machine Lease	Hill County Tourism	Hot Check Restitution	Indigent Health Care	Jury	Justice Court Technology
\$ 18,042	\$ 122,156	\$ 11,104	\$ 289,477	\$ 165,036	\$ 45,006
6,300	-	-	141,456	3,706	-
-	-	-	-	8,798	-
<u>11,873</u>	<u>10,202</u>	<u>-</u>	<u>27,320</u>	<u>-</u>	<u>3,832</u>
<u>36,215</u>	<u>132,358</u>	<u>11,104</u>	<u>458,253</u>	<u>177,540</u>	<u>48,838</u>
6,360	-	-	74,692	120,459	-
-	-	-	1,748	-	-
-	-	-	-	-	-
<u>6,360</u>	<u>-</u>	<u>-</u>	<u>76,440</u>	<u>120,459</u>	<u>-</u>
-	-	-	77,147	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>77,147</u>	<u>-</u>	<u>-</u>
-	132,358	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29,855	-	-	-	-	-
-	-	-	304,666	-	-
-	-	11,104	-	57,081	48,838
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>29,855</u>	<u>132,358</u>	<u>11,104</u>	<u>304,666</u>	<u>57,081</u>	<u>48,838</u>
<u>\$ 36,215</u>	<u>\$ 132,358</u>	<u>\$ 11,104</u>	<u>\$ 458,253</u>	<u>\$ 177,540</u>	<u>\$ 48,838</u>

HILL COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	Special Revenue			
	Language Access	Law Library	Probate Records Management	Records Management and Preservation
ASSETS				
Cash and cash equivalents	\$ 2,817	\$ 39,482	\$ 8,245	\$ 55,880
Receivables (net of allowance for uncollectibles)	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	6,795	1,298	1,065
Total Assets	2,817	46,277	9,543	56,945
LIABILITIES				
Accounts payable	-	1,164	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	1,164	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted:				
General government	-	-	9,543	56,945
Construction	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Elections	-	-	-	-
Health and welfare	-	-	-	-
Judicial	2,817	45,113	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Total Fund Balances	2,817	45,113	9,543	56,945
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,817	\$ 46,277	\$ 9,543	\$ 56,945

Special Revenue	Capital Projects			
Sheriff Department	Courthouse Project	Series 2022 Tax Notes	Debt Service	Non-Major Governmental Funds
\$ 111,419	\$ 9,649	\$ 1,812,543	\$ 201,714	\$ 4,904,020
-	-	-	51,010	206,305
-	-	-	-	28,142
<u>5,989</u>	<u>-</u>	<u>-</u>	<u>5,745</u>	<u>104,518</u>
<u>117,408</u>	<u>9,649</u>	<u>1,812,543</u>	<u>258,469</u>	<u>5,242,985</u>
-	-	389,880	-	593,325
-	-	-	-	4,699
-	-	-	-	17,383
<u>-</u>	<u>-</u>	<u>389,880</u>	<u>-</u>	<u>615,407</u>
-	-	-	48,492	125,639
<u>-</u>	<u>-</u>	<u>-</u>	<u>48,492</u>	<u>125,639</u>
-	-	-	-	1,897,362
-	9,649	1,422,663	-	1,432,312
-	-	-	-	6,156
-	-	-	209,977	209,977
-	-	-	-	42,677
-	-	-	-	304,666
-	-	-	-	477,162
-	-	-	-	14,219
<u>117,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,408</u>
<u>117,408</u>	<u>9,649</u>	<u>1,422,663</u>	<u>209,977</u>	<u>4,501,939</u>
<u>\$ 117,408</u>	<u>\$ 9,649</u>	<u>\$ 1,812,543</u>	<u>\$ 258,469</u>	<u>\$ 5,242,985</u>

HILL COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue			
	County Attorney Hot Check	Child Welfare Board	County Clerk	County Clerk Court Preservation
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Other	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	65	-	280,120	570
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	20,025	11
Contributions and donations	-	-	-	-
Miscellaneous	-	2,435	-	-
Total Revenues	<u>65</u>	<u>2,435</u>	<u>300,145</u>	<u>581</u>
EXPENDITURES				
Current:				
General government	-	-	60,406	-
Legal	2,051	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Elections	-	-	-	-
Health and welfare	-	2,435	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>2,051</u>	<u>2,435</u>	<u>60,406</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,986)</u>	<u>-</u>	<u>239,739</u>	<u>581</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Issuance of notes payable	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(1,986)</u>	<u>-</u>	<u>239,739</u>	<u>581</u>
FUND BALANCES - BEGINNING	<u>16,205</u>	<u>-</u>	<u>998,760</u>	<u>6,281</u>
FUND BALANCES - ENDING	<u>\$ 14,219</u>	<u>\$ -</u>	<u>\$ 1,238,499</u>	<u>\$ 6,862</u>

Special Revenue

County Dispute Resolution	County Historical Commission	County Specialty Court	Courthouse Security	Crime Victim Assistance	District Attorney Forfeited Property
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	44,167	-
7,171	-	8,396	36,336	-	-
2,074	-	-	-	-	-
7	10	46	196	-	1,928
-	150	-	-	-	-
-	75	-	-	-	69,005
<u>9,252</u>	<u>235</u>	<u>8,442</u>	<u>36,532</u>	<u>44,167</u>	<u>70,933</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	88,202
-	259	-	-	44,167	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>259</u>	<u>-</u>	<u>-</u>	<u>44,167</u>	<u>88,202</u>
<u>9,252</u>	<u>(24)</u>	<u>8,442</u>	<u>36,532</u>	<u>-</u>	<u>(17,269)</u>
-	-	-	-	-	1,010
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>1,010</u>
9,252	(24)	8,442	21,532	-	(16,259)
<u>-</u>	<u>6,180</u>	<u>23,270</u>	<u>39,143</u>	<u>-</u>	<u>258,541</u>
<u>\$ 9,252</u>	<u>\$ 6,156</u>	<u>\$ 31,712</u>	<u>\$ 60,675</u>	<u>\$ -</u>	<u>\$ 242,282</u>

HILL COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue			
	District Clerk Archive	Economic Development	Election Chapter 19	Election Contract
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Other	-	-	-	-
Intergovernmental	2,051	-	2,075	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	29	2,073	-	14
Contributions and donations	-	-	-	-
Miscellaneous	-	119,511	-	-
Total Revenues	<u>2,080</u>	<u>121,584</u>	<u>2,075</u>	<u>14</u>
EXPENDITURES				
Current:				
General government	-	2,000	2,075	-
Legal	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Elections	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>2,000</u>	<u>2,075</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,080</u>	<u>119,584</u>	<u>-</u>	<u>14</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Issuance of notes payable	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,080	119,584	-	14
FUND BALANCES - BEGINNING	<u>16,664</u>	<u>283,115</u>	<u>26</u>	<u>12,782</u>
FUND BALANCES - ENDING	<u>\$ 18,744</u>	<u>\$ 402,699</u>	<u>\$ 26</u>	<u>\$ 12,796</u>

Special Revenue

Election Machine Lease	Hill County Tourism	Hot Check Restitution	Indigent Health Care	Jury	Justice Court Technology
\$ -	\$ -	\$ -	\$ 967,376	\$ -	\$ -
-	-	-	309,600	-	-
-	33,941	-	-	-	-
-	-	-	-	30,574	-
-	-	667	-	275,786	11,781
-	-	-	-	-	-
204	969	-	5,124	226	218
-	-	-	-	-	-
<u>10,500</u>	<u>-</u>	<u>-</u>	<u>14,311</u>	<u>15,872</u>	<u>-</u>
<u>10,704</u>	<u>34,910</u>	<u>667</u>	<u>1,296,411</u>	<u>322,458</u>	<u>11,999</u>
-	36,621	-	-	-	-
-	-	-	-	-	-
-	-	-	-	533,223	-
-	-	-	-	-	-
6,360	-	-	-	-	-
-	-	-	610,755	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,360</u>	<u>36,621</u>	<u>-</u>	<u>610,755</u>	<u>533,223</u>	<u>-</u>
<u>4,344</u>	<u>(1,711)</u>	<u>667</u>	<u>685,656</u>	<u>(210,765)</u>	<u>11,999</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	130,000	-
-	-	-	(850,000)	-	(9,500)
-	-	-	(850,000)	130,000	(9,500)
4,344	(1,711)	667	(164,344)	(80,765)	2,499
<u>25,511</u>	<u>134,069</u>	<u>10,437</u>	<u>469,010</u>	<u>137,846</u>	<u>46,339</u>
\$ <u>29,855</u>	\$ <u>132,358</u>	\$ <u>11,104</u>	\$ <u>304,666</u>	\$ <u>57,081</u>	\$ <u>48,838</u>

HILL COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue			
	Language Access	Law Library	Probate Records Management	Records Management and Preservation
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Other	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,446	23,710	2,520	29,683
Fines and forfeitures	1,369	-	-	-
Investment earnings	2	204	45	96
Contributions and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>2,817</u>	<u>23,914</u>	<u>2,565</u>	<u>29,779</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Legal	-	-	-	-
Judicial	-	22,299	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Elections	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>22,299</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,817</u>	<u>1,615</u>	<u>2,565</u>	<u>29,779</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Issuance of notes payable	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(10,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,817	1,615	(7,435)	29,779
FUND BALANCES - BEGINNING	<u>-</u>	<u>43,498</u>	<u>16,978</u>	<u>27,166</u>
FUND BALANCES - ENDING	<u>\$ 2,817</u>	<u>\$ 45,113</u>	<u>\$ 9,543</u>	<u>\$ 56,945</u>

Special Revenue	Capital Projects				
Sheriff Department	Courthouse Project	Series 2022 Tax Notes	Debt Service	Non-Major Governmental Funds	
\$ -	\$ -	\$ -	\$ 616,588	\$ 1,583,964	
-	-	-	-	309,600	
-	-	-	-	33,941	
5,935	-	-	-	84,802	
-	9,641	-	-	687,892	
15,644	-	-	-	19,087	
321	8	9,764	5,332	46,852	
-	-	-	-	150	
-	-	-	-	231,709	
<u>21,900</u>	<u>9,649</u>	<u>9,764</u>	<u>621,920</u>	<u>2,997,997</u>	
-	-	-	-	101,102	
-	-	-	-	2,051	
-	-	-	-	643,724	
6,953	-	-	-	51,120	
-	-	-	-	259	
-	-	-	-	6,360	
-	-	-	-	613,190	
-	-	1,094,076	-	1,094,076	
-	-	-	580,000	580,000	
-	-	53,025	15,963	68,988	
<u>6,953</u>	<u>-</u>	<u>1,147,101</u>	<u>595,963</u>	<u>3,160,870</u>	
<u>14,947</u>	<u>9,649</u>	<u>(1,137,337)</u>	<u>25,957</u>	<u>(162,873)</u>	
4,039	-	-	-	5,049	
-	-	2,560,000	-	2,560,000	
-	-	-	-	130,000	
-	-	-	-	(884,500)	
<u>4,039</u>	<u>-</u>	<u>2,560,000</u>	<u>-</u>	<u>1,810,549</u>	
18,986	9,649	1,422,663	25,957	1,647,676	
<u>98,422</u>	<u>-</u>	<u>-</u>	<u>184,020</u>	<u>2,854,263</u>	
<u>\$ 117,408</u>	<u>\$ 9,649</u>	<u>\$ 1,422,663</u>	<u>\$ 209,977</u>	<u>\$ 4,501,939</u>	

HILL COUNTY, TEXAS

COUNTY CLERK FUND
(COUNTY CLERK RECORDS, PROBATE EDUCATION AND COUNTY CLERK ARCHIVE SUBFUNDS)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 218,570	\$ 218,570	\$ 280,120	\$ 61,550
Investment earnings	15,660	15,660	20,025	4,365
Total Revenues	<u>234,230</u>	<u>234,230</u>	<u>300,145</u>	<u>65,915</u>
EXPENDITURES				
Current:				
General administration	<u>153,500</u>	<u>153,500</u>	<u>60,406</u>	<u>93,094</u>
Total Expenditures	<u>153,500</u>	<u>153,500</u>	<u>60,406</u>	<u>93,094</u>
Net Change in Fund Balance	80,730	80,730	239,739	159,009
Fund Balances - Beginning	<u>998,760</u>	<u>998,760</u>	<u>998,760</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,079,490</u>	<u>\$ 1,079,490</u>	<u>\$ 1,238,499</u>	<u>\$ 159,009</u>

HILL COUNTY, TEXAS

COUNTY CLERK PROBATE COURT PRESERVATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,900	\$ 1,900	\$ 570	\$ (1,330)
Investment earnings	4	4	11	7
Total Revenues	<u>1,904</u>	<u>1,904</u>	<u>581</u>	<u>(1,323)</u>
EXPENDITURES				
Current:				
General administration	<u>1,500</u>	<u>1,500</u>	-	<u>1,500</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	-	<u>1,500</u>
Net Change in Fund Balance	404	404	581	177
Fund Balances - Beginning	<u>6,281</u>	<u>6,281</u>	<u>6,281</u>	-
Fund Balances - Ending	\$ <u>6,685</u>	\$ <u>6,685</u>	\$ <u>6,862</u>	\$ <u>177</u>

HILL COUNTY, TEXAS

COUNTY SPECIALTY COURT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 5,000	\$ 5,000	\$ 8,396	\$ 3,396
Investment earnings	4	4	46	42
Total Revenues	<u>5,004</u>	<u>5,004</u>	<u>8,442</u>	<u>3,438</u>
EXPENDITURES				
Current:				
General administration	<u>6,028</u>	<u>6,028</u>	-	<u>6,028</u>
Total Expenditures	<u>6,028</u>	<u>6,028</u>	-	<u>6,028</u>
Net Change in Fund Balance	(1,024)	(1,024)	8,442	9,466
Fund Balances - Beginning	<u>23,270</u>	<u>23,270</u>	<u>23,270</u>	-
Fund Balances - Ending	<u>\$ 22,246</u>	<u>\$ 22,246</u>	<u>\$ 31,712</u>	<u>\$ 9,466</u>

HILL COUNTY, TEXAS

COURTHOUSE SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 27,554	\$ 27,554	\$ 36,336	\$ 8,782
Investment earnings	141	141	196	55
Total Revenues	<u>27,695</u>	<u>27,695</u>	<u>36,532</u>	<u>8,837</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(20,000)	(20,000)	(15,000)	5,000
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(15,000)</u>	<u>5,000</u>
Net Change in Fund Balance	7,695	7,695	21,532	13,837
Fund Balances - Beginning	<u>39,143</u>	<u>39,143</u>	<u>39,143</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 46,838</u>	<u>\$ 46,838</u>	<u>\$ 60,675</u>	<u>\$ 13,837</u>

HILL COUNTY, TEXAS

D.A. FORFEITED PROPERTY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,000	\$ 1,000	\$ 1,928	\$ 928
Miscellaneous	-	69,005	69,005	-
Total Revenues	<u>1,000</u>	<u>70,005</u>	<u>70,933</u>	<u>928</u>
EXPENDITURES				
Current:				
Judicial	<u>93,252</u>	<u>162,257</u>	<u>88,202</u>	<u>74,055</u>
Total Expenditures	<u>93,252</u>	<u>162,257</u>	<u>88,202</u>	<u>74,055</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(92,252)</u>	<u>(92,252)</u>	<u>(17,269)</u>	<u>74,983</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	1,010	1,010
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,010</u>	<u>1,010</u>
Net Change in Fund Balance	<u>(92,252)</u>	<u>(92,252)</u>	<u>(16,259)</u>	<u>75,993</u>
Fund Balances - Beginning	<u>258,541</u>	<u>258,541</u>	<u>258,541</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 166,289</u>	<u>\$ 166,289</u>	<u>\$ 242,282</u>	<u>\$ 75,993</u>

HILL COUNTY, TEXAS

DISTRICT CLERK ARCHIVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,594	\$ 4,594	\$ 2,051	\$ (2,543)
Interest	12	12	29	17
Total Revenues	<u>4,606</u>	<u>4,606</u>	<u>2,080</u>	<u>(2,526)</u>
EXPENDITURES				
Current:				
General government	<u>2,000</u>	<u>2,000</u>	-	<u>2,000</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	-	<u>2,000</u>
Net Change in Fund Balance	2,606	2,606	2,080	(526)
Fund Balances - Beginning	<u>16,664</u>	<u>16,664</u>	<u>16,664</u>	-
Fund Balances - Ending	<u>\$ 19,270</u>	<u>\$ 19,270</u>	<u>\$ 18,744</u>	<u>\$ (526)</u>

HILL COUNTY, TEXAS

ELECTION MACHINE LEASE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 69	\$ 69	\$ 204	\$ 135
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>10,500</u>	<u>9,500</u>
Total Revenues	<u>1,069</u>	<u>1,069</u>	<u>10,704</u>	<u>9,635</u>
EXPENDITURES				
Current:				
Elections	<u>10,000</u>	<u>10,000</u>	<u>6,360</u>	<u>3,640</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>6,360</u>	<u>3,640</u>
Net Change in Fund Balance	(8,931)	(8,931)	4,344	13,275
Fund Balances - Beginning	<u>25,511</u>	<u>25,511</u>	<u>25,511</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 16,580</u>	<u>\$ 16,580</u>	<u>\$ 29,855</u>	<u>\$ 13,275</u>

HILL COUNTY, TEXAS

HILL COUNTY TOURISM FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Other	\$ 22,000	\$ 22,000	\$ 33,941	\$ 11,941
Investment earnings	432	432	969	537
Total Revenues	<u>22,432</u>	<u>22,432</u>	<u>34,910</u>	<u>12,478</u>
EXPENDITURES				
Current:				
General government	<u>70,000</u>	<u>70,000</u>	<u>36,621</u>	<u>33,379</u>
Total Expenditures	<u>70,000</u>	<u>70,000</u>	<u>36,621</u>	<u>33,379</u>
Net Change in Fund Balance	(47,568)	(47,568)	(1,711)	45,857
Fund Balances - Beginning	<u>134,069</u>	<u>134,069</u>	<u>134,069</u>	<u>-</u>
Fund Balances - Ending	\$ <u>86,501</u>	\$ <u>86,501</u>	\$ <u>132,358</u>	\$ <u>45,857</u>

HILL COUNTY, TEXAS

INDIGENT HEALTH CARE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 988,708	\$ 988,708	\$ 967,376	\$(21,332)
Sales	232,000	232,000	309,600	77,600
Investment earnings	4,220	4,220	5,124	904
Miscellaneous	-	-	14,311	14,311
Total Revenues	<u>1,224,928</u>	<u>1,224,928</u>	<u>1,296,411</u>	<u>71,483</u>
EXPENDITURES				
Current:				
Health and welfare	<u>779,819</u>	<u>779,819</u>	<u>610,755</u>	<u>169,064</u>
Total Expenditures	<u>779,819</u>	<u>779,819</u>	<u>610,755</u>	<u>169,064</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>445,109</u>	<u>445,109</u>	<u>685,656</u>	<u>240,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(850,000)</u>	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(850,000)</u>	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>
Net Change in Fund Balance	(404,891)	(404,891)	(164,344)	240,547
Fund Balances - Beginning	<u>469,010</u>	<u>469,010</u>	<u>469,010</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 64,119</u>	<u>\$ 64,119</u>	<u>\$ 304,666</u>	<u>\$ 240,547</u>

HILL COUNTY, TEXAS

JURY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 42,600	\$ 42,600	\$ 30,574	\$(12,026)
Charges for services	259,760	259,760	275,786	16,026
Investment earnings	75	75	226	151
Miscellaneous	-	-	15,872	15,872
Total Revenues	<u>302,435</u>	<u>302,435</u>	<u>322,458</u>	<u>20,023</u>
EXPENDITURES				
Current:				
Judicial	<u>566,450</u>	<u>566,450</u>	<u>533,223</u>	<u>33,227</u>
Total Expenditures	<u>566,450</u>	<u>566,450</u>	<u>533,223</u>	<u>33,227</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(264,015)	(264,015)	(210,765)	53,250
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	-
Total Other Financing Sources (Uses)	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	-
Net Change in Fund Balance	(134,015)	(134,015)	(80,765)	53,250
Fund Balances - Beginning	<u>137,846</u>	<u>137,846</u>	<u>137,846</u>	-
Fund Balances - Ending	\$ <u>3,831</u>	\$ <u>3,831</u>	\$ <u>57,081</u>	\$ <u>53,250</u>

HILL COUNTY, TEXAS

JUSTICE COURT TECHNOLOGY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 18,235	\$ 18,235	\$ 11,781	\$(6,454)
Investment earnings	166	166	218	52
Total Revenues	<u>18,401</u>	<u>18,401</u>	<u>11,999</u>	<u>(6,402)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(9,500)	(9,500)	(9,500)	-
Total Other Financing Sources (Uses)	<u>(9,500)</u>	<u>(9,500)</u>	<u>(9,500)</u>	<u>-</u>
Net Change in Fund Balance	8,901	8,901	2,499	(6,402)
Fund Balances - Beginning	<u>46,339</u>	<u>46,339</u>	<u>46,339</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 55,240</u>	<u>\$ 55,240</u>	<u>\$ 48,838</u>	<u>\$(6,402)</u>

HILL COUNTY, TEXAS

LAW LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 24,320	\$ 24,320	\$ 23,710	\$ (610)
Investment earnings	300	300	204	(96)
Total Revenues	<u>24,620</u>	<u>24,620</u>	<u>23,914</u>	<u>(706)</u>
EXPENDITURES				
Current:				
Judicial	<u>27,500</u>	<u>27,500</u>	<u>22,299</u>	<u>5,201</u>
Total Expenditures	<u>27,500</u>	<u>27,500</u>	<u>22,299</u>	<u>5,201</u>
Net Change in Fund Balance	(2,880)	(2,880)	1,615	4,495
Fund Balances - Beginning	<u>43,498</u>	<u>43,498</u>	<u>43,498</u>	<u>-</u>
Fund Balances - Ending	\$ <u>40,618</u>	\$ <u>40,618</u>	\$ <u>45,113</u>	\$ <u>4,495</u>

HILL COUNTY, TEXAS

RECORDS PRESERVATION AND MANAGEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 27,271	\$ 27,271	\$ 29,683	\$ 2,412
Investment earnings	144	144	96	(48)
Total Revenues	<u>27,415</u>	<u>27,415</u>	<u>29,779</u>	<u>2,364</u>
EXPENDITURES				
Current:				
Judicial	<u>3,000</u>	<u>3,000</u>	-	<u>3,000</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	-	<u>3,000</u>
Net Change in Fund Balance	24,415	24,415	29,779	5,364
Fund Balances - Beginning	<u>27,166</u>	<u>27,166</u>	<u>27,166</u>	-
Fund Balances - Ending	<u>\$ 51,581</u>	<u>\$ 51,581</u>	<u>\$ 56,945</u>	<u>\$ 5,364</u>

HILL COUNTY, TEXAS

SHERIFF DEPARTMENT FUND

(LAW ENFORCEMENT EDUCATION, FEDERAL SEIZURES, FEDERAL DoT, INVESTIGATIVE SUBFUNDS)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,935	\$ 5,935
Fines and forfeitures	-	15,644	15,644	-
Investment earnings	69	69	321	252
Total Revenues	<u>69</u>	<u>15,713</u>	<u>21,900</u>	<u>6,187</u>
EXPENDITURES				
Current:				
Public safety	41,000	60,863	6,953	53,910
Total Expenditures	<u>41,000</u>	<u>60,863</u>	<u>6,953</u>	<u>53,910</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,931)	(45,150)	14,947	60,097
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	4,039	4,039	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,039</u>	<u>4,039</u>	<u>-</u>
Net Change in Fund Balance	(40,931)	(41,111)	18,986	60,097
Fund Balances - Beginning	<u>98,422</u>	<u>98,422</u>	<u>98,422</u>	<u>-</u>
Fund Balances - Ending	\$ <u>57,491</u>	\$ <u>57,311</u>	\$ <u>117,408</u>	\$ <u>60,097</u>

HILL COUNTY, TEXAS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 525,564	\$ 525,564	\$ 616,588	\$ 91,024
Investment earnings	4,100	4,100	5,332	1,232
Total Revenues	<u>529,664</u>	<u>529,664</u>	<u>621,920</u>	<u>92,256</u>
EXPENDITURES				
Debt service:				
Principal	580,000	580,000	580,000	-
Interest and other	<u>16,143</u>	<u>16,143</u>	<u>15,963</u>	<u>180</u>
Total Expenditures	<u>596,143</u>	<u>596,143</u>	<u>595,963</u>	<u>180</u>
Net Change in Fund Balance	(66,479)	(66,479)	25,957	92,436
Fund Balances - Beginning	<u>184,020</u>	<u>184,020</u>	<u>184,020</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 117,541</u>	<u>\$ 117,541</u>	<u>\$ 209,977</u>	<u>\$ 92,436</u>

HILL COUNTY, TEXAS
ROAD AND BRIDGE SUBFUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2022

	<u>Road and Bridge General</u>	<u>Road and Bridge No. 1</u>	<u>Road and Bridge No. 2</u>	<u>Road and Bridge No. 3</u>
ASSETS				
Cash and cash equivalents	\$ 62,417	\$ 718,926	\$ 161,683	\$ 213,245
Receivables (net of allowance for uncollectibles)	-	73,583	32,336	41,304
Due from other governments	33,139	172,350	-	-
Due from other funds	<u>4,425</u>	<u>-</u>	<u>10,815</u>	<u>9,998</u>
Total Assets	<u>99,981</u>	<u>964,859</u>	<u>204,834</u>	<u>264,547</u>
LIABILITIES				
Accounts payable	11,697	93,591	16,494	29,521
Accrued liabilities	6,906	13,515	12,564	13,266
Due to other funds	-	<u>88,915</u>	-	-
Total Liabilities	<u>18,603</u>	<u>196,021</u>	<u>29,058</u>	<u>42,787</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>-</u>	<u>20,041</u>	<u>19,919</u>	<u>22,747</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>20,041</u>	<u>19,919</u>	<u>22,747</u>
FUND BALANCES				
Restricted for:				
Public transportation	<u>81,378</u>	<u>748,797</u>	<u>155,857</u>	<u>199,013</u>
Total Fund Balances	<u>81,378</u>	<u>748,797</u>	<u>155,857</u>	<u>199,013</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 99,981</u>	<u>\$ 964,859</u>	<u>\$ 204,834</u>	<u>\$ 264,547</u>

Road and Bridge No. 4	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Total Road and Bridge
\$ 63,788	\$ 8,905	\$ 31,019	\$ 210,802	\$ 30,184	\$ 1,500,969
34,976	44,988	44,712	51,061	43,241	366,201
-	-	-	-	-	205,489
<u>15,918</u>	<u>-</u>	<u>16,760</u>	<u>10,000</u>	<u>-</u>	<u>67,916</u>
<u>114,682</u>	<u>53,893</u>	<u>92,491</u>	<u>271,863</u>	<u>73,425</u>	<u>2,140,575</u>
16,557	296	1,003	4,633	13,775	187,567
13,096	-	-	-	-	59,347
-	-	-	-	-	88,915
<u>29,653</u>	<u>296</u>	<u>1,003</u>	<u>4,633</u>	<u>13,775</u>	<u>335,829</u>
<u>19,263</u>	<u>42,662</u>	<u>42,400</u>	<u>48,420</u>	<u>41,004</u>	<u>256,456</u>
<u>19,263</u>	<u>42,662</u>	<u>42,400</u>	<u>48,420</u>	<u>41,004</u>	<u>256,456</u>
<u>65,766</u>	<u>10,935</u>	<u>49,088</u>	<u>218,810</u>	<u>18,646</u>	<u>1,548,290</u>
<u>65,766</u>	<u>10,935</u>	<u>49,088</u>	<u>218,810</u>	<u>18,646</u>	<u>1,548,290</u>
\$ <u>114,682</u>	\$ <u>53,893</u>	\$ <u>92,491</u>	\$ <u>271,863</u>	\$ <u>73,425</u>	\$ <u>2,140,575</u>

HILL COUNTY, TEXAS

ROAD AND BRIDGE SUBFUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Road and Bridge General</u>	<u>Road and Bridge No. 1</u>	<u>Road and Bridge No. 2</u>	<u>Road and Bridge No. 3</u>
REVENUES				
Taxes:				
Property	\$ -	\$ 255,970	\$ 254,404	\$ 290,518
Sales	-	80,428	79,935	91,284
Intergovernmental	67,639	198,102	13,441	15,350
License and permits	-	217,169	216,043	241,943
Charges for services	130,338	-	-	-
Investment earnings	677	7,813	3,451	5,327
Contributions and donations	-	94,000	65,000	-
Miscellaneous	-	24	45,340	-
Total Revenues	<u>198,654</u>	<u>853,506</u>	<u>677,614</u>	<u>644,422</u>
EXPENDITURES				
Public transportation	303,861	1,670,848	736,195	733,001
Debt service:				
Principal	-	6,695	27,506	-
Interest and fiscal charges	-	1,383	1,007	-
Total Expenditures	<u>303,861</u>	<u>1,678,926</u>	<u>764,708</u>	<u>733,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,207)	(825,420)	(87,094)	(88,579)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	31,884	31,122	-
Issuance of financed purchases	-	598,066	-	-
Transfers in	50,000	100,000	100,000	100,000
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>729,950</u>	<u>131,122</u>	<u>100,000</u>
Net Changes in Fund Balances	(55,207)	(95,470)	44,028	11,421
Fund Balances - Beginning	<u>136,585</u>	<u>844,267</u>	<u>111,829</u>	<u>187,592</u>
Fund Balances - Ending	<u>\$ 81,378</u>	<u>\$ 748,797</u>	<u>\$ 155,857</u>	<u>\$ 199,013</u>

Road and Bridge No. 4	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Total Road and Bridge
\$ 246,025	\$ 569,170	\$ 565,679	\$ 645,993	\$ 547,057	\$ 3,374,816
77,303	-	-	-	-	328,950
19,411	-	-	-	-	313,943
210,037	-	-	-	-	885,192
-	-	-	-	-	130,338
963	-	-	-	-	18,231
30,250	-	-	-	-	189,250
-	-	-	-	-	45,364
<u>583,989</u>	<u>569,170</u>	<u>565,679</u>	<u>645,993</u>	<u>547,057</u>	<u>5,286,084</u>
631,331	338,562	666,843	401,531	352,565	5,834,737
-	214,444	-	119,462	222,193	590,300
-	10,703	-	4,470	39,692	57,255
<u>631,331</u>	<u>563,709</u>	<u>666,843</u>	<u>525,463</u>	<u>614,450</u>	<u>6,482,292</u>
(47,342)	5,461	(101,164)	120,530	(67,393)	(1,196,208)
-	-	-	-	78,750	141,756
-	-	-	-	-	598,066
100,000	-	-	-	-	450,000
<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,750</u>	<u>1,189,822</u>
52,658	5,461	(101,164)	120,530	11,357	(6,386)
<u>13,108</u>	<u>5,474</u>	<u>150,252</u>	<u>98,280</u>	<u>7,289</u>	<u>1,554,676</u>
\$ <u>65,766</u>	\$ <u>10,935</u>	\$ <u>49,088</u>	\$ <u>218,810</u>	\$ <u>18,646</u>	\$ <u>1,548,290</u>

HILL COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

SEPTEMBER 30, 2022

	Custodial Funds		
	HCCF DC Civil	Criminal Justice	District Attorney Seizure Account
ASSETS			
Cash and cash equivalents	\$ 1,268,653	\$ 97,781	\$ 159,255
Due from other governments	-	-	-
Prepaid items	-	-	-
Accounts receivable	-	1	-
Total assets	1,268,653	97,782	159,255
LIABILITIES			
Accounts payable	-	98,013	-
Accrued liabilities	-	-	-
Total liabilities	-	98,013	-
NET POSITION			
Restricted for:			
Individuals and organizations	1,268,653	(231)	159,255
Total net position	\$ 1,268,653	\$(231)	\$ 159,255

Custodial Funds

County Officer Accounts	Adult Probation	Juvenile Probation	Total Custodial Funds
\$ 1,756,012	\$ 803,633	\$ 150,471	\$ 4,235,805
-	-	67,099	67,099
-	-	300	300
-	9	101	111
<u>1,756,012</u>	<u>803,642</u>	<u>217,971</u>	<u>4,303,315</u>
84,675	16,857	40,854	240,399
-	30,204	14,203	44,407
<u>84,675</u>	<u>47,061</u>	<u>55,057</u>	<u>284,806</u>
<u>1,671,337</u>	<u>756,581</u>	<u>162,914</u>	<u>4,018,509</u>
\$ <u>1,671,337</u>	\$ <u>756,581</u>	\$ <u>162,914</u>	\$ <u>4,018,509</u>

HILL COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Custodial Funds		
	HCCF DC Civil	Criminal Justice	District Attorney Seizure Account
ADDITIONS			
State fees	\$ -	\$ 414,970	\$ -
Receipts from other governments	-	-	-
Receipts from other individuals	-	-	-
Charges for services	-	-	-
Court fees	2,363,444	-	-
Interest income	-	-	400
Miscellaneous	-	-	-
Seized funds	-	-	40,110
Total additions	2,363,444	414,970	40,510
DEDUCTIONS			
Distributions to other governments	-	414,969	69,005
Distributions to others	1,844,262	-	-
Total deductions	1,844,262	414,969	69,005
Net increase (decrease) in fiduciary net position	519,182	1	(28,495)
Net position - beginning	749,471	(232)	187,750
Net position - ending	\$ 1,268,653	\$(231)	\$ 159,255

Custodial Funds

County Officer Accounts	Adult Probation	Juvenile Probation	Total Custodial Funds
\$ 457,901	\$ -	\$ -	\$ 872,871
-	487,816	553,006	1,040,822
34,960,256	-	-	34,960,256
-	546,297	81,084	627,381
-	-	-	2,363,444
-	8,072	457	8,929
-	9	4,902	4,911
-	-	-	40,110
<u>35,418,157</u>	<u>1,042,194</u>	<u>639,449</u>	<u>39,918,724</u>
35,865,561	-	-	36,349,535
458,037	920,768	636,067	3,859,134
<u>36,323,598</u>	<u>920,768</u>	<u>636,067</u>	<u>40,208,669</u>
(905,441)	121,426	3,382	(289,945)
<u>2,576,778</u>	<u>635,155</u>	<u>159,532</u>	<u>4,308,454</u>
\$ <u>1,671,337</u>	\$ <u>756,581</u>	\$ <u>162,914</u>	\$ <u>4,018,509</u>