

HILL COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017

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ANNUAL FINANCIAL REPORT
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FINANCIAL SECTION

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PATILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge
and County Commissioners of Hill County, Texas
Hillsboro, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hill County, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise of Hill County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hill County, Texas, as of September 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hill County, Texas' 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 combining fund financial statements and schedules are the responsibility of management and were derived from and relate 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 combining nonmajor fund financial statements are 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 June 27, 2018, on our consideration of Hill County, Texas' 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 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 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 of Hill County, Texas internal control over financial reporting and compliance.

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

Waco, Texas
June 27, 2018

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BASIC FINANCIAL STATEMENTS

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HILL COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Hill County, Texas (the "County") Financial Report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2017.

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 \$33,774,238 (net position). Of this amount, \$6,780,816 (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 \$1,202,235. This increase is less than the prior year's increase primarily due to a large amount of operating grants received for disaster recovery and two large one-time sales tax payments received in the prior year.
- As of the close of the current fiscal year, Hill County, Texas' governmental funds reported combined ending fund balances of \$12,226,862 an increase of \$746,390 in comparison with the prior year. Approximately 42.4% of this total amount, \$5,187,801, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the General fund was \$5,195,978, or 42.7% of total General fund expenditures, the fund balance for the road and bridge fund was \$3,946,174, or 73.5% 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, roads and bridges, 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 of 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 adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

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 2017 fiscal year were adopted for the General Fund, the Road and Bridge Funds, Indigent Health Care, the Law Library, the Jury Fund, the Interest and Sinking Fund, County Clerk Fund, District Clerk Records Preservation and Management, the Sheriff Investigative Fund, the D.A. Forfeited Property Fund, the Court Technology Fund, the District Clerk Archive Fund, the Courthouse Security Fund, the Hill County Tourism Fund and the Election Machine Lease Fund.

The basic governmental fund financial statements can be found on pages 12 - 18 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 – 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 – 46 of this report.

The combining statements and schedules referred to earlier in connection with major road and bridge funds and non-major governmental funds are presented immediately following the required supplementary information. Combining fund statements and schedules can be found on pages 47 - 60 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 61 - 73 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 \$33,774,238 at the close of the most recent fiscal year.

56.9% of the County's net position (\$19,214,715) 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	
	2017	2016
Current and other assets	\$ 16,728,752	\$ 15,474,195
Capital assets	<u>24,079,267</u>	<u>23,096,696</u>
Total assets	<u>40,808,019</u>	<u>38,570,891</u>
Deferred outflows of resources	<u>1,808,666</u>	<u>2,167,860</u>
Long-term liabilities	6,826,374	6,885,485
Other liabilities	<u>1,109,972</u>	<u>691,109</u>
Total liabilities	<u>7,936,346</u>	<u>7,576,594</u>
Deferred inflows of resources	<u>906,101</u>	<u>590,154</u>
Net position:		
Net investment in capital assets	19,214,715	18,489,999
Restricted	7,778,707	7,838,838
Unrestricted	<u>6,780,816</u>	<u>6,243,166</u>
Total net position	<u>\$ 33,774,238</u>	<u>\$ 32,572,003</u>

An additional portion of the County's net position (23.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$6,780,816) may be used to meet the governments on going obligations to citizens and creditors. At the end of the current fiscal year, the County reported a positive balance in the governmental activities. For the prior fiscal year, the County, reported positive balances in net position, both for the government as a whole, as well as for its separate governmental activities.

Governmental activities:

Governmental activities increased the County's net position by \$1,202,235.

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

Hill County's Changes in Net Position

	Governmental Activities	
	2017	2016
REVENUES		
Program revenues:		
Charges for services	\$ 3,492,731	\$ 3,699,037
Operating grants and contributions	2,335,967	5,233,201
Capital grants and contributions	-	593,535
General revenues:		
Property taxes	12,317,480	11,916,683
Sales taxes	1,663,980	2,488,016
Other taxes	218,893	71,731
Investment earnings	117,395	65,055
Gain on sale of capital assets	323,018	239,352
Miscellaneous	201,202	481,106
Total Revenues	20,670,666	24,787,716
EXPENSES		
General government	3,503,816	3,458,869
Judicial	2,973,034	3,064,389
Public safety	7,056,296	6,956,247
Public transportation	4,456,448	4,358,798
Health and welfare	1,022,584	1,100,162
Culture and recreation	256,446	163,898
Interest on long-term debt	199,807	172,054
Total Expenses	19,468,431	19,274,417
INCREASE IN NET POSITION	1,202,235	5,513,299
NET POSITION, BEGINNING	32,572,003	27,058,704
NET POSITION, ENDING	\$ 33,774,238	\$ 32,572,003

The charges for services decreased by \$206,306 due mainly to decreases in general government. Operating grants and contributions decreased \$2,897,234 mainly due to more disaster recovery grants received during the prior year, while capital grants and contributions decreased by \$593,535 due to the TXDOT bridge construction project ending. Property taxes increased by \$423,239 due to an increase in assessed taxable property values and new construction.

Total expenses for governmental activities increased by \$194,014 primarily due to a greater investment in equipment and bridge infrastructure.

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 \$12,226,862, an increase of \$746,390 in comparison with the prior year. Approximately 42.4% of this total amount \$5,187,801, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining restricted and assigned amounts of \$7,039,061 are to be used for the various functions of the County.

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 \$5,780,150 which included unassigned fund balance of \$5,195,978. 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 42.7% of total general fund expenditures.

The fund balance of the County's General fund increased by \$674,145 during the current fiscal year. Key factors in this change are as follows:

- Total revenue decreased \$476,827 when compared to fiscal year 2016, mainly the result of higher one-time revenues in 2016 not extending to 2017. In fiscal year 2016 Hill County received two one-time sales tax payments from the Comptroller that did not repeat in fiscal year 2017. Excluding one-time payments, sales taxes are trending slightly higher than prior years. In fiscal year 2016, Hill County received some insurance funds for hail damage and an insurance rebate for health insurance that was not repeated for fiscal year 2017. The combination of the two non-recurring items dictated lower revenue for fiscal year 2017.

At the end of the current fiscal year, total fund balance of the Road and Bridge fund was \$3,946,174 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 73.5% of total Road and Bridge fund expenditures.

The fund balance of the County's, Road and Bridge fund decreased by \$127,148 during the current fiscal year. Key factors of this decrease are as follows:

- The Road and Bridge Departments actually budgeted a decrease in their reserves of \$2,551,559. Under current budget policy, the road and bridge departments are able to keep their reserve balances by precinct and are permitted to budget most of their reserves so that funds are available in the event of an emergency. Actual expenditures were less than budgeted expenditures by \$2,034,824. This, coupled with an increase in revenues, sales of assets, and fewer transfers out than projected brought the actual change in fund balance to only \$127,148.

Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the General fund expenditures amounted to an increase of \$502,897 due to 2016 encumbrances budgeted in the current year. The largest components of the increase were attributable to increased combined public safety expenditures of \$391,006 along with higher expenditures in general government of \$50,300. For the year, actual General fund revenue was \$202,524 less than budgeted and transfers into the General fund were \$194,064 less than what was anticipated. Actual total expenditures were \$1,563,121 less than budgeted resulting in a surplus of \$674,145 for the year.

Road and Bridge revenues were \$1,184,769 less than fiscal year 2016 due to lower FEMA awards and the non-recurring special sales tax payment received from the Comptroller. Expenses were \$640,833 more than fiscal year 2016 which was attributable to more equipment purchases and more bridge replacements combined increase totaling \$447,397. Increased salaries and benefits and higher construction materials and fuel made up the balance of the difference.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of September 30, 2017, amounts to \$24,079,267 (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 \$982,571 or 4.3%.

Depreciation on the County's capital assets of \$1,903,424 was less than its net capital purchases of \$3,035,790. Together with the sale and retirement of assets, this resulted in a net increase in capital assets.

Additional information on the County's capital assets can be found in the notes to the financial statements on page 27 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$4,092,051. All of which comprises debt backed by the full faith and credit of the County.

The County's total bonded debt decreased by \$465,256 (10.02%) during the current fiscal year. The key factor in this decrease was the payment of bonds in the amount of \$465,000.

Additional information on the County's long-term debt can be found in notes to the financial statements on pages 29 - 30 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The County will focus on maintaining its current reserve for 2017 and 2018. State unfunded mandates are likely.
- Economic development in Hill County continues as a \$100 million asphalt shingle plant is scheduled to be in operation in December 2017 in Hillsboro. Product is now being shipped from its warehouse on a daily basis. In addition, a local architectural concrete plant has added a structural concrete plant on a 50-acre site in the Hillsboro industrial park. The initial projection of 40 jobs was doubled to 80 jobs after the company received the contract to provide concrete risers for the new Texas Rangers ballpark in Arlington. Production began in April 2018. A wood molding manufacturer has relocated from San Antonio in the past year in support of the local cabinet manufacturer, which plans an expansion with the addition of over 100 jobs. Nearly all of the 13 or so plants in Hillsboro's industrial park are adding employees. In the county, an explosives manufacturer is expanding and adding a plant south of Blum.

Estimated general fund revenue for fiscal year 2018 is \$12,867,427 (including incoming transfers of \$485,000). Estimated expenditures for the General Fund are \$12,965,848 (including transfers out of \$268,000).

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.

HILL COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Primary Government
	Governmental Activities
ASSETS	
Cash and investments	\$ 12,694,449
Receivables (net of allowance for uncollectibles)	1,650,027
Due from other governments	1,507,007
Inventories	72,201
Prepaid items	805,068
Capital assets:	
Non-depreciable	62,977
Depreciable	24,016,290
Total Assets	40,808,019
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow related to pensions	1,675,259
Deferred charge on refunding	133,407
Total Deferred Outflows of Resources	1,808,666
LIABILITIES	
Accounts payable	911,725
Accrued wages	164,556
Accrued interest	33,691
Noncurrent liabilities:	
Due within one year	865,306
Due in more than one year	5,961,068
Total Liabilities	7,936,346
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow related to pensions	906,101
Total Deferred Inflows of Resources	906,101
NET POSITION	
Net investment in capital assets	19,214,715
Restricted for:	
Records management	559,114
Tourism	86,477
Construction	316,792
Debt service	100,061
Elections	13,713
Health and welfare	281,866
Judicial	409,315
Public safety	741,377
Public transportation	5,269,992
Unrestricted	6,780,816
Total Net Position	\$ 33,774,238

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

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HILL COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Primary Government:				
Governmental activities:				
General government	\$ 3,503,816	\$ 1,177,188	\$ 68,833	\$(2,257,795)
Judicial	2,973,034	959,867	240,615	(1,772,552)
Public safety	7,056,296	529,857	1,006,484	(5,519,955)
Public transportation	4,456,448	825,819	1,005,463	(2,625,166)
Health and welfare	1,022,584	-	14,572	(1,008,012)
Culture and recreation	256,446	-	-	(256,446)
Interest and other	199,807	-	-	(199,807)
Total Governmental Activities	<u>19,468,431</u>	<u>3,492,731</u>	<u>2,335,967</u>	<u>(13,639,733)</u>
Total Primary Government	\$ <u>19,468,431</u>	\$ <u>3,492,731</u>	\$ <u>2,335,967</u>	(13,639,733)
General revenues:				
Taxes:				
				11,702,342
Property taxes, levied for general purposes				615,138
Property taxes, levied for debt service				1,663,980
Sales taxes				218,893
Other taxes				117,395
Investment earnings				201,202
Miscellaneous				323,018
Gain on sale of capital assets				<u>14,841,968</u>
Total General Revenues				
				1,202,235
Change in Net Position				
Net position, beginning				<u>32,572,003</u>
Net position, ending				<u>\$ 33,774,238</u>

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

HILL COUNTY, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	General	Road and Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,027,651	\$ 4,094,362	\$ 2,572,436	\$ 12,694,449
Receivables (net of allowance for uncollectibles)	1,030,518	251,906	154,330	1,436,754
Due from other funds	31,355	-	-	31,355
Intergovernmental receivable	86,943	1,323,818	96,246	1,507,007
Total Assets	7,176,467	5,670,086	2,823,012	15,669,565
LIABILITIES				
Accounts payable	588,399	169,725	153,601	911,725
Accrued liabilities	119,324	23,914	21,318	164,556
Due to other funds	-	-	31,355	31,355
Total Liabilities	707,723	193,639	206,274	1,107,636
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	688,594	206,455	116,200	1,011,249
Unavailable revenue-grants	-	1,323,818	-	1,323,818
Total Deferred Inflows of Resources	688,594	1,530,273	116,200	2,335,067
FUND BALANCES				
Restricted for:				
Records management	-	-	559,114	559,114
Tourism	-	-	86,477	86,477
Construction	-	-	316,792	316,792
Debt Service	-	-	100,061	100,061
Elections	-	-	13,713	13,713
Health and welfare	-	-	281,866	281,866
Judicial	-	-	409,315	409,315
Public safety	-	-	741,377	741,377
Public transportation	-	3,946,174	-	3,946,174
Assigned for:				
Purchases on order	584,172	-	-	584,172
Unassigned	5,195,978	-	(8,177)	5,187,801
Total Fund Balances	5,780,150	3,946,174	2,500,538	12,226,862
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,176,467	\$ 5,670,086	\$ 2,823,012	\$ 15,669,565

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

HILL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

Total fund balances - government funds	\$ 12,226,862
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,079,267
Certain receivables unavailable to pay for current period expenditures are reported as unavailable revenue in the funds.	
Property taxes	1,011,249
Court fines	213,273
Grants	1,323,818
Bond Issuance Costs are expenditures in the fund but are recorded as assets in the governmental activities.	
Certain items are expenditures in the funds, but are recorded as assets in the governmental activities.	
Prepaid items	805,068
Inventory	72,201
The net pension liability reported in the governmental activities does not require the use of current financial resources and, therefore, are not reported in the governmental funds.	(409,162)
Long-term liabilities, including bonds payable, capital leases, OPEB obligation and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(<u>5,548,338</u>)
Net position of governmental activities - statement of net position	\$ <u><u>33,774,238</u></u>

HILL COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 8,359,201	\$ 2,488,889	\$ 1,399,525	\$ 12,247,615
Sales	1,519,285	144,695	-	1,663,980
Other	36,989	-	181,904	218,893
Intergovernmental	1,017,668	1,194,966	1,080,868	3,293,502
Licenses and permits	-	690,850	-	690,850
Fees of office	710,799	-	996,448	1,707,247
Fines and forfeitures	92,660	96,786	16,332	205,778
Investment earnings	73,348	32,696	11,350	117,394
Miscellaneous	<u>185,641</u>	<u>30,248</u>	<u>78,797</u>	<u>294,686</u>
Total Revenues	<u>11,995,591</u>	<u>4,679,130</u>	<u>3,765,224</u>	<u>20,439,945</u>
EXPENDITURES				
Current:				
General government	3,787,437	-	36,862	3,824,299
Judicial	2,080,862	-	819,864	2,900,726
Public safety	5,565,409	-	1,316,478	6,881,887
Roads and highways	-	5,337,496	-	5,337,496
Health and welfare	313,492	-	732,436	1,045,928
Culture and recreation	151,879	-	103,563	255,442
Debt Service:				
Principal retirement	255,320	31,022	465,000	751,342
Interest and other	<u>11,401</u>	<u>2,681</u>	<u>147,943</u>	<u>162,025</u>
Total Expenditures	<u>12,165,800</u>	<u>5,371,199</u>	<u>3,622,146</u>	<u>21,159,145</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(170,209)</u>	<u>(692,069)</u>	<u>143,078</u>	<u>(719,200)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	36,584	422,144	14,085	472,813
Issuance of capital lease	850,000	142,777	-	992,777
Transfers in	196,770	1,702	239,000	437,472
Transfers out	<u>(239,000)</u>	<u>(1,702)</u>	<u>(196,770)</u>	<u>(437,472)</u>
Total Other Financing Sources (uses)	<u>844,354</u>	<u>564,921</u>	<u>56,315</u>	<u>1,465,590</u>
NET CHANGES IN FUND BALANCES	674,145	(127,148)	199,393	746,390
FUND BALANCE, BEGINNING	<u>5,106,005</u>	<u>4,073,322</u>	<u>2,301,145</u>	<u>11,480,472</u>
FUND BALANCE, ENDING	<u>\$ 5,780,150</u>	<u>\$ 3,946,174</u>	<u>\$ 2,500,538</u>	<u>\$ 12,226,862</u>

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

HILL COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

Net Changes in Fund Balances - total government funds	\$	746,390
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period including gains or losses on sales of assets.		982,571
Revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Property taxes		69,865
Court fines	(27,421)
Grants	(134,741)
Repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.		751,342
Issuance of a capital lease is an other financing source in the governmental funds, but increases the liability in the statement of net position.	(992,777)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Amortization of loss on bond refunding	(16,676)
Amortization of premium on bonds		256
Prepaid items		183,044
Inventory		19,919
Compensated absences	(96,860)
Interest on long-term debt	(21,362)
Pension cost	(236,541)
OPEB cost	(<u>24,774</u>)
Change in net position of governmental activities	\$	<u>1,202,235</u>

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

HILL COUNTY, TEXAS

STATEMENT OF IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

SEPTEMBER 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,412,801
Total Assets	<u>\$ 1,412,801</u>
LIABILITIES	
Accounts payable	\$ 173,443
Due to others	<u>1,239,358</u>
Total Liabilities	<u>\$ 1,412,801</u>

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

HILL COUNTY, TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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 changes in net position) 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current 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 required to be 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.

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 an agency fund to account for assets held for, and due to, employee benefits, payroll withholdings, deposits, and other. This fund is custodial in nature and does not involve measurement of results of operations. Accordingly, it presents only a statement of fiduciary net position and does not present a statement of changes in fiduciary net position. 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.

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.

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, as well as the component units, 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.

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 position 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 financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from: grants and property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County also has one type of item that qualifies for reporting in this category in the government-wide financial statements. The difference in expected and actual pension expense is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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, and adding back unspent proceeds. 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. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance

The Jury fund had a deficit fund balance in the amounts of \$8,177. This amount will be funded with future resources and the General Fund.

III. 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, 2017, 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:

	General	Road and Bridge	Other Governmental	Total
Receivables:				
Ad valorem taxes	\$ 808,454	\$ 242,062	\$ 136,427	\$ 1,186,943
Sales taxes	264,555	25,196	25,196	314,947
Other	<u>38,354</u>	<u>8,854</u>	<u>6,349</u>	<u>53,557</u>
Gross receivables	1,111,363	276,112	167,972	1,555,447
Less: allowance for uncollectibles	<u>(80,845)</u>	<u>(24,206)</u>	<u>(13,642)</u>	<u>(118,693)</u>
Net accounts receivable	<u>\$ 1,030,518</u>	<u>\$ 251,906</u>	<u>\$ 154,330</u>	<u>\$ 1,436,754</u>

C. Capital Assets

Capital asset activity for the fiscal year was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 62,977	\$ -	\$ -	\$ 62,977
Total assets not being depreciated	<u>62,977</u>	<u>-</u>	<u>-</u>	<u>62,977</u>
Capital assets, being depreciated:				
Buildings	21,472,341	27,270	-	21,499,611
Machinery and equipment	10,475,197	2,452,781	(972,142)	11,955,836
Infrastructure	10,083,403	522,508	-	10,605,911
Total capital assets being depreciated	<u>42,030,941</u>	<u>3,002,559</u>	<u>(972,142)</u>	<u>44,061,358</u>
Less accumulated depreciation:				
Buildings	(8,443,893)	(576,014)	-	(9,019,907)
Machinery and equipment	(7,855,912)	(813,179)	855,578	(7,813,513)
Infrastructure	(2,697,417)	(514,231)	-	(3,211,648)
Total accumulated depreciation	<u>(18,997,222)</u>	<u>(1,903,424)</u>	<u>855,578</u>	<u>(20,045,068)</u>
Total capital assets being depreciated, net	<u>23,033,719</u>	<u>1,099,135</u>	<u>(116,564)</u>	<u>24,016,290</u>
Total capital assets, net	<u>\$ 23,096,696</u>	<u>\$ 1,099,135</u>	<u>\$ (116,564)</u>	<u>\$ 24,079,267</u>

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

Governmental activities:	
General administration	\$ 452,721
Judicial	2,586
Public safety	392,397
Roads and highways	<u>1,055,720</u>
Total depreciation expense	<u>\$ 1,903,424</u>

D. Interfund Receivables, Payables, and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 31,355

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	\$ -	\$ -	\$ 239,000	\$ 239,000
Road and Bridge	-	1,702	-	1,702
Nonmajor Governmental Funds	<u>196,770</u>	<u>-</u>	<u>-</u>	<u>196,770</u>
Total	<u>\$ 196,770</u>	<u>\$ 1,702</u>	<u>\$ 239,000</u>	<u>\$ 437,472</u>

\$69,000 was transferred to a non-major governmental fund (Juvenile Probation) for an annual required local match and \$170,000 was transferred to cover court appointed attorney fees and expenses in a non-major governmental fund (Jury Fund).

Courthouse and Security and Justice Court Technology (non-major governmental funds) collect funds that can only be used for specific purposes and transfers were made from those funds to General Fund for the specified purposes in the amount of \$45,000.

A transfer from the Courthouse Project to the General Fund for courthouse major renovations and courthouse master plan was \$24,500 and fire sprinkler from wet to dry for \$27,270.

E. Leases

Operating Leases

The County leases equipment under non-cancelable operating leases. Total costs for such leases were \$131,440 for the fiscal year. The future minimum lease payments for these leases are as follows:

For the Year Ending September 30,	Amount
2018	\$ 198,122
2019	134,878
2020	126,613
2021	9,469
2022	<u>1,740</u>
	<u>\$ 470,822</u>

F. Long-term Liabilities

Capital Lease

The County has entered into a lease agreement as lessee for financing of three Ford F-150's, tax office equipment, and computer software for the General Fund, Mack truck for precinct No. 1, 2 Ford Explorers for Sheriff's Office, John Deere Tractor/Mower for Precinct No. 1, John Deere Tractor for Precinct No. 3, and a mower for Precinct No. 4. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The capital assets acquired through capital leases are as follows.

	<u>Governmental Activities</u>
Machinery and equipment	\$ 1,932,809
Less: accumulated depreciation	<u>(778,282)</u>
	<u>\$ 1,154,527</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017, were as follows:

<u>For the Fiscal Year Ending</u>	
2018	\$ 263,967
2019	239,525
2020	205,924
2021	205,924
2022	22,943
2023-2027	<u>45,885</u>
Total minimum lease payments	<u>984,168</u>
Less interest	<u>78,260</u>
Net present value of minimum lease payments	<u>\$ 905,908</u>

Limited Tax Refunding Bonds

In 2010, the County issued \$6,740,000 in limited tax refunding bonds with an interest rate ranging from 2.00% – 3.50%. The proceeds were used to refund \$6,560,000 of outstanding 1997 and 2001 certificates of obligations which had interest rates ranging from 4.25% to 5.50%. The net proceeds of \$6,970,502 (including a \$3,844 premium, a \$315,863 cash contribution and after payment of \$89,205 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 1997 and 2001 certificates of obligations were considered partially defeased and the liability for those bonds has been removed from the statement of net position. As of September 30, 2017, the funds deposited into the irrevocable trust have been used to pay the bondholders thus the bonds are no longer defeased.

The reacquisition price exceeded the net carrying amount of the old debt by \$410,502. Of this amount, \$160,363 represented an early interest payment and \$250,139 was the loss on refunding. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded the 1997 and 2001 certificates of obligations to reduce its total debt service payments over 17 years by \$1,037,163 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$628,719.

Annual debt service requirements to maturity for the Refunding Bonds are as follows:

Year Ending September 30,	Principal	Interest	Total
2018	\$ 480,000	\$ 136,319	\$ 616,319
2019	500,000	121,919	621,919
2020	515,000	106,919	621,919
2021	535,000	90,825	625,825
2022	555,000	72,100	627,100
2023-2027	<u>1,505,000</u>	<u>96,950</u>	<u>1,601,950</u>
Total	<u>\$ 4,090,000</u>	<u>\$ 625,032</u>	<u>\$ 4,715,032</u>

Long-term liability activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
Limited tax refunding bonds	\$ 4,555,000	\$ -	\$ 465,000	\$ 4,090,000	\$ 480,000
Premium on bonds	<u>2,307</u>	<u>-</u>	<u>256</u>	<u>2,051</u>	<u>-</u>
Total bonds payable	<u>4,557,307</u>	<u>-</u>	<u>465,256</u>	<u>4,092,051</u>	<u>480,000</u>
Capital leases	199,473	992,777	286,342	905,908	234,573
Compensated absences	506,072	206,487	109,627	602,932	150,733
Net pension liability	1,600,244	149,084	571,008	1,178,320	-
OPEB obligation	<u>22,389</u>	<u>29,774</u>	<u>5,000</u>	<u>47,163</u>	<u>-</u>
Total long-term liabilities	<u>\$ 6,885,485</u>	<u>\$ 1,378,122</u>	<u>\$ 1,437,233</u>	<u>\$ 6,826,374</u>	<u>\$ 865,306</u>

Compensated absences, OPEB obligation and the net pension liability are primarily liquidated by the General Fund, Probation Funds, and Road and Bridge Funds.

IV. 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. Related Party Transactions

Justice of the Peace – Jones owns Poteet Motors that does business with the County. The total amount paid to Judge Jones for rent and office expenses and the business in fiscal year 2017 was \$12,989. There were no amounts payable to the shop by the County or payable to the County by the shop at September 30, 2017.

Justice of the Peace – Ward owns Martis Ward Pain & Body that does business with the County. The total amount paid to Judge Ward for rent and office expenses and the business in fiscal year 2017 was \$11,795. There were no amounts payable to the business by the County or payable to the County by the business at September 30, 2017.

C. 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.

D. Defined Benefit Pension Plan

Plan Description

The County participates in a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent, multiple-employer, public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tcdrs.org.

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

Benefits Provided

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

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

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

Employees covered by benefit terms

At the December 31, 2016, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	124
Inactive employees entitled to but not yet receiving benefits	146
Active employees	198
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	<u>468</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 6% of their annual gross earnings during the fiscal year. The contribution rates for the County were 7.60% and 6.80% in calendar years 2016 and 2017, respectively. The County’s contributions to TCDRS for the year ended September 30, 2017, were \$532,555, and were equal to the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	2.5% per year
Investment rate of return	8.0%, net of pension plan investment expense, 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	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table projected to 2014 and scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and two-year set-forward for females.

The actuarial assumptions that determined the total pension liability as of December 31, 2016, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except for mortality assumptions. Mortality assumptions were updated for the 2015 valuation to reflect projected improvements.

The long-term expected rate of return on pension plan investments is 8.0%. The pension plan's policy regarding the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

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 2017 information for a 7 to 10-year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. 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 (Expected minus Inflation) ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities - Developed Markets	MSCI World Ex USA (net)	10.00%	4.70%
International Equities - Emerging Markets	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays Capital U.S. Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

⁽¹⁾ Target asset allocation adopted at the April 2017 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2015	\$ 21,866,676	\$ 20,266,432	\$ 1,600,244
Changes for the year:			
Service cost	803,410	-	803,410
Interest on total pension liability ⁽¹⁾	1,751,848	-	1,751,848
Effect of economic/demographic gains or losses	(653,505)	-	(653,505)
Refund of contributions	(241,404)	(241,404)	-
Benefit payments	(1,049,360)	(1,049,360)	-
Administrative expenses	-	(16,279)	16,279
Member contributions	-	450,797	(450,797)
Net investment income	-	1,493,867	(1,493,867)
Employer contributions	-	571,008	(571,008)
Other ⁽²⁾	-	(175,716)	175,716
Balance at 12/31/2016	<u>\$ 22,477,665</u>	<u>\$ 21,299,345</u>	<u>\$ 1,178,320</u>

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

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

Sensitivity Analysis

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

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$ 25,311,583	\$ 22,477,665	\$ 20,130,915
Fiduciary net position	<u>21,299,345</u>	<u>21,299,345</u>	<u>21,299,345</u>
Net pension liability/(asset)	<u>\$ 4,012,238</u>	<u>\$ 1,178,320</u>	<u>\$ (1,168,430)</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, 2017, the County recognized pension expense of \$769,097. At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 906,101
Changes in actuarial assumptions	146,234	-
Difference between projected and actual investment earnings	1,128,826	-
Contributions subsequent to the measurement date	<u>400,199</u>	<u>-</u>
Total	<u>\$ 1,675,259</u>	<u>\$ 906,101</u>

\$400,199 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2018. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

For The Year Ended September 30,	
2018	\$ 95,917
2019	149,204
2020	97,955
2021	25,883

E. Postemployment Health Care

Plan description and Funding Policy. In addition to the pension benefits described above, the Commissioners Court established a medical insurance benefit plan for retirees. The County administers this single-employer defined benefit medical plan (“the Retiree Medical Plan”). The Retiree Medical Plan does not issue a publicly available financial report. Eligible retirees will be provided medical insurance benefits. Retirees are responsible for paying the premiums. A retiree is defined as someone who is receiving lifetime monthly Texas County and District retirement pension benefit payments and who retired directly from active employment with the County.

Annual OPEB Cost and Net OPEB Obligation. The County’s annual other postemployment benefit (OPEB) cost is calculated based on annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s OPEB obligation to the postemployment medical plan.

Fiscal Year	<u>2017</u>
Annual Required Contribution (ARC)	\$ 30,081
Interest on Net OPEB Obligation	1,008
Adjustment to the ARC	<u>(1,315)</u>
Annual OPEB Cost	29,774
Contributions Made	<u>5,000</u>
Increase in Net OPEB Obligation	24,774
Net OPEB Obligation, beginning of year	<u>22,389</u>
Net OPEB Obligation, ending of year	<u>\$ 47,163</u>

The County’s annual OPEB cost, amount contributed to the plan, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2017, is as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Employer Amount Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2016	\$ 27,389	\$ 5,000	18.3%	\$ 22,389
9/30/2017	30,081	5,000	16.6%	47,163

Funded Status and Funding Progress. The funding status of the post-employment medical plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2015	\$ -	\$ 154,319	\$ 154,319	0.0%	\$ 5,978,702	2.58%

Actuarial valuation of an ongoing plan involve estimates of the value reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The October 1, 2015, actuarial valuation is the only one available; therefore, multi-trend information is not presented as required supplementary information.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Inflation rate	3.0% per annum
Actuarial cost method	Projected unit credit cost method
Amortization method	Level dollar basis
Amortization period	30-year open amortization
Salary scale	Not applicable
Health care cost trend rate	Initial rate of 8.0% declining to an ultimate rate of 5.0% after 7 years

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 2017, the City did not rebate any taxes.

G. New Accounting Principles

Significant new accounting standard not yet implemented by the County includes the following.

Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” – This statement changes the focus of accounting of postemployment benefits other than pensions from whether an entity is responsible for funding the benefits over time to a point-in-time liability that is reflected on the employer’s financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the County in fiscal year 2018.

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**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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 8,501,310	\$ 8,501,310	\$ 8,359,201	\$(142,109)
Sales	1,432,200	1,432,200	1,519,285	87,085
Other	22,600	22,600	36,989	14,389
Intergovernmental	1,043,829	1,043,829	1,017,668	(26,161)
Fees of office	639,946	639,946	710,799	70,853
Fines and Forfeitures	94,750	94,750	92,660	(2,090)
Investment earnings	30,000	30,000	73,348	43,348
Miscellaneous	269,900	433,480	185,641	(247,839)
Total Revenues	<u>12,034,535</u>	<u>12,198,115</u>	<u>11,995,591</u>	<u>(202,524)</u>
EXPENDITURES				
Current:				
General government:				
Computer	1,821,525	1,843,960	1,412,653	431,307
County Clerk	323,492	323,492	309,979	13,513
County Judge	178,631	178,631	173,375	5,256
Elections Administration	168,154	169,554	164,262	5,292
Non-Departmental	743,801	753,885	524,574	229,311
Financial Administration:				
County Auditor	226,971	227,227	223,932	3,295
County Treasurer	197,479	213,604	178,672	34,932
Tax Assessor-Collector	462,260	462,260	444,769	17,491
Public Facilities:				
Courthouse	460,783	460,783	355,221	105,562
Total general government	<u>4,583,096</u>	<u>4,633,396</u>	<u>3,787,437</u>	<u>845,959</u>
Judicial:				
County Court at Law	326,197	326,197	321,885	4,312
District Attorney	368,554	368,554	356,888	11,666
District Clerk	362,401	371,903	367,925	3,978
District Judge	212,813	212,813	207,645	5,168
Justices of the Peace	472,196	473,406	457,103	16,303
Legal:				
County Attorney	381,916	381,916	368,095	13,821
County Attorney Excess	11,110	12,409	1,321	11,088
Total judicial	<u>2,135,187</u>	<u>2,147,198</u>	<u>2,080,862</u>	<u>66,336</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
911 Dispatch	\$ 527,481	\$ 503,481	\$ 436,793	\$ 66,688
Constables	264,866	278,496	272,014	6,482
Courthouse Security	255,512	255,512	194,169	61,343
Emergency Management	107,419	138,221	126,767	11,454
Jail	2,637,959	2,405,077	2,277,788	127,289
Sheriff	1,901,497	2,472,453	2,185,458	286,995
Animal Control	71,357	103,857	72,420	31,437
Total public safety	<u>5,766,091</u>	<u>6,157,097</u>	<u>5,565,409</u>	<u>591,688</u>
Health and Welfare:				
Public Assistance	176,742	226,322	215,055	11,267
Veterans Service	30,881	30,881	30,629	252
Health and Safety	70,214	70,214	67,808	2,406
Total health and welfare	<u>277,837</u>	<u>327,417</u>	<u>313,492</u>	<u>13,925</u>
Culture and recreation:				
Agriculture Extension Service	161,509	161,509	151,879	9,630
Debt Service:				
Principal retirement	290,903	290,903	255,320	35,583
Interest and other	11,401	11,401	11,401	-
Total debt service	<u>302,304</u>	<u>302,304</u>	<u>266,721</u>	<u>35,583</u>
Total expenditures	<u>13,226,024</u>	<u>13,728,921</u>	<u>12,165,800</u>	<u>1,563,121</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,191,489)</u>	<u>(1,530,806)</u>	<u>(170,209)</u>	<u>1,360,597</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	34,335	36,584	2,249
Issuance of capital lease	1,000,000	1,000,000	850,000	(150,000)
Transfers in	390,834	390,834	196,770	(194,064)
Transfers out	(199,000)	(239,000)	(239,000)	-
Total other financing sources (uses)	<u>1,191,834</u>	<u>1,186,169</u>	<u>844,354</u>	<u>(341,815)</u>
NET CHANGE IN FUND BALANCE	345	(344,637)	674,145	1,018,782
FUND BALANCE, BEGINNING	<u>5,106,005</u>	<u>5,106,005</u>	<u>5,106,005</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 5,106,350</u>	<u>\$ 4,761,368</u>	<u>\$ 5,780,150</u>	<u>\$ 1,018,782</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 2,518,504	\$ 2,518,504	\$ 2,488,889	\$ (29,615)
Sales	136,400	136,400	144,695	8,295
Intergovernmental	197,814	1,060,651	1,194,966	134,315
Licenses and permits	720,000	720,000	690,850	(29,150)
Fines and forfeitures	97,570	97,570	96,786	(784)
Investment earnings	14,750	14,750	32,696	17,946
Miscellaneous	-	14,567	30,248	15,681
Total Revenues	<u>3,685,038</u>	<u>4,562,442</u>	<u>4,679,130</u>	<u>116,688</u>
EXPENDITURES				
Current:				
Roads and highways	6,081,804	7,342,926	5,337,496	2,005,430
Debt service:				
Principal retirement	60,416	60,416	31,022	29,394
Interest and other	<u>2,681</u>	<u>2,681</u>	<u>2,681</u>	<u>-</u>
Total Expenditures	<u>6,144,901</u>	<u>7,406,023</u>	<u>5,371,199</u>	<u>2,034,824</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(2,459,863)</u>	<u>(2,843,581)</u>	<u>(692,069)</u>	<u>2,151,512</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	350,265	422,144	71,879
Transfers in	-	-	1,702	1,702
Transfers out	<u>(45,834)</u>	<u>(58,243)</u>	<u>(1,702)</u>	<u>56,541</u>
Total Other Financing Sources (Uses)	<u>(45,834)</u>	<u>292,022</u>	<u>564,921</u>	<u>272,899</u>
Net Change in Fund Balances	(2,505,697)	(2,551,559)	(127,148)	2,424,411
Fund Balances - Beginning	<u>4,073,322</u>	<u>4,073,322</u>	<u>4,073,322</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,567,625</u>	<u>\$ 1,521,763</u>	<u>\$ 3,946,174</u>	<u>\$ 2,424,411</u>

HILL COUNTY, TEXAS

NOTES TO BUDGETARY INFORMATION

SEPTEMBER 30, 2017

BUDGET INFORMATION

The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioners' Court.

The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. The County Judge prepares the budget by July 31 of each year pursuant to statute.

The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash.

When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the fund. Unused appropriations lapse at the end of each year.

Budgets for all budgeted General, Debt Service and Special Revenue Funds are adopted on a budgetary basis which is in conformity with generally accepted accounting principles (GAAP). Budgets for the 2017 fiscal year were adopted for the General Fund, the Road and Bridge Funds, County Clerk, the Law Library Fund, the Jury Fund, the Records Preservation and Management Fund, the D.A. Forfeited Property Fund, the Indigent Health Care, Justice Court Technology Fund, the Interest and Sinking Fund, the Investigative Fund, the Courthouse Security Fund, the Elections Machine Fund, the Hill County Tourism Fund and the District Clerk Archive Fund.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of appropriations:

Sheriff Fund	
Judicial	\$ 9,410
Records Preservation and Management	
Judicial	8
Law Library	
Judicial	1,191

HILL COUNTY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

SEPTEMBER 30, 2017

Plan Year Ended December 31,	2014	2015	2016
Total Pension Liability			
Service Cost	\$ 736,319	\$ 741,781	\$ 803,410
Interest total pension liability	1,618,264	1,696,658	1,751,848
Effect of plan changes	-	(128,791)	-
Effect of assumption changes or inputs	-	243,723	-
Effect of economic/demographic (gains) or losses	(213,147)	(604,476)	(653,505)
Benefit payments/refunds of contributions	(1,269,827)	(1,193,954)	(1,290,764)
Net change in total pension liability	871,609	754,941	610,989
Total pension liability - beginning	20,240,126	21,111,735	21,866,676
Total pension liability - ending (a)	\$ 21,111,735	\$ 21,866,676	\$ 22,477,665
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/refunds of contributions	(1,269,827)	(1,193,954)	(1,290,764)
Administrative expenses	(15,369)	(14,665)	(16,279)
Other	84,216	(213,411)	(175,716)
Net change in plan fiduciary net position	1,137,910	(272,063)	1,032,913
Plan fiduciary net position - beginning	19,400,585	20,538,495	20,266,432
Plan fiduciary net position - ending (b)	20,538,495	20,266,432	21,299,345
Net pension liability - ending (a) - (b)	\$ 573,240	\$ 1,600,244	\$ 1,178,320
Fiduciary net position as a percentage of total pension liability	97.28%	92.68%	94.76%
Pensionable covered payroll	\$ 7,213,645	\$ 7,409,269	\$ 7,409,269
Net pension liability as a percentage of covered payroll	7.95%	21.60%	15.90%

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

HILL COUNTY, TEXAS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

SEPTEMBER 30, 2017

<u>Fiscal Year Ended September 30</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll (1)</u>	<u>Actual Contribution as a % of Covered Payroll</u>
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%

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

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

HILL COUNTY, TEXAS

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

SEPTEMBER 30, 2017

Valuation Timing	Actuarially determined contribution rates are calculated each December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	10.3 years (based on contribution rate calculated in 12/31/2016 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.0%, net of investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule	No changes in plan provisions are reflected in the Schedule of Employer Contributions.

**COMBINING STATEMENTS
AND SCHEDULES**

HILL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	Special Revenue			
	Adult Probation	Law Library	Jury	Election Machine Lease
ASSETS				
Cash and cash equivalents	\$ 561,942	\$ 28,869	\$ 50,551	\$ 5,430
Receivables (net of allowance for uncollectibles)	-	-	-	-
Intergovernmental receivable	-	-	18,771	-
Total Assets	561,942	28,869	69,322	5,430
LIABILITIES				
Accounts payable	16,846	2,480	57,448	-
Accrued liabilities	12,756	-	51	-
Due to other funds	-	-	20,000	-
Total Liabilities	29,602	2,480	77,499	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted:				
Records management	-	-	-	-
Tourism	-	-	-	-
Construction	-	-	-	-
Debt Service	-	-	-	-
Elections	-	-	-	5,430
Health and welfare	-	-	-	-
Judicial	-	26,389	-	-
Public safety	532,340	-	-	-
Unassigned	-	-	(8,177)	-
Total Fund Balances	532,340	26,389	(8,177)	5,430
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 561,942	\$ 28,869	\$ 69,322	\$ 5,430

Special Revenue

Election Contract Fund	Juvenile Probation	Crime Victim Assistance	County Clerk	Hill County Tourism	District Clerk Archive Fund
\$ 4,426	\$ 82,758	\$ -	\$ 534,230	\$ 86,477	\$ 4,977
3,833	460	-	-	-	-
-	64,871	12,604	-	-	-
<u>8,259</u>	<u>148,089</u>	<u>12,604</u>	<u>534,230</u>	<u>86,477</u>	<u>4,977</u>
-	66,498	1,093	2,752	-	-
-	6,289	834	-	-	-
-	578	10,677	-	-	-
<u>-</u>	<u>73,365</u>	<u>12,604</u>	<u>2,752</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	531,478	-	4,977
-	-	-	-	86,477	-
-	-	-	-	-	-
-	-	-	-	-	-
8,259	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	74,724	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,259</u>	<u>74,724</u>	<u>-</u>	<u>531,478</u>	<u>86,477</u>	<u>4,977</u>
<u>\$ 8,259</u>	<u>\$ 148,089</u>	<u>\$ 12,604</u>	<u>\$ 534,230</u>	<u>\$ 86,477</u>	<u>\$ 4,977</u>

HILL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2017

	Special Revenue			
	Election Chapter 19 Funds	Records Preservation and Management	Courthouse Security	Probate Records Management
ASSETS				
Cash and cash equivalents	\$ 204	\$ 31,950	\$ 17,824	\$ 22,659
Receivables (net of allowance for uncollectibles)	-	-	-	-
Intergovernmental receivable	-	-	-	-
Total Assets	204	31,950	17,824	22,659
LIABILITIES				
Accounts payable	180	649	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	180	649	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted:				
Records management	-	-	-	22,659
Tourism	-	-	-	-
Construction	-	-	-	-
Debt Service	-	-	-	-
Elections	24	-	-	-
Health and welfare	-	-	-	-
Judicial	-	31,301	17,824	-
Public safety	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	24	31,301	17,824	22,659
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 204	\$ 31,950	\$ 17,824	\$ 22,659

Special Revenue

Hot Check Restitution	Sheriff Department	D.A. Forfeited Property	Justice Court Technology	Child Welfare Board	C.A. Hot Check Fund	Constable Federal Seizure
\$ 4,004	\$ 134,613	\$ 306,244	\$ 8,995	\$ 1,316	\$ 15,663	\$ 100
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,004</u>	<u>134,613</u>	<u>306,244</u>	<u>8,995</u>	<u>1,316</u>	<u>15,663</u>	<u>100</u>
526	300	-	-	1,316	-	-
-	-	579	-	-	-	-
-	-	-	-	-	-	100
<u>526</u>	<u>300</u>	<u>579</u>	<u>-</u>	<u>1,316</u>	<u>-</u>	<u>100</u>
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HILL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
SEPTEMBER 30, 2017

	<u>Special Revenue</u>			
	Indigent Health Care	Debt Service Fund	Courthouse Project	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 256,131	\$ 96,281	\$ 316,792	\$ 2,572,436
Receivables (net of allowance for uncollectibles)	95,637	54,400	-	154,330
Intergovernmental receivable	-	-	-	96,246
Total Assets	<u>351,768</u>	<u>150,681</u>	<u>316,792</u>	<u>2,823,012</u>
LIABILITIES				
Accounts payable	3,513	-	-	153,601
Accrued liabilities	809	-	-	21,318
Due to other funds	-	-	-	31,355
Total Liabilities	<u>4,322</u>	<u>-</u>	<u>-</u>	<u>206,274</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	<u>65,580</u>	<u>50,620</u>	<u>-</u>	<u>116,200</u>
Total Deferred Inflows of Resources	<u>65,580</u>	<u>50,620</u>	<u>-</u>	<u>116,200</u>
FUND BALANCES				
Restricted:				
Records management	-	-	-	559,114
Tourism	-	-	-	86,477
Construction	-	-	316,792	316,792
Debt Service	-	100,061	-	100,061
Elections	-	-	-	13,713
Health and welfare	281,866	-	-	281,866
Judicial	-	-	-	409,315
Public safety	-	-	-	741,377
Unassigned	-	-	-	(8,177)
Total Fund Balances	<u>281,866</u>	<u>100,061</u>	<u>316,792</u>	<u>2,500,538</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 351,768</u>	 <u>\$ 150,681</u>	 <u>\$ 316,792</u>	 <u>\$ 2,823,012</u>

HILL COUNTY, TEXAS

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

SEPTEMBER 30, 2017

	Special Revenue			
	Adult Probation	Law Library	Jury	Election Machine Lease
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental	486,401	-	55,476	-
Fees of office	414,539	22,540	268,015	-
Fines and forfeitures	-	-	-	-
Investment earnings	435	116	26	2
Miscellaneous	-	-	2,716	2,820
Total Revenues	901,375	22,656	326,233	2,822
EXPENDITURES				
Current:				
General government	-	-	-	-
Judicial	-	17,191	498,598	-
Public safety	795,880	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest and other	-	-	-	-
Total Expenditures	795,880	17,191	498,598	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	105,495	5,465	(172,365)	2,822
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	170,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	170,000	-
NET CHANGE IN FUND BALANCES	105,495	5,465	(2,365)	2,822
FUND BALANCES - BEGINNING	426,845	20,924	(5,812)	2,608
FUND BALANCES - ENDING	\$ 532,340	\$ 26,389	\$(8,177)	\$ 5,430

Special Revenue

Election Contract Fund	Juvenile Probation	Crime Victim Assistance	County Clerk	Hill County Tourism	District Clerk Archive Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	37,210	-
-	487,056	42,478	-	-	-
-	62,063	-	159,914	-	3,449
-	-	-	-	-	-
1	167	-	2,457	949	2
-	2,766	-	-	-	-
<u>1</u>	<u>552,052</u>	<u>42,478</u>	<u>162,371</u>	<u>38,159</u>	<u>3,451</u>
2,438	-	-	33,024	-	-
-	201,288	-	8,538	-	4,000
-	468,086	42,478	-	-	-
-	-	-	-	-	-
-	-	-	-	103,563	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,438</u>	<u>669,374</u>	<u>42,478</u>	<u>41,562</u>	<u>103,563</u>	<u>4,000</u>
(2,437)	(117,322)	-	120,809	(65,404)	(549)
-	-	-	-	-	-
-	69,000	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>69,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,437)	(48,322)	-	120,809	(65,404)	(549)
<u>10,696</u>	<u>123,046</u>	<u>-</u>	<u>410,669</u>	<u>151,881</u>	<u>5,526</u>
\$ <u>8,259</u>	\$ <u>74,724</u>	\$ <u>-</u>	\$ <u>531,478</u>	\$ <u>86,477</u>	\$ <u>4,977</u>

HILL COUNTY, TEXAS

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

SEPTEMBER 30, 2017

	Special Revenue			
	Election Chapter 19 Funds	Records Preservation and Management	Courthouse Security	Probate Records Management
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Intergovernmental	1,400	-	-	-
Fees of office	-	23,292	21,979	760
Fines and forfeitures	-	-	-	-
Investment earnings	-	192	137	126
Miscellaneous	-	-	-	-
Total Revenues	1,400	23,484	22,116	886
EXPENDITURES				
Current:				
General government	1,400	-	-	-
Judicial	-	35,008	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest and other	-	-	-	-
Total Expenditures	1,400	35,008	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(11,524)	22,116	886
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(25,000)	-
Total Other Financing Sources (Uses)	-	-	(25,000)	-
NET CHANGE IN FUND BALANCES	-	(11,524)	(2,884)	886
FUND BALANCES - BEGINNING	24	42,825	20,708	21,773
FUND BALANCES - ENDING	\$ 24	\$ 31,301	\$ 17,824	\$ 22,659

Special Revenue

Hot Check Restitution	Sheriff Department	D.A. Forfeited Property	J.P. Court Costs	Justice Court Technology	Child Welfare Board	C.A. Hot Check Fund	Constable Federal Seizure
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	8,057	-	-	-	-	-	-
3,444	-	-	-	16,453	-	-	-
-	951	14,996	-	-	-	385	-
-	221	1,887	-	84	-	-	-
-	49,244	-	-	-	2,644	-	-
<u>3,444</u>	<u>58,473</u>	<u>16,883</u>	<u>-</u>	<u>16,537</u>	<u>2,644</u>	<u>385</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	9,410	45,831	-	-	-	-	-
-	10,034	-	-	-	-	-	-
-	-	-	-	-	2,644	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>19,444</u>	<u>45,831</u>	<u>-</u>	<u>-</u>	<u>2,644</u>	<u>-</u>	<u>-</u>
<u>3,444</u>	<u>39,029</u>	<u>(28,948)</u>	<u>-</u>	<u>16,537</u>	<u>-</u>	<u>385</u>	<u>-</u>
-	6,014	8,071	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(20,000)	-	-	-
<u>-</u>	<u>6,014</u>	<u>8,071</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,444	45,043	(20,877)	-	(3,463)	-	385	-
<u>34</u>	<u>89,270</u>	<u>326,542</u>	<u>-</u>	<u>12,458</u>	<u>-</u>	<u>15,278</u>	<u>-</u>
<u>\$ 3,478</u>	<u>\$ 134,313</u>	<u>\$ 305,665</u>	<u>\$ -</u>	<u>\$ 8,995</u>	<u>\$ -</u>	<u>\$ 15,663</u>	<u>\$ -</u>

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HILL COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2017

	Special Revenue			
	Indigent Health Care	Debt Service Fund	Courthouse Project	Non-Major Governmental Funds
REVENUES				
Taxes:				
Property	\$ 787,529	\$ 611,996	\$ -	\$ 1,399,525
Other	144,694	-	-	181,904
Intergovernmental	-	-	-	1,080,868
Fees of office	-	-	-	996,448
Fines and forfeitures	-	-	-	16,332
Investment earnings	-	1,268	3,280	11,350
Miscellaneous	18,607	-	-	78,797
Total Revenues	950,830	613,264	3,280	3,765,224
EXPENDITURES				
Current:				
General government	-	-	-	36,862
Judicial	-	-	-	819,864
Public safety	-	-	-	1,316,478
Health and welfare	729,792	-	-	732,436
Culture and recreation	-	-	-	103,563
Debt Service:				
Principal retirement	-	465,000	-	465,000
Interest and other	-	147,943	-	147,943
Total Expenditures	729,792	612,943	-	3,622,146
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	221,038	321	3,280	143,078
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	14,085
Transfers in	-	-	-	239,000
Transfers out	(100,000)	-	(51,770)	(196,770)
Total Other Financing Sources (Uses)	(100,000)	-	(51,770)	56,315
NET CHANGE IN FUND BALANCES	121,038	321	(48,490)	199,393
FUND BALANCES - BEGINNING	160,828	99,740	365,282	2,301,145
FUND BALANCES - ENDING	\$ 281,866	\$ 100,061	\$ 316,792	\$ 2,500,538

HILL COUNTY, TEXAS
ROAD AND BRIDGE FUNDS
COMBINING BALANCE SHEET

SEPTEMBER 30, 2017

	Road and Bridge General	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3
ASSETS				
Cash and cash equivalents	\$ 130,803	\$ 946,168	\$ 186,571	\$ 620,666
Receivables (net of allowance for uncollectibles)	-	23,382	27,228	26,539
Intergovernmental receivable	-	887,589	194,466	212,888
Total Assets	130,803	1,857,139	408,265	860,093
LIABILITIES				
Accounts payable	14,933	74,291	5,383	15,348
Accrued wages payable	612	6,213	5,038	6,137
Total Liabilities	15,545	80,504	10,421	21,485
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	16,035	15,936	18,199
Unavailable revenue-grants	-	887,589	194,466	212,888
Total Deferred Inflows of Resources	-	903,624	210,402	231,087
FUND BALANCES				
Restricted for:				
Public transportation	115,258	873,011	187,442	607,521
Total Fund Balances	115,258	873,011	187,442	607,521
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 130,803	\$ 1,857,139	\$ 408,265	\$ 860,093

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
\$ 662,675	\$ 192,661	\$ 210,080	\$ 713,900	\$ 430,838	\$ 4,094,362
23,742	36,923	36,696	41,906	35,490	251,906
28,875	-	-	-	-	1,323,818
<u>715,292</u>	<u>229,584</u>	<u>246,776</u>	<u>755,806</u>	<u>466,328</u>	<u>5,670,086</u>
11,793	9,261	30,911	1,836	5,969	169,725
5,914	-	-	-	-	23,914
<u>17,707</u>	<u>9,261</u>	<u>30,911</u>	<u>1,836</u>	<u>5,969</u>	<u>193,639</u>
15,412	34,443	34,232	39,093	33,105	206,455
28,875	-	-	-	-	1,323,818
<u>44,287</u>	<u>34,443</u>	<u>34,232</u>	<u>39,093</u>	<u>33,105</u>	<u>1,530,273</u>
653,298	185,880	181,633	714,877	427,254	3,946,174
<u>653,298</u>	<u>185,880</u>	<u>181,633</u>	<u>714,877</u>	<u>427,254</u>	<u>3,946,174</u>
\$ <u>715,292</u>	\$ <u>229,584</u>	\$ <u>246,776</u>	\$ <u>755,806</u>	\$ <u>466,328</u>	\$ <u>5,670,086</u>

HILL COUNTY, TEXAS

ROAD AND BRIDGE FUNDS

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

SEPTEMBER 30, 2017

	<u>Road and Bridge General</u>	<u>Road and Bridge No. 1</u>	<u>Road and Bridge No. 2</u>	<u>Road and Bridge No. 3</u>
REVENUES				
Taxes				
Property	\$ -	\$ 196,747	\$ 195,544	\$ 223,304
Sales	-	35,378	35,161	40,153
Intergovernmental	-	662,445	198,748	262,708
License and permits	-	168,912	167,877	191,711
Fines and forfeitures	96,786	-	-	-
Investment earnings	891	8,818	2,977	10,299
Miscellaneous	3,900	4,175	7,757	3,539
Total Revenues	<u>101,577</u>	<u>1,076,475</u>	<u>608,064</u>	<u>731,714</u>
EXPENDITURES				
Roads and highways	108,591	1,295,326	769,058	765,440
Debt Service:				
Principal retirement	-	31,022	-	-
Interest and other	-	2,681	-	-
Total Expenditures	<u>108,591</u>	<u>1,329,029</u>	<u>769,058</u>	<u>765,440</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(7,014)	(252,554)	(160,994)	(33,726)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	27,522
Transfers in	-	1,702	-	-
Transfers out	-	-	-	-
Capital lease	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,702</u>	<u>-</u>	<u>27,522</u>
Net Changes in Fund Balances	(7,014)	(250,852)	(160,994)	(6,204)
Fund Balances - Beginning	<u>122,272</u>	<u>1,123,863</u>	<u>348,436</u>	<u>613,725</u>
Fund Balances - Ending	<u>\$ 115,258</u>	<u>\$ 873,011</u>	<u>\$ 187,442</u>	<u>\$ 607,521</u>

<u>Road and Bridge No. 4</u>	<u>Lateral Road No. 1</u>	<u>Lateral Road No. 2</u>	<u>Lateral Road No. 3</u>	<u>Lateral Road No. 4</u>	<u>Total Road and Bridge</u>
\$ 189,104	\$ 411,785	\$ 409,257	\$ 467,362	\$ 395,786	\$ 2,488,889
34,003	-	-	-	-	144,695
71,065	-	-	-	-	1,194,966
162,350	-	-	-	-	690,850
-	-	-	-	-	96,786
9,711	-	-	-	-	32,696
10,877	-	-	-	-	30,248
<u>477,110</u>	<u>411,785</u>	<u>409,257</u>	<u>467,362</u>	<u>395,786</u>	<u>4,679,130</u>
1,193,113	319,910	331,824	178,317	375,917	5,337,496
-	-	-	-	-	31,022
-	-	-	-	-	2,681
<u>1,193,113</u>	<u>319,910</u>	<u>331,824</u>	<u>178,317</u>	<u>375,917</u>	<u>5,371,199</u>
(716,003)	91,875	77,433	289,045	19,869	(692,069)
392,122	-	-	-	2,500	422,144
-	-	-	-	-	1,702
-	(1,702)	-	-	-	(1,702)
142,777	-	-	-	-	142,777
<u>534,899</u>	<u>(1,702)</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>564,921</u>
(181,104)	90,173	77,433	289,045	22,369	(127,148)
<u>834,402</u>	<u>95,707</u>	<u>104,200</u>	<u>425,832</u>	<u>404,885</u>	<u>4,073,322</u>
<u>\$ 653,298</u>	<u>\$ 185,880</u>	<u>\$ 181,633</u>	<u>\$ 714,877</u>	<u>\$ 427,254</u>	<u>\$ 3,946,174</u>

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HILL COUNTY, TEXAS

LAW LIBRARY

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fees of office	\$ 21,150	\$ 21,150	\$ 22,540	\$ 1,390
Investment earnings	<u>15</u>	<u>15</u>	<u>116</u>	<u>101</u>
Total Revenues	<u>21,165</u>	<u>21,165</u>	<u>22,656</u>	<u>1,491</u>
EXPENDITURES				
Current				
Judicial	<u>16,000</u>	<u>16,000</u>	<u>17,191</u>	(<u>1,191</u>)
Total Expenditures	<u>16,000</u>	<u>16,000</u>	<u>17,191</u>	(<u>1,191</u>)
Net Change in Fund Balances	5,165	5,165	5,465	300
Fund Balances - Beginning	<u>20,924</u>	<u>20,924</u>	<u>20,924</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 26,089</u>	<u>\$ 26,089</u>	<u>\$ 26,389</u>	<u>\$ 300</u>

HILL COUNTY, TEXAS

JURY FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 47,000	\$ 47,000	\$ 55,476	\$ 8,476
Fees of office	356,530	356,530	268,015	(88,515)
Investment earnings	45	45	26	(19)
Miscellaneous	<u>-</u>	<u>-</u>	<u>2,716</u>	<u>2,716</u>
Total Revenues	<u>403,575</u>	<u>403,575</u>	<u>326,233</u>	<u>(77,342)</u>
EXPENDITURES				
Current				
Judicial	<u>532,265</u>	<u>532,265</u>	<u>498,598</u>	<u>33,667</u>
Total Expenditures	<u>532,265</u>	<u>532,265</u>	<u>498,598</u>	<u>33,667</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(128,690)</u>	<u>(128,690)</u>	<u>(172,365)</u>	<u>(43,675)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>130,000</u>	<u>130,000</u>	<u>170,000</u>	<u>40,000</u>
Total Other Financing Sources (Uses)	<u>130,000</u>	<u>130,000</u>	<u>170,000</u>	<u>40,000</u>
Net Change in Fund Balances	1,310	1,310	(2,365)	(3,675)
Fund Balances - Beginning	<u>(5,812)</u>	<u>(5,812)</u>	<u>(5,812)</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (4,502)</u>	<u>\$ (4,502)</u>	<u>\$ (8,177)</u>	<u>\$ (3,675)</u>

HILL COUNTY, TEXAS

ELECTION MACHINE LEASE

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 2	\$ 2
Miscellaneous	<u>-</u>	<u>-</u>	<u>2,820</u>	<u>2,820</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>2,822</u>	<u>2,822</u>
Net Change in Fund Balances	-	-	2,822	2,822
Fund Balances - Beginning	<u>2,608</u>	<u>2,608</u>	<u>2,608</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,608</u>	<u>\$ 2,608</u>	<u>\$ 5,430</u>	<u>\$ 2,822</u>

HILL COUNTY, TEXAS

COUNTY CLERK

(COUNTY CLERK RECORDS, PROBATE EDUCATION AND COUNTY CLERK ARCHIVE FUNDS)

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fees of office	\$ 149,239	\$ 149,239	\$ 159,914	\$ 10,675
Investment earnings	<u>1,271</u>	<u>1,271</u>	<u>2,457</u>	<u>1,186</u>
Total Revenues	<u>150,510</u>	<u>150,510</u>	<u>162,371</u>	<u>11,861</u>
EXPENDITURES				
Current				
General administration	34,000	34,000	33,024	976
Judicial	<u>50,000</u>	<u>50,000</u>	<u>8,538</u>	<u>41,462</u>
Total Expenditures	<u>84,000</u>	<u>84,000</u>	<u>41,562</u>	<u>42,438</u>
Net Change in Fund Balances	66,510	66,510	120,809	54,299
Fund Balances - Beginning	<u>410,669</u>	<u>410,669</u>	<u>410,669</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 477,179</u>	<u>\$ 477,179</u>	<u>\$ 531,478</u>	<u>\$ 54,299</u>

HILL COUNTY, TEXAS

HILL COUNTY TOURISM

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Other	\$ 35,000	\$ 35,000	\$ 37,210	\$ 2,210
Investment earnings	<u>450</u>	<u>450</u>	<u>949</u>	<u>499</u>
Total Revenues	<u>35,450</u>	<u>35,450</u>	<u>38,159</u>	<u>2,709</u>
EXPENDITURES				
Current				
Culture and recreation	<u>112,200</u>	<u>112,200</u>	<u>103,563</u>	<u>8,637</u>
Total Expenditures	<u>112,200</u>	<u>112,200</u>	<u>103,563</u>	<u>8,637</u>
Net Change in Fund Balances	(76,750)	(76,750)	(65,404)	11,346
Fund Balances - Beginning	<u>151,881</u>	<u>151,881</u>	<u>151,881</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 75,131</u>	<u>\$ 75,131</u>	<u>\$ 86,477</u>	<u>\$ 11,346</u>

HILL COUNTY, TEXAS

DISTRICT CLERK ARCHIVE

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fees of office	\$ 3,100	\$ 3,100	\$ 3,449	\$ 349
Interest	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Total Revenues	<u>3,100</u>	<u>3,100</u>	<u>3,451</u>	<u>351</u>
EXPENDITURES				
Current				
Judicial	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net Change in Fund Balances	(900)	(900)	(549)	351
Fund Balances - Beginning	<u>5,526</u>	<u>5,526</u>	<u>5,526</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,626</u>	<u>\$ 4,626</u>	<u>\$ 4,977</u>	<u>\$ 351</u>

HILL COUNTY, TEXAS

RECORDS PRESERVATION AND MANAGEMENT

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fees of office	\$ 25,450	\$ 25,450	\$ 23,292	\$(2,158)
Investment earnings	<u>225</u>	<u>225</u>	<u>192</u>	<u>(33)</u>
Total Revenues	<u>25,675</u>	<u>25,675</u>	<u>23,484</u>	<u>(2,191)</u>
EXPENDITURES				
Current				
Judicial	<u>35,000</u>	<u>35,000</u>	<u>35,008</u>	<u>(8)</u>
Total Expenditures	<u>35,000</u>	<u>35,000</u>	<u>35,008</u>	<u>(8)</u>
Net Change in Fund Balances	(9,325)	(9,325)	(11,524)	(2,199)
Fund Balances - Beginning	<u>42,825</u>	<u>42,825</u>	<u>42,825</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 33,500</u>	<u>\$ 33,500</u>	<u>\$ 31,301</u>	<u>\$(2,199)</u>

HILL COUNTY, TEXAS

COURTHOUSE SECURITY

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fees of office	\$ 21,900	\$ 21,900	\$ 21,979	\$ 79
Investment earnings	<u>130</u>	<u>130</u>	<u>137</u>	<u>7</u>
Total Revenues	<u>22,030</u>	<u>22,030</u>	<u>22,116</u>	<u>86</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>22,030</u>	<u>22,030</u>	<u>22,116</u>	<u>86</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Change in Fund Balances	(2,970)	(2,970)	(2,884)	86
Fund Balances - Beginning	<u>20,708</u>	<u>20,708</u>	<u>20,708</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 17,738</u>	<u>\$ 17,738</u>	<u>\$ 17,824</u>	<u>\$ 86</u>

HILL COUNTY, TEXAS

**SHERIFF DEPARTMENT FUND
(LAW ENFORCEMENT EDUCATION, FEDERAL SEIZURES, FEDERAL DoT, INVESTIGATIVE)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 8,057	\$ 8,057
Fines and forfeitures	-	-	951	951
Investment earnings	50	50	221	171
Miscellaneous	-	-	49,244	49,244
Total Revenues	<u>50</u>	<u>50</u>	<u>58,473</u>	<u>58,423</u>
EXPENDITURES				
Current				
Judicial	-	-	9,410	(9,410)
Public safety	<u>45,536</u>	<u>51,549</u>	<u>10,034</u>	<u>41,515</u>
Total Expenditures	<u>45,536</u>	<u>51,549</u>	<u>19,444</u>	<u>32,105</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(45,486)</u>	<u>(51,499)</u>	<u>39,029</u>	<u>90,528</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	6,014	6,014	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,014</u>	<u>6,014</u>	<u>-</u>
Net Change in Fund Balances	(45,486)	(45,485)	45,043	90,528
Fund Balances - Beginning	<u>89,270</u>	<u>89,270</u>	<u>89,270</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 43,784</u>	<u>\$ 43,785</u>	<u>\$ 134,313</u>	<u>\$ 90,528</u>

HILL COUNTY, TEXAS

D.A. FORFEITED PROPERTY

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 14,996	\$ 14,996
Investment earnings	<u>500</u>	<u>500</u>	<u>1,887</u>	<u>1,387</u>
Total Revenues	<u>500</u>	<u>500</u>	<u>16,883</u>	<u>16,383</u>
EXPENDITURES				
Current				
Judicial	<u>57,367</u>	<u>57,367</u>	<u>45,831</u>	<u>11,536</u>
Total Expenditures	<u>57,367</u>	<u>57,367</u>	<u>45,831</u>	<u>11,536</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(56,867)</u>	<u>(56,867)</u>	<u>(28,948)</u>	<u>27,919</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>8,071</u>	<u>8,071</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8,071</u>	<u>8,071</u>
Net Change in Fund Balances	<u>(56,867)</u>	<u>(56,867)</u>	<u>(20,877)</u>	<u>35,990</u>
Fund Balances - Beginning	<u>326,542</u>	<u>326,542</u>	<u>326,542</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 269,675</u>	<u>\$ 269,675</u>	<u>\$ 305,665</u>	<u>\$ 35,990</u>

HILL COUNTY, TEXAS

JUSTICE COURT TECHNOLOGY

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fees of office	\$ 17,912	\$ 17,912	\$ 16,453	\$(1,459)
Investment earnings	<u>75</u>	<u>75</u>	<u>84</u>	<u>9</u>
Total Revenues	<u>17,987</u>	<u>17,987</u>	<u>16,537</u>	<u>(1,450)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>17,987</u>	<u>17,987</u>	<u>16,537</u>	<u>(1,450)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net Change in Fund Balances	(2,013)	(2,013)	(3,463)	(1,450)
Fund Balances - Beginning	<u>12,458</u>	<u>12,458</u>	<u>12,458</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 10,445</u>	<u>\$ 10,445</u>	<u>\$ 8,995</u>	<u>\$(1,450)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 801,935	\$ 801,935	\$ 787,529	\$(14,406)
Sales	136,400	136,400	144,694	8,294
Miscellaneous	5,400	5,400	18,607	13,207
Total Revenues	<u>943,735</u>	<u>943,735</u>	<u>950,830</u>	<u>7,095</u>
EXPENDITURES				
Current:				
Health and welfare	840,263	840,263	729,792	110,471
Total Expenditures	<u>840,263</u>	<u>840,263</u>	<u>729,792</u>	<u>110,471</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>103,472</u>	<u>103,472</u>	<u>221,038</u>	<u>117,566</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balances	3,472	3,472	121,038	117,566
Fund Balances - Beginning	<u>160,828</u>	<u>160,828</u>	<u>160,828</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 164,300</u>	<u>\$ 164,300</u>	<u>\$ 281,866</u>	<u>\$ 117,566</u>

HILL COUNTY, TEXAS

INTEREST AND SINKING FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$ 540,670	\$ 540,670	\$ 611,996	\$ 71,326
Investment earnings	<u>1,200</u>	<u>1,200</u>	<u>1,268</u>	<u>68</u>
Total Revenues	<u>541,870</u>	<u>541,870</u>	<u>613,264</u>	<u>71,394</u>
EXPENDITURES				
Debt service				
Principal retirement	465,000	465,000	465,000	-
Interest and other	<u>147,944</u>	<u>147,944</u>	<u>147,943</u>	<u>1</u>
Total Expenditures	<u>612,944</u>	<u>612,944</u>	<u>612,943</u>	<u>1</u>
Net Change in Fund Balances	(71,074)	(71,074)	321	71,393
Fund Balances - Beginning	<u>99,740</u>	<u>99,740</u>	<u>99,740</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 28,666</u>	<u>\$ 28,666</u>	<u>\$ 100,061</u>	<u>\$ 71,393</u>

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