

HUNT COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2024

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HUNT COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2024

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GENERAL INFORMATION

HUNT COUNTY, TEXAS
ROSTER OF PUBLIC OFFICIALS
SEPTEMBER 30, 2024

County Judge..... Bobby Stovall
Commissioner, Precinct 1..... Mark Hutchins
Commissioner, Precinct 2..... David Monroe
Commissioner, Precinct 3..... Phillip Martin
Commissioner, Precinct 4..... Steve Harrison
County Auditor Mary Corcoran
County Clerk Becky Landrum
County Treasurer..... Brittini Turner
County Tax Assessor Collector Randy Wineinger
County Attorney Calvin Grogan
County Sheriff Terry Jones
Justice of the Peace, PCT 1, Place 1..... Wayne Money
Justice of the Peace, PCT 1, Place 2..... Sheila Linden
Justice of the Peace, PCT 2..... Kerry Crews
Justice of the Peace, PCT 3..... Christie Roundtree
Justice of the Peace, PCT 4..... Clayton Rankin
District Clerk Susan Spradling

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Court

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hunt County, Texas (County), as of and for the year ended September 30, 2024, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hunt County, Texas as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 judgement, 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 and schedules related to pension and other post-employment benefit activities be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 January 15, 2026, 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 the County's 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.

A handwritten signature in blue ink that reads "Rutherford, Taylor & Company, P.C." The signature is written in a cursive, flowing style.

January 15, 2026
Greenville, Texas

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Court

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hunt County, Texas (County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 15, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rutherford, Taylor & Company, P.C.

January 15, 2026
Greenville, Texas

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Members of the Court
Hunt County, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hunt County, Texas's (County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud, or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

Internal Control over Compliance with the Uniform Guidance – Continued

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



January 15, 2026
Greenville, Texas

HUNT COUNTY, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COST
 YEAR ENDED SEPTEMBER 30, 2024

Summary of Auditor's Results

Financial Statements –

Type of auditor's report issued	Unmodified Opinion
Internal Control over Financial Reporting:	
Material Weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Noncompliance material to the financial statements noted	None

Federal Awards –

Internal control over major programs:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Type of Auditor's report issued on compliance for major programs	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	No
Identification of major programs	American Rescue Plan – SLFRF (21.027)
Dollar threshold used to distinguish between Type A and Type B programs	\$ 750,000
Entity qualified as a low risk auditee	No
Pass-through Entity	State of Texas

HUNT COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024

Financial Statement Findings (Section II)

NONE

HUNT COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024

Prior Year Findings (Section III)

NONE

HUNT COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024

Federal Award Findings and Questioned Costs (Section IV)

NONE

HUNT COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024

Corrective Action Plan (Section V)

NONE

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplemental Information)

HUNT COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024

As management of Hunt County, Texas (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2024. This discussion includes comparative data for the prior year. Please read it in conjunction with the basic financial statements and related notes which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

- The County's combined total net position is \$ 69,785,822 on September 30, 2024.
- For the year, the County's expenses were \$ 692,794 more than the \$ 70,853,530 generated in local property taxes and other revenues for governmental activities.
- Overall costs for the County were like prior years with little change in the types of services or programs operated this year.
- The General Fund reported a fund balance of \$ 18,983,685 which is an increase of \$ 343,491 from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Hunt County, Texas basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The County's annual report includes two government-wide financial statements, the *Statement of Net Assets*, and the *Statement of Activities*, both of which present all of the governmental activities of the County, excluding fiduciary activities. Governmental activities of the County include general government, judicial, public safety, corrections and rehabilitation, health and human services, community development, infrastructure, and debt service. These activities are principally supported by local property and sales taxes. The County has no business-type activities.

The *Statement of Net Position* presents all the County's assets and liabilities, with the difference between the two reported as Net Position. Net position is equivalent to the equity section of a private sector balance sheet. 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. Evaluation of the overall economic health of the County would extend to other nonfinancial factors such as the County's property tax base and the condition of the County's infrastructure in addition to the financial information provided in this report.

The *Statement of Activities* presents information showing how the County's net position changed during the fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

HUNT COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024

Fund Financial Statements. (Continued)

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 how cash resources flow into and out of those funds and the balances remaining at the year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, that requires the recognition of revenue when earned, only so long as the funds are collected within the period or soon afterwards to be used to pay liabilities of the current period.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This will present readers with a better understanding of the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Equity provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The County adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided as required supplementary information for this fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held by the County in a custodial capacity as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to fund County programs. The fiduciary funds are disclosed in the Statement of Net Assets - Fiduciary Funds.

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 following the fund financial statements presented in the report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets -

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. In the case of Hunt County, assets and other deferred outflows exceeded liabilities and other deferred inflows by \$ 69,785,822 at the close of the most recent fiscal year, an increase from the previous fiscal year due primarily to a combination of increased revenues and expenses. The largest portion of the County's net position represents investments in capital assets (e.g., road and bridge infrastructure; buildings and other improvements; furniture, machinery, and equipment; and land), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to the individuals we serve; consequently, these assets are not available for future spending. An additional portion of the net position is restricted for specific and legal purposes. Included as restricted are the funds held for the repayment of debt. The remaining balance of unrestricted net position represents resources available for future operations.

HUNT COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS, (CONTINUED)

The following table provides a summary of the County's Statement of Net Position as of September 30, 2024 and 2023.

	<u>Governmental</u>		Total Percentage Change <u>2023-2024</u>
	Activities		
	<u>2024</u>	<u>2023</u>	
Assets			
Current and Other Assets	\$ 64,902,206	\$ 68,656,017	-5.47%
Capital Assets	<u>45,462,395</u>	<u>44,272,028</u>	2.69%
Total Assets	<u>\$ 110,364,601</u>	<u>\$ 112,928,045</u>	-2.27%
Deferred Outflows of Resources			
Deferred Outflows	<u>\$ 5,053,877</u>	<u>\$ 6,731,763</u>	-24.92%
Liabilities			
Current and Other Liabilities	\$ 12,184,277	\$ 14,248,997	-14.49%
Non-Current Liabilities	<u>31,845,766</u>	<u>33,213,949</u>	-4.12%
Total Liabilities	<u>\$ 44,030,043</u>	<u>\$ 47,462,946</u>	-7.23%
Deferred Inflows of Resources			
Deferred Inflows	<u>\$ 1,602,613</u>	<u>\$ 1,718,246</u>	-6.73%
Net Position			
Net Investment in Capital Assets	\$ 34,565,647	\$ 35,183,436	-1.76%
Restricted	407,559	482,086	-15.46%
Unrestricted	<u>34,812,616</u>	<u>34,813,094</u>	0.00%
Total Net Position	<u>\$ 69,785,822</u>	<u>\$ 70,478,616</u>	-0.98%

HUNT COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities

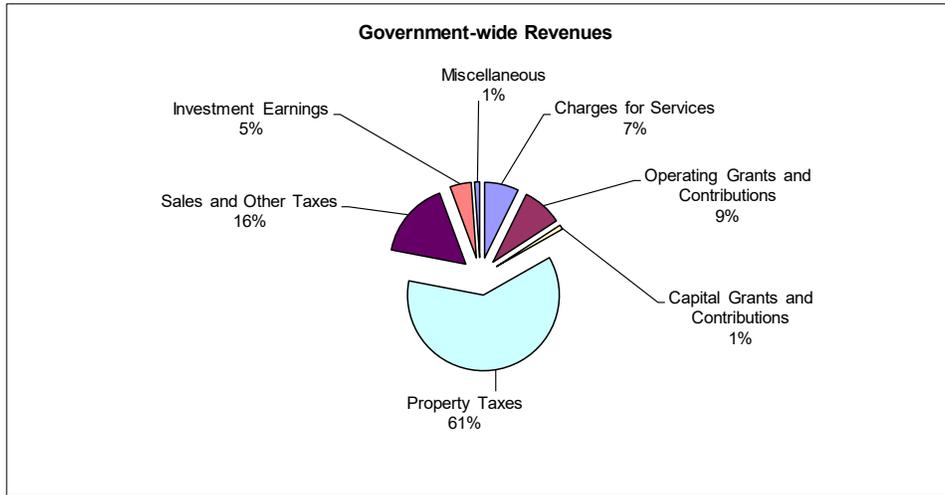
The Statement of Activities presents the revenues and expenses of the County and the resulting change in the net assets. The following table provides a summary of the County's Statement of Activities for the years ended September 30, 2024 and 2023.

	<u>Governmental</u>		<u>Total Percentage Change 2023-2024</u>
	<u>Activities</u>		
	<u>2024</u>	<u>2023</u>	
Revenues			
Program Revenues:			
Charges for Services	\$ 5,228,535	\$ 4,952,702	5.57%
Operating Grants and Contributions	6,113,307	6,936,787	-11.87%
Capital Grants and Contributions	702,307	665,950	5.46%
General Revenues:			
Property Taxes	44,013,765	39,046,250	12.72%
Sales and Other Taxes	11,759,444	11,991,805	-1.94%
Investment Earnings	3,253,906	2,986,852	8.94%
Miscellaneous	782,266	626,437	24.88%
Total Revenues	\$ 71,853,530	\$ 67,206,783	6.91%
Expenses			
Current Expenses:			
General Government	\$ 11,820,401	\$ 11,222,462	5.33%
Judicial	13,241,931	11,724,046	12.95%
Public Safety	17,239,250	10,336,963	66.77%
Corrections and Rehabilitation	9,030,667	8,199,966	10.13%
Health and Human Services	4,511,223	1,533,514	194.18%
Community Development	362,986	417,025	-12.96%
Infrastructure	15,838,655	11,380,552	39.17%
Debt Service	501,211	483,488	3.67%
Total Expenses	\$ 72,546,324	\$ 55,298,016	31.19%
Change in Net Position	\$ (692,794)	\$ 11,908,767	-105.82%
Net Position - Beginning (October 1)	\$ 70,478,616	\$ 58,572,975	20.33%
Prior Period Adjustment	-	(3,126)	0.00%
Net Position - Beginning as restated	\$ 70,478,616	\$ 58,569,849	20.33%
Net Position - Ending (September 30)	\$ 69,785,822	\$ 70,478,616	-0.98%

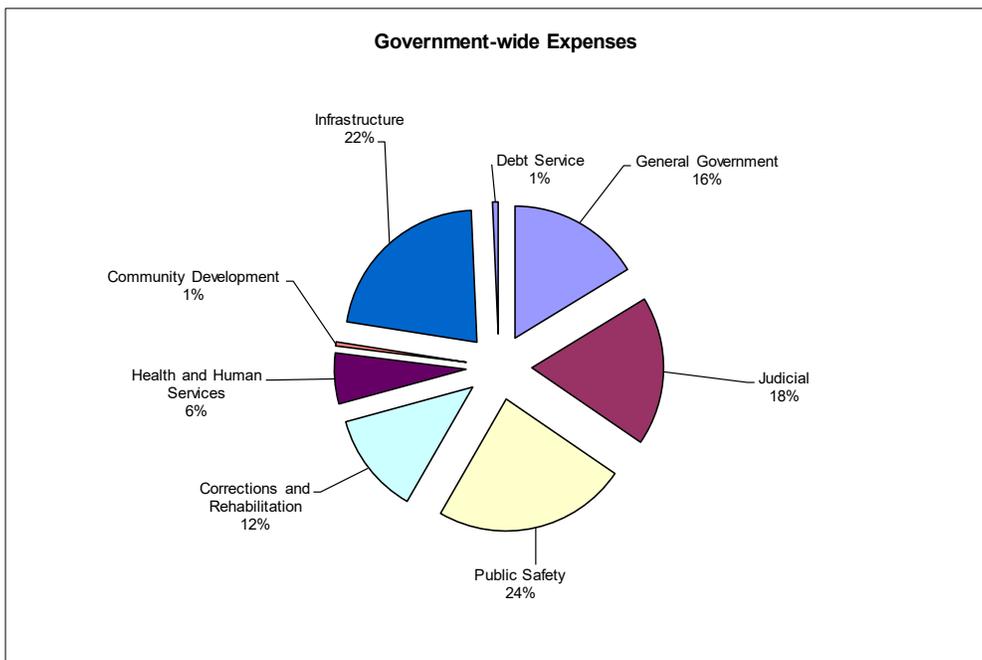
HUNT COUNTY, TEXAS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEAR ENDED SEPTEMBER 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental activities. Revenues for the County's governmental activities were \$ 71,853,530, up by 6.91% from the prior year while total expenses were \$ 72,546,324, up by 31.19% compared to the prior year. The decrease in net position of (\$ 692,794) reflects a decrease of 105.82% for the year, from \$ 70,478,616 at the beginning of the year to \$ 69,785,822 at the end of the year. The following charts graphically display the components of governmental revenues and expenses for the year.



Revenues for the County's governmental activities totaled \$ 71,853,530 for the year ended September 30, 2024. As graphically portrayed above, the County continues to be heavily reliant on ad valorem taxes to support governmental operations. Ad valorem taxes increased to 61.2% of the County's total governmental revenues. In general, the County's tax revenues are dependent on the property values and local economy of Hunt County, Texas. Sales and other taxes as a percentage of total revenues decreased to 16.3% in the current period. Fees, fines, and charges for services provided 7.2% of the County's total governmental revenues during the fiscal year compared to 7.37% in the prior year. Investment earnings increased to 4.5% from the previous year 4.44%. Other components of total revenues remained relatively stable but increased as compared to the prior year.



HUNT COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS, (CONTINUED)

Expenses for the County's governmental activities totaled \$ 72,546,324 for the year ended September 30, 2024. Of this amount, the largest operating services area was judicial, which totaled \$ 13,241,931, for the year compared to \$ 11,724,046 in the prior year, approximately 18% for the current year. Infrastructure which totaled \$ 15,838,655 for the year compared to \$ 11,380,552 for the prior year. Costs related to general government (\$ 11,820,401) and public safety (\$ 17,239,250) continued to absorb significant percentages of the County's total expenses in the current year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds – The focus of the County's governmental funds is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

The County's governmental funds reflect a combined fund balance of \$ 49,518,616 as of year-end, down \$ 2,162,423 as compared to \$ 51,681,039 at the end of the previous fiscal year. Approximately 37.8% (\$ 18,762,300) of the combined fund balances for the governmental funds constitutes unassigned fund balance, which is available to meet the County's current and future operating needs. The other components of the fund balance are nonspendable (\$ 223,632), restricted (\$ 9,427,026), or committed (\$ 21,105,658).

The General Fund is the principal operating fund of the County and the largest source of day-to-day service delivery. In the General Fund, the County spent \$ 48,345,951 on County services and collected revenues of \$ 46,647,686, netting a decrease of revenues over expenditures of \$ 1,698,265 for the fiscal year ended September 30, 2024, as compared to an increase of revenues over expenditures of \$ 1,730,900 during the previous fiscal year. Also, during the current year, General Fund assets amounting to \$ 706,525 were transferred to other funds. Additionally, financing proceeds of \$ 2,555,765 were received for support of General Fund capital expenditures. Overall, the General Fund's fund balance increased \$ 343,491 during the current year. This increase is ultimately combined with a beginning fund balance of \$ 18,640,194 to provide an ending fund balance total of \$ 18,983,685 as of September 30, 2024, an overall increase from the end of the previous fiscal year.

The Capital Projects Fund accounts for the debt proceeds issued for long term road improvements. Bonds including premiums were issued to fund various road projects in the County in previous years. The Commissioners Court committed of funds from the General Fund for future capital improvements in prior years as well. Expenses totaled \$ 4,694,344 for the year offset by \$1,166,856 of investment and other income resulting in an ending fund balance of \$ 19,721,273. The equity balance is either restricted, which can only be used as described in the bond covenants or committed to be spent under the direction of the Commissioner Court.

Other Governmental Funds ended the year with a fund balance of \$ 9,544,966, up 5% from the prior year balance of \$ 9,090,117. 50.3% or \$ 4,807,013 of the year-end fund balance is restricted for debt service and other outside controlled purposes. Most of the remaining 49.6% (\$ 4,735,706) of the fund balance is committed.

General Fund Budgetary Highlights

The General Fund expenditure budget for fiscal year 2024, as amended, was \$ 52,768,484 compared to \$ 45,132,407 for fiscal year 2023. Amendments to the original 2024 budget increased revenues by less than 1% and expenditures by 4.1%. Significant budget amendments approved by the Commissioners Court during the period ended September 30, 2024, are as follows:

- The general government budget decreased by \$ 368,720. This line-item budgets for contingency expenses that cannot be anticipated during the budgeting process. The budget increase represents additional amounts that were expected to be needed during the year because of higher-than-normal transfers of budgetary authority to other budget areas to cover unanticipated costs including facility repairs and maintenance.

HUNT COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024

General Fund Budgetary Highlights, (Continued)

- Judicial budget increased by \$ 56,033 due largely to increased costs of court activities related to technology and protective items related to the judicial costs to provide services for the growing population.
- Public Safety budget increased by \$ 2,186,032 mainly due to increased costs related to vehicles, tools, equipment, supplies, and certifications related to law enforcement, along with increased costs related to the county growth.

Actual revenues for the year were \$ 46,647,686 or \$ 633,852 less than expectations primarily due to lower-than-expected revenues from property. Investment earnings were lower than anticipated as rates retreated from previous years rates. In addition, General Fund expenditures amounted to \$ 48,345,951 or \$ 4,422,533 under budget. All functional areas came in within budget except for infrastructure and debt service. Both excess balances were not significant in viewing the overall budget.

Further comparison of the County's actual operating results as compared to budget can be found in the required supplementary information section of the report following the notes to the financial statements.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities funds as of September 30, 2024, amounts to \$ 110,866,659 compared to \$ 107,961,952 on September 30, 2023. Capital Assets include right of use lease assets as well as land, buildings and improvements, road and bridge infrastructure, and furniture, machinery and equipment which are used by the County in performance of the County's functions. During the year, \$ 4,997,580 was added to land, buildings, roads, furniture, machinery, and equipment for courthouse renovations, roads, automobiles, and trucks offset by deductions of \$ 2,072,873 related to disposals of vehicles and heavy equipment. Depreciation and amortization provided for the current fiscal period was \$ 3,744,218 as compared to \$ 2,876,888 for the year ended September 30, 2023. Additional information on capital assets can be found in Note C of this report. A schedule of capital assets and right of use lease assets as well as the change in values is presented below:

	Capital Assets			Total Percentage Change 2023-2024
	Governmental Activities			
	2024	2023		
Nondepreciable Assets				
Land	\$ 3,424,381	\$ 3,424,381		0.00%
Construction in Progress	644,253	644,253		0.00%
Depreciable Assets				
Buildings and Improvements	27,453,137	27,453,137		0.00%
Equipment	55,658,252	55,658,252		0.00%
Vehicles	21,801,008	-		100.00%
Right of Use Leases	1,905,628	20,781,929		-90.83%
Total Capital Assets	\$ 110,886,659	\$ 107,961,952		2.71%
Less Accumulated Depreciation	(65,424,264)	(63,689,924)		2.72%
Net Capital Assets	<u>\$ 45,462,395</u>	<u>\$ 44,272,028</u>		2.69%

HUNT COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024

Long-term Debt. As of September 30, 2024, the County had total long-term debt outstanding of \$ 16,105,478, of which \$ 9,665,00 was general obligation bonds. The remainder of the County's long-term debt is primarily due to the state for sales tax overpayments as well as financing leases for vehicle and equipment purchases. In total, long-term debt increased \$ 1,722,822 from the previous year-end balance of \$ 14,382,656. The County believes they are currently in compliance with all significant debt limitations and restrictions. Additional information on the County's long-term debt can be found in Note D of this report.

Long Term Obligations			
	Governmental Activities		Total Percentage Change
	2024	2023	2023-2024
General Obligation Bonds	\$ 9,665,000	\$ 10,190,000	-5.15%
Direct Borrowings	2,219,772	2,077,856	0.00%
Right of Use leases	1,870,305	-	100.00%
Other Debt Payable	2,350,401	2,114,800	11.14%
Total Long-Term Obligations	\$ 16,105,478	\$ 14,382,656	11.98%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Hunt County Commissioner's Court considered many factors when setting the fiscal year 2024/2025 budget, tax rates and fees that will be charged for its activities. The key factors that affected the formulation of next year's budget and rates are discussed below.

The County's total population continues on a steady upward trend increasing to approximately 110,000 for 2024, up by 43% from the year 2000 level of 76,596. In recent years, the County has experienced relatively low inflation rates which have closely followed the national trends. In compiling next year's budget, moderate change in the inflation rate has been anticipated.

Amounts of appropriation in the 2024/2025 General Fund budget provide an increase from the prior year budget. An increase in the County's tax roll allowed the County's tax rate per \$100 of valuation to remain steady for fiscal year 2024/2025 as compared to the prior year. The County will use available revenues to finance services we currently offer and the effect that we expect inflation and other economic factors to have on the cost of performing County functions. Significant factors that affected the 2024/2025 budget include steady investment earnings along with increases in the County's wages, employee retirement costs, unemployment insurance, health insurance, and worker's compensation insurance. No other major new services or programs were added to the 2024/2025 budget.

There appears to be potential structural problems for the County's criminal justice center. As of the report date, the cost of any necessary repairs, if any, has not been determined. No liability is reflected in the County's balance sheet for this contingency on September 30, 2024. The County received funds from plaintiffs in settlement of various actions and claims during prior years. These funds have been committed by the Commissioners Court to provide for future repairs to the center.

HUNT COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2024

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of Hunt County's finances for all of those with an interest in the County's finances. Questions concerning this report or requests for additional financial information should be directed to Bobby Stovall, County Judge, located on the second floor of the Hunt County Courthouse at 2507 Lee Street, Greenville, TX 75401.

BASIC FINANCIAL STATEMENTS

**HUNT COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 58,802,508
Receivables (Net of Allowance for Uncollectable Amounts)	
Property Taxes	3,715,282
Sales Tax	1,478,003
Fines, Fees and Court Costs	177,731
Others	497,774
Due from Custodial Funds	6,125
Prepaid Items	223,632
Other Assets	1,151
Capital Assets, Net	<u>45,462,395</u>
 Total Assets	 <u>\$ 110,364,601</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - Pensions	\$ 3,500,931
Deferred Outflows - OPEB	<u>1,552,946</u>
 Total Deferred Outflows of Resources	 <u>\$ 5,053,877</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	2,409,305
Wages and Benefits Payable	1,326,773
Due to Others	1,128,746
Interest Payable	22,128
Unearned Revenue	7,297,325
Long-term Liabilities:	
Due within one year	1,228,510
Due in more than one year	14,876,968
Net Pension Liability	2,649,614
Net OPEB Liability	<u>13,090,674</u>
 Total Liabilities	 <u>\$ 44,030,043</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - OPEB	<u>\$ 1,602,613</u>
 Total Other Deferred Inflows Resources	 <u>\$ 1,602,613</u>
NET POSITION	
Net Investment in Capital Assets	\$ 34,565,647
Restricted for:	
Debt Retirement	407,559
Unrestricted	<u>34,812,616</u>
 Total Net Position	 <u><u>\$ 69,785,822</u></u>

The accompanying notes are an integral part of this statement.

**HUNT COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

Programs Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 11,820,401	\$ 2,190,805	\$ 13,614	\$ -	\$ (9,615,982)
Judicial	13,241,931	1,232,166	1,410,904	-	(10,598,861)
Public Safety	17,239,250	365,406	1,424,054	26,898	(15,422,892)
Corrections and Rehabilitation	9,030,667	492,548	-	-	(8,538,119)
Health and Human Services	4,511,223	630,332	3,264,735	-	(616,156)
Community Development	362,986	90,312	-	-	(272,674)
Infrastructure	15,838,655	226,966	-	675,409	(14,936,280)
Debt Service	501,211	-	-	-	(501,211)
Total Governmental Activities	\$ 72,546,324	\$ 5,228,535	\$ 6,113,307	\$ 702,307	\$ (60,502,175)
Total Primary Government	\$ 72,546,324	\$ 5,228,535	\$ 6,113,307	\$ 702,307	\$ (60,502,175)
General Revenues:					
Property Taxes					\$ 44,013,765
Sales and Other Taxes					11,759,444
Investment Earnings					3,253,906
Miscellaneous Revenue					782,266
Total General Revenues					\$ 59,809,381
Change in Net Position					\$ (692,794)
Net Position - Beginning (October 1)					70,478,616
Net Position - Ending (September 30)					\$ 69,785,822

The accompanying notes are an integral part of this statement.

HUNT COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General	American Rescue Plan	Capial Projects Funds	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 22,167,797	\$ 8,308,603	\$ 20,043,837	\$ 8,171,072	\$ 58,691,309
Receivables					
Property Taxes	3,098,599	-	-	1,123,313	4,221,912
Allowance for Uncollectible Taxes	(371,832)	-	-	(134,797)	(506,629)
Sales Tax	1,478,003	-	-	-	1,478,003
Other Receivables	116,117	-	-	90,188	206,305
Due from Other Funds	11,177	-	-	2,865,094	2,876,271
Prepaid Items	221,385	-	-	2,247	223,632
Other Assets	1,151	-	-	-	1,151
Total Assets	<u>\$ 26,722,397</u>	<u>\$ 8,308,603</u>	<u>\$ 20,043,837</u>	<u>\$ 12,117,117</u>	<u>\$ 67,191,954</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 1,187,080	\$ 14,383	\$ 263,581	\$ 659,306	\$ 2,124,350
Wages and Other Benefits Payable	1,093,398	-	-	232,999	1,326,397
Due to Others	671,362	-	-	457,384	1,128,746
Due to Other Funds	2,184,985	64,085	58,983	600	2,308,653
Unearned Revenue	38,181	6,961,443	-	187,286	7,186,910
Total Liabilities	<u>\$ 5,175,006</u>	<u>\$ 7,039,911</u>	<u>\$ 322,564</u>	<u>\$ 1,537,575</u>	<u>\$ 14,075,056</u>
DEFERRED INFLOW OF RESOURCES					
Property Taxes and Other	<u>\$ 2,563,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,034,576</u>	<u>\$ 3,598,282</u>
Total Deferred Inflow of Resources	<u>\$ 2,563,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,034,576</u>	<u>\$ 3,598,282</u>
FUND EQUITY					
Nonspendable	\$ 221,385	\$ -	\$ -	\$ 2,247	\$ 223,632
Restricted	-	1,268,692	3,351,321	4,807,013	9,427,026
Committed	-	-	16,369,952	4,735,706	21,105,658
Unassigned	18,762,300	-	-	-	18,762,300
Total Fund Equity	<u>\$ 18,983,685</u>	<u>\$ 1,268,692</u>	<u>\$ 19,721,273</u>	<u>\$ 9,544,966</u>	<u>\$ 49,518,616</u>
Total Liabilities and Fund Equity	<u>\$ 26,722,397</u>	<u>\$ 8,308,603</u>	<u>\$ 20,043,837</u>	<u>\$ 12,117,117</u>	<u>\$ 67,191,954</u>

The accompanying notes are an integral part of this statement.

HUNT COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Total Fund Equity - Governmental Funds (Exhibit A-3)	\$ 49,518,616
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore not reported in the balance sheet	43,605,012
Right of use lease assets (net of accumulated amortization) used in governmental activities are not current financial resources and therefore not reported in the balance sheet	1,857,383
Property taxes receivable are unavailable to pay for current period expenditures and are not recognized as a fund receivable	3,487,866
Fines and fees receivable are unavailable to pay for current period expenditures and are not recognized as a fund receivable	177,731
Interest payable on noncurrent liabilities are not due and payable in the current period and are not reported in the funds	(22,128)
Noncurrent liabilities are not due and payable in the current period and therefore not reported in the funds as follows:	
Bonds and Related Premium	(10,134,192)
Compensated Absences	(2,219,772)
Comptroller Overpayment	(823,596)
Financing Leases	(1,057,613)
	(1,870,305)
Recognition of the Net Pension Asset not reported in the funds.	(2,649,614)
Deferred Resource Outflows related to Pensions are not reported in the funds.	3,500,931
Recognition of the OPEB Liability not reported in the funds.	(13,090,674)
Deferred Resources Inflows related to OPEB are not reported in the funds.	(1,602,613)
Deferred Resource Outflows related to OPEB are not reported in the funds.	1,552,946
Assets and liabilities of internal service funds are included in the governmental activities of the Statement of Net Position	(444,156)
Total Net Position - Governmental Activities (Exhibit A-1)	<u>\$ 69,785,822</u>

The accompanying notes are an integral part of this statement.

HUNT COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND EQUITY - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	General	American Rescue Plan	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes - Property	\$ 31,092,961	\$ -	\$ -	\$ 12,871,197	\$ 43,964,158
Taxes - Sales and Other	9,702,184	-	-	7,110	9,709,294
Fees and Fines	2,786,386	-	-	1,079,888	3,866,274
Motor Vehicle Fees	1,071,096	-	-	1,408,888	2,479,984
Intergovernmental Support	602,157	2,922,815	-	2,661,285	6,186,257
Investment Earnings	431,632	566,725	1,166,856	443,855	2,609,068
Miscellaneous	961,270	-	-	1,246,477	2,207,747
Total Revenues	\$ 46,647,686	\$ 3,489,540	\$ 1,166,856	\$ 19,718,700	\$ 71,022,782
EXPENDITURES					
Current:					
General Government	\$ 11,095,511	\$ 19,862	\$ -	\$ 615,770	\$ 11,731,143
Judicial	11,197,682	-	-	2,269,858	13,467,540
Public Safety	14,252,687	-	4,108,862	698,266	19,059,815
Corrections and Rehabilitation	8,990,886	-	14,790	188,289	9,193,965
Health and Human Services	1,229,041	2,902,953	570,692	435,367	5,138,053
Community Development	253,936	-	-	108,785	362,721
Infrastructure	372,875	-	-	15,755,513	16,128,388
Debt Service	953,333	-	-	935,668	1,889,001
Total Expenditures	\$ 48,345,951	\$ 2,922,815	\$ 4,694,344	\$ 21,007,516	\$ 76,970,626
Excess (Deficiency) of Revenues over Expenditures	\$ (1,698,265)	\$ 566,725	\$ (3,527,488)	\$ (1,288,816)	\$ (5,947,844)
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	\$ 2,555,765	\$ -	\$ -	\$ 199,976	\$ 2,755,741
Transfers In	21,590	-	-	706,525	728,115
Transfers Out	(706,525)	-	-	(21,590)	(728,115)
Litigation Settlement	33,333	-	-	90,000	123,333
Capital Asset Sale Proceeds	137,593	-	-	768,754	906,347
Net Other Financing Sources (Uses)	\$ 2,041,756	\$ -	\$ -	\$ 1,743,665	\$ 3,785,421
Net Change in Fund Equity	\$ 343,491	\$ 566,725	\$ (3,527,488)	\$ 454,849	\$ (2,162,423)
Fund Equity - October 1 (Beginning)	18,640,194	701,967	23,248,761	9,090,117	51,681,039
Fund Equity - September 30 (Ending)	\$ 18,983,685	\$ 1,268,692	\$ 19,721,273	\$ 9,544,966	\$ 49,518,616

The accompanying notes are an integral part of this statement.

**HUNT COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND EQUITY OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024**

Net Change in Fund Equity - Total Governmental Funds (Exhibit A-5)	\$ (2,162,423)
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital asset cost is allocated over the estimated useful life and reported as depreciation in the statement of activities	(3,695,973)
Right of use lease asset cost is allocated over the lease term and reported as amortization in the statement of activities	(48,245)
Acquisition of capital assets requires the use of current financial resources but has no effect on net assets	3,274,067
Acquisition of right of use lease assets required the use of current financial resources but has no effect on net assets	1,905,628
Disposal of Capital Assets are reported as revenues in the funds but the gain or loss from the sale is reported in the Statement of Activities.	(245,110)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	
Change in Property Taxes	347,865
Change in Fines and Court Costs	(9,354)
Repayment of debt principal is an expenditure in the funds but the payments reduce liabilities in the statement of net assets	
Debt principal payments are as follows:	
Bonds	525,000
Direct Borrowings	708,198
Right of Use Leases	35,323
Comptroller Overpayment	86,582
Certain expenses 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	
Change in Interest Expense	1,703
Bond Premium Amortization	30,984
Compensated Absence	(54,910)
Issuance of debt proceeds are other resources in the funds but are not reflected in the Statement of Activities.	(3,053,999)
Net pension expense had to be recorded in the SOA but not the funds increasing net position.	1,528,751
The net revenue (expense) of internal service funds is reported with governmental activities	<u>133,119</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ (692,794)</u>

The accompanying notes are an integral part of this statement.

**HUNT COUNTY, TEXAS
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2024**

	Nonmajor Internal Service Fund
	Insurance Fund
ASSETS	
Cash and Investments	\$ 111,197
Due from Others	291,470
 Total Assets	 \$ 402,667
LIABILITIES	
Accounts Payable	\$ 50,571
Wages and Other Benefits Payable	376
Claims Payable	234,383
Due to Other Funds	561,493
 Total Liabilities	 \$ 846,823
NET POSITION	
Unrestricted	\$ (444,156)
 Total Net Position	 \$ (444,156)

The accompanying notes are an integral part of this statement.

HUNT COUNTY, TEXAS
 STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
 SEPTEMBER 30, 2024

	Nonmajor Internal Service Fund Insurance Fund
OPERATING REVENUES	
Quasi External Interfund Transfer	\$ 6,071,648
Medical Premiums	486,355
Rebates	<u>515,569</u>
Total Operating Revenue	<u>\$ 7,073,572</u>
OPERATING EXPENSES	
Administration Costs	\$ 1,750,811
Medical Services	5,188,420
Stop Loss Refunds	<u>7,147</u>
Total Operating Cost	<u>\$ 6,946,378</u>
Excess (Deficiency) Operating Revenue over Operating Expenses	<u>\$ 127,194</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Earnings	<u>\$ 5,925</u>
Net Investment Revenue (Expenses)	<u>\$ 5,925</u>
Change in Net Position	\$ 133,119
Net Position - October 1 (Beginning)	<u>(577,275)</u>
Net Position - September 30 (Ending)	<u><u>\$ (444,156)</u></u>

The accompanying notes are an integral part of this statement.

HUNT COUNTY, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
SEPTEMBER 30, 2024

	Nonmajor Internal Service Fund
	Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Quasi - External Operating Transfers	\$ 6,071,648
Cash Receipts from Participants	486,355
Cash Receipts from Service Providers	515,569
Cash Receipts from Stop Loss Coverage Providers	(695,806)
Cash Payments for Claims	(4,621,008)
Cash Payments for Wages and Benefits	(5,948)
Cash Payments for Administration	(1,750,811)
	<u>(1,750,811)</u>
Net Cash Provided by (Used for) Operating Activities	\$ (1)
CASH FLOWS FROM CAPITAL AND OTHER RELATED FINANCING ACTIVITIES	
None	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Earnings Received	\$ 5,925
	<u>5,925</u>
Net Cash Provided by (Used for) Investing Activities	\$ 5,925
	<u>5,925</u>
Net Increase (Decrease) in Cash and investments	\$ 5,924
Cash and Investments - October 1 (Beginning)	105,273
	<u>105,273</u>
Cash and Investments - September 30 (Ending)	\$ 111,197
	<u>111,197</u>
RECONCILIATION OF OPERATING EXCESS (DEFICIENCY) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Excess (Deficiency) of Operating Revenues over Operating Expenses	\$ 127,194
Adjustments to reconcile operating income to net cash provided by operating activities -	
Change in Assets and Liabilities	
(Increase) Decrease in Due From Others	(93,000)
(Increase) Decrease in Other Assets	93,000
Increase (Decrease) in Accounts Payable	49,847
Increase (Decrease) in Wages and Benefits Payable	376
Increase (Decrease) in Claims Payable	(105,215)
Increase (Decrease) in Interfund Payables	(72,203)
	<u>(72,203)</u>
Net Cash Provided by Operating Activities	\$ (1)
	<u>(1)</u>

The accompanying notes are an integral part of this statement.

**HUNT COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
SEPTEMBER 30, 2024**

	<u>Custodial Funds</u>	<u>Total</u>
ASSETS		
Cash and Investments	\$ 4,753,498	\$ 4,753,498
Total Assets	<u>\$ 4,753,498</u>	<u>\$ 4,753,498</u>
LIABILITIES		
Due to Other Funds	\$ 6,125	\$ 6,125
Total Liabilities	<u>\$ 6,125</u>	<u>\$ 6,125</u>
NET POSITION		
Held in Trust	\$ 4,747,373	\$ 4,747,373
Total Net Position	<u><u>\$ 4,747,373</u></u>	<u><u>\$ 4,747,373</u></u>

The accompanying notes are an integral part of this statement.

HUNT COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2024

	Custodial Funds	Total
	<u> </u>	<u> </u>
ADDITIONS		
Fees and Fines	\$ 46,775,098	\$ 46,775,098
Tax Collections	202,819,833	202,819,833
Restitution	24,429	24,429
Miscellaneous Receipts	<u>2,902,053</u>	<u>2,902,053</u>
 Total Additons	 <u>\$ 252,521,413</u>	 <u>\$ 252,521,413</u>
 DEDUCTIONS		
Payments to Taxing Entities	\$ 202,708,257	\$ 202,708,257
Payments to State	43,111,931	43,111,931
Payments to County	1,905,692	1,905,692
Payments to Others	<u>6,797,262</u>	<u>6,797,262</u>
 Total Deductions	 <u>\$ 254,523,142</u>	 <u>\$ 254,523,142</u>
 Change in Net Position	 \$ (2,001,729)	 \$ (2,001,729)
 Net Position, Beginning (October 1)	 <u>6,749,102</u>	 <u>6,749,102</u>
 Net Position, Ending (September 30)	 <u><u>\$ 4,747,373</u></u>	 <u><u>\$ 4,747,373</u></u>

The accompanying notes are an integral part of this statement.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

A. Summary of Significant Accounting Policies

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

Financial Reporting Entity

Hunt County, Texas is a public corporation and political subdivision of the State of Texas. The Commissioner's Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general administration, tax, and recording (e.g., tax collection), judicial (courts, juries, County attorney, county attorney, etc.), public safety (sheriff, jail, etc.), transportation, facilities, and public service (e.g., rural fire protection and emergency management).

As defined by accounting principles generally accepted in the United States of America (GAAP) that are established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The accompanying financial statements present the Hunt County, Texas (County), the primary government and its component units. The financial data of the component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Component units described below are each legally separate organizations from the County but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of and accountable to the County and blended into the government-wide and fund financial statements. The Hunt County Juvenile Probation Board operates the juvenile probation department.

Basic Financial Statements

In accordance with GASB Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

Government-Wide Financial Statements (Statement of Net Position and Statement of Activities) – report on the County and its component units, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

Government-Wide Statement of Net Position – reports all financial and capital resources to the County (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Net Investment in capital assets are capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position are those with constraints placed on their use by either: 1) external imposition by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposition by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted, are shown as unrestricted. Generally, the County would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

A. Summary of Significant Accounting Policies – (Continued)

Government-Wide Statement of Activities – demonstrates the degree to which both direct and indirect expenses of the various function and programs of the County are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated among separate functions. Program revenues include: 1) Fees, fines and charges paid by those who benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, part of the basic financial statements are fund financial statements for governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other nonmajor funds are combined in a single column on the fund financial statements.

The County reports the following major governmental funds:

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

American Rescue Plan – is a fund that accounts for the activity of funding received from the federal government under the American Rescue Plan Act of 2022. These funds are to be used to offset the effects of the Coronavirus Pandemic (COVID -19). All funds received are deferred until expenditures are incurred.

Capital Projects Funds – accounts for the activity of funds received from the issuance of bonded debt for capital projects in the County. The Commissioners’ Court has also moved funds dedicated for capital improvements and other projects to be accounted as a capital projects fund.

There are various other funds which the County uses to account for specific types of funds which are reported as other non-major governmental funds. These funds include various special revenue funds such as road and bridge funds, various records management funds and funds related to the juvenile probation activities. In addition, debt service funds include tax proceeds restricted to debt retirement and capital projects funds such as the right of way fund.

Special Revenue Funds – The County’s accounts for resources restricted to or designated for specific purposes by the County or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a special revenue fund, and sometimes unused balances must be returned to the grantor at the close of specified project years. The Commissioners Court can commit specific types of resources to specific purposes which are included as special revenue funds.

Debt Service Fund – is used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs that has been approved by taxpayers in the county.

The County reports the following proprietary funds:

Health Insurance Fund – accounts for a self-insured health insurance fund. The County began this fund to transition to a self-insurance fund in the 2022 - 2024 fiscal year. As an internal service fund, other governmental funds will transfer payments based on set health insurance processes and the fund will pay out claims and administration costs. Because the principal users of the internal service are the County’s governmental activities, this fund type is included in the “Governmental Activities” column of the government-wide financial statements.

The County reports the following fiduciary funds:

Custodial Funds – are custodial in nature and represent balances held for others. These custodial funds are under the control of the various public officials of the County with all benefits forwarded to the public and others in the County.

Measurement Focus and Basis of Accounting

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

A. Summary of Significant Accounting Policies – (Continued)

1. Revenue is recorded when it becomes both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenue considered susceptible to accrual includes property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
2. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
3. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources.

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the County's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary fund 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.

The fiduciary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. The fiduciary funds are not included in the government-wide financial statements.

Cash and Investments

The County pools available cash from all funds for the purpose of increasing income through investment activities. Investments in U.S. government and agency securities are carried at fair value based on market prices.

For the purposes of the basic financial statements, the County considers cash equivalents to be highly liquid short-term investments that are readily convertible to known amounts of cash and mature within ninety days of the date they are acquired. Cash and cash equivalents are included in the financial statement classification cash and investments.

Capital Assets

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded, and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements. General infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets and that normally are stationary in nature, including roads, bridges, drainage systems and street lighting systems.

Capital assets, including general infrastructure assets, are defined as assets with an initial, individual cost of more than \$ 10,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of projects is reflected in the capitalized value of the asset constructed for proprietary funds.

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

Building, structures, and improvements	27.5 to 40 years
Equipment, including vehicles	3 to 20 years
Infrastructure	15 to 40 years

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

A. Summary of Significant Accounting Policies – (Continued)

Right of Use Assets and Liabilities

GASB Statement 87, *Leases* created new financial statement accounts “Right of Use” assets and similar offsetting liabilities. A “right of use” asset accounts for the net present value of future payments attached to a leased asset. Common examples of “Right of Use” assets are vehicles, copiers, printers, and other types of equipment that the County does not take ownership of but uses under the lease agreement. The assets value will be amortized over the life of the lease using a straight-line method. The liability offsetting the “Right of Use” is presented as lease payable.

Subscription-Based Information Technology Arrangements (SBITA)

GASB Statement 96, *Subscription-Based Information Technology Arrangements* created new financial statement assets and offsetting liabilities. A SBITA asset accounts for the net present value of future payments required for right of use subscription assets. To the extent relevant, the standards for SBITA’s are based on the standards established by GASB Statement 87, *Leases*. A SBITA is defined as a contract that conveys control of the right of use of another party’s information technology (software) as specified in the contract for a period of time in an exchange or exchange-like transaction. The asset will be amortized over the life of the contract allowing the use of the information technology over a straight line method. The asset is included in the financial statement caption right of use asset with the offsetting liability identified as SBITA payable.

Pension Plan

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

Compensated Absences

A liability for unused vacation and comp time for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

1. Leave or compensation is attributable to services already rendered.
2. Leave or compensation is not contingent on specific event (such as illness).

Per GASB Interpretation No. 6 liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e., are due for payment). Compensated absences are accrued as long-term debt in the government-wide statements.

Upon termination from the County employment, an employee that has completed six months of employment shall be entitled to payment for total accrued but unused days of vacation. Comp time earned, but not taken, is paid at termination, but cannot accumulate beyond County specified limits. Once the maximum number of compensatory hours has been accumulated, employees are paid immediately for any additional compensatory hours earned. Sick leave accrues at a rate of 10 hours per month or 120 hours per year up to a maximum of 480 hours, but compensation is paid only for an illness-related absence. Unused sick leave is non-vesting and will not be paid on termination, thus vacation and comp time are the only accrued compensation liabilities recorded.

Fund Balances

Governmental funds utilize a fund balance presentation for equity. Fund balance is categorized as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by a formal action of the County’s highest level of decision-making authority, the Commissioners Court. Committed resources cannot be used for any other purpose unless the Commissioners Court removes or changes the specific use by taking the same formal action that imposed the constraint originally.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

A. Summary of Significant Accounting Policies – (Continued)

Assigned fund balance – represents amounts the County intends to use for specific purposes as expressed by the Commissioners Court or an official delegated the authority. The Commissioner’s Court has delegated the authority to assign fund balances to the County Judge and County Auditor acting jointly.

Unassigned fund balance – represents the residual classification for the general fund or deficit balances in other funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The policy includes minimum fund balance targets for the General Fund and Debt Service Fund. The General Fund unassigned fund balance is targeted to be 13% to 15% of budgeted expenditures for the year which will serve to provide for unexpected events and unanticipated needs. The debt service fund restricted fund balance is targeted as 10% - 20% of the following years debt service requirements.

The following schedule provides information about the specific fund balance classification by fund:

	General	American Rescue Plan	Capital Projects	Other Governmental	Totals
Nonspendable					
Prepaid Items	\$ 221,385	\$ -	\$ -	\$ 2,247	\$ 223,632
Restricted					
Retirement of Long Term Debt	-	-	-	310,537	310,537
Capital Projects	-	-	3,351,321	-	3,351,321
Public Health	-	1,268,692	-	(253)	1,268,439
Records Management	-	-	-	2,833,883	2,833,883
Law Enforcement Training	-	-	-	42,528	42,528
Court Security	-	-	-	344,159	344,159
Court Technology	-	-	-	55,004	55,004
Jail Commissary	-	-	-	793,334	793,334
Law Enforcement Activities	-	-	-	363,925	363,925
Attorney Activities	-	-	-	25,237	25,237
Historical Commission	-	-	-	12,612	12,612
Tax Assessor Activities	-	-	-	26,047	26,047
Committed					
Capital Improvements	-	-	16,369,952	-	16,369,952
Law Library	-	-	-	108,428	108,428
Public Roads	-	-	-	3,866,968	3,866,968
Public Health	-	-	-	100	100
Justice Courts	-	-	-	77,140	77,140
Elections Administration	-	-	-	133,431	133,431
DWI Enforcement	-	-	-	21,975	21,975
Pretrial Intervention	-	-	-	154,443	154,443
Juvenile Probation	-	-	-	373,221	373,221
Unassigned	18,762,300	-	-	-	18,762,300
Totals	\$ 18,983,685	\$ 1,268,692	\$ 19,721,273	\$ 9,544,966	\$ 49,518,616

Budgetary Principles

The County is required by law to adopt an annual budget on or before the 1st day of its fiscal year. The County Judge and the County Auditor submit an annual budget to the Commissioner’s Court in accordance with the laws of the State of Texas. The General and Debt Service governmental fund types have legally adopted budgets. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various County departments. Throughout the fiscal year the budget was amended to add supplemental appropriations. All amendments to the budget which change the total appropriation amount for any department require County Commissioner’s Court approval.

Each fund’s approved budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personnel services and related fringe benefits, supplies, other services and charges, capital outlay, transfers, and debt service. Expenditures may not exceed appropriations at the department level. Within this control level, management may transfer appropriations between line items. Budget revisions and the line-item transfers are subject to final review by the Commissioners Court. Revisions to the budget were made throughout the year. Unexpected appropriations for annually budgeted funds lapse at fiscal year-end.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

A. Summary of Significant Accounting Policies – (Continued)

GASB Statement No. 34 requires that budgetary comparison statements for the General Fund and other major special revenue funds with legally adopted budgets be presented in the basic financial statements. The statements are identified as required supplementary information. These statements must display original budget, amended budget and actual results (on a budgetary basis).

Property Taxes

Property taxes are levied by October 1, in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the October 1 levy date. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed. Property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter (60 days) to be used to pay liabilities of the current period.

Property taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Section 33.05, Property Tax Code, requires the tax collector for the County to cancel and remove from the delinquent tax rolls a tax on real property that has been delinquent for more than 20 years or a tax on personal property that has been delinquent for more than 10 years. Delinquent taxes meeting these criteria may not be canceled if litigation concerning these taxes is pending.

The County levied taxes on property within the County at \$ 0.33048 to fund general operations including road and bridge activities and \$ 0.005512 for the payment of principal and interest on long term debt. The rates were levied on property assessed totaling \$ 13,318,983,932.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures 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. As such, actual results could differ from those estimates.

New Accounting Pronouncements

The Governmental Accounting Standard Board (GASB) has issued various new accounting standards to better meet the information needed for users of financial statements by improving accounting and financial reporting. The GASB does this by issuing statements that cover various issues identified as needing additional clarification or directing to maintain standardization and comparability of financial information. During the year, the GASB issued the following statements with varying effective dates noted:

Statement 99: *Omnibus 2024* (Effective upon issuance with some effective FY beginning after August 15, 2024)

Statement 100: *Accounting Changes and Error Correction* (Effective FY beginning after August 15, 2024)

Statement 101: *Compensated Absences* (Effective FY beginning after December 15, 2024)

Statement 102: *Certain Risk Disclosures* (Effective for FY beginning after June 15, 2025)

Statement 103: *Financial Reporting Model Improvement* (Effective for FY beginning after June 15, 2025)

The County's funds are deposited and invested under the terms of a depository agreement. The agreement requires the depository to pledge approved securities in an amount significant to protect the County's day-to-day balances. The pledge is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance. At year end, all County cash deposits were covered by FDIC insurance or by pledged collateral held by the County or by the depository in the County's name. The County's deposits appear to have been properly secured throughout the fiscal year.

The County is required by Government Code Chapter 2256, The Public Funds Investment Act (Act), to adopt, implement and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield and maturity and the quality and capability of investment management, include a list of the types of authorized investments in which the investing entity's funds may be invested and the maximum allowable stated maturity of any individual investment owned by the entity.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

B. Cash and Investments

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County appears to have adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, 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, repurchasing agreements, bankers' acceptance, mutual funds, investment pools, guaranteed investment contracts and common trust funds.

The County's investments at year end are shown below:

<u>Investment or Investment Type</u>	<u>Interest Rate</u>	<u>Credit Rating</u>	<u>Fair Value</u>
TexSTAR	5.3105%	AAAm	\$ 3,194,625
TexPool	5.3218%	AAAm	5,382,193
LOGIC	5.5168%	AAAm	20,229,846
TexasCLASS	5.5213%	AAAm	21,072,460
Certificates of Deposit	5.0000%	n/a	659,082
Total Investments			<u>\$ 50,538,206</u>

The County has investments with the following public funds investment pools as of year end:

Texas Local Government Investment Pool (TexPool) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments.

The Comptroller of Public Accounts (Comptroller) is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, (Trust Company), which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. (Federated), under an agreement with the Comptroller, acting on behalf of the Trust Company.

The Comptroller maintains oversight of the services provided to TexPool by Federated. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy and approves any fee increases. As required by the Public Funds Investment Act, the Advisory Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

The fund is rated AAAM by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's. This rating as well as the operational policies and procedures allow the fund to comply with the requirements of the Public Funds Investment Act.

Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities (Participants) to invest their public funds and funds under their control through the investment pools.

J. P. Morgan Investment Management, Inc. (JPMIM) and First Southwest Asset Management, Inc. (FSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors (Board). JPMIM provides investment services, and FSAM provides participant services and marketing. Custodial, transfer agency, fund accounting and depository services are provided by JPMorgan Chase Bank and/or its subsidiary J.P. Morgan Investor Services Co.

The Board may establish separate Funds within TexSTAR from time to time. Participants choose the Funds in which their deposits are invested. Participants' assets in the Funds are represented by units of beneficial interest (units). The Board may issue an unlimited number of units in each Fund.

TexSTAR is rated AAAM by Standard & Poor's rating agency. This rating and the fund's operational settings allow the fund to comply with the requirement of the Public Funds Investment Act.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

B. Cash and Investments – (Continued)

Local Government Investment Cooperative (LOGIC) was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Public Funds Investment Act allows eligible local governments, state agencies, and nonprofit corporations of the State of Texas to jointly invest their funds in permitted investments.

The Cooperative's governing body is a six-member Board of Directors (Board) comprised of employees, officers or elected officials of participant Government Entities or individuals who do not have a business relationship with LOGIC and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of LOGIC.

Day to day administration of LOGIC will be performed by First Southwest, a division of Hilltop Securities Inc. and JPMorgan Chase Investment Management, Inc. First Southwest will provide administrative, participant support and marketing services. JPMorgan Chase will provide investment management, custody, fund accounting and transfer agency services.

Portfolios will maintain an AAA or equivalent rating from at least one nationally recognized rating agency in compliance with the requirements of the Public Funds Investment Act. Class A Units of LOGIC I are currently rated AAAm by Standard & Poor's.

The Texas Cooperative Liquid Assets Securities System Trust (TexasCLASS), was created as an investment pool for it participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. The TexasCLASS Trust Agreement (Trust) is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas Local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate (the "Participants"), MBIA Municipal Investors Service Corporation as Program Administrator (the "Program Administrator"), and Wells Fargo Bank Texas, NA as Custodian (the "Custodian").

TexasCLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian, and the Program Administrator. The Board administers the affairs of the Trust. It also selects the consultants for TexasCLASS, including the Program Administrator and the Custodian.

The Board of Trustees has appointed an Advisory Board composed of Participants and other persons who do not have a business relationship with the Trust and are qualified to advise the Trust. The Advisory Board provides advice to the Board of Trustees and the Program Administrator about the Investment Policy and Investment Strategy of the trust and about other matters as requested by the Board of Trustees and the Program Administrator.

The Fund is rated AAAm by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standards & Poor's.

GASB Statement No. 40 requires a determination as to whether the County was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name. At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

B. Cash and Investments – (Continued)

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

C. Capital Assets

Capital asset activities during the fiscal year were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable Assets:				
Land	\$ 3,424,381	\$ -	\$ -	\$ 3,424,381
Construction in Progress	644,253	-	-	644,253
Total Capital Assets not being Depreciated	\$ 4,068,634	\$ -	\$ -	\$ 4,068,634
Depreciable Assets:				
Buildings and Improvements	\$ 27,453,137	\$ -	\$ -	\$ 27,453,137
Roads and Infrastructure	55,658,252	-	-	55,658,252
Furniture, Machinery and Equipment	20,781,929	3,091,952	2,072,873	21,801,008
Right of Use Lease Assets	-	1,905,628	-	1,905,628
Total Capital Assets being Depreciated	\$ 103,893,318	\$ 4,997,580	\$ 2,072,873	\$ 106,818,025
Less Accumulated Depreciation				
Buildings and Improvements	\$ 15,751,550	\$ 695,871	\$ -	\$ 16,447,421
Roads and Infrastructure	34,996,467	973,457	-	35,969,924
Furniture, Machinery and Equipment	12,941,907	2,026,645	2,009,878	12,958,674
Right of Use Lease Assets	-	48,245	-	48,245
Total Accumulated Depreciation	\$ 63,689,924	\$ 3,744,218	\$ 2,009,878	\$ 65,424,264
Total Capital Assets being Depreciated, Net	\$ 40,203,394	\$ 1,253,362	\$ 62,995	\$ 41,393,761
Total Governmental Activities Capital Assets	\$ 44,272,028	\$ 1,253,362	\$ 62,995	\$ 45,462,395

Depreciation was charged to governmental activities functions as follows:

	<u>Depreciation</u>
Governmental Activities:	
General Government	\$ 793,977
Judicial	130,407
Public Safety	830,636
Corrections and Rehabilitation	55,758
Health and Human Services	33,970
Infrastructure	1,899,470
Total	\$ 3,744,218

Changes in Long Term Obligations

The following is a summary of changes in long-term obligations reported in the government-wide financial statements for the fiscal year:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds	\$ 10,190,000	\$ -	\$ 525,000	\$ 9,665,000	\$ 540,000
Direct Borrowing	2,077,856	850,114	708,198	2,219,772	528,224
Right of Use Leases	-	1,905,628	35,323	1,870,305	73,703
Unmortized Premium	500,176	-	30,984	469,192	-
Comptroller of Public Accounts	845,938	298,258	86,583	1,057,613	86,583
Compensated Absences	768,686	944,550	889,640	823,596	-
Total	\$ 14,382,656	\$ 3,998,550	\$ 2,275,728	\$ 16,105,478	\$ 1,228,510

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

D. Long-Term Obligations (Continued)

Bonds

At year end, the County has the following obligation bonds originally issued for acquisition and construction of capital improvements in the County outstanding. General obligation debt has been issued for general government activities.

Bonds are direct obligations and pledge the full faith and credit of the County. Bonds outstanding at year end are as follows:

	Interest Rate	Date of Maturity	Original Issue	Balance Outstanding
Permanent Improvement Bonds, Series 2017	2.49%	2037	\$ 5,795,000	\$ 4,870,000
Permanent Improvement Bonds, Series 2021	1.47%	2041	5,745,000	4,795,000
Totals				<u>\$ 9,665,000</u>

Maturity requirements on the outstanding bonded debt listed above are as follows:

Year Ending September 30	Principal	Interest	Total Requirements
2025	\$ 540,000	\$ 254,636	\$ 794,636
2026	550,000	232,242	782,242
2027	570,000	211,279	781,279
2028	585,000	192,098	777,098
2029	605,000	172,335	777,335
2030-2034	3,295,000	582,544	3,877,544
2035-2039	2,860,000	179,665	3,039,665
2040-2041	660,000	11,554	671,554
Totals	<u>\$ 9,665,000</u>	<u>\$ 1,836,353</u>	<u>\$ 11,501,353</u>

Authorized but Unissued Bonds

The voters in the County authorized the following bonded debt. Amounts unissued at year end are as follows:

Purpose	Election Date	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Road Projects	11/8/2016	\$ 24,420,000	\$ 12,000,000	\$ -	\$ 12,420,000

Compliance with Debt Covenants

There are various limitations and restrictions contained in the County's bonded debt obligations. The County believes they are in compliance with all significant limitations and restrictions.

Comptroller Overpayment

In prior years, the County received notification from the State of Texas of chargebacks on sales tax collections remitted to the County. The notice identifies chargebacks from March 2002 through September 2011. The total chargebacks, \$ 924,847 will be reduced by \$ 18,487 for service fees retained by the County leaving a net balance to be refunded to the State of \$ 906,360. The State agreed to a 40-year payback period beginning April 2015 in the amount of \$ 1,888.23 monthly with no interest or penalty charged the County.

The County received notification from the State of additional sales tax chargebacks totaling \$ 213,111 during the 2015 year. The State has allowed a 6-year repayment term beginning in the 2022 fiscal year. No interest is to be incurred on this repayment schedule. The repayment terms require monthly payments of \$ 2,960 with the final payment to be made September 2028. An additional overclaim of \$190,356 was identified in 2022. The payments required for the 2022 repayment will continue until this additional balance is liquidated.

The County has been notified of another overpayment of sales taxes that will be remitted to the state beginning in October 2023. The \$ 298,258 balance will require payments of \$ 2,367 until the balance is repaid.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

D. Long-Term Obligations - (Continued)

Direct Borrowing

The County executed various agreements identified here as financing leases. Leases are obligations that represent the net present value of the obligations to be paid over a specified term. The County executed agreements for the use of vehicles and other equipment at various locations throughout the County. The various agreements require monthly payments over the term of the agreement. The lease obligations incur an implicit rate of interest as noted below. The detailed schedule of the life and outstanding lease obligations is below:

Description	Interest Rate	Term	Date of Agreement	Maturity Date	Original Amount	Outstanding Amount
ENTERPRISE -23JC4F Vehicle	9.40%	48 mo	12/11/2020	12/11/2024	\$ 34,815	\$ 8,403
ENTERPRISE -23HNT2 Vehicle	9.40%	48 mo	12/4/2020	12/4/2024	24,761	10,614
ENTERPRISE -23HNTN Vehicle	10.75%	48 mo	12/4/2020	12/4/2024	24,164	10,612
ENTERPRISE -23JCLW Vehicle	8.75%	48 mo	12/9/2020	12/9/2024	35,230	8,404
ENTERPRISE -23RJDW Vehicle	12.25%	48 mo	1/26/2022	1/26/2026	29,727	22,301
ENTERPRISE -23RHF4Vehicle	10.75%	48 mo	6/4/2021	6/4/2025	20,459	12,023
ENTERPRISE -223RJCW Vehicle	12.80%	48 mo	4/8/2022	4/8/2026	30,387	24,314
ENTERPRISE -23WLQ4 Vehicle	13.00%	48 mo	4/30/2021	4/30/2025	21,378	10,524
ENTERPRISE -23WPQ9 Vehicle	13.00%	48 mo	4/30/2021	4/30/2025	21,378	11,590
ENTERPRISE -25GLG5 Vehicle	13.25%	48 mo	8/8/2022	8/8/2026	23,977	21,263
ENTERPRISE -25Q64X Vehicle	11.15%	48 mo	3/18/2022	3/18/2026	29,538	17,273
ENTERPRISE -23Q657 Vehicle	13.75%	48 mo	3/18/2022	3/18/2026	28,119	22,331
ENTERPRISE -263WX2 Vehicle	12.15%	48 mo	9/19/2022	9/19/2027	39,817	30,097
ENTERPRISE -263WWW Vehicle	10.50%	48 mo	8/2/2022	8/2/2027	37,990	27,272
ENTERPRISE - 26S72B Vehicle	11.00%	48 mo	6/30/2023	6/30/2027	51,131	35,135
ENTERPRISE - 2755FV Vehicle	11.00%	48 mo	7/27/2023	7/27/2027	36,010	29,169
ENTERPRISE - 26LLBR Vehicle	11.00%	48 mo	3/3/2023	3/3/2027	32,169	23,736
ENTERPRISE - 26LLBT Vehicle	11.00%	48 mo	3/3/2023	3/3/2027	32,469	23,955
ENTERPRISE - 2743N6 Vehicle	11.00%	48 mo	7/3/2023	7/3/2027	37,384	30,181
ENTERPRISE - 2743ND Vehicle	11.00%	48 mo	7/3/2023	7/3/2027	37,087	29,944
ENTERPRISE - 273X6J Vehicle	11.00%	48 mo	7/3/2023	7/3/2027	37,849	30,552
ENTERPRISE - 26S72H Vehicle	11.00%	48 mo	6/26/2023	6/26/2027	51,094	35,135
ENTERPRISE - 26S72N Vehicle	11.00%	48 mo	6/30/2023	6/30/2027	51,094	35,155
ENTERPRISE - 26S72L Vehicle	11.00%	48 mo	7/20/2023	7/20/2027	51,126	35,977
ENTERPRISE - 273VRG Vehicle	11.00%	48 mo	7/10/2023	7/10/2027	60,652	48,981
ENTERPRISE - 26QBZV Vehicle	11.00%	60 mo	3/6/2023	3/6/2028	47,706	36,316
ENTERPRISE - 26MHXV Vehicle	11.00%	48 mo	2/20/2023	2/20/2027	50,300	36,928
ENTERPRISE - 26QBZZ Vehicle	11.00%	60 mo	3/6/2023	3/6/2028	47,456	36,316
ENTERPRISE - 26QG3W Vehicle	11.00%	60 mo	3/6/2023	3/6/2028	47,456	36,316
ENTERPRISE - 26QG5F Vehicle	11.00%	60 mo	3/6/2023	3/6/2028	47,456	36,316
ENTERPRISE - 26MGCR Vehicle	11.00%	48 mo	1/20/2023	1/20/2027	51,516	36,831
ENTERPRISE - 26QG3S Vehicle	11.00%	60 mo	3/13/2023	3/13/2028	47,456	36,316
ENTERPRISE - 26QBZB Vehicle	11.00%	60 mo	3/13/2023	3/13/2028	47,456	36,316
ENTERPRISE - 26QBZS Vehicle	11.00%	60 mo	3/13/2023	3/13/2028	47,456	36,316
ENTERPRISE - 26QG45 Vehicle	11.00%	60 mo	3/13/2023	3/13/2028	47,456	36,316
ENTERPRISE - 26QBZ4 Vehicle	11.00%	60 mo	3/13/2023	3/13/2028	47,456	36,316
ENTERPRISE - 26QG59 Vehicle	11.00%	60 mo	3/13/2023	3/13/2028	47,456	36,316
ENTERPRISE - 26QBZL Vehicle	11.00%	60 mo	3/13/2023	3/13/2028	47,456	36,316
ENTERPRISE - 26QBZG Vehicle	11.00%	60 mo	3/13/2023	3/13/2028	47,456	36,316
ENTERPRISE - 26QG3R Vehicle	11.00%	60 mo	3/13/2023	3/13/2028	47,456	36,316
ENTERPRISE - 26QG44 Vehicle	11.00%	60 mo	3/13/2023	3/13/2028	47,456	36,316
ENTERPRISE - 26QBZN Vehicle	11.00%	60 mo	3/30/2023	3/30/2028	47,456	35,745
ENTERPRISE - 275ZG3 Vehicle	11.00%	48 mo	7/28/2023	7/28/2027	42,178	34,148
ENTERPRISE - 26FC5W Vehicle	11.00%	60 mo	9/15/2023	9/15/2028	70,370	46,429
ENTERPRISE - 26FC68 Vehicle	11.00%	60 mo	9/15/2023	9/15/2028	70,370	46,429
ENTERPRISE - 26FC69 Vehicle	11.00%	60 mo	9/15/2023	9/15/2028	70,370	46,429
ENTERPRISE - 26FC64 Vehicle	11.00%	60 mo	9/15/2023	9/15/2028	70,370	46,429
ENTERPRISE - 26FC6C Vehicle	11.00%	60 mo	9/15/2023	9/15/2028	70,370	46,429
ENTERPRISE - 26FC5Z Vehicle	11.00%	60 mo	10/24/2023	10/24/2028	70,365	47,782
ENTERPRISE - 26FC62 Vehicle	11.00%	60 mo	10/24/2023	10/24/2028	70,365	47,782
ENTERPRISE - 26FC65 Vehicle	11.00%	60 mo	10/24/2023	10/24/2028	70,365	47,782
ENTERPRISE - 26FC66 Vehicle	11.00%	60 mo	10/24/2023	10/24/2028	70,365	47,782
ENTERPRISE - 26FC6B Vehicle	11.00%	60 mo	10/24/2023	10/24/2028	70,365	47,782
ENTERPRISE - 262GH6 Vehicle	11.00%	48 mo	11/9/2023	11/9/2027	47,119	43,460
ENTERPRISE - 27HBF7 Vehicle	11.00%	48 mo	11/17/2023	11/17/2027	53,066	50,082
ENTERPRISE - 27BN2J Vehicle	11.00%	48 mo	11/30/2023	11/30/2027	52,565	47,383
ENTERPRISE - 27BN2C Vehicle	11.00%	48 mo	12/1/2023	12/1/2027	53,939	48,273
ENTERPRISE - 27J96D Vehicle	11.00%	48 mo	12/4/2023	12/4/2027	51,527	44,224
ENTERPRISE - 27J8MR Vehicle	11.00%	48 mo	12/5/2023	12/5/2027	34,107	33,265
ENTERPRISE - 27BJ2K Vehicle	11.00%	48 mo	12/6/2023	12/6/2027	53,939	48,550
ENTERPRISE - 27BJ2L Vehicle	11.00%	48 mo	12/6/2023	12/6/2027	53,939	48,550
ENTERPRISE - 27SB74 Vehicle	11.00%	48 mo	3/15/2024	3/15/2028	52,494	52,514
ENTERPRISE - 27WLG2 Vehicle	11.00%	48 mo	5/10/2024	5/10/2028	38,910	41,167
ENTERPRISE - 27WK8Q Vehicle	11.00%	48 mo	7/1/2024	7/1/2028	40,867	44,232
Total					\$	2,219,772

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

D. Long-Term Obligations - (Continued)

Maturity requirements on direct borrowings liabilities at year end are as follows:

Year Ending September 30	Principal	Interest	Total Requirements
2025	\$ 528,224	\$ 208,920	\$ 737,144
2026	532,803	155,682	688,485
2027	646,277	94,782	741,059
2028	477,654	25,235	502,889
2029	34,814	320	35,134
Totals	<u>\$ 2,219,772</u>	<u>\$ 484,939</u>	<u>\$ 2,704,711</u>

Right of Use Leases

The County has executed various agreements identified here as a right of use leases. Leases are defined as obligations that are valued at the net present value of the obligation to be paid over a specified term with no transfer of ownership upon completion of the term.

The County executed various agreements for the use of communication towers that are placed throughout the County as well as copiers. The agreements require monthly payments with a final maturity date as presented in the following table. The lease agreements incur implicit rates of interest as presented in the table below.

Description	Term	Inception Date	Maturity Date	Interest Rate	Original Amount	Outstanding Balance
Konica Copiers	60 mo	4/1/2024	3/31/2029	2.29%	\$ 255,278	\$ 230,536
Tillman Tower Lease - Caddo Mills	240 mo	6/1/2024	5/31/2024	5.00%	213,667	211,129
SBA Tower Lease - Celeste	300 mo	6/1/2024	5/31/2049	4.95%	718,342	714,320
SBA Tower Lease - Commerce	300 mo	6/1/2024	5/31/2049	4.95%	718,342	714,320
Total						<u>\$ 1,870,305</u>

Maturity requirements on the right of use lease agreements at year end are as follows:

Year Ending September 30	Principal	Interest	Total Requirements
2025	\$ 73,703	\$ 37,341	\$ 111,044
2026	77,421	35,689	113,110
2027	81,296	33,958	115,254
2028	85,335	32,144	117,479
2029	62,434	30,375	92,809
2030-2034	228,440	138,525	366,965
2035-2039	328,480	110,960	439,440
2040-2044	449,370	72,163	521,533
2045-2049	483,826	24,042	507,868
Totals	<u>\$ 1,870,305</u>	<u>\$ 515,197</u>	<u>\$ 2,385,502</u>

Compensated Absences

Compensated absences are paid from the fund responsible for the employee's compensation with significant liabilities payable from the General Fund.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

E. Commitments and Contingencies

Litigation – The County's outside counsel has indicated that there are various lawsuits filed and pending against the County, the majority of which should not result in an unfavorable outcome or have a material effect on the County's financial position. As such no contingent liability has been estimated.

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

Other – There appears to be a potential for structural problems for the County's criminal justice center. As of the report date, the cost of any necessary repairs, if any, has not been determined. No liability is reflected in the County's balance sheet for this contingency as of September 30, 2024. The County received funds from plaintiffs in settlement of various actions and claims. These funds have been set aside by the Commissioners Court to provide for future repairs to the center.

F. Pension Plan

Plan Description – The County provides pension, disability, and death benefits for all of its full-time employees through a statewide, multiple-employer, public-employee retirement system through the Texas County and County Retirement System (the TCDRS). The system serves 677 actively participating counties and counties throughout Texas. Each employer has its own defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in the plan. The TCDRS 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, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age, or when the sum of their age and years of service equals 75 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan to receive any employer-financed benefit if retiring before reaching the required retirement date.

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

Employees of the County were required to contribute 7.0% of their annual gross earnings during the fiscal year. The contribution rates for the County were 10.99% and 10.95% in calendar years 2023 and 2024 respectively. The County's contributions to TCDRS for the year ended September 30, 2024, were \$ 3,031,855 and were equal to the required contributions.

Discount Rate – The discount rate used to measure the total pension liability was 7.6%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investment is 7.6%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2024 information for a 10-year time horizon.

HUNT COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2024

F. Pension Plan (Continued)

Note that 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 2024.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected minus Inflation) (2)
US Equities	Dow Jones US Total Stock Market Index	11.50%	4.75%
Global Equities	MSCI World (net) Index	2.50%	4.75%
International Equities - Developed	MSCI World Ex USA (net) Index	5.00%	4.75%
International Equities - Emerging	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment - Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.35%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.65%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	7.25%
Distressed Debt	Cambridge Associates Distressed Securities Index (4)	4.00%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.10%
Master Limited Partnerships	Alerian MLP Index	2.00%	5.20%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	7.75%
Hedge Funds	Hedge Fund Research, Inc (HFRI) Fund of Funds Composite Index	6.00%	3.26%
Cash Equivalents	90-day U.S. Treasury	2.00%	0.60%

(1) Target asset allocation adopted at the March 2024 TCDRS board meeting.
 (2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.2% per Cliffwater' 2024 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

Changes in the Net Pension Liability – On December 31, 2023, the County reported a net pension liability/(asset) of \$ 2,649,615 The changes in net pension liability (asset) were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/21	\$ 99,737,706	\$ 93,997,087	\$ 5,740,619
Changes for the year:			
Service cost	2,912,830	-	2,912,830
Interest	7,627,662	-	7,627,662
Change in benefit terms	-	-	-
Diff between expected/actual experience	1,032,984	-	1,032,984
Changes of assumptions	-	-	-
Contributions - employer	-	2,668,417	(2,668,417)
Contributions - employee	-	1,699,693	(1,699,693)
Net investment income	-	10,327,507	(10,327,507)
Benefit payments, including refunds of employee contributions	(4,658,418)	(4,658,418)	-
Administrative expenses	-	(54,307)	54,307
Other charges	-	23,170	7,526
Net changes	\$ 6,915,058	10,006,062	(3,091,004)
Balance at 12/31/22	\$ 106,652,764	\$ 104,003,149	\$ 2,649,615

The net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date and for the year then ended.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period. There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Discount Rate Sensitivity Analysis – The following presents the net pension liability of the County, calculating the discount rate of 7.6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.6%) or 1 percentage point higher (8.6%) than the current rate.

	Decrease in Discount Rate (6.6%)	Discount Rate (7.6%)	Increase in Discount Rate (8.6%)
County's Net Pension Liability	\$ 17,457,363	\$ 2,649,615	\$ (9,638,487)

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

F. Pension Plan (Continued)

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

For the year ended September 30, 2024, the County recognized pension expense of \$ 237,945.

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 actuarial experience	\$ 732,000	\$ -
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	415,563	-
Contributions subsequent to the measurement date	2,353,368	-
Total	\$ 3,500,931	\$ -

\$ 3,255,089 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending September 30	Amount
2025	\$ (282,159)
2026	17,708
2027	2,051,158
2028	(639,144)
2029	-
Thereafter	-

Actuarial Methods and Assumptions

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2022, funding valuation, except as noted below and throughout this report. Please see Hunt County December 31, 2023, Summary Valuation Report for further details.

The following are key assumptions and methods used in this GASB analysis:

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation
Investment Rate of Return	8.0% net of investment expense, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

G. Risk Management

The County is exposed to various risks of loss related to auto liability, unemployment, and workers' compensation. The County has obtained liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Association of Counties Self Insurance Funds (TAC). TAC is a self-funded plan operating as a common risk management and insurance program. The County pays an annual premium to TAC for its above insurance coverage. The agreement for the formation of TAC provides that TAC will be self-sustaining through member premiums and will reinsure through commercial companies for claims more than acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

H. Post-Employment Benefits Other than Pension Benefits

From an accrual accounting perspective, the cost of post-employment benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 75, the County recognizes the cost of postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the County's future cash flows.

Plan Description

The County provides post-employment benefits for certain employees for current and future health, dental and life insurance benefit expenses through a single employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made December 31, 2022. The post-employment plan does not issue stand-alone financial reports.

Plan Participants

Full-time employees of the County who retire after October 1, 2004, are eligible to participate in the retiree health care plan effective the first day of the next month and will receive a county paid insurance subsidy. Full-time employees of the County who retired prior to October 1, 2004, were not eligible to receive county paid insurance.

Normal Retiree Benefits

Health Care Benefit Eligibility Conditions

Active full-time Employees must be eligible for retirement under the Texas County and County Retirement System (TCDRS). Such covered employee must meet the County's "rule of 75" requirement of combined years of service and years of age in addition to current guidelines for being vested and qualified to retire from the County. The guidelines to qualify for retirement in force at the time of the covered employee's retirement shall apply.

Age 60 with 8 years of service.

Any age with 30 years of service.

Rule of 75 (age plus years of service equals 75).

Once a retiree reaches Medicare eligibility, they are no longer eligible to purchase the County's health insurance.

Health Care Benefit Provided by Plan

Member: Under age 65, 100% covered by the County for retirees who retired after October 1, 2004

Spouse: Under age 65, 100% paid by retiree

Dependent: Until age 23 if full-time student, 100% paid by retiree

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

H. Post-Employment Benefits Other Than Pension Benefits - (Continued)

Early Retirement Benefits

Early retirement benefits are available only if conditions for retirement have been met according to the TCDRS plan – vested and age 60, service time plus age equals 75, or completed 30 years’ service time at any age. Eight years of service credit in the TCDRS system are required to vest for retirement and qualify for the County’s contribution.

Deferred Retirement Benefits

NONE

Death in Service Retirement Benefits

Spouse and Dependent coverage are available prior to age 65. Retiree, Spouse or Dependent pays 100% of retiree premium.

Disability Retirement Benefits

Same as Normal Retirement

Dental Coverage

Members and spouses retiring with retiree health care benefits are eligible for dental benefits.

Life Insurance

Coverage offered of \$ 2,500 of life insurance. Retirees pay \$ 0.92 per month.

Funding Policy and Annual OPEB Cost

The County’s annual other post-employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC); an amount actuarially determined in accordance with the parameter of GASB Statement No. 75. The ARC represents a level of accrual that, if paid on an ongoing basis, is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The annual OPEB liability for the fiscal year ended September 30, 2024, is as follows:

Total OPEB Liability		
Service Cost	\$	987,562
Interest on the total OPEB liability		256,401
Changes of benefit terms		-
Difference between expected and actual experience of the total OPEB liability		35,618
Change of assumptions		(597,786)
Benefit Payments		<u>(681,795)</u>
Net change in total OPEB liability	\$	-
Total OPEB liability - Beginning		<u>13,090,674</u>
Total OPEB liability - Ending	\$	<u><u>13,090,674</u></u>
Covered-employee payroll	\$	21,169,073
Total OPEB liability as a percentage of covered-employee payroll		61.83%

The ending Total OPEB Liability was calculated as of December 31, 2022.

Changes of assumptions reflect a change in the discount rate from 2.00% as of December 31, 2020, to 1.84% as of December 31, 2022.

The benefit payments during the measurement period were determined as follows:

a. Explicit benefit payments	\$ 482,175
b. Implicit benefit payments	<u>199,620</u>
c. Total benefit payments	<u><u>\$ 681,795</u></u>

The 0.414 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

H. Post-Employment Benefits Other Than Pension Benefits - (Continued)

Statement of OPEB Expense under GASB Statement No. 75

Service Cost	\$	987,562
Interest on the Total OPEB Liability		256,401
Current-Period Benefit Changes		-
OPEB Plan Administrative Expense		-
Recognition of Current Year Outflow (Inflow) due to liabilities		(18,991)
Amortization of Prior Year Outflow (Inflow) due to liabilities		(80,958)
		(80,958)
 Total OPEB Expense	 \$	 1,144,014

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the County's retiree benefit plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for systematic funding for these anticipated payments. The yearly ARC is computer to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

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. Significant methods and assumptions were as follows:

Valuation Date:	December 31, 2020
Methods and Assumptions	
Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	1.84% as of December 31, 2023
Inflation Rate	2.50%
Salary Increase	0.4% to 5.25%, not including wage inflation of 3.00%
Demographic Assumptions	Based on the experience study covering the four year period ending December 31, 2020 as conducted for the Texas County and District Retirement System (TCDRS)
Mortality	For healthy retirees, the Pub-2010 General Retirees Table for males and females are used with male rates multiplied by 135% and female rates multiplied by 120%. Those rates are projected on a fully generational basis on 100% of the MP-2021 Ultimate scale.
Healthcare Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 13 years.
Participant Rates	It was assumed that 100% of retirees who are eligible for County paid coverage would choose to maintain their coverage after retirement.

The discount rate changed from 2.00% as of December 31, 2020, to 1.84% as of December 31, 2024.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 1.84% , 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	Current Discount Rate Assumption 1.84%	1% Increase
County's Net OPEB Liability	\$ 14,290,260	\$ 13,090,674	\$ 11,988,427

HUNT COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2024

H. Post-Employment Benefits Other Than Pension Benefits - (Continued)

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, 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.

	1% Decrease	Current Healthcare Trend Rate Assumption	1% Increase
County's Net OPEB Liability	\$ 11,436,262	\$ 13,090,674	\$ 15,082,295

At year end, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB's from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experience	\$ 125,479	\$ 1,386,700
Changes in actuarial assumptions	998,529	215,913
Contributions subsequent to the measurement date	428,938	-
Total	<u>\$ 1,552,946</u>	<u>\$ 1,602,613</u>

Employer contributions (benefit payments for unfunded plans) made subsequent to the measurement date of the total OPEB Liability (December 31, 2022) and prior to the end of the employer's financial reporting period (September 30, 2024) should be reported by the employer as a deferred outflow related to OPEB.

The deferred outflow related to benefit payments made subsequent to the measurement date was \$ 428,938. The implicit subsidy was estimated by multiplying the explicit costs by 0.414 factor equals the ratio of the expected implicit subsidy to the expected costs.

Other amounts reported as deferred outflows and inflows of resources related to OPEBs will be recognized as OPEB expense as follows:

Year Ending September 30	Amount
2025	\$ 99,949
2026	99,949
2027	99,949
2028	34,884
2029	43,925
Thereafter	49,667

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rates.

I. Subsequent Events

The County's management has evaluated subsequent events through January 15, 2026, the date which the financial statements were available for issue.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

J. Interfund Activities

Transfers Between Funds

Transfers occurred between various funds during the year as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Juvenile Probation Fund	\$ 650,000	Annual Support
General Fund	Road & Bridge Fund - Pct 2	16,000	Support
General Fund	Hunt County Health	28,958	Support
General Fund	Grants Fund	5,955	Match
General Fund	Justice Courts DDC Fund	5,612	Support
Jail Commissary Fund	General Fund	<u>21,590</u>	Support
Totals		<u>\$ 728,115</u>	

Interfund Balances

At year end, various funds have interfund receivables and payables as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Custodial Funds	\$ 6,125
Special Revenue Fund	General Fund	2,184,985
Special Revenue Fund	Capital Projects	58,983
General Fund	American Rescue Fund	4,452
General Fund	Special Revenue Fund	600
Special Revenue Fund	Internal Revenue Fund	561,493
Special Revenue Fund	American Rescue Fund	<u>59,633</u>
Total		<u>\$ 2,876,271</u>

K. Economic Development Agreements

Tax Incremental Financing Agreements

The County participates in a Tax Incremental Financing ("TIF") County with the City of Greenville through an interlocal agreement. TIF is an economic development tool used by local governments to finance public improvements with a defined geographic area. The taxable assessed value of the real property located in the TIF is generally frozen for the duration of the agreement. As development occurs, the increased taxable appraised values are set aside for the TIF. The incremental taxes collected are allocated to provide for retirement of the improvement financing cost. The TIF is administered by the City of Greenville as set out in the interlocal agreement. Texas Property Tax Code, Chapter 311 represents legislation governing Tax Increment Financing. The TIF contributions from the County are recorded as reductions of property tax revenue.

The following table provides information on the County's participation:

Name	Participation Rate	Participation Taxes Forgone For Current Year
City of Greenville Reinvestment Zone #1	50%	\$ 256,895

Tax Abatements

Chapter 312 of the Texas Property Tax Code, Property Redevelopment and Tax Abatement Act, grants the commissioners court the authority to execute tax abatement agreements for a county. The County enters into economic development agreements with businesses that are located or expanded within the county with the expectation of stimulating the economy and tax base.

HUNT COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2024

K. Economic Development Agreements (Continued)

Various agreements have been executed with entities located or developing businesses in the County. The County reviews and determines the best abatement on a case by case analysis. The agreements provide for a reduction of incremental assessed values over a period not to exceed ten (10) years. Some agreements provide for repayment of forgone taxes if the business fails to meet the criteria in the agreement.

No commitments have been made as part of the agreements other than reduced property tax collections tied to assessed value limitations. The County is not subject to tax abatement agreements entered into by other governmental entities.

The Commissioner's Court has executed the following agreements:

Entity	Expiration Date	Type of Property	Percentage Abated	Current Taxes Forgone
Caddo Mills Solar, LLC	12/31/2025	Real	50%	\$ -
	12/31/2025	BPP	50%	-
Cytec Engineered Materials Inc	12/31/2024	Real	50%	939
	12/31/2022	BPP	50%	21,328
Cytec Engineered Materials Inc.	12/31/2026	Real	50%	-
	12/31/2026	BPP	50%	-
Hallmark Solar, LLC	12/31/2029	BPP	50%	-
HP Hood, LLC	12/31/2034	Real	50%	-
	12/31/2034	BPP	50%	-
Leon Solar, LLC	12/31/2027	BPP	50%	13,865
Lone Oak Solar, LLC	12/31/2025	Real	50%	-
	12/31/2025	BPP	50%	-
Sabert Corporation	12/31/2028	BPP	50%	-
Sterling Solar, LLC	12/31/2028	BPP	50%	17,250
STN Reality Holdings, LLC	12/31/2028	Real	50%	-
Westrock - Greenville Folding, Inc.	12/31/2022	BPP	50%	-
Wieland Solar, LLC	12/31/2025	Real	50%	-
	12/31/2025	BPP	50%	-
Total				<u>\$ 53,382</u>

L. Deficit Equity Balances

The County Health Department special revenue fund has a deficit equity balance of \$ 253 at year end. Future revenues will be adjusted to increase revenues to offset this deficit. The County Health Self Insurance Fund has a deficit equity balance of \$ 444,156 at year end. The County will make changes to the charges to governmental funds for health insurance premiums to eliminate the deficit in future periods.

M. Compliance, Stewardship, and Accountability

Expenditures over Appropriations

The following individual funds incurred expenditures in excess of appropriations at functional expenditure levels:

	Budget	Actual	Excess
General Fund:			
Infrastructure	\$ 367,343	\$ 372,875	\$ 5,532
Debt Service	132,440	953,333	820,893

REQUIRED SUPPLEMENTARY INFORMATION

**HUNT COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
REVENUES				
Taxes - Property	\$ 32,641,421	\$ 32,641,421	\$ 31,092,961	\$ (1,548,460)
Taxes - Sales Tax and Other	8,157,000	8,157,000	9,702,184	1,545,184
Fees and Fines	2,957,436	3,081,269	2,786,386	(294,883)
Motor Vehicle Fees	1,157,000	1,157,000	1,071,096	(85,904)
Intergovernmental Support	447,331	401,248	602,157	200,909
Investment Earnings	1,500,000	1,500,000	431,632	(1,068,368)
Miscellaneous	134,000	343,600	961,270	617,670
Total Revenues	\$ 46,994,188	\$ 47,281,538	\$ 46,647,686	\$ (633,852)
EXPENDITURES				
Current:				
General Government	\$ 13,270,774	\$ 12,902,054	\$ 11,095,511	\$ 1,806,543
Judicial	13,183,426	13,239,459	11,197,682	2,041,777
Public Safety	12,685,322	14,871,354	14,252,687	618,667
Corrections and Rehabilitation	9,394,294	9,558,519	8,990,886	567,633
Health and Human Services	1,380,226	1,382,298	1,229,041	153,257
Community Development	315,017	315,017	253,936	61,081
Infrastructure	343,843	367,343	372,875	(5,532)
Debt Service	86,583	132,440	953,333	(820,893)
Total Expenditures	\$ 50,659,485	\$ 52,768,484	\$ 48,345,951	\$ 4,422,533
Excess (Deficiency) of Revenues over Expenditures	\$ (3,665,297)	\$ (5,486,946)	\$ (1,698,265)	\$ 3,788,681
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	\$ -	\$ 1,905,628	\$ 2,555,765	\$ 650,137
Transfers In	339,953	267,495	21,590	(245,905)
Transfers Out	(100,000)	(100,000)	(706,525)	(606,525)
Litigation Settlement	-	-	33,333	33,333
Sale of Capital Assets	-	138,922	137,593	(1,329)
Net Other Financing Sources (Uses)	\$ 239,953	\$ 2,212,045	\$ 2,041,756	\$ (170,289)
Net Change in Fund Equity	\$ (3,425,344)	\$ (3,274,901)	\$ 343,491	\$ 3,618,392
Fund Equity - October 1 (Beginning)	18,640,194	18,640,194	18,640,194	-
Fund Equity - September 30 (Ending)	\$ 15,214,850	\$ 15,365,293	\$ 18,983,685	\$ 3,618,392

HUNT COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED SEPTEMBER 30, 2024

	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*
Total Pension Liability										
Service cost	\$ 2,912,830	\$ 2,660,367	\$ 2,484,921	\$ 2,304,637	\$ 2,102,866	\$ 2,158,848	\$ 2,235,523	\$ 2,420,713	\$ 2,176,453	\$ 2,098,215
Interest (on the total pension liability)	7,627,662	7,201,398	6,847,702	6,453,237	6,041,388	5,676,173	5,339,592	4,938,827	4,635,362	4,346,201
Changes of benefit terms	-	-	-	-	-	-	-	-	(434,675)	-
Difference between expected and actual experience	11,032,984	130,032	(221,211)	216,595	466,096	129,703	(559,889)	(508,761)	(554,351)	(359,552)
Change of assumptions	-	-	(125,690)	5,370,301	-	-	336,478	-	653,694	-
Benefit payments, including refunds of employee contributions	(4,658,417)	(4,613,458)	(4,404,888)	(3,788,628)	(262,807)	(293,928)	(464,103)	(315,502)	(333,264)	(416,579)
Net Change in Total Pension Liability	6,915,059	5,378,339	4,580,834	10,556,142	8,347,543	7,670,796	6,887,601	6,535,277	6,143,219	5,668,285
Total Pension Liability - Beginning	99,737,706	94,359,366	89,778,533	79,222,390	74,280,862	69,457,430	65,204,673	61,164,157	57,364,752	53,924,848
Total Pension Liability - Ending (a)	106,652,765	99,737,705	94,359,367	89,778,532	82,628,405	77,128,226	72,092,274	67,699,434	63,507,971	59,593,133
Plan Fiduciary Net Position										
Contributions - Employer	\$ 2,668,417	\$ 2,590,526	\$ 2,088,390	\$ 2,002,061	\$ 1,717,516	\$ 1,756,979	\$ 1,633,665	\$ 1,591,206	\$ 1,660,857	\$ 1,600,226
Contributions - Employee	1,699,693	1,480,279	1,359,883	1,295,785	1,210,740	1,180,104	1,143,560	1,130,807	1,149,951	1,075,007
Net investment income	10,327,507	(5,840,982)	18,179,115	7,847,919	10,832,340	(1,259,301)	8,637,102	4,085,843	(334,002)	3,515,409
Benefit payments, including refunds of employee contributions	(4,658,417)	(4,613,458)	(4,404,888)	(3,788,628)	1,717,516	1,756,979	1,633,665	1,591,206	1,660,857	1,600,226
Administrative expense	(54,307)	(55,084)	(54,333)	(60,926)	(14,771)	694	(4,735)	(21,850)	29,749	(23,263)
Other	23,170	7,526	(4,140)	(8,875)	75,976,918	65,957,811	67,473,604	59,207,834	55,276,550	55,486,925
Net Change in Plan Fiduciary Net Position	10,006,063	(6,431,193)	17,164,027	7,287,336	91,440,259	69,393,266	80,516,861	67,585,046	59,443,962	63,254,530
Plan Fiduciary Net Position - Beginning	93,997,087	100,428,281	83,264,255	75,976,918	65,957,811	67,473,605	59,207,833	55,276,549	55,486,925	52,005,914
Plan Fiduciary Net Position - Ending (b)	104,003,150	93,997,088	100,428,282	83,264,254	157,398,070	136,866,871	139,724,694	122,861,595	114,930,887	115,260,444
Net Pension Liability - Ending (a) - (b)	2,649,615	5,740,617	(6,068,915)	6,514,278	(74,769,665)	(59,738,645)	(67,632,420)	(55,162,161)	(51,422,916)	(55,667,311)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.52%	94.24%	106.43%	92.74%	95.90%	88.80%	97.14%	90.80%	90.37%	96.73%
Covered Employee Payroll	\$ 24,281,331	\$ 23,529,288	\$ 21,169,073	\$ 19,050,652	\$ 16,974,737	\$ 16,747,752	\$ 16,336,568	\$ 16,154,392	\$ 16,427,865	\$ 15,357,244
Net Pension Liability as a Percentage of Covered Employee Payroll	10.91%	24.40%	-28.67%	34.19%	19.12%	49.70%	12.14%	37.12%	35.84%	12.23%

* The years above present data for the measurement period ending date. The measurement period represents the period for which the pension plan prepares its reports which provide a 9 month delay for financial reporting in accordance with GASB 68.

HUNT COUNTY, TEXAS
 SCHEDULE OF CONTRIBUTIONS
 YEAR ENDED SEPTEMBER 30, 2024

	Fiscal Year Ended September 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,031,855	\$ 4,302,016	\$ 2,512,658	\$ 2,053,552	\$ 1,930,002	\$ 1,756,979	\$ 1,619,194	\$ 1,509,903	\$ 1,507,954	\$ 1,604,822
Contributions in relation to actuarially determined contribution	(3,031,855)	(4,302,016)	(2,512,658)	(2,053,552)	(1,930,002)	(1,756,979)	(1,619,194)	(1,509,903)	(1,507,954)	(1,604,822)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 27,665,591	\$ 23,529,288	\$ 21,169,073	\$ 19,050,652	\$ 18,187,036	\$ 16,747,752	\$ 15,633,646	\$ 15,160,277	\$ 15,191,059	\$ 15,761,313
Contributions as a percentage of covered employee payroll	10.96%	18.28%	11.87%	10.78%	10.61%	10.49%	10.36%	9.96%	9.93%	10.18%

HUNT COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED SEPTEMBER 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 987,562	\$ 987,562	\$ 987,562	\$ 962,418	\$ 838,264	\$ 910,840	\$ 779,335
Interest (on the total OPEB liability)	256,401	256,401	256,401	338,378	414,665	391,351	399,662
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	35,618	35,618	46,050	(949,404)	33,514	(1,292,980)	134,547
Change of assumptions	(597,786)	(597,786)	(196,486)	742,852	317,608	(84,476)	505,037
Benefit payments	(681,795)	(681,795)	(658,217)	(524,638)	(552,241)	(517,331)	(584,357)
Net Change in Total OPEB Liability	\$ -	\$ -	\$ 435,310	\$ 569,606	\$ 1,051,810	\$ (592,596)	\$ 1,234,224
Total OPEB Liability - Beginning	13,090,674	13,090,674	12,655,364	12,085,758	11,033,948	11,626,544	10,392,320
Total OPEB Liability - Ending	\$ 13,090,674	\$ 13,090,674	\$ 13,090,674	\$ 12,655,364	\$ 12,085,758	\$ 11,033,948	\$ 11,626,544
Covered Employee Payroll	\$ 21,169,073	\$ 21,169,073	\$ 18,901,504	\$ 17,889,047	\$ 16,468,597	\$ 12,353,122	\$ 11,075,027
Net OPEB Liability as a Percentage of Covered Employee Payroll	61.83%	61.83%	69.26%	70.74%	73.39%	89.32%	104.98%

FYE 22 - The demographic and salary increase assumptions were updated to reflect the 2021 TCDRS Experience Study.

FYE 20 - The healthcare trend rates were updated to reflect the repeal of the excise tax on high-cost employer health plans.

FYE19 - The healthcare trend assumption was modified to better reflect anticipated experience.

Changes of assumptions reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

FYE	Discount Rate
2024	1.84%
2023	1.84%
2022	1.84%
2021	1.84%
2020	2.00%
2019	2.00%
2018	2.00%

**HUNT COUNTY, TEXAS
NOTES TO SCHEDULE OF CONTRIBUTIONS
YEAR ENDED SEPTEMBER 30, 2024**

A. TCDRS Retirement Plan

The following information is supplied to provide additional data for review of the County's pension information.

Methods and Assumptions Used to Determine Contribution Rates:

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	0.0 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation
Investment Rate of Return	8.0% net of investment expense, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

* There were no benefit changes during the year.

B. OPEB Benefit Plan

Plan Participants

Fulltime employees of Hunt County who retire after October 1, 2004, may be eligible to participate in the retiree health care plan, effective the first day of the next month, and will receive a County paid insurance subsidy.

Full Time employees of Hunt County who retire prior to October 1, 2004, were not eligible to receive a County-paid insurance subsidy.

Normal Retirement Benefits

Health Care Benefit Eligibility Conditions

Active full-time employees must be eligible for retirement under the Texas County and County Retirement System (TCDRS). The guideline to qualify for retirement in force at the time of the covered employee's retirement shall apply:

- Age 60 with 8 years of continuous service with Hunt County.
- Any age with 30 years of service, including 8 years of continuous service with Hunt County or
- Age plus years of TCDRS Service equals 75 (rule of 75), including 8 years of service with Hunt County

To be eligible for the County's retiree medical subsidy, a retiree must have at least eight years of continuous service with Hunt County immediately prior to retirement.

Once a retiree reaches Medicare eligibility, the retiree is no longer eligible for the County's health insurance.

Health Care Benefit Provided by the Plan

Member: Under age 65, 100% covered for by the County for retirees who retired after October 1, 2004

Spouse: Under age 65, 100% paid by the retiree

Dependent: Until age 26 if dependent, 100% paid by the retiree

FEDERAL AWARDS SECTION

HUNT COUNTY TEXAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/ Pass Through Grantor Program Title	Federal CDFA Number	Pass Through Grantor Number	Federal Expenditures
U.S. TREASURY DEPARTMENT			
Direct Program:			
American Rescue Plan - SLFRF* (Covid-19)	21.027	116	<u>\$ 2,922,815</u>
Total Treasury Department			<u>2,922,815</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Department of State Health Services:			
Immunization Grants	93.268	HHS001331300043-24	246,753
Immunization Grants	93.268	HHS001331300043-25	22,962
Local Public Health Services	93.991	HHS001324900024-24	65,881
Local Public Health Services	93.991	HHS001324900024-25	<u>6,324</u>
Total Department of Health and Human Services			<u>341,920</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	BOBX23034712	399
Criminal Alien Assistance Program	16.606	15PBJA-21-RR-04942	<u>13,335</u>
Total Department of Justice			<u>13,734</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 3,278,469</u></u>

* Denotes Major Programs.

HUNT COUNTY TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2024

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal activity of Hunt County, Texas and is presented on the modified accrual basis of accounting. Expenditures are recognized in the accounting period in which a fund liability occurs. Funds are considered earned to the extent of expenditures made.

The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or changes in net position of the County. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

B. Summary of Significant Accounting Policies

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds which are governmental fund types. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

C. Indirect Cost

The County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.