

HILL COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2023

HILL COUNTY, TEXAS
 ANNUAL FINANCIAL REPORT
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for the General Fund and major special revenue funds, pension information, and OPEB information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Waco, Texas
March 13, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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HILL COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Hill County, Texas, (the "County") annual financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Hill County, Texas, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,703,260 (net position). Of this amount, \$10,687,091 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$3,671,833. This increase is due primarily to an increase in property taxes and sales taxes.
- As of the close of the current fiscal year, Hill County, Texas' governmental funds reported combined ending fund balances of \$14,263,579 a decrease of \$483,424 in comparison with the prior year. Approximately 59% of this total amount, \$8,468,846 is available for spending at the County's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$8,471,497, or 48% of total General Fund expenditures, the fund balance for the Road and Bridge Fund was \$1,427,541, or 22% of total Road and Bridge Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

Budgets for the 2023 fiscal year were adopted for the General Fund, the Road and Bridge Fund, ARP Grant Fund, Indigent Health Care Fund, the Law Library Fund, the Jury Fund, the Debt Service Fund, County Clerk Fund, County Clerk Probate Court Fund, County Specialty Court Fund, District Clerk Records Preservation and Management Fund, the Sheriff Department Fund, the D.A. Forfeited Property Fund, the Justice Court Technology Fund, the District Clerk Archive Fund, the Courthouse Security Fund, the Hill County Tourism Fund and the Election Machine Lease Fund.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary information and the net pension liability information. Required supplementary information can be found on pages 40 – 52 of this report.

The combining statements and schedules referred to earlier are presented immediately following the required supplementary information. Combining fund statements and schedules can be found on pages 53 - 64 and 80 - 87 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 65 - 79 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,703,260 at the close of the most recent fiscal year.

65% of the County's net position (\$28,875,330) reflects its net investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Hill County's Net Position

	Governmental Activities	
	2023	2022
Current and other assets	\$ 18,677,602	\$ 22,039,591
Net pension asset	-	2,887,911
Capital assets	36,450,095	27,414,580
Total assets	55,127,697	52,342,082
Deferred outflows of resources	2,480,174	2,201,380
Long-term liabilities	10,921,868	9,815,310
Other liabilities	1,559,042	4,651,334
Total liabilities	12,480,910	14,466,644
Deferred inflows of resources	423,701	4,562,021
Net position:		
Net investment in capital assets	28,875,330	20,927,102
Restricted	5,140,839	6,732,174
Unrestricted	10,687,091	7,855,521
Total net position	\$ 44,703,260	\$ 35,514,797

An additional portion of the County's net position (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$10,687,091) may be used to meet the governments ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County reported a positive balance in net position, both for the government as a whole, as well as for its separate components.

Governmental activities:

Governmental activities increased the County’s net position by \$3,671,833.

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

Hill County’s Changes in Net Position

	Governmental Activities	
	2023	2022
REVENUES		
Program revenues:		
Charges for services	\$ 4,038,993	\$ 3,769,685
Operating grants and contributions	3,071,421	4,831,569
Capital grants and contributions	51,800	279,443
General revenues:		
Property taxes	16,693,675	15,188,595
Sales taxes	4,189,344	3,870,001
Other taxes	95,973	77,356
Investment earnings	611,128	328,079
Gain on sale of capital assets	423,024	92,984
Contributions and Donations	6,060	189,400
Miscellaneous	428,624	467,570
Total Revenues	<u>29,610,042</u>	<u>29,094,682</u>
EXPENSES		
General government	2,843,327	2,777,978
Legal	475,152	455,899
Judicial	3,154,082	2,887,213
Financial administration	1,134,727	1,053,254
Public facilities	1,059,173	1,282,131
Public safety	8,954,754	7,789,409
Public transportation	6,322,576	6,318,150
Culture and recreation	-	538
Elections	-	523
Health and welfare	1,573,624	5,310,305
Conservation - agriculture	177,000	175,146
Interest on long-term debt	243,794	222,486
Total Expenses	<u>25,938,209</u>	<u>28,273,032</u>
INCREASE IN NET POSITION	3,671,833	821,650
NET POSITION, BEGINNING	<u>35,514,797</u>	<u>37,982,117</u>
PRIOR PERIOD ADJUSTMENT	<u>5,516,630</u>	<u>(3,288,970)</u>
NET POSITION, ENDING	<u>\$ 44,703,260</u>	<u>\$ 35,514,797</u>

The charges for services increased by \$269,308. Operating grants and contributions decreased \$1,760,148 mainly due to more disaster recovery grants received during the prior year, while capital grants and contributions decreased by \$227,643 due to the TXDOT bridge construction project ending. Property taxes increased by \$1,505,080 due to an increase in assessed taxable property values and new construction.

Total expenses for governmental activities decreased by \$2,334,823 primarily due to projects nearing completion in health and welfare.

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$14,263,579, a decrease of \$483,424 in comparison with the prior year. Approximately 59% of this total amount (\$8,468,846), constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, fund balance for the General Fund was \$9,816,543 which included unassigned fund balance of \$8,471,497. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 48% of total general fund expenditures.

The fund balance of the County's General Fund increased by \$1,159,372 during the current fiscal year.

At the end of the current fiscal year, total fund balance of the Road and Bridge Fund was \$1,427,541, which was entirely restricted for public transportation. As a measure of the Road and Bridge Fund's liquidity, it may be useful to compare restricted fund balance to total fund expenditures. Restricted fund balance represents 22% of total Road and Bridge Fund expenditures.

The fund balance of the County's Road and Bridge Fund decreased by \$120,749 during the current fiscal year.

Fund Budgetary Highlights

Difference between the original budget and the final amended budget for the General Fund expenditures amounted to an increase of \$345 thousand due to 2022 encumbrances budgeted in the current year. The largest components of the increase were attributable to capital expenditures on radios, vehicles and equipment.

Road and Bridge revenues were \$353,713 more than budgeted for attributable to higher sales tax, receipt of road damages, financing and the sale of fixed assets. Expenses were \$885,913 less than budgeted for. Differences between the original budget and the final amended budget for the Road and Bridge was \$160,050. Categories increased included construction materials, capital outlay and repairs.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of September 30, 2023, amounts to \$36,450,095 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total increase in the County's investment in capital assets for the current fiscal year was \$9,035,515 or 33% due to increases in construction in progress as well as paying down outstanding capital related debt.

Depreciation on the County's capital assets of \$3,453,919 was less than its net capital purchases of \$7,445,295. Together with the sale and retirement of assets, this resulted in a net increase in capital assets.

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

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$3,470,000. All of which comprises debt backed by the full faith and credit of the County.

The County's total bonded debt decreased by \$585,000 during the current fiscal year. The key factor in this decrease was the payment of bonds.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors currently affect the County and were considered in developing the Fiscal Year 2024 budget.

- The Fiscal Year 2024 budget will raise more total taxes than last year's budget by \$2,712,728 or 16.32%. Of that amount, \$1,333,279 is tax revenue to be raised from new property added to the tax roll.
- The Fiscal Year 2024 budget for the General Fund includes \$19,869,854 of revenues and \$20,869,854 of expenditures.
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$9,816,542. The County has not appropriated any of this amount for spending in the 2024 fiscal year budget.

REQUESTS FOR INFORMATION

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

**BASIC
FINANCIAL STATEMENTS**

HILL COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Governmental Activities
ASSETS	
Cash and investments	\$ 14,583,638
Receivables (net of allowance for uncollectibles)	2,547,786
Due from other governments	236,560
Inventories	374,188
Prepaid items	935,430
Capital assets:	
Non-depreciable	7,148,545
Depreciable	29,301,550
Total Assets	55,127,697
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow related to pensions	2,261,696
Deferred outflow related to OPEB - TCDRS group term life	106,545
Deferred outflow related to OPEB - retiree health	46,082
Deferred charge on refunding	65,851
Total Deferred Outflows of Resources	2,480,174
LIABILITIES	
Accounts payable	1,115,669
Accrued wages	409,676
Accrued interest	11,234
Unearned revenue	22,463
Noncurrent liabilities:	
Due within one year:	
Long-term debt	1,704,644
Total OPEB liability - TCDRS group term life	16,272
Due in more than one year:	
Long-term debt	6,270,421
Net pension liability	2,100,261
Total OPEB liability - TCDRS group term life	557,150
Total OPEB liability - retiree health	273,120
Total Liabilities	12,480,910
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow related to pensions	145,046
Deferred inflow related to OPEB - TCDRS group term life	156,930
Deferred inflow related to OPEB - retiree health	121,725
Total Deferred Inflows of Resources	423,701
NET POSITION	
Net investment in capital assets	28,875,330
Restricted for:	
General government	2,182,052
Construction	24,871
Culture and recreation	6,198
Debt service	162,793
Elections	49,166
Health and welfare	180,431
Judicial	739,519
Public safety	71,981
Public transportation	1,709,568
Unrestricted	10,687,091
Total Net Position	\$ 44,703,260

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

HILL COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 2,843,327	\$ 320,374	\$ 101,343	\$ -	\$ (2,421,610)
Legal	475,152	-	168,000	-	(307,152)
Judicial	3,154,082	1,426,743	79,986	-	(1,647,353)
Financial administration	1,134,727	796,855	-	-	(337,872)
Public facilities	1,059,173	-	-	-	(1,059,173)
Public safety	8,954,754	316,434	71,393	-	(8,566,927)
Public transportation	6,322,576	1,104,256	-	51,800	(5,166,520)
Health and welfare	1,573,624	74,331	2,650,699	-	1,151,406
Conservation - agriculture	177,000	-	-	-	(177,000)
Interest and fiscal charges	243,794	-	-	-	(243,794)
Total Governmental Activities	<u>\$ 25,938,209</u>	<u>\$ 4,038,993</u>	<u>\$ 3,071,421</u>	<u>\$ 51,800</u>	<u>\$ (18,775,995)</u>
General revenues:					
Taxes:					
Property, levied for general purposes					16,113,939
Property, levied for debt service					579,736
Sales					4,189,344
Other					95,973
Unrestricted investment earnings					611,128
Miscellaneous					428,624
Contributions and donations					6,060
Gain on sale of capital assets					<u>423,024</u>
Total General Revenues					<u>22,447,828</u>
Change in Net Position					3,671,833
Net position, beginning					35,514,797
Prior period adjustment					<u>5,516,630</u>
Net position, beginning, restated					<u>41,031,427</u>
Net position, ending					<u>\$ 44,703,260</u>

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

HILL COUNTY, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	<u>General</u>	<u>Road and Bridge</u>	<u>ARP Grant</u>
ASSETS			
Cash and cash equivalents	\$ 11,212,224	\$ 1,253,871	\$ 524,427
Receivables (net of allowance for uncollectibles)	1,953,445	381,698	-
Due from other governments	30,070	186,747	-
Due from other funds	<u>10,013</u>	<u>76,706</u>	<u>43,744</u>
Total Assets	<u>13,205,752</u>	<u>1,899,022</u>	<u>568,171</u>
LIABILITIES			
Accounts payable	331,567	126,997	450,964
Accrued liabilities	342,364	62,457	-
Unearned revenue	-	-	22,463
Due to other funds	<u>1,568,869</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,242,800</u>	<u>189,454</u>	<u>473,427</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - court fines	280,964	-	-
Unavailable revenue - property taxes	<u>865,445</u>	<u>282,027</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,146,409</u>	<u>282,027</u>	<u>-</u>
FUND BALANCES			
Restricted:			
General government	-	-	-
Construction	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Elections	-	-	-
Health and welfare	-	-	94,744
Judicial	-	-	-
Legal	-	-	-
Public safety	-	-	-
Public transportation	-	1,427,541	-
Assigned:			
Purchases on order	345,045	-	-
Subsequent year's budget: appropriation of fund balance	1,000,001	-	-
Unassigned	<u>8,471,497</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>9,816,543</u>	<u>1,427,541</u>	<u>94,744</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,205,752</u>	<u>\$ 1,899,022</u>	<u>\$ 568,171</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 1,593,116	\$ 14,583,638
212,643	2,547,786
19,743	236,560
<u>1,448,419</u>	<u>1,578,882</u>
<u>3,273,921</u>	<u>18,946,866</u>
206,141	1,115,669
4,855	409,676
-	22,463
<u>10,013</u>	<u>1,578,882</u>
<u>221,009</u>	<u>3,126,690</u>
-	280,964
<u>128,161</u>	<u>1,275,633</u>
<u>128,161</u>	<u>1,556,597</u>
2,182,052	2,182,052
24,871	24,871
6,198	6,198
118,049	118,049
49,166	49,166
2,270	97,014
458,555	458,555
14,260	14,260
71,981	71,981
-	1,427,541
-	-
-	1,000,001
<u>(2,651)</u>	<u>8,468,846</u>
<u>2,924,751</u>	<u>14,263,579</u>
<u>\$ 3,273,921</u>	<u>\$ 18,946,866</u>

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HILL COUNTY, TEXAS

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

SEPTEMBER 30, 2023

Total Fund Balances - Governmental Funds	\$ 14,263,579
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	36,450,095
Prepaid items are expenditures in the funds but are recorded as assets in the governmental activities.	935,430
Inventory costs are expenditures in the funds but are recorded as assets in the governmental activities.	374,188
Bonds payable, financed purchases and accrued compensated absences will not be liquidated with current financial resources and therefore have not been included in the fund financial statements.	(7,975,065)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.	(11,234)
Premiums on bond issuances and deferred losses on bond refunding are recorded as other financing sources and uses when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements over the life of the bonds.	
Deferred loss	65,851
Receivables from property taxes, fines and fees are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the fund financial statements.	1,556,597
Included in the items related to debt is the recognition of the County's net pension liability (asset) and related deferred outflows and inflows of resources. The net effect is to increase net position.	
Net pension liability	(2,100,261)
Deferred outflows related to pensions	2,261,696
Deferred inflows related to pensions	(145,046)
Included in the items related to debt is the recognition of the County's total OPEB liability and related deferred outflows and inflows of resources. The net effect is to decrease net position.	
Total OPEB liability	(846,542)
Deferred outflows related to OPEB	152,627
Deferred inflows related to OPEB	<u>(278,655)</u>
Net Position of Governmental Activities	<u>\$ 44,703,260</u>

HILL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General	Road and Bridge	ARP Grant
REVENUES			
Taxes:			
Property	\$ 11,159,656	\$ 3,797,408	\$ -
Sales	3,498,102	356,094	-
Other	53,380	-	-
Intergovernmental	340,244	86,300	2,635,931
Licenses and permits	-	921,155	-
Charges for services	2,186,523	148,601	-
Fines and forfeitures	75,918	-	-
Investment earnings	431,270	45,223	55,141
Contributions and donations	60	6,000	-
Miscellaneous	104,769	86,118	-
Total Revenues	<u>17,849,922</u>	<u>5,446,899</u>	<u>2,691,072</u>
EXPENDITURES			
Current:			
General government	3,636,606	-	-
Legal	464,265	-	-
Judicial	2,378,025	-	-
Financial administration	1,122,132	-	-
Public facilities	657,725	-	-
Public safety	8,652,932	-	-
Public transportation	-	5,743,695	-
Health and welfare	249,183	-	2,635,931
Conservation - agriculture	175,292	-	-
Capital outlay	-	-	-
Debt service:			
Principal	313,792	596,372	-
Interest and fiscal charges	48,209	64,520	-
Total Expenditures	<u>17,698,161</u>	<u>6,404,587</u>	<u>2,635,931</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>151,761</u>	<u>(957,688)</u>	<u>55,141</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	845,831	49,000	-
Issuance of financed purchases	503,442	100,689	-
Insurance recoveries	31,088	-	-
Transfers in	35,000	687,250	-
Transfers out	(407,750)	-	-
Total Other Financing Sources (Uses)	<u>1,007,611</u>	<u>836,939</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	1,159,372	(120,749)	55,141
FUND BALANCE, BEGINNING	<u>8,657,171</u>	<u>1,548,290</u>	<u>39,603</u>
FUND BALANCE, ENDING	<u>\$ 9,816,543</u>	<u>\$ 1,427,541</u>	<u>\$ 94,744</u>

The accompanying notes are an integral part of this statement.

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,648,301	\$ 16,605,365
335,148	4,189,344
42,593	95,973
95,246	3,157,721
-	921,155
627,721	2,962,845
23,858	99,776
79,494	611,128
-	6,060
<u>206,649</u>	<u>397,536</u>
<u>3,059,010</u>	<u>29,046,903</u>
141,416	3,778,022
-	464,265
708,267	3,086,292
-	1,122,132
-	657,725
111,939	8,764,871
-	5,743,695
1,248,580	4,133,694
-	175,292
1,426,001	1,426,001
585,000	1,495,164
<u>101,179</u>	<u>213,908</u>
<u>4,322,382</u>	<u>31,061,061</u>
<u>(1,263,372)</u>	<u>(2,014,158)</u>
684	895,515
-	604,131
-	31,088
200,500	922,750
<u>(515,000)</u>	<u>(922,750)</u>
<u>(313,816)</u>	<u>1,530,734</u>
(1,577,188)	(483,424)
<u>4,501,939</u>	<u>14,747,003</u>
<u>\$ 2,924,751</u>	<u>\$ 14,263,579</u>

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HILL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net Changes in Fund Balances - Governmental Funds	\$ (483,424)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities that cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	7,445,295
Depreciation expense	(3,453,919)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(472,491)
Prepaid items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	137,061
Inventory items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(34,631)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Issuance of debt	(604,131)
Repayment of principal of long-term debt	1,495,164
Amortization of:	
Premium on bond issuance	770
Loss on refunding	(32,926)
Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(24,065)
Net pension liability (asset)	(357,019)
Total OPEB liability	(55,148)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The increase in interest accrual decreases net position.	2,270
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>109,027</u>
Change in Net Position of Governmental Activities	<u>\$ 3,671,833</u>

HILL COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

SEPTEMBER 30, 2023

ASSETS

Cash and cash equivalents	\$	3,967,090
Due from other governments		54,143
Accounts receivable		<u>3,856</u>
Total assets		<u>4,025,089</u>

LIABILITIES

Accounts payable		199,120
Accrued liabilities		<u>42,940</u>
Total liabilities		<u>242,060</u>

NET POSITION

Restricted for:		
Individuals and organizations		<u>3,783,029</u>
Total net position	\$	<u>3,783,029</u>

HILL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

ADDITIONS

State fees	\$	827,534
Receipts from other governments		1,144,099
Receipts from other individuals		39,390,912
Charges for services		650,464
Court fees		1,563,100
Interest income		15,265
Miscellaneous		<u>6,472</u>
Total additions		<u>43,597,846</u>

DEDUCTIONS

Distributions to other governments		39,956,779
Distributions to others		<u>4,144,304</u>
Total deductions		<u>44,101,083</u>

Net increase (decrease) in fiduciary net position (503,237)

Net position - beginning 4,018,509

Prior period adjustment 267,757

Net position - beginning (restated) 4,286,266

Net position - ending \$ 3,783,029

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HILL COUNTY, TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Government-wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

The County reports the following major governmental funds:

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

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

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

Additionally, the County reports the following fund type:

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

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

Deposits and Investments

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

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

Interfund receivables and payables

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

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

Taxes Receivable

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

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

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

Compensated Absences

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

Pensions

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

Other Post-Employment Benefits

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

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

Long-term Debt

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

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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category:

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

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

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

Fund Balance

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted resources have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions.

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

Net Position

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

Estimates

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

II. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments

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

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

Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County has a deposit policy for custodial credit risk. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2023, pledged securities that are in the County's name and FDIC insurance exceeded bank balances.

B. Receivables

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Other Governmental</u>	<u>Total</u>
Receivables:				
Ad valorem taxes	\$ 1,070,455	\$ 349,616	\$ 158,519	\$ 1,578,590
Sales taxes	620,424	63,157	59,442	743,023
Court fines and fees	1,011,622	-	-	1,011,622
Other	<u>88,648</u>	<u>3,887</u>	<u>10,534</u>	<u>103,069</u>
Gross receivables	2,791,149	416,660	228,495	3,436,304
Less: allowance for uncollectibles	<u>(837,704)</u>	<u>(34,962)</u>	<u>(15,852)</u>	<u>(888,518)</u>
Net accounts receivable	<u>\$ 1,953,445</u>	<u>\$ 381,698</u>	<u>\$ 212,643</u>	<u>\$ 2,547,786</u>

C. Capital Assets

Capital asset activity for the fiscal year was as follows:

	Beginning Balance	Additions	Deletions	Adjustments Reclassification	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 365,655	\$ 92,240	\$ -	\$ -	\$ 457,895
Construction in Progress	-	10,129,004	-	(3,438,354)	6,690,650
Total assets not being depreciate	365,655	10,221,244	-	(3,438,354)	7,148,545
Capital assets, being depreciated:					
Buildings	25,560,327	197,233	(610,630)	1,602,445	26,749,375
Machinery and equipment	17,890,856	2,002,251	(406,240)	1,835,909	21,322,776
Infrastructure	14,170,917	541,197	-	-	14,712,114
Total capital assets being deprec	57,622,100	2,740,681	(1,016,870)	3,438,354	62,784,265
Less accumulated depreciation:					
Buildings	(11,994,774)	(683,221)	243,874	-	(12,434,121)
Machinery and equipment	(11,901,913)	(1,803,543)	300,505	-	(13,404,951)
Infrastructure	(6,676,488)	(967,155)	-	-	(7,643,643)
Total accumulated depreciation	(30,573,175)	(3,453,919)	544,379	-	(33,482,715)
Total capital assets being depreciated, net	27,048,925	(713,238)	(472,491)	3,438,354	29,301,550
Total capital assets, net	\$27,414,580	\$ 9,508,006	\$ (472,491)	\$ -	\$36,450,095

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

Governmental activities:	
General administration	\$ 111,230
Financial administration	5,566
Judicial	18,508
Public facilities	534,378
Public safety	840,205
Public transportation	1,944,032
Total depreciation expense	\$ 3,453,919

D. Interfund Receivables, Payables, and Transfers

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

Receivable Fund	Payable Fund	Amount
Road and bridge	General fund	\$ 76,706
ARP Grant	General fund	43,744
Nonmajor governmental	General fund	1,448,419
General fund	Nonmajor governmental	10,013

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

Transfer Out	Transfer In			Total
	General Fund	Road and Bridge	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 207,250	\$ 200,500	\$ 407,750
Nonmajor Governmental Funds	35,000	480,000	-	515,000
Total	\$ 35,000	\$ 687,250	\$ 200,500	\$ 922,750

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

E. Long-term Liabilities

Long-term liability activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
Limited tax refunding bonds	\$ 1,495,000	\$ -	\$ (585,000)	\$ 910,000	\$ 595,000
Tax Notes	2,560,000	-	-	2,560,000	-
Premium on bonds	<u>770</u>	<u>-</u>	<u>(770)</u>	<u>-</u>	<u>-</u>
Total bonds & notes payable	<u>4,055,770</u>	<u>-</u>	<u>(585,770)</u>	<u>3,470,000</u>	<u>595,000</u>
Financed purchases	3,953,148	604,131	(910,164)	3,647,115	895,156
Compensated absences	<u>833,885</u>	<u>776,659</u>	<u>(752,594)</u>	<u>857,950</u>	<u>214,488</u>
Total long-term liabilities	<u>\$ 8,842,803</u>	<u>\$ 1,380,790</u>	<u>\$ (2,248,528)</u>	<u>\$ 7,975,065</u>	<u>\$ 1,704,644</u>

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

Limited Tax Refunding Bonds

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

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

Year Ending September 30,	Principal	Interest	Total
2024	\$ 595,000	\$ 8,208	\$ 603,208
2025	<u>315,000</u>	<u>3,150</u>	<u>318,150</u>
Total	<u>\$ 910,000</u>	<u>\$ 11,358</u>	<u>\$ 921,358</u>

Tax Notes

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

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

Year Ending September 30,	Principal	Interest	Total
2024	\$ -	\$ 81,664	\$ 81,664
2025	225,000	78,075	303,075
2026	555,000	65,634	620,634
2027	575,000	47,611	622,611
2028	595,000	28,949	623,949
2029	<u>610,000</u>	<u>9,730</u>	<u>619,730</u>
Total	<u>\$ 2,560,000</u>	<u>\$ 311,663</u>	<u>\$ 2,871,663</u>

Financed Purchases

The County finances various vehicles and Road & Bridge motor equipment. Interest rates range from 0.03% to 8.00%. In the current year, the County financed an additional \$604,131 in vehicles and Road & Bridge equipment with interest rates ranging from 5.5% to 8.0%.

The annual debt service requirements to maturity for the financed purchases are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	895,156	124,364	1,019,520
2025	923,856	94,513	1,018,369
2026	1,114,752	63,567	1,178,319
2027	350,394	20,669	371,063
2028	129,523	10,243	139,766
2029-2030	<u>233,434</u>	<u>9,478</u>	<u>242,912</u>
Total	<u>\$ 3,647,115</u>	<u>\$ 322,834</u>	<u>\$ 3,969,949</u>

III. OTHER INFORMATION

A. Risk Management

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

B. Contingent Liabilities

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

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

C. Defined Benefit Pension Plan

Plan Description

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

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

Benefits Provided

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

Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. By law, employee accounts earn 7% interest. At retirement, death or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees covered by benefit terms

As of the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees receiving benefits	159
Inactive employees entitled to but not yet receiving benefits	222
Active employees	<u>208</u>
Total	<u><u>589</u></u>

Contributions

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

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 9.41% and 10.60% in calendar years 2023 and 2022, respectively. The County’s contributions to TCDRS for the year ended September 30, 2023, were \$1,149,127, and were equal to the required contributions.

Net Pension Liability (Asset)

The County’s Net Pension Liability (Asset) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

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

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

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

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

All actuarial assumptions that determined the total pension liability as of December 31, 2022, were based on the results of an actuarial experience study for the period January 1, 2013, through December 31, 2016, except where required to be different by GASB 68.

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments is 7.50%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. The application of the investment return assumptions was changed for purposes of determining plan liabilities at the March 2023 meeting. All plan liabilities are now valued using a 7.6% discount rate.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2023 information for a 10-year time horizon. The valuation assumption for long-term expected return is reassessed at a minimum of every four years and is set based on a long-term time horizon; the most recent analysis was performed in 2022. The target allocation and best estimates of geometric real rates return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities - Developed Markets	MSCI World Ex USA (net)	5.00%	4.95%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
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%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

⁽¹⁾ Target asset allocation adopted at the March 2023 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 capital market assumptions

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

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

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

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods. The employee is legally required to make the contribution specified in the funding policy. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable. Based on the above assumptions, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the net pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 7.60% has been used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2021	\$ 33,990,939	\$ 36,878,850	\$ (2,887,911)
Changes for the year:			
Service cost	1,240,513	-	1,240,513
Interest on total pension liability ⁽¹⁾	2,616,888	-	2,616,888
Effect of economic/demographic gains or losses	242,103	-	242,103
Effect of plan changes ⁽²⁾	534,383	-	534,383
Refund of contributions	(107,237)	(107,237)	-
Benefit payments	(1,519,998)	(1,519,998)	-
Administrative expenses	-	(20,451)	20,451
Member contributions	-	712,052	(712,052)
Net investment income	-	(2,175,630)	2,175,630
Employer contributions	-	1,076,247	(1,076,247)
Other ⁽²⁾	-	53,497	(53,497)
Balance at 12/31/2022	<u>\$ 36,997,591</u>	<u>\$ 34,897,330</u>	<u>\$ 2,100,261</u>

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

⁽²⁾ Reflects plan changes adopted effective in 2023

⁽³⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

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

	1% Decrease 6.6%	Current Discount Rate 7.6%	1% Increase 8.6%
Total pension liability	\$ 41,910,215	\$ 36,997,590	\$ 32,896,573
Fiduciary net position	<u>34,897,329</u>	<u>34,897,329</u>	<u>34,897,329</u>
Net pension liability/(asset)	<u>\$ 7,012,886</u>	<u>\$ 2,100,261</u>	<u>\$ (2,000,756)</u>

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2023, the County recognized pension expense of \$1,460,817. At year-end, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 261,475	\$ 126,807
Changes in actuarial assumptions	464,301	18,239
Difference between projected and actual investment earnings	751,306	-
Contributions subsequent to the measurement date	<u>784,614</u>	<u>-</u>
Total	<u>\$ 2,261,696</u>	<u>\$ 145,046</u>

\$784,614 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date, but before September 30, 2023, will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>For the Year Ended September 30,</u>	
2024	\$ 119,973
2025	88,153
2026	126,777
2027	997,133

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

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

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

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

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

Inactive employees receiving benefits	128
Inactive employees entitled to but not yet receiving benefits	49
Active employees	<u>208</u>
Total	<u>385</u>

Contributions. The County contributes to the GTLF at a contractually required rate as determined by an annual actuarial valuation, which was 0.21% for 2023 and 0.24% for 2022, of which 0.13% and 0.16%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the GTLF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The County's contributions to the GTLF for the year ended September 30, 2023, were \$15,089, representing contributions for both active and retiree coverage, which equaled the required contributions for the year.

Total OPEB Liability. The County's Total OPEB Liability (TOL) was measured as of December 31, 2022, as determined by an actuarial valuation as of that date.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Investment rate of return (discount rate)	3.72%
Actuarial cost method	Entry Age Level Percent of Salary

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

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

All actuarial assumptions and methods that determined the Total OPEB Liability as of December 31, 2022, were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 75. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

Discount Rate. The TCDRS GTLF program is treated as an unfunded OPEB plan because the GTLF trust covers both actives and retirees, and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.06% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2022.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the total OPEB Liability of the employer, calculated using the discount rate of 3.72%, as well as what the Hill County Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.72%) or 1 percentage point higher (4.72%) than the current rate.

	1% Decrease in Discount Rate (2.72%)	Current Discount Rate (3.72%)	1% Increase in Discount Rate (4.72%)
Total OPEB Liability	\$ 675,150	\$ 573,422	\$ 493,299

OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB. On September 30, 2023, the County reported a liability of \$573,422 for its Total OPEB Liability and is typically funded with the General and Road and Bridge Funds. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022. For the year ended September 30, 2023, the County recognized OPEB expense of \$35,704. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Changes in the Total OPEB Liability

	<u>Changes in Total OPEB Liability</u>
Balance at December 31, 2021	\$ 719,212
Changes for the year:	
Service cost	28,134
Interest on total OPEB liability ⁽¹⁾	15,229
Effect of economic/demographic gains or losses	11,396
Effect of assumptions changes or inputs ⁽²⁾	(184,274)
Benefit payments	<u>(16,275)</u>
Balance at December 31, 2022	<u>\$ 573,422</u>

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

⁽²⁾ Reflects change in discount rate.

On September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 12,056	\$ 1,112
Changes in actuarial assumptions	84,248	155,818
Contributions subsequent to the measurement date	<u>10,241</u>	<u>-</u>
Total	<u>\$ 106,545</u>	<u>\$ 156,930</u>

\$10,241 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the Year Ended September 30,</u>	
2024	\$ (8,239)
2025	1,274
2026	(19,086)
2027	(34,575)

E. Other Post Employment Benefits – Retiree Health Insurance Plan

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

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

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

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

Actuarial Assumptions and Methods

Significant methods and assumptions were as follows:

Actuarial Valuation Date	10/1/2022 (9/30/2022 census)
Actuarial Cost Method	Entry Age Normal
Discount rate	4.77% per annum (for FYE 2023 Expense) 4.87% per annum (disclosures*) (3.87% and 5.87% are illustrated for sensitivity)
Inflation Rate	3.00% per annum
Salary Increases	3.00% per annum
Mortality	PUB-2010 mortality table with MP-2021 projection
Health care cost trend rates	8% decreasing to 5% ultimate
Participation rates	15% to elect to pay full premium for coverage
*Notes	GASB #75 requires results be presented on your financial statements based on actual rates as of your year-end (reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Rate Index as of 9/29/2023 was 4.87%). Since the plan is not pre-funded, the Index will apply.

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

A Single Discount Rate of 4.87% was used to measure the total OPEB liability. This Single Discount Rate was based on the municipal bond rates as of the measurement date. The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of September 30, 2023.

Changes in the Total OPEB Liability

The County's total OPEB liability of \$273,120 was measured as of September 30, 2023, and was determined by an actuarial valuation as of December 1, 2022. This liability is typically funded by the General Fund.

	Total OPEB Liability
Balance at 9/30/2022	\$ 253,295
Changes for the year:	
Service cost	32,009
Interest	12,082
Difference between expected and actual experience	(22,091)
Changes of assumptions	<u>(2,175)</u>
Net changes	<u>19,825</u>
Balance at 9/30/2023	<u>\$ 273,120</u>

Changes of assumptions reflect a change in the discount rate from 2.77% as of September 30, 2022, to 4.78% as of September 30, 2023, and revised TCDRS demographic and salary increase assumptions.

Discount Rate Sensitivity Analysis

The following presents the plan's total OPEB liability, calculated using a discount rate of 4.87%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher.

	1% Decrease in Discount Rate (3.87%)	Discount Rate (4.87%)	1% Increase in Discount Rate (5.87%)
Total OPEB Liability	\$ 297,116	\$ 273,120	\$ 251,637

Healthcare Cost Trend Rate Sensitivity Analysis

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

	Current Healthcare Rates 7% decreasing to 4%	Current Healthcare Rates 8% decreasing to 5%	Current Healthcare Rates 9% decreasing to 6%
Total OPEB Liability	\$ 246,226	\$ 273,120	\$ 304,778

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

For the year ended September 30, 2023, the County recognized OPEB expense of \$34,534. On September 30, 2023, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 17,876	\$ 68,773
Changes in actuarial assumptions	<u>28,206</u>	<u>52,952</u>
Totals	<u>\$ 46,082</u>	<u>\$ 121,725</u>

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

For the Year Ended September 30,		
2024	\$	(9,557)
2025	\$	(9,557)
2026	\$	(9,557)
2027	\$	(9,557)
2028	\$	(9,557)
Thereafter	\$	(27,858)

F. Tax Abatements

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

The County has entered into various agreements that reduce property and sales taxes. Each agreement requires a minimum developer commitment and/or employment requirement. For fiscal year 2023, the County rebated \$11,539 in taxes.

G. Prior Period Adjustment

The County reported a prior period adjustment in the amount of \$5,516,630 to restate the beginning balance for construction in progress in the statement of net position. Capital outlays for the Covington Annex project had not been properly capitalized in prior years.

H. New Accounting Principles

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

The Government Accounting Standards Board (GASB) has amended the existing standards regarding capitalization thresholds for assets. The amended guidance for the capitalization threshold comes from the *GASB Implementation Guide 2021-1*, Question 5.1. Capitalization policies adopted by governments include many considerations such as finding an appropriate balance between ensuring that all significant capital assets, collectively, are capitalized and minimizing the cost of recordkeeping for capital assets. A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. Computers, classroom furniture and library books are examples of asset types that may not meet a capitalization policy on an individual basis yet could be significantly collectively. In this example, if the \$150,000 aggregate amount (100 computers costing \$1,500 each) is significant, the government should capitalize the computers. The amended guidance is effective for reporting periods beginning after June 15, 2023, and the impact has not yet been determined.

Statement No. 99, *Omnibus 2022* – The objective of this Statement is to correct practice issues identified during implementation and application of certain GASB Statements and financial reporting for financial guarantees. There are various effective dates 1.) upon issuance 2.) fiscal years beginning after June 15, 2022, and 3.) fiscal years beginning after June 15, 2023.

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

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

GASB Statement No. 102, *Certain Risk Disclosures* - The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* - The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* - The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

HILL COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 11,296,564	\$ 11,296,564	\$ 11,159,656	\$ (136,908)
Sales	2,573,000	2,573,000	3,498,102	925,102
Other	38,350	38,350	53,380	15,030
Intergovernmental	291,729	291,729	340,244	48,515
Charges for services	2,155,078	2,155,078	2,186,523	31,445
Fines and forfeitures	79,001	79,001	75,918	(3,083)
Investment earnings	200,000	200,000	431,270	231,270
Contributions and donations	-	-	60	60
Miscellaneous	9,600	9,600	104,769	95,169
	<u>16,643,322</u>	<u>16,643,322</u>	<u>17,849,922</u>	<u>1,206,600</u>
Total Revenues				
EXPENDITURES				
Current:				
General government:				
Computer	1,068,145	1,068,646	890,420	178,226
County Clerk	397,704	397,705	389,509	8,196
County Judge	233,927	233,928	218,615	15,313
Elections Administration	278,496	278,496	252,157	26,339
Non-departmental	2,179,428	2,434,579	1,825,847	608,732
Veterans Service	67,191	67,190	60,058	7,132
Total general government	<u>4,224,891</u>	<u>4,480,544</u>	<u>3,636,606</u>	<u>843,938</u>
Legal:				
County Attorney	471,138	471,137	459,589	11,548
County Attorney Excess	31,620	31,621	4,676	26,945
Total legal	<u>502,758</u>	<u>502,758</u>	<u>464,265</u>	<u>38,493</u>
Judicial:				
County Court-at-Law	412,983	412,983	410,161	2,822
District Attorney	567,374	567,375	538,458	28,917
District Clerk	528,147	528,147	501,624	26,523
District Judge	286,309	286,309	279,097	7,212
Justices of the Peace	653,697	655,520	648,685	6,835
Total judicial	<u>2,448,510</u>	<u>2,450,334</u>	<u>2,378,025</u>	<u>72,309</u>
Financial administration:				
County Auditor	406,013	406,013	326,206	79,807
County Treasurer	264,235	264,235	269,332	(5,097)
Tax Assessor-Collector	532,061	532,060	526,594	5,466
Total financial administration	<u>1,202,309</u>	<u>1,202,308</u>	<u>1,122,132</u>	<u>80,176</u>
Public facilities:				
Courthouse	647,548	647,548	657,725	(10,177)
Total public facilities	<u>647,548</u>	<u>647,548</u>	<u>657,725</u>	<u>(10,177)</u>

HILL COUNTY, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
911 Dispatch	\$ 685,933	\$ 685,933	\$ 754,510	\$ (68,577)
Animal Control	90,604	90,605	92,636	(2,031)
Constables	524,346	524,344	635,329	(110,985)
Courthouse Security	435,448	435,447	313,957	121,490
Crime Victims Assistance Coordinator	22,590	22,590	19,795	2,795
Emergency Management	242,621	242,620	331,532	(88,912)
Jail	2,990,235	2,990,235	3,172,419	(182,184)
School resource officers	177,449	177,450	157,280	20,170
Sheriff	<u>2,608,658</u>	<u>2,608,659</u>	<u>3,175,474</u>	<u>(566,815)</u>
Total public safety	<u>7,777,884</u>	<u>7,777,883</u>	<u>8,652,932</u>	<u>(875,049)</u>
Health and Welfare:				
Public assistance	234,386	234,386	149,902	84,484
Health and safety	85,897	85,896	83,943	1,953
TIF commitments	<u>31,036</u>	<u>31,036</u>	<u>15,338</u>	<u>15,698</u>
Total health and welfare	<u>351,319</u>	<u>351,318</u>	<u>249,183</u>	<u>102,135</u>
Conservation - agriculture:				
Agriculture Extension Service	<u>181,129</u>	<u>193,199</u>	<u>175,292</u>	<u>17,907</u>
Total conservation - agriculture	<u>181,129</u>	<u>193,199</u>	<u>175,292</u>	<u>17,907</u>
Debt Service:				
Principal	409,055	409,055	313,792	95,263
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>48,209</u>	<u>(48,209)</u>
Total debt service	<u>409,055</u>	<u>409,055</u>	<u>362,001</u>	<u>47,054</u>
Total expenditures	<u>17,745,403</u>	<u>18,014,947</u>	<u>17,698,161</u>	<u>316,786</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,102,081)	(1,371,625)	151,761	1,523,386
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	822,000	822,000	845,831	23,831
Issuance of financed purchases	-	-	503,442	503,442
Insurance recoveries	-	-	31,088	31,088
Transfers in	435,000	435,000	35,000	(400,000)
Transfers out	<u>(334,250)</u>	<u>(409,750)</u>	<u>(407,750)</u>	<u>2,000</u>
Total other financing sources (uses)	<u>922,750</u>	<u>847,250</u>	<u>1,007,611</u>	<u>160,361</u>
NET CHANGE IN FUND BALANCE	(179,331)	(524,375)	1,159,372	1,683,747
FUND BALANCE, BEGINNING	<u>8,657,171</u>	<u>8,657,171</u>	<u>8,657,171</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 8,477,840</u>	<u>\$ 8,132,796</u>	<u>\$ 9,816,543</u>	<u>\$ 1,683,747</u>

HILL COUNTY, TEXAS

ROAD AND BRIDGE FUNDS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property	\$ 3,845,133	\$ 3,845,133	\$ 3,797,408	\$ (47,725)
Sales	279,001	279,001	356,094	77,093
Intergovernmental	115,263	115,263	86,300	(28,963)
Licenses and permits	877,443	877,443	921,155	43,712
Charges for services	118,601	118,601	148,601	30,000
Investment earnings	5,844	5,844	45,223	39,379
Contributions and donations	-	-	6,000	6,000
Miscellaneous	-	-	86,118	86,118
Total Revenues	<u>5,241,285</u>	<u>5,241,285</u>	<u>5,446,899</u>	<u>205,614</u>
EXPENDITURES				
Current:				
Public transportation	6,482,361	6,648,889	5,743,695	905,194
Debt service:				
Principal	659,429	659,429	596,372	63,057
Interest and other	-	-	64,520	(64,520)
Total Expenditures	<u>7,141,790</u>	<u>7,308,318</u>	<u>6,404,587</u>	<u>903,731</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,900,505)</u>	<u>(2,067,033)</u>	<u>(957,688)</u>	<u>1,109,345</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	49,000	49,000
Issuance of financed purchases	-	-	100,689	100,689
Transfers in	<u>687,250</u>	<u>687,250</u>	<u>687,250</u>	-
Total Other Financing Sources (Uses)	<u>687,250</u>	<u>687,250</u>	<u>836,939</u>	<u>149,689</u>
Net Change in Fund Balance	(1,213,255)	(1,379,783)	(120,749)	1,259,034
Fund Balances - Beginning	<u>1,548,290</u>	<u>1,548,290</u>	<u>1,548,290</u>	-
Fund Balances - Ending	<u>\$ 335,035</u>	<u>\$ 168,507</u>	<u>\$ 1,427,541</u>	<u>\$ 1,259,034</u>

HILL COUNTY, TEXAS

ARP GRANT FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,635,931	\$ 2,635,931
Investment earnings	<u>12,380</u>	<u>12,380</u>	<u>55,141</u>	<u>42,761</u>
Total Revenues	<u>12,380</u>	<u>12,380</u>	<u>2,691,072</u>	<u>2,678,692</u>
EXPENDITURES				
Current:				
Health and welfare	<u>3,225,575</u>	<u>3,225,575</u>	<u>2,635,931</u>	<u>589,644</u>
Total Expenditures	<u>3,225,575</u>	<u>3,225,575</u>	<u>2,635,931</u>	<u>589,644</u>
Net Change in Fund Balance	(3,213,195)	(3,213,195)	55,141	3,268,336
Fund Balances - Beginning	<u>39,603</u>	<u>39,603</u>	<u>39,603</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (3,173,592)</u>	<u>\$ (3,173,592)</u>	<u>\$ 94,744</u>	<u>\$ 3,268,336</u>

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HILL COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY SCHEDULES FOR THE YEAR ENDED SEPTEMBER 30, 2023

BUDGETARY INFORMATION

The County follows these procedures in establishing the budgetary data reflected in the financial report:

1. The County Judge and Commissioners' Court have departmental meetings with management to determine the departmental budget requests.
2. The County Judge and Commissioners must meet in several workshops to establish a proposed budget for the fiscal year commencing the following October. The operational budget includes proposed expenditures and the means of financing them. The proposed budget is filed with the County Clerk and made available for public inspection at least 7 days prior to public budget hearing.
3. Public hearings are conducted to obtain taxpayer comments.
4. After the public hearings, the Commissioners' Court reviews the budget and makes any adjustments they feel necessary.
5. The budget is then legally enacted by the Commissioners' Court on or before September 9th, the timeframe required by statute, to be effective on October 1st
6. Commissioners' Court adopted a minimum fund balance policy for the County's General Fund. The policy requires unassigned fund balance at fiscal year-end to be at least equal to 25 percent of the subsequent year's budgeted General Fund expenditures.

Only the governing body, composed of the Commissioners' Court, may amend the budget after its adoption so long as the amendment continues to meet the requirements of Section 111 of the Local Government Code. During the year, several supplementary amendments to the original budget were required. All amendments were legally made. The final budget amounts shown in the financial statements represent the budget as amended at September 30, 2023. Under state statute, actual expenditures cannot exceed budgetary appropriations at any level for which the budget is formally approved. The County's legally adopted budget is at the department level in those funds with multiple departments and at the fund level in single department funds. Management can, with the exception of personnel items, make adjustments to their budget within the departmental level with Commissioners' Court approval. All budgets are fixed in nature. All governmental funds have legally adopted budgets. For internal management purposes, the budgets are detailed by line item and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. Budgets are adopted on a basis consistent with generally accepted accounting principles.

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

HILL COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Date December 31,	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 736,319	\$ 741,781	\$ 803,411
Interest total pension liability	1,618,264	1,696,658	1,751,847
Changes in benefit terms	-	(128,791)	-
Effect of economid/demographic gains or losses	(213,147)	(604,476)	(653,505)
Effect of assumption changes or inputs	-	243,723	-
Benefit payments/refunds of contributions	<u>(1,269,827)</u>	<u>(1,193,954)</u>	<u>(1,290,764)</u>
Net change in total pension liability	871,609	754,941	610,989
Total pension liability - beginning	<u>20,240,126</u>	<u>21,111,735</u>	<u>21,866,676</u>
Total pension liability - ending (a)	<u>\$ 21,111,735</u>	<u>\$ 21,866,676</u>	<u>\$ 22,477,665</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 582,857	\$ 580,880	\$ 571,008
Member contributions	432,819	444,556	450,797
Investment income net of investment expenses	1,323,214	124,531	1,493,867
Benefit payments, including refunds of contributions	(1,269,827)	(1,193,954)	(1,290,764)
Administrative expenses	(15,369)	(14,664)	(16,280)
Other	<u>84,216</u>	<u>(213,412)</u>	<u>(175,715)</u>
Net change in plan fiduciary net position	1,137,910	(272,063)	1,032,913
Plan fiduciary net position - beginning	<u>19,400,585</u>	<u>20,538,495</u>	<u>20,266,432</u>
Plan fiduciary net position - ending (b)	<u>\$ 20,538,495</u>	<u>\$ 20,266,432</u>	<u>\$ 21,299,345</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 573,240</u>	<u>\$ 1,600,244</u>	<u>\$ 1,178,320</u>
Fiduciary net position as a percentage of total pension liability	97%	93%	95%
Pensionable covered payroll	\$ 7,213,645	\$ 7,409,269	\$ 7,513,289
Net pension liability as a percentage of covered payroll	8%	22%	16%

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

2017	2018	2019	2020	2021	2022
\$ 758,111	\$ 796,750	\$ 957,841	\$ 1,015,360	\$ 1,299,910	\$ 1,240,513
1,828,219	1,927,436	2,155,420	2,310,208	2,495,032	2,616,888
-	1,256,874	-	-	-	534,383
(213,836)	(13,252)	108,335	400,292	(380,421)	242,103
120,687	-	-	1,857,208	(54,718)	-
<u>(1,356,766)</u>	<u>(1,255,072)</u>	<u>(1,375,852)</u>	<u>(1,360,150)</u>	<u>(1,764,342)</u>	<u>(1,627,235)</u>
1,136,415	2,712,736	1,845,744	4,222,918	1,595,461	3,006,652
<u>22,477,665</u>	<u>23,614,080</u>	<u>26,326,816</u>	<u>28,172,560</u>	<u>32,395,478</u>	<u>33,990,939</u>
<u>\$ 23,614,080</u>	<u>\$ 26,326,816</u>	<u>\$ 28,172,560</u>	<u>\$ 32,395,478</u>	<u>\$ 33,990,939</u>	<u>\$ 36,997,591</u>
\$ 526,404	\$ 546,983	\$ 828,873	\$ 980,979	\$ 966,397	\$ 1,076,247
464,501	489,836	646,870	683,271	688,152	712,052
3,103,076	(449,842)	3,830,265	2,814,823	6,653,705	(2,175,630)
(1,356,766)	(1,255,072)	(1,375,852)	(1,360,150)	(1,764,342)	(1,627,235)
(15,971)	(18,734)	(20,759)	(22,207)	(19,952)	(20,451)
<u>5,055</u>	<u>(14,199)</u>	<u>7,215</u>	<u>11,697</u>	<u>5,249</u>	<u>53,497</u>
2,726,299	(701,028)	3,916,612	3,108,413	6,529,209	(1,981,520)
<u>21,299,345</u>	<u>24,025,644</u>	<u>23,324,616</u>	<u>27,241,228</u>	<u>30,349,641</u>	<u>36,878,850</u>
<u>\$ 24,025,644</u>	<u>\$ 23,324,616</u>	<u>\$ 27,241,228</u>	<u>\$ 30,349,641</u>	<u>\$ 36,878,850</u>	<u>\$ 34,897,330</u>
<u>\$ (411,564)</u>	<u>\$ 3,002,200</u>	<u>\$ 931,332</u>	<u>\$ 2,045,837</u>	<u>\$ (2,887,911)</u>	<u>\$ 2,100,261</u>
102%	89%	97%	94%	108%	94%
\$ 7,741,686	\$ 8,163,936	\$ 8,652,103	\$ 9,761,008	\$ 9,830,745	\$ 10,172,171
-5%	37%	11%	21%	-29%	21%

HILL COUNTY, TEXAS

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Fiscal Year Ended September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a % of Covered Payroll
2014	\$ 573,479	\$ 573,479	\$ -	\$ 7,235,095	7.9%
2015	581,944	581,944	-	7,362,640	7.9%
2016	596,235	596,235	-	7,781,758	7.7%
2017	532,555	532,555	-	7,627,266	7.0%
2018	546,983	546,983	-	8,163,936	6.7%
2019	828,873	828,873	-	8,652,103	9.6%
2020	980,979	980,979	-	9,761,008	10.0%
2021	963,428	963,428	-	9,820,879	9.8%
2022	1,020,275	1,020,275	-	9,825,207	10.4%
2023	1,149,127	1,149,127	-	10,907,698	10.5%

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

HILL COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	17.2 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset Valuation Method	5-year smoothed fair value
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 120% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule*	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule*	2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2019: Employer contributions reflect that the member contribution rate was increased to 7% and the current service matching rate was increased to 200% for future benefits.

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

HILL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Date December 31,	2017	2018	2019
Total OPEB Liability			
Service cost	\$ 16,344	\$ 17,245	\$ 15,433
Interest on total OPEB liability	17,451	16,756	18,382
Effect of economic/demographic gains or losses	(16,828)	(6,669)	3,471
Effect of assumption changes or inputs	20,307	(50,407)	118,687
Benefit payments	<u>(11,613)</u>	<u>(13,879)</u>	<u>(13,843)</u>
Net change in Total OPEB Liability	<u>25,661</u>	<u>(36,954)</u>	<u>142,130</u>
Total OPEB Liability - beginning	<u>451,065</u>	<u>476,726</u>	<u>439,772</u>
Total OPEB Liability - ending	<u>\$ 476,726</u>	<u>\$ 439,772</u>	<u>\$ 581,902</u>
Covered-employee payroll	\$ 7,741,686	\$ 8,163,936	\$ 8,652,103
Total OPEB liability as a percentage of covered-employee payroll	6.16%	5.39%	6.73%

Notes to Schedule:

- No assets are accumulated in a trust for the retiree health care plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.
- Changes of assumptions reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

2022	3.72%
2021	2.06%
2020	2.00%
2019	2.75%
2018	3.71%
2017	3.31%
2016	3.81%

2020	2021	2022
\$ 20,608	\$ 27,597	\$ 28,134
16,296	14,730	15,229
631	2,444	11,396
71,235	15,116	(184,274)
<u>(15,618)</u>	<u>(15,729)</u>	<u>(16,275)</u>
<u>93,152</u>	<u>44,158</u>	<u>(145,790)</u>
<u>581,902</u>	<u>675,054</u>	<u>719,212</u>
<u>\$ 675,054</u>	<u>\$ 719,212</u>	<u>\$ 573,422</u>
\$ 9,761,008	\$ 9,830,745	\$ 10,172,171
6.92%	7.32%	5.64%

HILL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Measurement Date September 30,	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability			
Service cost	\$ 13,826	\$ 26,934	\$ 23,160
Interest on total OPEB liability	6,614	7,171	6,832
Difference between expected and actual experience	(4,334)	(41,120)	(33,857)
Effect of assumption changes or inputs	-	1,245	41,221
Benefit payments	<u>(800)</u>	<u>(800)</u>	<u>-</u>
Net change in total OPEB liability	<u>15,306</u>	<u>(6,570)</u>	<u>37,356</u>
Total OPEB liability - beginning	<u>182,111</u>	<u>197,417</u>	<u>190,847</u>
Total OPEB liability - ending	<u>\$ 197,417</u>	<u>\$ 190,847</u>	<u>\$ 228,203</u>
Covered-employee payroll	\$ 8,251,280	\$ 8,456,291	\$ 9,391,481
Total OPEB liability as a percentage of covered-employee payroll	2.39%	2.26%	2.43%

Notes to Schedule:

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

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

2021	2022	2023
\$ 28,361	\$ 27,944	\$ 32,009
4,884	6,117	12,082
(219)	22,344	(22,091)
(9,493)	(54,846)	(2,175)
<u>-</u>	<u>-</u>	<u>-</u>
<u>23,533</u>	<u>1,559</u>	<u>19,825</u>
<u>228,203</u>	<u>251,736</u>	<u>253,295</u>
<u>\$ 251,736</u>	<u>\$ 253,295</u>	<u>\$ 273,120</u>
\$ 9,939,445	\$ 9,248,880	\$ 10,325,456
2.53%	2.74%	2.65%

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**COMBINING STATEMENTS
AND SCHEDULES**

HILL COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Special Revenue			
	County Attorney Hot Check	Child Welfare Board	County Clerk	County Clerk Court Preservation
ASSETS				
Cash and cash equivalents	\$ 14,260	\$ 1,700	\$ 572,974	\$ 5,925
Receivables (net of allowance for uncollectibles)	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	843,976	-
Total Assets	14,260	1,700	1,416,950	5,925
LIABILITIES				
Accounts payable	-	1,700	2,350	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	1,700	2,350	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted:				
General government	-	-	1,414,600	5,925
Construction	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Elections	-	-	-	-
Health and welfare	-	-	-	-
Judicial	-	-	-	-
Legal	14,260	-	-	-
Public safety	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	14,260	-	1,414,600	5,925
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,260	\$ 1,700	\$1,416,950	\$ 5,925

Special Revenue

County Dispute Resolution	County Historical Commission	County Specialty Court	Courthouse Security	Crime Victim Assistance	District Attorney Forfeited Property
\$ 23,663	\$ 6,198	\$ 40,190	\$ 80,323	\$ -	\$ 19,321
-	-	-	-	-	-
-	-	-	-	11,121	-
-	-	-	3,167	-	211,516
<u>23,663</u>	<u>6,198</u>	<u>40,190</u>	<u>83,490</u>	<u>11,121</u>	<u>230,837</u>
-	-	-	-	4	844
-	-	-	-	2,048	1,034
-	-	-	-	9,069	-
-	-	-	-	11,121	1,878
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	40,190	-	-	-
-	-	-	-	-	-
-	6,198	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
23,663	-	-	83,490	-	228,959
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,663</u>	<u>6,198</u>	<u>40,190</u>	<u>83,490</u>	<u>-</u>	<u>228,959</u>
<u>\$ 23,663</u>	<u>\$ 6,198</u>	<u>\$ 40,190</u>	<u>\$ 83,490</u>	<u>\$ 11,121</u>	<u>\$ 230,837</u>

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

	Special Revenue			
	District Clerk Archive	Economic Development	Election Chapter 19	Election Contract
ASSETS				
Cash and cash equivalents	\$ 17,323	\$ 477,767	\$ 207	\$ 9,024
Receivables (net of allowance for uncollectibles)	-	-	-	3,833
Due from other governments	-	-	-	-
Due from other funds	-	15,815	-	-
Total Assets	17,323	493,582	207	12,857
LIABILITIES				
Accounts payable	-	-	180	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	180	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted:				
General government	17,323	493,582	-	-
Construction	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Elections	-	-	27	12,857
Health and welfare	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	17,323	493,582	27	12,857
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,323	\$ 493,582	\$ 207	\$ 12,857

Special Revenue

Election Machine Lease	Hill County Tourism	Hot Check Restitution	Indigent Health Care	Jury	Justice Court Technology
\$ 22,183	\$ 23,214	\$ 12,097	\$ 771	\$ 5,000	\$ 44,032
2,100	-	-	153,863	3,038	-
-	-	-	-	8,622	-
11,999	111,480	-	7,320	106,272	4,102
<u>36,282</u>	<u>134,694</u>	<u>12,097</u>	<u>161,954</u>	<u>122,932</u>	<u>48,134</u>
-	-	-	74,494	124,639	-
-	-	-	1,773	-	-
-	-	-	-	944	-
-	-	-	<u>76,267</u>	<u>125,583</u>	-
-	-	-	83,417	-	-
-	-	-	<u>83,417</u>	-	-
-	134,694	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
36,282	-	-	-	-	-
-	-	-	2,270	-	-
-	-	12,097	-	-	48,134
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(2,651)	-
<u>36,282</u>	<u>134,694</u>	<u>12,097</u>	<u>2,270</u>	<u>(2,651)</u>	<u>48,134</u>
\$ <u>36,282</u>	\$ <u>134,694</u>	\$ <u>12,097</u>	\$ <u>161,954</u>	\$ <u>122,932</u>	\$ <u>48,134</u>

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

	Special Revenue			
	Language Access	Law Library	Probate Records Management	Records Management and Preservation
ASSETS				
Cash and cash equivalents	\$ 7,104	\$ 40,153	\$ 3,719	\$ 69,632
Receivables (net of allowance for uncollectibles)	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	16,885	1,311	1,076
Total Assets	7,104	57,038	5,030	70,708
LIABILITIES				
Accounts payable	-	1,930	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	1,930	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted:				
General government	-	-	5,030	70,708
Construction	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Elections	-	-	-	-
Health and welfare	-	-	-	-
Judicial	7,104	55,108	-	-
Legal	-	-	-	-
Public safety	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	7,104	55,108	5,030	70,708
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,104	\$ 57,038	\$ 5,030	\$ 70,708

Special Revenue	Capital Projects				
Sheriff Department	Courthouse Project	Series 2022 Tax Notes	Debt Service	Non-Major Governmental Funds	
\$ 65,929	\$ 24,871	\$ -	\$ 5,536	\$ 1,593,116	
-	-	-	49,809	212,643	
-	-	-	-	19,743	
6,052	-	-	107,448	1,448,419	
<u>71,981</u>	<u>24,871</u>	<u>-</u>	<u>162,793</u>	<u>3,273,921</u>	
-	-	-	-	206,141	
-	-	-	-	4,855	
-	-	-	-	10,013	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,009</u>	
-	-	-	44,744	128,161	
<u>-</u>	<u>-</u>	<u>-</u>	<u>44,744</u>	<u>128,161</u>	
-	-	-	-	2,182,052	
-	24,871	-	-	24,871	
-	-	-	-	6,198	
-	-	-	118,049	118,049	
-	-	-	-	49,166	
-	-	-	-	2,270	
-	-	-	-	458,555	
-	-	-	-	14,260	
71,981	-	-	-	71,981	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,651)</u>	
<u>71,981</u>	<u>24,871</u>	<u>-</u>	<u>118,049</u>	<u>2,924,751</u>	
<u>\$ 71,981</u>	<u>\$ 24,871</u>	<u>\$ -</u>	<u>\$ 162,793</u>	<u>\$ 3,273,921</u>	

HILL COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	County Attorney Hot Check	Child Welfare Board	County Clerk	County Clerk Court Preservation
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Other	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	41	-	202,458	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	38,715	40
Miscellaneous	-	3,642	-	-
Total Revenues	<u>41</u>	<u>3,642</u>	<u>241,173</u>	<u>40</u>
EXPENDITURES				
Current:				
General government	-	-	65,072	977
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	3,642	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,642</u>	<u>65,072</u>	<u>977</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>41</u>	<u>-</u>	<u>176,101</u>	<u>(937)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	41	-	176,101	(937)
FUND BALANCES - BEGINNING	<u>14,219</u>	<u>-</u>	<u>1,238,499</u>	<u>6,862</u>
FUND BALANCES - ENDING	<u>\$ 14,260</u>	<u>\$ -</u>	<u>\$ 1,414,600</u>	<u>\$ 5,925</u>

Special Revenue

County Dispute Resolution	County Historical Commission	County Specialty Court	Courthouse Security	Crime Victim Assistance	District Attorney Forfeited Property
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	41,443	-
11,297	-	8,230	36,952	-	-
3,300	-	-	-	-	-
114	42	248	863	-	5,316
-	-	-	-	-	36,112
<u>14,711</u>	<u>42</u>	<u>8,478</u>	<u>37,815</u>	<u>41,443</u>	<u>41,428</u>
-	-	-	-	-	-
300	-	-	-	-	55,435
-	-	-	-	41,443	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,443</u>	<u>55,435</u>
<u>14,411</u>	<u>42</u>	<u>8,478</u>	<u>37,815</u>	<u>-</u>	<u>(14,007)</u>
-	-	-	-	-	684
-	-	-	-	-	-
-	-	-	(15,000)	-	-
-	-	-	(15,000)	-	684
14,411	42	8,478	22,815	-	(13,323)
<u>9,252</u>	<u>6,156</u>	<u>31,712</u>	<u>60,675</u>	<u>-</u>	<u>242,282</u>
\$ <u>23,663</u>	\$ <u>6,198</u>	\$ <u>40,190</u>	\$ <u>83,490</u>	\$ <u>-</u>	\$ <u>228,959</u>

HILL COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	District Clerk Archive	Economic Development	Election Chapter 19	Election Contract
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Other	-	-	-	-
Intergovernmental	802	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	127	7,671	1	61
Miscellaneous	-	<u>113,212</u>	-	-
Total Revenues	<u>929</u>	<u>120,883</u>	<u>1</u>	<u>61</u>
EXPENDITURES				
Current:				
General government	2,350	30,000	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>2,350</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,421)</u>	<u>90,883</u>	<u>1</u>	<u>61</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,421)	90,883	1	61
FUND BALANCES - BEGINNING	<u>18,744</u>	<u>402,699</u>	<u>26</u>	<u>12,796</u>
FUND BALANCES - ENDING	<u>\$ 17,323</u>	<u>\$ 493,582</u>	<u>\$ 27</u>	<u>\$ 12,857</u>

Special Revenue

Election Machine Lease	Hill County Tourism	Hot Check Restitution	Indigent Health Care	Jury	Justice Court Technology
\$ -	\$ -	\$ -	\$ 1,064,817	\$ -	\$ -
-	-	-	335,148	-	-
-	42,593	-	-	-	-
-	-	-	-	47,286	-
-	-	993	-	273,800	8,785
-	-	-	-	-	-
227	2,760	-	5,923	253	511
<u>6,200</u>	<u>-</u>	<u>-</u>	<u>16,654</u>	<u>30,829</u>	<u>-</u>
<u>6,427</u>	<u>45,353</u>	<u>993</u>	<u>1,422,542</u>	<u>352,168</u>	<u>9,296</u>
-	43,017	-	-	-	-
-	-	-	-	612,400	-
-	-	-	-	-	-
-	-	-	1,244,938	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>43,017</u>	<u>-</u>	<u>1,244,938</u>	<u>612,400</u>	<u>-</u>
<u>6,427</u>	<u>2,336</u>	<u>993</u>	<u>177,604</u>	<u>(260,232)</u>	<u>9,296</u>
-	-	-	-	-	-
-	-	-	-	200,500	-
-	-	-	(480,000)	-	(10,000)
-	-	-	(480,000)	200,500	(10,000)
6,427	2,336	993	(302,396)	(59,732)	(704)
<u>29,855</u>	<u>132,358</u>	<u>11,104</u>	<u>304,666</u>	<u>57,081</u>	<u>48,838</u>
<u>\$ 36,282</u>	<u>\$ 134,694</u>	<u>\$ 12,097</u>	<u>\$ 2,270</u>	<u>\$ (2,651)</u>	<u>\$ 48,134</u>

HILL COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue			
	Language Access	Law Library	Probate Records Management	Records Management and Preservation
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Other	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	2,265	29,505	5,440	32,853
Fines and forfeitures	1,980	-	-	-
Investment earnings	42	713	47	819
Miscellaneous	-	-	-	-
Total Revenues	4,287	30,218	5,487	33,672
EXPENDITURES				
Current:				
General government	-	-	-	-
Judicial	-	20,223	-	19,909
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	20,223	-	19,909
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,287	9,995	5,487	13,763
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(10,000)	-
Total Other Financing Sources (Uses)	-	-	(10,000)	-
NET CHANGE IN FUND BALANCES	4,287	9,995	(4,513)	13,763
FUND BALANCES - BEGINNING	2,817	45,113	9,543	56,945
FUND BALANCES - ENDING	\$ 7,104	\$ 55,108	\$ 5,030	\$ 70,708

Special Revenue	Capital Projects			
Sheriff Department	Courthouse Project	Series 2022 Tax Notes	Debt Service	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 583,484	\$ 1,648,301
-	-	-	-	335,148
-	-	-	-	42,593
5,715	-	-	-	95,246
-	15,102	-	-	627,721
18,578	-	-	-	23,858
776	120	3,338	10,767	79,494
-	-	-	-	206,649
<u>25,069</u>	<u>15,222</u>	<u>3,338</u>	<u>594,251</u>	<u>3,059,010</u>
-	-	-	-	141,416
-	-	-	-	708,267
70,496	-	-	-	111,939
-	-	-	-	1,248,580
-	-	1,426,001	-	1,426,001
-	-	-	585,000	585,000
-	-	-	101,179	101,179
<u>70,496</u>	<u>-</u>	<u>1,426,001</u>	<u>686,179</u>	<u>4,322,382</u>
<u>(45,427)</u>	<u>15,222</u>	<u>(1,422,663)</u>	<u>(91,928)</u>	<u>(1,263,372)</u>
-	-	-	-	684
-	-	-	-	200,500
-	-	-	-	(515,000)
-	-	-	-	(313,816)
(45,427)	15,222	(1,422,663)	(91,928)	(1,577,188)
<u>117,408</u>	<u>9,649</u>	<u>1,422,663</u>	<u>209,977</u>	<u>4,501,939</u>
<u>\$ 71,981</u>	<u>\$ 24,871</u>	<u>\$ -</u>	<u>\$ 118,049</u>	<u>\$ 2,924,751</u>

HILL COUNTY, TEXAS

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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 280,790	\$ 280,790	\$ 202,458	\$ (78,332)
Investment earnings	<u>19,404</u>	<u>19,404</u>	<u>38,715</u>	<u>19,311</u>
Total Revenues	<u>300,194</u>	<u>300,194</u>	<u>241,173</u>	<u>(59,021)</u>
EXPENDITURES				
Current:				
General administration	<u>168,083</u>	<u>200,284</u>	<u>65,072</u>	<u>135,212</u>
Total Expenditures	<u>168,083</u>	<u>200,284</u>	<u>65,072</u>	<u>135,212</u>
Net Change in Fund Balance	132,111	99,910	176,101	76,191
Fund Balances - Beginning	<u>1,238,499</u>	<u>1,238,499</u>	<u>1,238,499</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,370,610</u>	<u>\$ 1,338,409</u>	<u>\$ 1,414,600</u>	<u>\$ 76,191</u>

HILL COUNTY, TEXAS

COUNTY CLERK PROBATE COURT PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 760	\$ 760	\$ -	\$ (760)
Investment earnings	<u>8</u>	<u>8</u>	<u>40</u>	<u>32</u>
Total Revenues	<u>768</u>	<u>768</u>	<u>40</u>	<u>(728)</u>
EXPENDITURES				
Current:				
General administration	<u>1,500</u>	<u>1,500</u>	<u>977</u>	<u>523</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>977</u>	<u>523</u>
Net Change in Fund Balance	(732)	(732)	(937)	(205)
Fund Balances - Beginning	<u>6,862</u>	<u>6,862</u>	<u>6,862</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 6,130</u>	<u>\$ 6,130</u>	<u>\$ 5,925</u>	<u>\$ (205)</u>

HILL COUNTY, TEXAS

COUNTY SPECIALTY COURT FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 7,841	\$ 7,841	\$ 8,230	\$ 389
Investment earnings	<u>25</u>	<u>25</u>	<u>248</u>	<u>223</u>
Total Revenues	<u>7,866</u>	<u>7,866</u>	<u>8,478</u>	<u>612</u>
EXPENDITURES				
Current:				
General administration	<u>5,400</u>	<u>5,400</u>	<u>-</u>	<u>5,400</u>
Total Expenditures	<u>5,400</u>	<u>5,400</u>	<u>-</u>	<u>5,400</u>
Net Change in Fund Balance	2,466	2,466	8,478	6,012
Fund Balances - Beginning	<u>31,712</u>	<u>31,712</u>	<u>31,712</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 34,178</u>	<u>\$ 34,178</u>	<u>\$ 40,190</u>	<u>\$ 6,012</u>

HILL COUNTY, TEXAS

COURTHOUSE SECURITY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 34,910	\$ 34,910	\$ 36,952	\$ 2,042
Investment earnings	<u>100</u>	<u>100</u>	<u>863</u>	<u>763</u>
Total Revenues	<u>35,010</u>	<u>35,010</u>	<u>37,815</u>	<u>2,805</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net Change in Fund Balance	20,010	20,010	22,815	2,805
Fund Balances - Beginning	<u>60,675</u>	<u>60,675</u>	<u>60,675</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 80,685</u>	<u>\$ 80,685</u>	<u>\$ 83,490</u>	<u>\$ 2,805</u>

HILL COUNTY, TEXAS

D.A. FORFEITED PROPERTY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,500	\$ 1,500	\$ 5,316	\$ 3,816
Miscellaneous	<u>-</u>	<u>-</u>	<u>36,112</u>	<u>36,112</u>
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>41,428</u>	<u>39,928</u>
EXPENDITURES				
Current:				
Judicial	<u>141,737</u>	<u>141,737</u>	<u>55,435</u>	<u>86,302</u>
Total Expenditures	<u>141,737</u>	<u>141,737</u>	<u>55,435</u>	<u>86,302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(140,237)</u>	<u>(140,237)</u>	<u>(14,007)</u>	<u>126,230</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>684</u>	<u>684</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>684</u>	<u>684</u>
Net Change in Fund Balance	(140,237)	(140,237)	(13,323)	126,914
Fund Balances - Beginning	<u>242,282</u>	<u>242,282</u>	<u>242,282</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 102,045</u>	<u>\$ 102,045</u>	<u>\$ 228,959</u>	<u>\$ 126,914</u>

HILL COUNTY, TEXAS

DISTRICT CLERK ARCHIVE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,510	\$ 2,510	\$ 802	\$ (1,708)
Interest	<u>18</u>	<u>18</u>	<u>127</u>	<u>109</u>
Total Revenues	<u>2,528</u>	<u>2,528</u>	<u>929</u>	<u>(1,599)</u>
EXPENDITURES				
Current:				
General government	<u>2,000</u>	<u>2,000</u>	<u>2,350</u>	<u>(350)</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,350</u>	<u>(350)</u>
Net Change in Fund Balance	528	528	(1,421)	(1,949)
Fund Balances - Beginning	<u>18,744</u>	<u>18,744</u>	<u>18,744</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 19,272</u>	<u>\$ 19,272</u>	<u>\$ 17,323</u>	<u>\$ (1,949)</u>

HILL COUNTY, TEXAS

ELECTION MACHINE LEASE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 160	\$ 160	\$ 227	\$ 67
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>6,200</u>	<u>(3,800)</u>
Total Revenues	<u>10,160</u>	<u>10,160</u>	<u>6,427</u>	<u>(3,733)</u>
EXPENDITURES				
Current:				
Elections	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Net Change in Fund Balance	160	160	6,427	6,267
Fund Balances - Beginning	<u>29,855</u>	<u>29,855</u>	<u>29,855</u>	-
Fund Balances - Ending	<u>\$ 30,015</u>	<u>\$ 30,015</u>	<u>\$ 36,282</u>	<u>\$ 6,267</u>

HILL COUNTY, TEXAS

HILL COUNTY TOURISM FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Other	\$ 38,000	\$ 38,000	\$ 42,593	\$ 4,593
Investment earnings	780	780	2,760	1,980
Total Revenues	<u>38,780</u>	<u>38,780</u>	<u>45,353</u>	<u>6,573</u>
EXPENDITURES				
Current:				
General government	<u>61,605</u>	<u>61,605</u>	<u>43,017</u>	<u>18,588</u>
Total Expenditures	<u>61,605</u>	<u>61,605</u>	<u>43,017</u>	<u>18,588</u>
Net Change in Fund Balance	(22,825)	(22,825)	2,336	25,161
Fund Balances - Beginning	<u>132,358</u>	<u>132,358</u>	<u>132,358</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 109,533</u>	<u>\$ 109,533</u>	<u>\$ 134,694</u>	<u>\$ 25,161</u>

HILL COUNTY, TEXAS

INDIGENT HEALTH CARE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 1,105,839	\$ 1,105,839	\$ 1,064,817	\$ (41,022)
Sales	248,000	248,000	335,148	87,148
Investment earnings	4,180	4,180	5,923	1,743
Miscellaneous	12,000	12,000	16,654	4,654
Total Revenues	<u>1,370,019</u>	<u>1,370,019</u>	<u>1,422,542</u>	<u>52,523</u>
EXPENDITURES				
Current:				
Health and welfare	<u>720,515</u>	<u>762,516</u>	<u>1,244,938</u>	<u>(482,422)</u>
Total Expenditures	<u>720,515</u>	<u>762,516</u>	<u>1,244,938</u>	<u>(482,422)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>649,504</u>	<u>607,503</u>	<u>177,604</u>	<u>(429,899)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(880,000)</u>	<u>(880,000)</u>	<u>(480,000)</u>	<u>400,000</u>
Total Other Financing Sources (Uses)	<u>(880,000)</u>	<u>(880,000)</u>	<u>(480,000)</u>	<u>400,000</u>
Net Change in Fund Balance	(230,496)	(272,497)	(302,396)	(29,899)
Fund Balances - Beginning	<u>304,666</u>	<u>304,666</u>	<u>304,666</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 74,170</u>	<u>\$ 32,169</u>	<u>\$ 2,270</u>	<u>\$ (29,899)</u>

HILL COUNTY, TEXAS

JURY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 39,680	\$ 39,680	\$ 47,286	\$ 7,606
Charges for services	278,495	278,495	273,800	(4,695)
Investment earnings	150	150	253	103
Miscellaneous	-	-	30,829	30,829
Total Revenues	<u>318,325</u>	<u>318,325</u>	<u>352,168</u>	<u>33,843</u>
EXPENDITURES				
Current:				
Judicial	<u>563,550</u>	<u>563,550</u>	<u>612,400</u>	<u>(48,850)</u>
Total Expenditures	<u>563,550</u>	<u>563,550</u>	<u>612,400</u>	<u>(48,850)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(245,225)</u>	<u>(245,225)</u>	<u>(260,232)</u>	<u>(15,007)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>125,000</u>	<u>125,000</u>	<u>200,500</u>	<u>75,500</u>
Total Other Financing Sources (Uses)	<u>125,000</u>	<u>125,000</u>	<u>200,500</u>	<u>75,500</u>
Net Change in Fund Balance	(120,225)	(120,225)	(59,732)	60,493
Fund Balances - Beginning	<u>57,081</u>	<u>57,081</u>	<u>57,081</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (63,144)</u>	<u>\$ (63,144)</u>	<u>\$ (2,651)</u>	<u>\$ 60,493</u>

HILL COUNTY, TEXAS

JUSTICE COURT TECHNOLOGY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 12,573	\$ 12,573	\$ 8,785	\$ (3,788)
Investment earnings	<u>220</u>	<u>220</u>	<u>511</u>	<u>291</u>
Total Revenues	<u>12,793</u>	<u>12,793</u>	<u>9,296</u>	<u>(3,497)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net Change in Fund Balance	2,793	2,793	(704)	(3,497)
Fund Balances - Beginning	<u>48,838</u>	<u>48,838</u>	<u>48,838</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 51,631</u>	<u>\$ 51,631</u>	<u>\$ 48,134</u>	<u>\$ (3,497)</u>

HILL COUNTY, TEXAS

LAW LIBRARY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 23,470	\$ 23,470	\$ 29,505	\$ 6,035
Investment earnings	<u>150</u>	<u>150</u>	<u>713</u>	<u>563</u>
Total Revenues	<u>23,620</u>	<u>23,620</u>	<u>30,218</u>	<u>6,598</u>
EXPENDITURES				
Current:				
Judicial	<u>27,509</u>	<u>27,509</u>	<u>20,223</u>	<u>7,286</u>
Total Expenditures	<u>27,509</u>	<u>27,509</u>	<u>20,223</u>	<u>7,286</u>
Net Change in Fund Balance	(3,889)	(3,889)	9,995	13,884
Fund Balances - Beginning	<u>45,113</u>	<u>45,113</u>	<u>45,113</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 41,224</u>	<u>\$ 41,224</u>	<u>\$ 55,108</u>	<u>\$ 13,884</u>

HILL COUNTY, TEXAS

RECORDS PRESERVATION AND MANAGEMENT FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 28,922	\$ 28,922	\$ 32,853	\$ 3,931
Investment earnings	<u>50</u>	<u>50</u>	<u>819</u>	<u>769</u>
Total Revenues	<u>28,972</u>	<u>28,972</u>	<u>33,672</u>	<u>4,700</u>
EXPENDITURES				
Current:				
Judicial	<u>53,105</u>	<u>53,105</u>	<u>19,909</u>	<u>33,196</u>
Total Expenditures	<u>53,105</u>	<u>53,105</u>	<u>19,909</u>	<u>33,196</u>
Net Change in Fund Balance	(24,133)	(24,133)	13,763	37,896
Fund Balances - Beginning	<u>56,945</u>	<u>56,945</u>	<u>56,945</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 32,812</u>	<u>\$ 32,812</u>	<u>\$ 70,708</u>	<u>\$ 37,896</u>

HILL COUNTY, TEXAS

SHERIFF DEPARTMENT FUND

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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,715	\$ 5,715
Fines and forfeitures	-	-	18,578	18,578
Investment earnings	<u>125</u>	<u>125</u>	<u>776</u>	<u>651</u>
Total Revenues	<u>125</u>	<u>125</u>	<u>25,069</u>	<u>24,944</u>
EXPENDITURES				
Current:				
Public safety	<u>20,000</u>	<u>69,361</u>	<u>70,496</u>	<u>(1,135)</u>
Total Expenditures	<u>20,000</u>	<u>69,361</u>	<u>70,496</u>	<u>(1,135)</u>
Net Change in Fund Balance	(19,875)	(69,236)	(45,427)	23,809
Fund Balances - Beginning	<u>117,408</u>	<u>117,408</u>	<u>117,408</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 97,533</u>	<u>\$ 48,172</u>	<u>\$ 71,981</u>	<u>\$ 23,809</u>

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HILL COUNTY, TEXAS

DEBT SERVICE FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 506,443	\$ 506,443	\$ 583,484	\$ 77,041
Investment earnings	<u>3,987</u>	<u>3,987</u>	<u>10,767</u>	<u>6,780</u>
Total Revenues	<u>510,430</u>	<u>510,430</u>	<u>594,251</u>	<u>83,821</u>
EXPENDITURES				
Debt service:				
Principal	585,000	585,000	585,000	-
Interest and other	<u>101,359</u>	<u>101,359</u>	<u>101,179</u>	<u>180</u>
Total Expenditures	<u>686,359</u>	<u>686,359</u>	<u>686,179</u>	<u>180</u>
Net Change in Fund Balance	(175,929)	(175,929)	(91,928)	84,001
Fund Balances - Beginning	<u>209,977</u>	<u>209,977</u>	<u>209,977</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 34,048</u>	<u>\$ 34,048</u>	<u>\$ 118,049</u>	<u>\$ 84,001</u>

HILL COUNTY, TEXAS
ROAD AND BRIDGE SUBFUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

	Road and Bridge General	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3
ASSETS				
Cash and cash equivalents	\$ 5,863	\$ 257,521	\$ 54,962	\$ 172,905
Receivables (net of allowance for uncollectibles)	-	44,686	40,732	46,700
Due from other governments	14,397	172,350	-	-
Due from other funds	<u>30,242</u>	<u>3,944</u>	<u>19,684</u>	<u>15,730</u>
Total Assets	<u>50,502</u>	<u>478,501</u>	<u>115,378</u>	<u>235,335</u>
LIABILITIES				
Accounts payable	8,692	7,551	779	5,020
Accrued liabilities	6,196	16,546	11,519	14,534
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>14,888</u>	<u>24,097</u>	<u>12,298</u>	<u>19,554</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>-</u>	<u>22,945</u>	<u>22,804</u>	<u>26,041</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>22,945</u>	<u>22,804</u>	<u>26,041</u>
FUND BALANCES				
Restricted for:				
Public transportation	35,614	431,459	80,276	189,740
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>35,614</u>	<u>431,459</u>	<u>80,276</u>	<u>189,740</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 50,502</u>	 <u>\$ 478,501</u>	 <u>\$ 115,378</u>	 <u>\$ 235,335</u>

Road and Bridge No. 4	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Total Road and Bridge
\$ 45,187	\$ 194,110	\$ 131,800	\$ 391,523	\$ -	\$ 1,253,871
39,391	51,391	51,076	58,327	49,395	381,698
-	-	-	-	-	186,747
<u>16,116</u>	<u>-</u>	<u>16,760</u>	<u>-</u>	<u>-</u>	<u>102,476</u>
<u>100,694</u>	<u>245,501</u>	<u>199,636</u>	<u>449,850</u>	<u>49,395</u>	<u>1,924,792</u>
24,098	27,709	22,011	31,137	-	126,997
13,662	-	-	-	-	62,457
-	-	-	-	25,770	25,770
<u>37,760</u>	<u>27,709</u>	<u>22,011</u>	<u>31,137</u>	<u>25,770</u>	<u>215,224</u>
22,054	46,011	45,729	52,220	44,223	282,027
<u>22,054</u>	<u>46,011</u>	<u>45,729</u>	<u>52,220</u>	<u>44,223</u>	<u>282,027</u>
40,880	171,781	131,896	366,493	-	1,448,139
-	-	-	-	(20,598)	(20,598)
<u>40,880</u>	<u>171,781</u>	<u>131,896</u>	<u>366,493</u>	<u>(20,598)</u>	<u>1,427,541</u>
<u>\$ 100,694</u>	<u>\$ 245,501</u>	<u>\$ 199,636</u>	<u>\$ 449,850</u>	<u>\$ 49,395</u>	<u>\$ 1,924,792</u>

HILL COUNTY, TEXAS

ROAD AND BRIDGE SUBFUNDS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Road and Bridge General	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3
REVENUES				
Taxes:				
Property	\$ -	\$ 296,358	\$ 294,585	\$ 336,324
Sales	-	87,065	86,531	98,816
Intergovernmental	34,500	12,665	12,587	14,375
License and permits	-	225,222	223,841	255,620
Charges for services	148,601	-	-	-
Investment earnings	1,030	19,644	8,967	13,087
Contributions and donations	-	-	6,000	-
Miscellaneous	-	337	-	16,281
Total Revenues	<u>184,131</u>	<u>641,291</u>	<u>632,511</u>	<u>734,503</u>
EXPENDITURES				
Public transportation	319,895	1,163,891	1,005,342	843,776
Debt service:				
Principal	-	29,996	-	-
Interest and fiscal charges	-	14,431	-	-
Total Expenditures	<u>319,895</u>	<u>1,208,318</u>	<u>1,005,342</u>	<u>843,776</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,764)	(567,027)	(372,831)	(109,273)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	49,000	-	-
Issuance of financed purchases	-	100,689	-	-
Transfers in	90,000	100,000	297,250	100,000
Total Other Financing Sources (Uses)	<u>90,000</u>	<u>249,689</u>	<u>297,250</u>	<u>100,000</u>
Net Changes in Fund Balances	(45,764)	(317,338)	(75,581)	(9,273)
Fund Balances - Beginning	<u>81,378</u>	<u>748,797</u>	<u>155,857</u>	<u>199,013</u>
Fund Balances - Ending	<u>\$ 35,614</u>	<u>\$ 431,459</u>	<u>\$ 80,276</u>	<u>\$ 189,740</u>

Road and Bridge No. 4	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Total Road and Bridge
\$ 284,847	\$ 632,105	\$ 628,226	\$ 717,419	\$ 607,544	\$ 3,797,408
83,682	-	-	-	-	356,094
12,173	-	-	-	-	86,300
216,472	-	-	-	-	921,155
-	-	-	-	-	148,601
2,495	-	-	-	-	45,223
-	-	-	-	-	6,000
-	-	-	-	69,500	86,118
<u>599,669</u>	<u>632,105</u>	<u>628,226</u>	<u>717,419</u>	<u>677,044</u>	<u>5,446,899</u>
724,555	240,611	545,418	445,804	454,403	5,743,695
-	224,007	-	120,132	222,237	596,372
-	6,641	-	3,800	39,648	64,520
<u>724,555</u>	<u>471,259</u>	<u>545,418</u>	<u>569,736</u>	<u>716,288</u>	<u>6,404,587</u>
(124,886)	160,846	82,808	147,683	(39,244)	(957,688)
-	-	-	-	-	49,000
-	-	-	-	-	100,689
<u>100,000</u>	-	-	-	-	<u>687,250</u>
<u>100,000</u>	-	-	-	-	<u>836,939</u>
(24,886)	160,846	82,808	147,683	(39,244)	(120,749)
<u>65,766</u>	<u>10,935</u>	<u>49,088</u>	<u>218,810</u>	<u>18,646</u>	<u>1,548,290</u>
<u>\$ 40,880</u>	<u>\$ 171,781</u>	<u>\$ 131,896</u>	<u>\$ 366,493</u>	<u>\$ (20,598)</u>	<u>\$ 1,427,541</u>

HILL COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS

SEPTEMBER 30, 2023

	Custodial Funds		
	HCCF DC Civil	Criminal Justice	District Attorney Seizure Account
ASSETS			
Cash and cash equivalents	\$ 948,501	\$ 81,651	\$ 106,955
Due from other governments	-	-	-
Accounts receivable	-	3,423	-
Total assets	<u>948,501</u>	<u>85,074</u>	<u>106,955</u>
LIABILITIES			
Accounts payable	-	85,305	-
Accrued liabilities	-	-	-
Total liabilities	<u>-</u>	<u>85,305</u>	<u>-</u>
NET POSITION			
Restricted for:			
Individuals and organizations	<u>948,501</u>	<u>(231)</u>	<u>106,955</u>
Total net position	<u>\$ 948,501</u>	<u>\$ (231)</u>	<u>\$ 106,955</u>

Custodial Funds

County Officer Accounts	Adult Probation	Juvenile Probation	Total Custodial Funds
\$ 1,850,200	\$ 795,797	\$ 183,986	\$ 3,967,090
-	-	54,143	54,143
-	-	433	3,856
<u>1,850,200</u>	<u>795,797</u>	<u>238,562</u>	<u>4,025,089</u>
31,219	64,737	17,859	199,120
-	<u>30,392</u>	<u>12,548</u>	<u>42,940</u>
<u>31,219</u>	<u>95,129</u>	<u>30,407</u>	<u>242,060</u>
<u>1,818,981</u>	<u>700,668</u>	<u>208,155</u>	<u>3,783,029</u>
<u>\$ 1,818,981</u>	<u>\$ 700,668</u>	<u>\$ 208,155</u>	<u>\$ 3,783,029</u>

HILL COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds		
	HCCF DC Civil	Criminal Justice	District Attorney Seizure Account
ADDITIONS			
State fees	\$ -	\$ 392,499	\$ -
Receipts from other governments	-	-	-
Receipts from other individuals	-	-	-
Charges for services	-	-	-
Court fees	1,563,100	-	-
Interest income	-	-	954
Miscellaneous	-	-	-
Total additions	<u>1,563,100</u>	<u>392,499</u>	<u>954</u>
DEDUCTIONS			
Distributions to other governments	-	392,499	53,254
Distributions to others	<u>1,883,252</u>	<u>-</u>	<u>-</u>
Total deductions	<u>1,883,252</u>	<u>392,499</u>	<u>53,254</u>
Net increase (decrease) in fiduciary net position	(320,152)	-	(52,300)
Net position - beginning	<u>1,268,653</u>	<u>(231)</u>	<u>159,255</u>
Prior period adjustment	-	-	-
Net position - beginning (restated)	<u>1,268,653</u>	<u>(231)</u>	<u>159,255</u>
Net position - ending	<u>\$ 948,501</u>	<u>\$ (231)</u>	<u>\$ 106,955</u>

Custodial Funds

<u>County Officer Accounts</u>	<u>Adult Probation</u>	<u>Juvenile Probation</u>	<u>Total Custodial Funds</u>
\$ 435,035	\$ -	\$ -	\$ 827,534
-	450,293	693,806	1,144,099
39,390,912	-	-	39,390,912
-	521,355	129,109	650,464
-	-	-	1,563,100
-	12,413	1,898	15,265
-	-	6,472	6,472
<u>39,825,947</u>	<u>984,061</u>	<u>831,285</u>	<u>43,597,846</u>
39,511,026	-	-	39,956,779
<u>435,034</u>	<u>1,039,974</u>	<u>786,044</u>	<u>4,144,304</u>
<u>39,946,060</u>	<u>1,039,974</u>	<u>786,044</u>	<u>44,101,083</u>
(120,113)	(55,913)	45,241	(503,237)
<u>1,671,337</u>	<u>756,581</u>	<u>162,914</u>	<u>4,018,509</u>
267,757	-	-	267,757
<u>1,939,094</u>	<u>756,581</u>	<u>162,914</u>	<u>4,286,266</u>
<u>\$ 1,818,981</u>	<u>\$ 700,668</u>	<u>\$ 208,155</u>	<u>\$ 3,783,029</u>

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