

ANNUAL FINANCIAL REPORT

of

HARDIN COUNTY, TEXAS

For the Year Ended
September 30, 2019

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HARDIN COUNTY, TEXAS

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INTRODUCTORY SECTION

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HARDIN COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS
September 30, 2019

COMMISSIONERS' COURT:

Wayne McDaniel	County Judge
L.W. Cooper, Jr	Commissioner, Precinct #1
Chris Kirkendall	Commissioner, Precinct #2
Ken Pelt	Commissioner, Precinct #3
Alvin Roberts	Commissioner, Precinct #4

JUDICIAL:

David Sheffield	District Attorney
Dana Hogg	District Clerk

LEGAL:

Rebecca Walton	County Attorney
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COUNTY COURT:

Glenda Alston	County Clerk
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JUSTICE COURTS:

Chris Ingram	Justice of Peace, Precinct #1
Charles Brewer	Justice of Peace, Precinct #2
Tommy "T.J." Hall	Justice of Peace, Precinct #3
Kent Walker	Justice of Peace, Precinct #4
Melissa Minton	Justice of Peace, Precinct #5
Jackie Werner	Justice of Peace, Precinct #6

LAW ENFORCEMENT:

Mark Davis	County Sheriff
Carlos Montalvo	Constable, Precinct #1
Ben Hawthorne	Constable, Precinct #2
Bill Overstreet	Constable, Precinct #3
Mark Ames	Constable, Precinct #4
Danny Sullins	Constable, Precinct #5
Ross Jordan	Constable, Precinct #6

FINANCIAL ADMINISTRATION:

Shirley Cook	Tax Assessor/Collector
Deborah McWilliams	County Treasurer
Angela Gore	County Auditor*

*Designated appointed official. All others are elected.

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Members of the Commissioners' Court of
Hardin County, 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 Hardin County, Texas (the "County"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 County'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 County'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 County as of September 30, 2019, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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, schedule of changes in net pension and other post-employment benefits ("OPEB") liabilities and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section and combining statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining 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 statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part

of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*B*ELT *H*ARRIS *P*ECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
June 19, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

The Statement of Activities presents information showing how the County's net position changed during the most recent 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 related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities are reported as one class of activity:

1. *Governmental Activities* – The County's basic services are reported here including general government, administration of justice, roads and bridges, public safety, health and human services, community enrichment, and tax administration. Interest payments on the County's debt are also reported here. Property tax, court fines, and other fees finance most of these activities.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the County. They are usually segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of County funds are governmental and fiduciary.

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 year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of 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 County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 53 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, road and bridge, and Hurricane Harvey funds, which are considered to be major funds for reporting purposes. The debt service fund did not meet the technical criteria to be reported as a major fund, however the County has elected to present it as major due to its significance.

The County adopts an annual appropriated budget for its general, road and bridge, and select special revenue funds. Budgetary comparison schedules have been provided for the general, road and bridge, and select special revenue funds to demonstrate compliance with their budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County maintains four fiduciary funds. The County's fiduciary activities are reported in a separate statement of fiduciary net position.

HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general and road and bridge funds and a schedule of changes in net pension and other post-employment benefits (OPEB) liabilities and related ratios, and schedule of contributions for the Texas County and District Retirement System. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$19,867,131 as of September 30, 2019. This compares with \$17,479,448 from the prior fiscal year. A portion of the County's net position, 74 percent, reflects its investments in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any 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 assets themselves cannot be used to liquidate these liabilities.

HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities	
	2019	2018
Current and other assets	\$ 13,902,721	\$ 13,742,127
Capital assets, net	17,708,610	16,231,264
Total Assets	31,611,331	29,973,391
Deferred charge on refunding	19,769	24,711
Deferred outflows - pensions	4,612,036	1,653,409
Deferred outflows - OPEB	67,177	-
Total Deferred Outflows of Resources	4,698,982	1,678,120
Long-term liabilities	13,755,176	8,997,682
Other liabilities	2,142,825	3,535,629
Total Liabilities	15,898,001	12,533,311
Deferred inflows - pensions	545,181	1,638,752
Total Deferred Inflows of Resources	545,181	1,638,752
Net Position:		
Net investment in capital assets	14,783,115	13,243,701
Restricted	3,280,707	3,329,354
Unrestricted	1,803,309	906,393
Total Net Position	\$ 19,867,131	\$ 17,479,448

A portion of the County's net position, \$3,280,707 or 17 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$1,803,309 or 9 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

The overall net position increased by \$2,387,683. Capital assets increased \$1,477,346 primarily due to the completion of the Sour Lake Retention Pond project during the fiscal year. The deferred outflows of resources increased by \$3,020,862 primarily due to deferred losses on investment earnings on pension plan assets. Total liabilities increased by \$3,364,690 mainly due to the increase in pension and OPEB liabilities.

HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

Statement of Activities

The following table provides a summary of the County's changes in net position:

	Governmental Activities	
	2019	2018
Revenues		
Program revenues:		
Charges for services	\$ 4,049,712	\$ 4,068,339
Operating grants and contributions	4,406,889	6,563,884
General revenues:		
Taxes	18,221,246	17,718,517
Investment income	247,981	128,755
Other revenues	506,976	695,760
Total Revenues	27,432,804	29,175,255
Expenses		
General government	5,448,950	3,159,319
Administration of justice	4,587,438	4,282,092
Roads and bridges	5,382,205	4,349,037
Public safety	7,567,383	11,858,363
Health and human services	985,235	786,963
Community enrichment	119,780	103,790
Tax administration	900,685	872,126
Interest on long-term debt	53,445	69,982
Total Expenses	25,045,121	25,481,672
Change in Net Position	2,387,683	3,693,583
Beginning net position	17,479,448	13,785,865
Ending Net Position	\$ 19,867,131	\$ 17,479,448

Overall, governmental activities revenue decreased \$1,742,451 primarily as a result of a decrease in operating grants and contributions and other revenues. Total governmental activities expenses also decreased from the prior year by \$436,551. This decrease can be attributed to the decrease in public safety expenses due to the fewer expenses related to Hurricane Harvey, offset by increases in general government and roads and bridges expenses related to increases in pension and OPEB liabilities during the year.

HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental 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, the unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

The County's governmental funds reflect a combined fund balance of \$8,790,446. Of this, \$5,231,717 is unassigned and available for day-to-day operations of the County, \$17,143 is restricted for debt service, \$1,955,630 is restricted for road and bridge projects, \$1,307,934 is restricted within the County's special revenue funds, and \$278,022 is considered as nonspendable for prepaids.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,892,985. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 36 percent of total general fund expenditures while total fund balance represents 37 percent of total general fund expenditures.

Fund balance in the general fund experienced an increase of \$212,493 due to increases in taxes, fines and fees, and interest income revenues for the County. The fund balance in the road and bridge fund experienced a decrease of \$4,382 due to increases in public transportation expense for the County. The County's Hurricane Harvey fund experienced an increase of \$1,330,212 in fund balance that can be attributed to prior year hurricane-related expenditures reimbursed by Federal Emergency Management Agency as of fiscal year end. The fund balance in the debt service fund experienced an increase of \$302 due to an increase in property tax revenue during the year offset with an increase in principal payments on debt. There was an overall increase as result of Hurricane Harvey revenues in the combined fund balance of \$1,499,577 from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted general fund revenues were over final actual revenues by \$28,059 during the year. This net negative variance is primarily attributable to the original budgeted amount for taxes exceeding the actual amount collected. General fund disbursements were under the final budget by \$1,028,133. The largest positive expenditure variance was in commissioners' court for \$462,767 as a result of less expenditures than anticipated in contingency and case management software.

CAPITAL ASSETS

At the end of fiscal year 2019, the County had invested \$17,708,610 in a variety of capital assets and infrastructure (net of accumulated depreciation). Major capital asset events during the current year include the following:

- Commissioners court building \$117,415
- Justice of the Peace # 2 building \$84,638
- Public safety vehicles \$264,705
- Election equipment \$263,800
- Sour Lake Project retention pond \$4,260,255
- Road and bridge equipment \$728,135

HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2019

More detailed information on the County's capital assets can be found in note III.C. to the financial statements.

LONG-TERM DEBT

At the end of the year, the County reported total general obligation bonds, certificates of obligation, and capital leases of \$1,786,874. The County issued \$340,838 of new capital lease obligations during fiscal year 2019.

More detailed information on the County's long-term liabilities can be found in note III.D. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County experienced an increase in ad valorem revenue during the current year and is projected to have an 8.6% increase in the property tax revenue in the 2020 fiscal budget. Although the fiscal year 2020 tax rate of \$0.580 is a decrease from fiscal year 2019 tax rate of \$0.585, this expected increase is primarily due to an increase in the certified values and new property in the County. The consolidated adopted rate for fiscal year 2020 is \$0.580.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the finances of the County. Questions concerning this report or requests for additional financial information should be directed to Hardin County Auditor, Hardin County, 300 W. Monroe, P.O. Box 2996, Hardin County, Texas, 77625; telephone 409-246-5130.

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BASIC FINANCIAL STATEMENTS

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HARDIN COUNTY, TEXAS

STATEMENT OF NET POSITION

September 30, 2019

	Primary Government Governmental Activities
<u>Assets</u>	
Cash and cash equivalents	\$ 9,672,206
Receivables, net	3,936,507
Prepays	278,712
Due from other units	15,296
Total Current Assets	13,902,721
Capital assets:	
Nondepreciable	1,331,267
Net depreciable capital assets	16,377,343
Total Noncurrent Assets	17,708,610
Total Assets	31,611,331
<u>Deferred Outflows of Resources</u>	
Deferred charge on refunding	19,769
Deferred outflows - pensions	4,612,036
Deferred outflows - OPEB	67,177
Total Deferred Outflows of Resources	4,698,982
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued liabilities	1,385,802
Accrued interest payable	21,488
Due to other governments	36,777
Unearned revenue	698,758
Total Current Liabilities	2,142,825
Noncurrent liabilities:	
Long-term liabilities due within one year	1,014,801
Long-term liabilities due in more than one year	12,740,375
Total Noncurrent Liabilities	13,755,176
Total Liabilities	15,898,001
<u>Deferred Inflows of Resources</u>	
Deferred inflows - pensions	545,181
Total Deferred Inflows of Resources	545,181
<u>Net Position</u>	
Net investment in capital assets	14,783,115
Restricted for:	
Road and bridge	1,955,630
Debt service	17,143
Other purposes	1,307,934
Unrestricted	1,803,309
Total Net Position	\$ 19,867,131

See Notes to Financial Statements.

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HARDIN COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 5,448,950	\$ 1,557,303	\$ 1,402,305	\$ (2,489,342)
Administration of justice	4,587,438	178,674	136,499	(4,272,265)
Roads and bridges	5,382,205	2,313,735	644,100	(2,424,370)
Public safety	7,567,383	-	2,223,985	(5,343,398)
Health and human services	985,235	-	-	(985,235)
Community enrichment	119,780	-	-	(119,780)
Tax administration	900,685	-	-	(900,685)
Interest and fiscal charges	53,445	-	-	(53,445)
Total Governmental Activities	\$ 25,045,121	\$ 4,049,712	\$ 4,406,889	(16,588,520)
General Revenues:				
				18,221,246
				247,981
				506,976
			Total General Revenues	18,976,203
			Change in Net Position	2,387,683
			Beginning net position	17,479,448
			Ending Net Position	\$ 19,867,131

See Notes to Financial Statements.

HARDIN COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2019

	General	Road and Bridge	Hurricane Harvey	Debt Service
<u>Assets</u>				
Cash and cash equivalents	\$ 5,843,408	\$ 1,701,811	\$ 1	\$ 17,072
Receivables, net	2,554,072	454,820	81,002	57,491
Prepays	271,771	661	-	-
Due from other funds	755,660	547,463	-	-
Due from other units	14,648	-	-	-
Total Assets	\$ 9,439,559	\$ 2,704,755	\$ 81,003	\$ 74,563
<u>Liabilities</u>				
Accounts payable	\$ 717,464	\$ 259,785	\$ 9,207	\$ -
Accrued wages	220,765	53,296	-	-
Due to other funds	-	-	630,206	-
Due to other governments	354	-	-	-
Unearned revenue	-	-	102,858	-
Total Liabilities	938,583	313,081	742,271	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	2,336,220	435,383	-	57,420
Total Deferred Inflows of Resources	2,336,220	435,383	-	57,420
<u>Fund Balances</u>				
Nonspendable:				
Prepays	271,771	661	-	-
Restricted:				
Road and bridge	-	1,955,630	-	-
Debt service	-	-	-	17,143
Special revenue funds	-	-	-	-
Unassigned	5,892,985	-	(661,268)	-
Total Fund Balances	6,164,756	1,956,291	(661,268)	17,143
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,439,559	\$ 2,704,755	\$ 81,003	\$ 74,563

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 2,109,914	\$ 9,672,206
789,122	3,936,507
6,280	278,712
-	1,303,123
648	15,296
<u>\$ 2,905,964</u>	<u>\$ 15,205,844</u>
\$ 125,285	\$ 1,111,741
-	274,061
672,917	1,303,123
36,423	36,777
595,900	698,758
<u>1,430,525</u>	<u>3,424,460</u>
84,000	84,000
77,915	2,906,938
<u>161,915</u>	<u>2,990,938</u>
5,590	278,022
-	1,955,630
-	17,143
1,307,934	1,307,934
-	5,231,717
<u>1,313,524</u>	<u>8,790,446</u>
<u>\$ 2,905,964</u>	<u>\$ 15,205,844</u>

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HARDIN COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
September 30, 2019

Fund balances - total governmental funds	\$	8,790,446
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Nondepreciable capital assets		1,331,267
Depreciable capital assets, net		16,377,343
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Deferred inflows - property taxes		2,906,938
Deferred inflows - grant		84,000
Deferred outflows and deferred inflows related to pension activity and other post-employment benefits (OPEB) are not current financial resources and, therefore, not reported in the governmental funds.		
Deferred outflows - pensions		4,612,036
Deferred inflows - pensions		(545,181)
Deferred outflows - OPEB		67,177
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable		(21,488)
Deferred charge on refunding		19,769
Long-term liabilities due within one year		(1,014,801)
Long-term liabilities due in more than one year		(12,740,375)
Net Position of Governmental Activities	\$	<u>19,867,131</u>

See Notes to Financial Statements.

HARDIN COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2019

	<u>General</u>	<u>Road and Bridge</u>	<u>Hurricane Harvey</u>	<u>Debt Service</u>
<u>Revenues</u>				
Taxes	\$ 14,775,362	\$ 2,675,346	\$ -	\$ 339,722
Intergovernmental	-	-	1,625,155	-
Fines and fees	1,219,504	563,678	-	-
Licenses and permits	133,024	1,750,057	-	-
Investment income	246,190	-	-	420
Other revenues	74,826	998	115,843	-
Total Revenues	<u>16,448,906</u>	<u>4,990,079</u>	<u>1,740,998</u>	<u>340,142</u>
<u>Expenditures</u>				
General government	4,742,183	-	-	800
Administration of justice	3,618,920	-	-	-
Public transportation	-	4,939,306	-	-
Public safety	5,918,091	-	410,786	-
Health and human services	962,354	-	-	-
Community enrichment	117,901	-	-	-
Tax administration	871,216	-	-	-
Debt service:				
Principal	50,763	44,897	-	295,000
Interest	4,701	10,258	-	44,040
Capital outlay	278,782	62,056	-	-
Total Expenditures	<u>16,564,911</u>	<u>5,056,517</u>	<u>410,786</u>	<u>339,840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(116,005)	(66,438)	1,330,212	302
<u>Other Financing Sources (Uses)</u>				
Debt issuance	278,782	62,056	-	-
Transfers in	54,596	-	-	-
Transfers (out)	(4,880)	-	-	-
Total Other Financing Sources (Uses)	<u>328,498</u>	<u>62,056</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	212,493	(4,382)	1,330,212	302
Beginning fund balances	5,952,263	1,960,673	(1,991,480)	16,841
Ending Fund Balances	<u>\$ 6,164,756</u>	<u>\$ 1,956,291</u>	<u>\$ (661,268)</u>	<u>\$ 17,143</u>

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 395,823	\$ 18,186,253
2,769,185	4,394,340
383,449	2,166,631
-	1,883,081
1,371	247,981
315,309	506,976
<u>3,865,137</u>	<u>27,385,262</u>
463,629	5,206,612
799,503	4,418,423
400,676	5,339,982
2,118,519	8,447,396
-	962,354
-	117,901
-	871,216
6,340	397,000
725	59,724
65,077	405,915
<u>3,854,469</u>	<u>26,226,523</u>
10,668	1,158,739
-	340,838
4,880	59,476
(54,596)	(59,476)
<u>(49,716)</u>	<u>340,838</u>
(39,048)	1,499,577
<u>1,352,572</u>	<u>7,290,869</u>
<u>\$ 1,313,524</u>	<u>\$ 8,790,446</u>

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HARDIN 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, 2019

Net changes in fund balances – total governmental funds \$ 1,499,577

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	3,099,441
Depreciation expense	(1,441,876)
Net effect of capital disposals	(180,219)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred revenue - property taxes	34,993
Deferred revenue - grants	12,549

Net pension and total other post-employment benefits (OPEB) liability and deferred outflows and deferred inflows related to the net pension liability and OPEB are not reported in the governmental funds.

Net pension liability	(4,552,120)
Total OPEB liability	(153,911)
Deferred outflows - pensions	2,958,627
Deferred inflows - pensions	1,093,571
Deferred outflows - OPEB	67,177

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal payments	397,000
Debt issued	(340,838)
Changes to bond premiums	10,848
Amortization of deferred charges	(4,942)

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. This adjustment reflects the net change on the accrual basis of accounting for accrued interest payable and compensated absences.

Accrued interest payable	6,279
Compensated absences	(118,473)

Change in Net Position of Governmental Activities **\$ 2,387,683**

See Notes to Financial Statements.

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HARDIN COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
 September 30, 2019

		<u>Total Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents	\$	3,659,336
Receivables		59,612
Total Assets	\$	<u><u>3,718,948</u></u>
 <u>Liabilities</u>		
Due to other units	\$	3,718,948
Total Liabilities	\$	<u><u>3,718,948</u></u>

See Notes to Financial Statements.

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HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Hardin County, Texas (the “County”) is an independent government entity created in 1858 from Jefferson and Liberty Counties by an act of the Texas Legislature. The County is governed by Commissioners’ Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County’s financial statements include the accounts of all County operations. The County provides a vast array of services including administration of general government, justice, road and bridges, public safety, health and human services, community enrichment, and tax administration.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The County’s basic financial statements include the primary government only. The County has no oversight responsibility for any other entities since they are not considered financially accountable to the County. Financial accountability is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing body.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The County has no business-type activities.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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 where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial transactions not accounted for and reported in another fund. The principal sources of receipts include local property taxes, fees, fines and forfeitures, and charges for services. Disbursements include general government, administration of justice, public safety, health and human services, community enrichment, and tax administration. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The primary source of revenue for debt service is local property taxes. The debt service fund did not meet the technical criteria to be presented as a major fund; however, due to its significance, the County has elected to present it as major.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following special revenue funds are considered major funds for reporting purposes:

Road and bridge fund – This fund is used to account for receipts of property taxes levied and vehicle registration fees. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in this fund.

Hurricane Harvey fund – This fund is used to account for expenditures related to the Hurricane Harvey disaster and Federal Emergency Management Agency (FEMA) reimbursements.

The remaining special revenue funds are considered nonmajor funds for reporting purposes.

Additionally, the County reports the following fund type:

Fiduciary funds are used to account for and report resources held for the benefit of parties outside the County. The County maintains one type of fiduciary fund, agency funds. The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

The 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 generally are 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

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

1. Cash and Cash Equivalents

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.

The County maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and cash equivalents".

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The County has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the County is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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 are depreciated using the straight-line method over the following estimated useful years:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Machinery and equipment	3 to 30 years
Buildings	20 to 50 years
Improvements	15 to 20 years
Infrastructure	5 to 40 years

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

5. 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. 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.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- 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.

At the fund level, 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 property taxes and grants. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

6. Compensated Employee Absences

The vacation, compensatory time, and holiday time policy of the County provides for the accumulation of various specified days earned, depending on tenure with the County, with such leave being fully vested when earned. Although employees are encouraged to take vacation in the year earned, payment of accrued vacation time is eligible to employees who separated from the County. For the County's government-wide statements, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The County's sick leave policy provides for a specified accumulation of earned sick leave. Accumulated sick leave is not compensated upon resignation, retirement, or dismissal. Since the County does not have any obligation of accumulated sick leave until it is taken, no accruals for sick leave have been made.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. 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, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general, road and bridge, jury, and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general and road and bridge funds upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

8. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Commissioners' Court is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Judge may also assign fund balance as is done when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

11. 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, 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.

12. Pensions

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

13. Other Postemployment Benefits

The County administers a single-employer, defined benefit OPEB plan. The County plan provides certain healthcare benefits for retired employees. Substantially all of the County's employees become eligible for the health benefits if they reach normal retirement age while working for the County. The County is currently following a pay-as-you go approach, paying an amount each year equal to the claims paid. This means no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

The County participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by TCDRS known as the Group Term Life Fund (GTLF). This is a voluntary program in which participating member counties may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The funding policy for the GTLF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the County's OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TCDRS from reports prepared by their consulting actuary.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

General property taxes are recorded as receipts when levied for the current year and due, payable, and collected in the current year.

The property tax calendar dates are:

Levy date and due date – October 1
Collection dates – October 1 through January 31
Lien date – July 1

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the elected officials agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, jury, and interest and sinking funds of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own discretion, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The original budget is adopted by the Commissioners’ Court prior to the beginning of the year. The legal level of control is the department level as defined by State statute. Management is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total disbursements of any fund must be approved by the Commissioners’ Court.

Budgets are adopted on a budgetary basis for all budgeted funds and are not consistent with generally accepted accounting principles (GAAP). The County does budget for some accruals; however, it does not budget for payroll accruals and capital lease transactions at year end. Several supplemental budget appropriations were made for the fiscal year ended September 30, 2019.

A. Deficit Fund Equity

As of September 30, 2019, the Hurricane Harvey fund reported a deficit fund balance of \$661,268 as result of costs incurred in the aftermath of Hurricane Harvey. The County has applied for assistance from FEMA and approval is pending.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2019, the County had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 6,667,443	0.09
Portfolio weighted average maturity		0.09

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the stated maturity of its investment portfolio to no more than 12 months.

Credit risk. State law limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent. Further, commercial paper must be rated not less than “A-1” or “P-1” or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2019, the County’s investments in TexPool were rated “AAAm” by Standard & Poor’s.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. 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, 2019, FDIC insurance and market values of pledged securities exceeded bank balances.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

investment policy and management fee structure. Finally, Standard & Poor's rates TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool may only impose restrictions on redemptions in the event of a general suspension of trading on major national markets, general banking moratorium, or a national state of emergency that affects TexPool's liquidity.

B. Receivables

Amounts are aggregated into a single accounts receivable line (net of allowance for uncollectibles) for certain funds and aggregated columns. Below is the detail of receivables for the general fund, road and bridge fund, Hurricane Harvey fund, and nonmajor governmental funds including the applicable allowances for uncollectible accounts:

	<u>General</u>	<u>Road and Bridge</u>	<u>Hurricane Harvey</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Property taxes	\$ 2,455,031	\$ 444,268	\$ -	\$ -	\$ 139,948	\$ 3,039,247
Other receivables	221,793	19,437	81,002	57,491	708,184	1,087,907
Allowance for uncollectible	<u>(122,752)</u>	<u>(8,885)</u>	<u>-</u>	<u>-</u>	<u>(59,010)</u>	<u>(190,647)</u>
	<u>\$ 2,554,072</u>	<u>\$ 454,820</u>	<u>\$ 81,002</u>	<u>\$ 57,491</u>	<u>\$ 789,122</u>	<u>\$ 3,936,507</u>

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

C. Capital Assets

A summary of changes in capital assets for the year end is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,267,864	\$ -	\$ -	\$ 1,267,864
Construction in progress	2,929,533	1,552,075	(4,418,205)	63,403
Total capital assets not being depreciated	<u>4,197,397</u>	<u>1,552,075</u>	<u>(4,418,205)</u>	<u>1,331,267</u>
Other capital assets:				
Machinery and equipment	10,914,324	1,374,263	(308,399)	11,980,188
Buildings	10,491,921	202,053	-	10,693,974
Improvements	1,688,612	4,389,255	(64,804)	6,013,063
Infrastructure	22,135,468	-	-	22,135,468
Total other capital assets	<u>45,230,325</u>	<u>5,965,571</u>	<u>(373,203)</u>	<u>50,822,693</u>
Less accumulated depreciation for:				
Machinery and equipment	(7,507,157)	(1,001,235)	163,990	(8,344,402)
Buildings	(5,556,998)	(154,846)	-	(5,711,844)
Improvements	(575,495)	(200,193)	28,994	(746,694)
Infrastructure	(19,556,808)	(85,602)	-	(19,642,410)
Total accumulated depreciation	<u>(33,196,458)</u>	<u>(1,441,876)</u>	<u>192,984</u>	<u>(34,445,350)</u>
Other capital assets, net	<u>12,033,867</u>	<u>4,523,695</u>	<u>(180,219)</u>	<u>16,377,343</u>
Governmental Activities Capital Assets, Net	<u>\$ 16,231,264</u>	<u>\$ 6,075,770</u>	<u>\$ (4,598,424)</u>	<u>17,708,610</u>
			Less associated debt	(2,945,264)
			Less deferred charge on refunding	19,769
			Net Investment in Capital Assets	<u>\$ 14,783,115</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 248,211
Roads and bridges	573,607
Public safety	620,058
Total Governmental Activities Depreciation Expense	<u>\$ 1,441,876</u>

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

D. Long-Term Debt

The following is a summary of changes in the County's total long-term liabilities for the year ended September 30, 2019. In general, the County uses the general and road and bridge funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and capital leases:					
General obligation series 2014	\$ 1,380,000	\$ -	\$ (265,000)	\$ 1,115,000	\$ 270,000
Obligations under capital lease	563,036	340,838	(102,000)	801,874	191,670
Direct borrowings/placements:					
Certificates of obligation series 2016	1,015,000	-	(30,000)	985,000	30,000
Less deferred amounts:					
Premium	54,238	-	(10,848)	43,390	-
	<u>3,012,274</u>	<u>340,838</u>	<u>(407,848)</u>	<u>2,945,264</u>	<u>491,670</u>
Other:					
Compensated absences	462,784	1,017,031	(898,558)	581,257	523,131
Net pension liability	4,113,405	4,552,120	-	8,665,525	-
Total OPEB liability	1,409,219	153,911	-	1,563,130	-
	<u>5,985,408</u>	<u>5,723,062</u>	<u>(898,558)</u>	<u>10,809,912</u>	<u>523,131</u>
Total Governmental Activities	<u>\$ 8,997,682</u>	<u>\$ 6,063,900</u>	<u>\$ (1,306,406)</u>	<u>\$ 13,755,176</u>	<u>\$ 1,014,801</u>
				<u>\$ 12,740,375</u>	
				<u>\$ 2,945,264</u>	

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Long term debt as of September 30, 2019 was comprised of the following debt issues:

	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>
General Obligation			
Refunding Bonds, Series 2014	2.00-3.00%	\$ 2,390,000	\$ 1,115,000
Certificates of Obligation			
From direct borrowings/placements			
Series 2016	1.33%	1,065,000	985,000
Capital Leases			
Bankcorp South Corporation - #012	2.39%	111,245	82,770
Bankcorp South Corporation - #009	2.39%	236,440	149,125
Government Capital Group - #243	4.15%	44,393	23,513
Government Capital Group - #733	4.13%	278,782	278,782
Government Capital Group - #885	3.85%	62,056	62,056
Government Capital Group - #915	3.35%	265,521	205,628
		<u>998,437</u>	<u>801,874</u>
Total		<u>\$ 4,453,437</u>	<u>\$ 2,901,874</u>

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

A summary of the County's debt service requirements, including interest, is as follows:

Year Ending Sept. 30	Governmental Activities			
	General Obligation		Capital Leases	
	Principal	Interest	Principal	Interest
2020	\$ 270,000	\$ 22,590	\$ 191,670	\$ 17,712
2021	275,000	17,190	189,331	20,051
2022	280,000	11,690	183,270	13,801
2023	290,000	6,090	164,497	7,287
2024	-	-	35,951	2,449
2025-2026	-	-	37,155	1,245
Total	\$ 1,115,000	\$ 57,560	\$ 801,874	\$ 62,545

Machinery and equipment acquired under current capital lease obligations totaled \$1,480,020 and accumulated depreciation totaled \$760,376.

The annual requirements to amortize debt issues outstanding for the direct borrowings/placements at year end are as follows:

Year Ending Sept. 30	Direct Placement	
	Certificates of Obligation	
	Principal	Interest
2020	\$ 30,000	\$ 13,100
2021	35,000	12,701
2022	35,000	12,236
2023	40,000	11,771
2024	280,000	11,239
2025-2026	565,000	11,305
Total	\$ 985,000	\$ 72,352

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the County could result. The County periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2019 is as follows:

<u>Due to</u>	<u>Due from</u>	<u>Amounts</u>
General fund	Nonmajor governmental funds	\$ 672,917
General fund	Hurricane Harvey fund	82,743
Road and bridge fund	Hurricane Harvey fund	547,463
	Total	\$ 1,303,123

Operating transfers between the governmental funds during the year were as follows:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amounts</u>
General fund	Nonmajor governmental funds	\$ 54,596
Nonmajor governmental funds	General fund	4,880
	Total	\$ 59,476

Amounts transferred between funds relate to amounts collected by general and special revenue funds for various governmental disbursements.

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. In addition, the County participates along with 279 other entities in the Texas Association of Counties' (TAC) Workers' Compensation Self-Insurance Fund (the "Pool"). The TAC created this Pool in 1974 to insure the County for workers' compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the TAC's Insurance Trust Fund.

This Pool purchases commercial insurance at group rates for participants in the Pool. The County has no additional risk or responsibility to the Pool in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No claims are reported at year end.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

C. Pension Plan

Texas County and District Retirement System

Plan Description

TCDRS is a statewide, agent multiple-employer, public-employee retirement system. TCDRS serves 780 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Board of Directors of each employer, within the options available in the TCDRS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available comprehensive annual financial report that can be obtained at www.tcdrs.org.

All eligible employees (except temporary staff) of the County must be enrolled in TCDRS.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. The benefit provisions are adopted by the Commissioners' Court within the options available in Texas state statutes governing TCDRS. Members can retire at age 60 and above with eight or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any County-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contribution to the plan, with interest, and County-financed monetary credits. The level of these monetary credits is adopted by the Commissioners' Court within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

The Commissioners' Court adopted the rate of seven percent as the contributed rate payable by the employee members for calendar year 2019. The Commissioners' Court may change the employee contribution rate and the County contribution rate within the options available in the TCDRS Act.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	187
Inactive employees entitled to, but not yet receiving, benefits	190
Active employees	<u>262</u>
Total	<u><u>639</u></u>

Contributions

A combination of three elements funds each employer’s plan: employee deposits, employer contributions, and investment income.

- The deposit rate for employees is four percent, five percent, six percent, or seven percent of compensation, as adopted by the employer’s governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers “prefund” benefit increases, such as a cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions:

- (a) paying an elected contribution rate higher than the required rate and
- (b) making an extra lump-sum contribution to the employer account.

Employees for the County were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the County was 14.27 percent in calendar years 2018 and 2019, respectively. The County’s contributions to TCDRS for the fiscal year ended September 30, 2019 were \$1,697,014 and were more than the required contributions.

Net Pension Liability

The County’s Net Pension Liability (NPL) was measured as of December 31, 2018 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The actuarial assumptions that determined the TPL as of December 31, 2018 were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB Standard No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Following are the key assumptions and methods used in the December 31, 2018 actuarial valuation:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are reported.
Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Asset Valuation Method	5 years smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career, including inflation
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

The long-term expected rate of return of TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	Dow Jones U.S. Total Stock Market Index	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
International Equities - Developed	MSCI World Ex USA (net) Index	10.00%	5.40%
International Equities - Emerging	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index	2.00%	7.20%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLP)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	6.30%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

Discount Rate

The discount rate used to measure the TPL was 8.1 percent. 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, TCDRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Therefore, the long-term expected rate of return on TCDRS investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 1,449,864	\$ -	\$ 1,449,864
Interest	4,426,227	-	4,426,227
Changes in benefit terms	-	-	-
Difference between expected and actual experience	76,164	-	76,164
Changes in assumptions	-	-	-
Contributions - employer	-	1,603,247	(1,603,247)
Contributions - employee	-	786,456	(786,456)
Net investment income	-	(944,165)	944,165
Benefit payments, including refunds of employee contributions	(2,782,116)	(2,782,116)	-
Administrative expense	-	(39,408)	39,408
Other changes	-	(5,994)	5,994
Net changes	3,170,139	(1,381,981)	4,552,120
Balance at December 31, 2017	54,558,884	50,445,479	4,113,405
Balance at December 31, 2018	\$ 57,729,023	\$ 49,063,499	\$ 8,665,525

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
	(7.1%)	(8.1%)	(9.1%)
	\$	\$	\$
County's Net Pension Liability	15,537,142	8,665,525	2,827,732

Pension Plan Fiduciary Net Position

Detailed information about the TCDRS's fiduciary net position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

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

For the fiscal year ended September 30, 2019, the County recognized pension expense of \$2,196,936.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

At September 30, 2019, 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	\$ 57,123	\$ 545,181
Changes in actuarial assumptions	170,982	-
Difference between projected and actual investment earnings	3,067,490	-
Contributions subsequent to the measurement date	1,316,441	-
Total	\$ 4,612,036	\$ 545,181

\$1,316,441 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Pension Expense
2020	\$ 918,056
2021	392,659
2022	437,128
2023	1,002,571
2024	-
Thereafter	-
Total	\$ 2,750,414

D. Other Postemployment Benefits

1. Healthcare Plan

Plan Description

The County administers a single-employer defined benefit OPEB plan. The County plan provides medical benefits to eligible retirees on a cost-sharing basis (the “Plan”). The County pays 50 percent (75 percent for eligible retirees with at least 30 years of service) of the monthly premium for individual and dependent medical coverage for retirees meeting certain eligibility requirements. Dependent medical coverage is not subsidized by the County if the retiree was hired on or after December 1, 2004. All other benefits are paid entirely by the retiree, including dental and life insurance. Effective January 1, 2019, the County will no longer subsidize dependent coverage for those retiring after that date. All active employees who retire directly from the County and meet the eligibility criteria may participate. Eligibility requirements are met for County employees that retire after age 60 with 8 years of service or with 30 years of service or the sum of age plus service equals 75. The retiree must be receiving a retirement annuity payment or qualified to receive a retirement annuity payment under TCDRS.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

The following provides a summary of the number of participants in the Plan as of September 30, 2019:

Inactive employees or beneficiaries currently receiving benefits	14	
Active employees	217	
	231	
Total	231	

Total OPEB Liability

The County's total OPEB liability of \$1,563,130 was measured as of September 30, 2018 and rolled forward to September 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2018 actuarial valuation and rolled forward to September 30, 2019 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate*	2.66%	
Administrative expenses	N/A	
Actuarial Cost Method	Individual entry-age normal	
Mortality	RPH-2014 Total Table with Projection MP-2019.	

*The discount rate was based on 20 Year Bond GO Index.

Funding Policy

The County has elected to finance the Plan on a pay-as-you-go basis, paying an amount each year equal to the claims paid.

Changes in the Total OPEB Liability

		Total OPEB Liability
Changes for the year:		
Service cost	\$	100,817
Interest		59,553
Changes of assumptions		79,948
Benefit payments		(86,407)
Net Changes		153,911
Beginning balance		1,409,219
Ending Balance	\$	1,563,130

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

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (1.66%)	Discount Rate (2.66%)	1% Increase in Discount Rate (3.66%)
County's Total OPEB Liability	\$ 1,701,344	\$ 1,563,130	\$ 1,436,380

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease in Trend Rate (4%)	Healthcare Cost Trend Rate (5%)	1% Increase in Trend Rate (6%)
County's Total OPEB Liability	\$ 1,379,654	\$ 1,563,130	\$ 1,785,300

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2019, the County recognized OPEB expense of \$173,141. The County reported deferred outflows of resources to OPEB from the following sources:

	Deferred Outflows of Resources
Changes in actuarial assumptions	\$ 67,177
Total	\$ 67,177

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

Year Ended September 30	OPEB Expense Amount
2020	\$ 12,771
2021	12,771
2022	12,771
2023	12,771
2024	12,771
Thereafter	3,322
Total	\$ 67,177

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2019

2. Life Insurance Plan

Plan Description

The County participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the TCDRS. This plan is referred to as the GTLF. This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is an OPEB. Retired employees are insured for \$5,000. The County has elected to provide life insurance benefits to active employees only.

The GTLF is a separate trust administered by the TCDRS Board of Trustees. TCDRS issues a publicly available CAFR that includes financial statements and RSI for the GTLF. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County and District Retirement System, P.O. Box 2034, Austin, TX 78768-2034 or by calling 800-823-7782.

Funding Policy

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The County's contributions to the GTLF for the years ended September 30, 2019, 2018, and 2017 were \$27,352, \$25,010, and \$24,617, respectively, which equaled the contractually required contributions each year.

3. Subsequent Event

Southeast Texas Flood Control District, Inc.

Subsequent to year end, the County approved articles of incorporation and bylaws of a local government corporation named Southeast Texas Flood Control District, Inc., and appointed the County Judge to serve as a director to engage in planning concerning disaster mitigation and other projects or programs to protect the residents, infrastructure, industry, businesses and housing throughout the County against flooding; to design develop, construct, operate, manage, repair, maintain, finance, equip, improve, enlarge, extend, acquire, and improve integrated flood damage reduction systems; and to conduct any and all other lawful business, and perform any other related function or operation.

REQUIRED SUPPLEMENTARY INFORMATION

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)
GENERAL FUND (BUDGETARY BASIS)
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Actual Amounts Budgetary Basis Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 14,771,953	\$ 14,827,919	\$ 14,775,362	\$ (52,557)
Fines and fees	1,045,250	1,167,220	1,219,504	52,284
Licenses and permits	145,850	145,850	133,024	(12,826)
Investment income	61,000	242,198	246,190	3,992
Other revenues	47,050	93,778	74,826	(18,952)
Total Revenues	16,071,103	16,476,965	16,448,906	(28,059)
Expenditures				
General Government:				
General services	145,835	145,835	141,953	3,882
Citizen's collection center	-	16,628	3,562	13,066
Purchasing	253,646	253,968	242,138	11,830
County judge	211,444	211,444	202,839	8,605
County treasurer	211,982	211,982	209,546	2,436
County auditor	393,118	393,118	356,924	36,194
County clerk	429,460	429,460	419,260	10,200
Commissioners' court	2,322,334	2,384,530	1,921,763	462,767
Collection improvement	4,450	4,450	-	4,450
Building maintenance	796,772	939,609	890,923	48,686
Election expense	50,700	72,005	70,805	1,200
Human resources	122,584	122,584	120,865	1,719
Technology	131,788	146,688	122,051	24,637
	5,074,113	5,332,301	4,702,629	629,672
Administration of Justice:				
Justice of the peace	937,691	945,992	886,819	59,173
County attorney	617,403	617,403	585,053	32,350
District attorney	586,314	591,562	590,183	1,379
356th District judge	295,532	262,920	246,682	16,238
88th District judge	271,704	271,704	259,283	12,421
Juvenile detention	655,558	655,558	612,728	42,830
District clerk	430,368	447,104	438,172	8,932
	3,794,570	3,792,243	3,618,920	173,323
Public Safety:				
Department of public safety	100	100	94	6
Sheriff's department	3,417,138	3,480,633	3,377,089	103,544
Sheriff's department operations	2,102,208	2,142,208	2,126,512	15,696
Constables	419,029	419,029	414,396	4,633
	5,938,475	6,041,970	5,918,091	123,879
Health and Human Services:				
Veterans services	36,303	36,303	26,252	10,051
Health unit	101,874	101,874	92,383	9,491
Indigent care	700,257	816,657	801,340	15,317
Senior services	47,000	47,000	42,379	4,621
	885,434	1,001,834	962,354	39,480

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)
GENERAL FUND (BUDGETARY BASIS)

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Actual Amounts Budgetary Basis Positive (Negative)
	Original	Final		
<u>Expenditures (continued)</u>				
Community Enrichment				
Historical commission	\$ 26,500	\$ 26,500	\$ 12,890	\$ 13,610
Culture and recreation	123,332	123,717	105,011	18,706
	<u>149,832</u>	<u>150,217</u>	<u>117,901</u>	<u>32,316</u>
Tax Administration				
Tax assessor collector	900,677	900,677	871,216	29,461
Debt Service				
Principal	50,764	50,764	50,763	1
Interest and fiscal charges	4,702	4,702	4,701	1
	<u>55,466</u>	<u>55,466</u>	<u>55,464</u>	<u>2</u>
Total Expenditures	<u>16,798,567</u>	<u>17,274,708</u>	<u>16,246,575</u>	<u>1,028,133</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(727,464)</u>	<u>(797,743)</u>	<u>202,331</u>	<u>1,000,074</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	54,596	54,596	-
Transfers (out)	(10,000)	(10,000)	(4,880)	5,120
Total Other Financing (Uses)	<u>(10,000)</u>	<u>44,596</u>	<u>49,716</u>	<u>5,120</u>
Net Change in Fund Balance	<u>\$ (737,464)</u>	<u>\$ (753,147)</u>	252,047	<u>\$ 1,005,194</u>
Beginning fund balance			<u>6,133,474</u>	
Ending Fund Balance			<u>\$ 6,385,521</u>	

Notes to Required Supplementary Information:

- Annual budgets are adopted on a budgetary basis and are not consistent with generally accepted accounting principles (GAAP).
- Reconciliation of general fund fund balance to fund financial statements:

Current year payroll accrual	(220,765)
Capital outlay	(278,782)
Debt issuance	278,782
Ending Fund Balance	<u>\$ 6,164,756</u>

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HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND (BUDGETARY BASIS)

For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Actual Amounts Budgetary Basis Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 2,698,290	\$ 2,698,290	\$ 2,675,346	\$ (22,944)
Fines and fees	410,500	410,500	563,678	153,178
Licenses and permits	1,800,000	1,800,000	1,750,057	(49,943)
Other revenues	-	1,000	998	(2)
Total Revenues	<u>4,908,790</u>	<u>4,909,790</u>	<u>4,990,079</u>	<u>80,289</u>
Expenditures				
General	507,477	507,477	500,200	7,277
Precinct 1	760,876	930,852	689,303	241,549
Precinct 2	1,554,617	1,839,183	1,641,674	197,509
Precinct 3	1,309,459	1,470,715	1,381,913	88,802
Precinct 4	721,204	908,351	713,591	194,760
Debt Service:				
Principal	44,898	44,898	44,897	1
Interest	10,259	10,259	10,258	1
Total Expenditures	<u>4,908,790</u>	<u>5,711,735</u>	<u>4,981,836</u>	<u>729,899</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (801,945)</u>	8,243	<u>\$ 810,188</u>
Beginning fund balance			<u>2,001,344</u>	
Ending Fund Balance			<u>\$ 2,009,587</u>	

Notes to Required Supplementary Information:

- Annual budgets are adopted on a budgetary basis and are not consistent with generally accepted accounting principles (GAAP).
- Reconciliation of road and bridge fund balance to fund financial statements:

Salary and fringe benefits	(53,296)
Capital outlay	(62,056)
Debt issuance	62,056
Ending Fund Balance	<u>\$ 1,956,291</u>

HARDIN COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2019

	Measurement Year*			
	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 1,439,621	\$ 1,451,685	\$ 1,541,341	\$ 1,488,958
Interest (on the total pension liability)	3,586,023	3,822,589	4,020,508	4,233,429
Changes in benefit terms	-	(255,140)	-	-
Difference between expected and actual experience	141,350	(242,663)	(709,358)	(735,684)
Changes in assumptions	-	583,967	-	341,964
Benefit payments, including refunds of employee contributions	(2,121,314)	(2,717,397)	(2,885,352)	(3,031,748)
Net Change in Total Pension Liability	<u>3,045,680</u>	<u>2,643,041</u>	<u>1,967,139</u>	<u>2,296,919</u>
Beginning total pension liability	<u>44,606,105</u>	<u>47,651,785</u>	<u>50,294,826</u>	<u>52,261,965</u>
Ending Total Pension Liability	<u>\$ 47,651,785</u>	<u>\$ 50,294,826</u>	<u>\$ 52,261,965</u>	<u>\$ 54,558,884</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 1,429,402	\$ 1,477,162	\$ 1,500,285	\$ 1,545,695
Contributions - employee	715,212	739,107	747,470	766,278
Net investment income	2,783,050	(28,615)	3,132,189	6,512,515
Benefit payments, including refunds of employee contributions	(2,121,314)	(2,717,397)	(2,885,352)	(3,031,748)
Administrative expense	(31,943)	(30,680)	(34,131)	(33,548)
Other	(24,721)	141,657	(183,430)	(9,963)
Net Change in Plan Fiduciary Net Position	<u>2,749,686</u>	<u>(418,766)</u>	<u>2,277,032</u>	<u>5,749,229</u>
Beginning plan fiduciary net position	<u>40,088,298</u>	<u>42,837,984</u>	<u>42,419,218</u>	<u>44,696,250</u>
Ending Plan Fiduciary Net Position	<u>\$ 42,837,984</u>	<u>\$ 42,419,218</u>	<u>\$ 44,696,250</u>	<u>\$ 50,445,479</u>
Net Pension Liability	<u>\$ 4,813,801</u>	<u>\$ 7,875,608</u>	<u>\$ 7,565,715</u>	<u>\$ 4,113,405</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.90%	84.34%	85.52%	92.46%
Covered Payroll	\$ 10,217,310	\$ 10,558,673	\$ 10,678,138	\$ 10,946,833
Net Pension Liability as a Percentage of Covered Payroll	47.11%	74.59%	70.85%	37.58%

*Only five years of information are currently available. The County will build this schedule over the next five-year period.

Measurement

Year*

2018

\$ 1,449,864
4,426,227

-

76,164

-

(2,782,116)

3,170,139

54,558,884

\$ 57,729,023

\$ 1,603,247
786,456
(944,165)

(2,782,116)

(39,408)

(5,994)

(1,381,980)

50,445,479

\$ 49,063,499

\$ 8,665,524

84.99%

\$ 11,235,086

77.13%

HARDIN COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2019

	Fiscal Year*			
	2015	2016	2017	2018
Actuarially determined contribution	\$ 1,468,527	\$ 1,557,017	\$ 1,536,952	\$ 1,579,288
Contributions in relation to the actuarially determined contribution	1,468,527	1,557,017	1,536,952	1,579,288
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,496,814	\$ 11,094,321	\$ 10,897,202	\$ 11,093,735
Contributions as a percentage of covered payroll	13.99%	14.03%	14.10%	14.24%

*Only five years of information is currently available. The County will build this schedule over the next five-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	11.3 years
Asset valuation method	5 year smoothed market
Inflation	2.75%
Salary increases	Varies by age and service. 4.9% average over career including inflation
Investment rate of return	8.1%
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

3. Other Information:

There were no benefit changes during the year.

**Fiscal
Year***

2019

\$ 1,664,723

1,697,014

\$ (32,291)

\$ 11,892,158

14.27%

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HARDIN COUNTY, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2019

	Measurement Year*	
	2018	2019
Total OPEB Liability		
Service cost	\$ 96,884	\$ 100,817
Interest (on the total OPEB liability)	60,334	59,553
Changes of assumptions	-	79,948
Benefit payments	(137,183)	(86,407)
Net Change in Total OPEB Liability	20,035	153,911
Beginning total OPEB liability	1,389,184	1,409,219
Ending Total OPEB Liability	\$ 1,409,219	\$ 1,563,130
Covered Payroll	\$ 9,537,606	\$ 9,534,606
Total OPEB Liability as a Percentage of Covered Payroll	14.78%	16.39%

*Only two years of information is currently available. The County will build this schedule over the next eight-year period.

Notes to Required Supplementary Information:

Significant Methods and Assumptions:

Actuarial cost method	Entry age normal
Discount rate	2.66%
Health care cost trend	Level 5.00%
Mortality	RPH-2014 total table with projection MP-2019
Coverage	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 50% of all actives who currently have individual or family healthcare coverage will continue with individual only coverage upon retirement.

Other Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The discount rate was based on the Bond Buyer GO Bond 20 Index

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***COMBINING STATEMENTS
AND SCHEDULES***

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 5)
September 30, 2019

Special Revenue Fund

	NEH Preservation Grant	Emergency Management Services	District Clerk Preservation Fees	County Clerk Preservation Fees
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ 107,728	\$ 548,172
Prepaid expenses	-	-	150	-
Receivables, net	-	32,827	-	-
Due from other units	-	-	-	-
Total Assets	\$ -	\$ 32,827	\$ 107,878	\$ 548,172
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 330	\$ 2,186	\$ 6,338
Due to other funds	-	32,497	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	-	32,827	2,186	6,338
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<u>Fund Balances</u>				
Nonspendable	-	-	150	-
Restricted:				
Debt service	-	-	-	-
Special revenue funds	-	-	105,542	541,834
Total Fund Balances	-	-	105,692	541,834
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 32,827	\$ 107,878	\$ 548,172

Special Revenue Funds

Law Library	County Attorney Supplement	Constitutional County Judge Supplement	Court Security Fees	Jail Commissary	Jury
\$ 29,551	\$ 84,000	\$ -	\$ 58,139	\$ 83,971	\$ 92,581
-	-	-	-	-	5,440
-	-	-	-	1,188	90,699
-	-	-	-	-	-
<u>\$ 29,551</u>	<u>\$ 84,000</u>	<u>\$ -</u>	<u>\$ 58,139</u>	<u>\$ 85,159</u>	<u>\$ 188,720</u>
\$ 1,547	\$ -	\$ -	\$ -	\$ -	\$ 55,198
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,198</u>
-	84,000	-	-	-	-
-	-	-	-	-	77,915
-	<u>84,000</u>	-	-	-	<u>77,915</u>
-	-	-	-	-	5,440
-	-	-	-	-	-
28,004	-	-	58,139	85,159	50,167
<u>28,004</u>	<u>-</u>	<u>-</u>	<u>58,139</u>	<u>85,159</u>	<u>55,607</u>
<u>\$ 29,551</u>	<u>\$ 84,000</u>	<u>\$ -</u>	<u>\$ 58,139</u>	<u>\$ 85,159</u>	<u>\$ 188,720</u>

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 5)
September 30, 2019

Special Revenue Funds

	<u>Dispatchers</u>	<u>Lateral Roads</u>	<u>Justice Court Technology</u>	<u>Dare Program</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 164,059	\$ -	\$ 7,892
Prepaid expenses	-	-	-	-
Receivables, net	13,133	-	-	-
Due from other units	-	-	-	-
Total Assets	\$ 13,133	\$ 164,059	\$ -	\$ 7,892
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	13,133	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	13,133	-	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<u>Fund Balances</u>				
Nonspendable	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Special revenue funds	-	164,059	-	7,892
Total Fund Balances	-	164,059	-	7,892
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,133	\$ 164,059	\$ -	\$ 7,892

Special Revenue Funds

Election Equipment	County Attorney Overdrawn Check	District Attorney Overdrawn Check	LEPC	Hurricane Ike Disaster Recovery	Health Services Grant
\$ 25,147	\$ 1,750	\$ 889	\$ 3,980	\$ -	\$ -
-	-	-	-	-	-
-	90	-	-	1,143	89,797
-	648	-	-	-	-
<u>\$ 25,147</u>	<u>\$ 2,488</u>	<u>\$ 889</u>	<u>\$ 3,980</u>	<u>\$ 1,143</u>	<u>\$ 89,797</u>
\$ -	\$ 212	\$ -	\$ -	\$ 1,143	\$ 9,199
-	-	-	-	-	80,598
-	-	-	-	-	-
-	-	-	-	-	-
-	212	-	-	1,143	89,797
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,147	2,276	889	3,980	-	-
<u>25,147</u>	<u>2,276</u>	<u>889</u>	<u>3,980</u>	<u>-</u>	<u>-</u>
<u>\$ 25,147</u>	<u>\$ 2,488</u>	<u>\$ 889</u>	<u>\$ 3,980</u>	<u>\$ 1,143</u>	<u>\$ 89,797</u>

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 5)
September 30, 2019

Special Revenue Funds

	Drug Forfeiture Rehab	County Attorney Forfeiture	District Attorney Drug Forfeiture	Sheriff Drug Forfeiture
Assets				
Cash and cash equivalents	\$ 4,103	\$ 1,760	\$ 9,532	\$ 9,934
Prepaid expenses	-	-	-	-
Receivables, net	-	-	-	-
Due from other units	-	-	-	-
Total Assets	\$ 4,103	\$ 1,760	\$ 9,532	\$ 9,934
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Special revenue funds	4,103	1,760	9,532	9,934
Total Fund Balances	4,103	1,760	9,532	9,934
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,103	\$ 1,760	\$ 9,532	\$ 9,934

Special Revenue Funds

District and County Attorney Longevity Pay	District Attorney Supplemental	Sheriff Federal Equitable Sharing	LEOSE	VOCA Juror Donations	Disaster Incident Fund Cash
\$ -	\$ -	\$ 28,390	\$ 38,066	\$ 126,875	\$ 595,900
-	-	-	-	-	-
60	-	1	14	1,361	-
-	-	-	-	-	-
<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 28,391</u>	<u>\$ 38,080</u>	<u>\$ 128,236</u>	<u>\$ 595,900</u>
\$ 60	\$ -	\$ -	\$ 38,080	\$ 846	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	595,900
<u>60</u>	<u>-</u>	<u>-</u>	<u>38,080</u>	<u>846</u>	<u>595,900</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	28,391	-	127,390	-
-	-	28,391	-	127,390	-
<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 28,391</u>	<u>\$ 38,080</u>	<u>\$ 128,236</u>	<u>\$ 595,900</u>

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 5)
September 30, 2019

	Special Revenue Funds			
	VOCA 13660	DR 4223 Severe Storms 2015	DR 4272 Severe Storms 2016	US Food and Drug Administration
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 33,510	\$ -
Prepaid expenses	-	-	-	-
Receivables, net	61,309	10,837	-	4,826
Due from other units	-	-	-	-
Total Assets	\$ 61,309	\$ 10,837	\$ 33,510	\$ 4,826
Liabilities				
Accounts payable	\$ 5,990	\$ -	\$ -	\$ -
Due to other funds	55,319	10,837	-	4,826
Due to other governments	-	-	33,510	-
Unearned revenue	-	-	-	-
Total Liabilities	61,309	10,837	33,510	4,826
Deferred Inflows of Resources				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Special revenue funds	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 61,309	\$ 10,837	\$ 33,510	\$ 4,826

Special Revenue Funds

District Attorney VAWA Grant	Title IV - E	ATPA Grant	Public Safety Grant	Crime Victim Grant	Health Department Grant
\$ 67	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	690
37,743	2,969	32,021	13,990	21,611	94,160
-	-	-	-	-	-
<u>\$ 37,810</u>	<u>\$ 2,969</u>	<u>\$ 32,021</u>	<u>\$ 13,990</u>	<u>\$ 21,611</u>	<u>\$ 94,850</u>
\$ -	\$ -	\$ 214	\$ -	\$ 97	\$ 1,342
37,743	2,969	31,807	13,990	18,601	93,508
-	-	-	-	2,913	-
-	-	-	-	-	-
<u>37,743</u>	<u>2,969</u>	<u>32,021</u>	<u>13,990</u>	<u>21,611</u>	<u>94,850</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>
67	-	-	-	-	-
<u>67</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 37,810</u>	<u>\$ 2,969</u>	<u>\$ 32,021</u>	<u>\$ 13,990</u>	<u>\$ 21,611</u>	<u>\$ 94,850</u>

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 5)
September 30, 2019

Special Revenue Funds

	Tropical Storm Imelda	Repetitive Loss Buyout Grant	PHCR-Coop Agreement	Mental Health Liaison Prog.
<u>Assets</u>				
Cash and cash equivalents	\$ 1,249	\$ -	\$ -	\$ -
Prepaid expenses	-	-	-	-
Receivables, net	-	22,800	105,957	28,934
Due from other units	-	-	-	-
Total Assets	\$ 1,249	\$ 22,800	\$ 105,957	\$ 28,934
<u>Liabilities</u>				
Accounts payable	\$ 1,249	\$ -	\$ 45	\$ 453
Due to other funds	-	22,800	105,912	28,481
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	1,249	22,800	105,957	28,934
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<u>Fund Balances</u>				
Nonspendable	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Special revenue funds	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,249	\$ 22,800	\$ 105,957	\$ 28,934

Special Revenue Funds

JAG Program	Sheriff Office Dispatch Center	VOCA 902	CA Pre-Trial Diversion	Sewer Improvement	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 52,669	\$ -	\$ 2,109,914
-	-	-	-	-	6,280
-	105,641	15,011	1,000	-	789,122
-	-	-	-	-	648
<u>\$ -</u>	<u>\$ 105,641</u>	<u>\$ 15,011</u>	<u>\$ 53,669</u>	<u>\$ -</u>	<u>\$ 2,905,964</u>
\$ -	\$ -	\$ 756	\$ -	\$ -	\$ 125,285
-	105,641	14,255	-	-	672,917
-	-	-	-	-	36,423
-	-	-	-	-	595,900
-	105,641	15,011	-	-	1,430,525
-	-	-	-	-	84,000
-	-	-	-	-	77,915
-	-	-	-	-	161,915
-	-	-	-	-	5,590
-	-	-	-	-	-
-	-	-	53,669	-	1,307,934
-	-	-	53,669	-	1,313,524
<u>\$ -</u>	<u>\$ 105,641</u>	<u>\$ 15,011</u>	<u>\$ 53,669</u>	<u>\$ -</u>	<u>\$ 2,905,964</u>

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 5)
For the Year Ended September 30, 2019

Special Revenue Fund				
	NEH Preservation Grant	Emergency Management Services	District Clerk Preservation Fees	County Clerk Preservation Fees
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	44	32,827	-	-
Fines and fees	-	-	31,354	204,775
Investment income	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	44	32,827	31,354	204,775
Expenditures				
General government	-	25,762	-	198,598
Administration of justice	-	-	6,107	-
Public transportation	-	-	-	-
Public safety	44	-	-	-
Debt service:				
Principal	-	6,340	-	-
Interest	-	725	-	-
Capital outlay	-	-	-	-
Total Expenditures	44	32,827	6,107	198,598
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	25,247	6,177
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	25,247	6,177
Beginning fund balances	-	-	80,445	535,657
Ending Fund Balances	\$ -	\$ -	\$ 105,692	\$ 541,834

Special Revenue Funds

	Constitutional					
Law Library	County Attorney Supplement	County Judge Supplement	Court Security Fees	Jail Commissary	Jury	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,823	
-	79,793	30,748	-	-	-	
-	-	-	25,865	-	94,965	
-	-	-	-	499	-	
27,341	-	-	-	51,026	8,398	
<u>27,341</u>	<u>79,793</u>	<u>30,748</u>	<u>25,865</u>	<u>51,525</u>	<u>499,186</u>	
-	-	-	-	-	-	
21,352	79,793	30,748	-	-	625,794	
-	-	-	-	-	-	
-	-	-	1,365	35,080	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>21,352</u>	<u>79,793</u>	<u>30,748</u>	<u>1,365</u>	<u>35,080</u>	<u>625,794</u>	
<u>5,989</u>	<u>-</u>	<u>-</u>	<u>24,500</u>	<u>16,445</u>	<u>(126,608)</u>	
-	-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,596)</u>	
-	-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,596)</u>	
5,989	-	-	24,500	16,445	(181,204)	
22,015	-	-	33,639	68,714	236,811	
<u>\$ 28,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,139</u>	<u>\$ 85,159</u>	<u>\$ 55,607</u>	

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 5)
For the Year Ended September 30, 2019

<u>Special Revenue Funds</u>				
	<u>Dispatchers</u>	<u>Lateral Roads</u>	<u>Justice Court Technology</u>	<u>Dare Program</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	190,626	36,580	8,270	-
Fines and fees	-	-	-	-
Investment income	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>190,626</u>	<u>36,580</u>	<u>8,270</u>	<u>-</u>
Expenditures				
General government	-	-	-	-
Administration of justice	-	-	13,150	-
Public transportation	-	-	-	-
Public safety	190,626	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
	-	-	-	-
Total Expenditures	<u>190,626</u>	<u>-</u>	<u>13,150</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>36,580</u>	<u>(4,880)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	-	4,880	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,880</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>36,580</u>	<u>-</u>	<u>-</u>
Beginning fund balances	-	127,479	-	7,892
Ending Fund Balances	<u>\$ -</u>	<u>\$ 164,059</u>	<u>\$ -</u>	<u>\$ 7,892</u>

Special Revenue Funds

Election Equipment	County Attorney Overdrawn Check	District Attorney Overdrawn Check	LEPC	Hurricane Ike Disaster Recovery	Health Services Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	926,697	400,676
-	-	-	-	-	-
-	-	-	4	-	-
4,320	920	-	500	-	-
<u>4,320</u>	<u>920</u>	<u>-</u>	<u>504</u>	<u>926,697</u>	<u>400,676</u>
22,125	-	-	-	-	-
-	388	-	-	-	-
-	-	-	-	-	400,676
-	-	-	-	926,697	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>22,125</u>	<u>388</u>	<u>-</u>	<u>-</u>	<u>926,697</u>	<u>400,676</u>
(17,805)	532	-	504	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
(17,805)	532	-	504	-	-
42,952	1,744	889	3,476	-	-
<u>\$ 25,147</u>	<u>\$ 2,276</u>	<u>\$ 889</u>	<u>\$ 3,980</u>	<u>\$ -</u>	<u>\$ -</u>

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 5)
For the Year Ended September 30, 2019

	Special Revenue Funds			
	Drug Forfeiture Rehab	County Attorney Forfeiture	District Attorney Drug Forfeiture	Sheriff Drug Forfeiture
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and fees	-	-	-	-
Investment income	-	2	9	12
Other revenues	118	-	575	805
Total Revenues	118	2	584	817
Expenditures				
General government	-	-	-	-
Administration of justice	-	-	-	-
Public transportation	-	-	-	-
Public safety	-	-	-	4,676
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
-	-	-	-	-
Total Expenditures	-	-	-	4,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	118	2	584	(3,859)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	118	2	584	(3,859)
Beginning fund balances	3,985	1,758	8,948	13,793
Ending Fund Balances	\$ 4,103	\$ 1,760	\$ 9,532	\$ 9,934

Special Revenue Funds

District and County Attorney Longevity Pay	District Attorney Supplemental	Sheriff Federal Equitable Sharing	LEOSE	VOCA Juror Donations	Disaster Incident Fund Cash
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,770	3,918	-	-	-	-
-	-	-	-	26,490	-
-	-	39	-	806	-
-	-	-	-	-	-
<u>13,770</u>	<u>3,918</u>	<u>39</u>	<u>-</u>	<u>27,296</u>	<u>-</u>
-	-	-	-	-	-
13,770	3,918	-	-	4,483	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>13,770</u>	<u>3,918</u>	<u>-</u>	<u>-</u>	<u>4,483</u>	<u>-</u>
-	-	39	-	22,813	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	39	-	22,813	-
-	-	28,352	-	104,577	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,391</u>	<u>\$ -</u>	<u>\$ 127,390</u>	<u>\$ -</u>

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 5)
For the Year Ended September 30, 2019

	Special Revenue Funds			
	VOCA 13660	DR 4223 Severe Storms 2015	DR 4272 Severe Storms 2016	US Food and Drug Administration
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	206,844	27,324	2,481	5,766
Fines and fees	-	-	-	-
Investment income	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	206,844	27,324	2,481	5,766
Expenditures				
General government	-	-	-	-
Administration of justice	-	-	-	-
Public transportation	-	-	-	-
Public safety	206,844	27,324	2,481	5,766
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
	-	-	-	-
Total Expenditures	206,844	27,324	2,481	5,766
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Beginning fund balances	-	-	-	-
Ending Fund Balances	\$ -	\$ -	\$ -	\$ -

Special Revenue Funds

District Attorney VAWA Grant	Title IV - E	ATPA Grant	Public Safety Grant	Crime Victim Grant	Health Department Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61,121	4,698	97,658	73,057	88,272	217,070
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>61,121</u>	<u>4,698</u>	<u>97,658</u>	<u>73,057</u>	<u>88,272</u>	<u>217,070</u>
61,054	4,698	97,658	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	73,057	88,272	217,070
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>61,054</u>	<u>4,698</u>	<u>97,658</u>	<u>73,057</u>	<u>88,272</u>	<u>217,070</u>
<u>67</u>	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>67</u>	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 67</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 5)
For the Year Ended September 30, 2019

Special Revenue Funds				
	Tropical Storm Imelda	Repetitive Loss Buyout Grant	PHCR-Coop Agreement	Mental Health Liaison Prog.
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	26,231	22,800	-	80,461
Fines and fees	-	-	-	-
Investment income	-	-	-	-
Other revenues	-	-	115,665	-
Total Revenues	26,231	22,800	115,665	80,461
Expenditures				
General government	-	22,800	-	-
Administration of justice	-	-	-	-
Public transportation	-	-	-	-
Public safety	26,231	-	115,665	45,484
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	34,977
Total Expenditures	26,231	22,800	115,665	80,461
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Beginning fund balances	-	-	-	-
Ending Fund Balances	\$ -	\$ -	\$ -	\$ -

Special Revenue Funds

JAG Program	Sheriff Office Dispatch Center	VOCA 902	CA Pre-Trial Diversion	Sewer Improvement	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,823
30,100	-	46,196	50,600	4,557	2,769,185
-	-	-	-	-	383,449
-	-	-	-	-	1,371
-	105,641	-	-	-	315,309
<u>30,100</u>	<u>105,641</u>	<u>46,196</u>	<u>50,600</u>	<u>4,557</u>	<u>3,865,137</u>
-	-	-	26,377	4,557	463,629
-	-	-	-	-	799,503
-	-	-	-	-	400,676
-	105,641	46,196	-	-	2,118,519
-	-	-	-	-	6,340
-	-	-	-	-	725
30,100	-	-	-	-	65,077
<u>30,100</u>	<u>105,641</u>	<u>46,196</u>	<u>26,377</u>	<u>4,557</u>	<u>3,854,469</u>
-	-	-	24,223	-	10,668
-	-	-	-	-	4,880
-	-	-	-	-	(54,596)
-	-	-	-	-	(49,716)
-	-	-	24,223	-	(39,048)
-	-	-	29,446	-	1,352,572
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,669</u>	<u>\$ -</u>	<u>\$ 1,313,524</u>

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HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INTEREST AND SINKING

For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 339,890	\$ 339,890	\$ 339,722	\$ (168)
Investment income	150	150	420	270
Total Revenues	<u>340,040</u>	<u>340,040</u>	<u>340,142</u>	<u>102</u>
<u>Expenditures</u>				
General government	1,000	1,000	800	200
Debt service:				
Principal	295,000	295,000	295,000	-
Interest	44,040	44,040	44,040	-
Total Expenditures	<u>340,040</u>	<u>340,040</u>	<u>339,840</u>	<u>200</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	302	<u>\$ 302</u>
Beginning fund balance			<u>16,841</u>	
Ending Fund Balance			<u>\$ 17,143</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK PRESERVATION FEES
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Fines and fees	\$ 32,550	\$ 32,550	\$ 31,354	\$ (1,196)
Total Revenues	<u>32,550</u>	<u>32,550</u>	<u>31,354</u>	<u>(1,196)</u>
<u>Expenditures</u>				
Administration of justice	32,550	32,550	6,107	26,443
Total Expenditures	<u>32,550</u>	<u>32,550</u>	<u>6,107</u>	<u>26,443</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	25,247	<u>\$ 25,247</u>
Beginning fund balance			<u>80,445</u>	
Ending Fund Balance			<u>\$ 105,692</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK PRESERVATION FEES
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Fines and fees	\$ 172,266	\$ 204,775	\$ 204,775	\$ -
Total Revenues	<u>172,266</u>	<u>204,775</u>	<u>204,775</u>	<u>-</u>
<u>Expenditures</u>				
General government	172,266	204,775	198,598	6,177
Total Expenditures	<u>172,266</u>	<u>204,775</u>	<u>198,598</u>	<u>6,177</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	6,177	<u>\$ 6,177</u>
Beginning fund balance			<u>535,657</u>	
Ending Fund Balance			<u>\$ 541,834</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other revenues	\$ 11,390	\$ 11,390	\$ 27,341	\$ 15,951
Total Revenues	<u>11,390</u>	<u>11,390</u>	<u>27,341</u>	<u>15,951</u>
Expenditures				
Administration of justice	25,521	25,521	21,352	4,169
Total Expenditures	<u>25,521</u>	<u>25,521</u>	<u>21,352</u>	<u>4,169</u>
Net Change in Fund Balance	<u>\$ (14,131)</u>	<u>\$ (14,131)</u>	5,989	<u>\$ 20,120</u>
Beginning fund balance			<u>22,015</u>	
Ending Fund Balance			<u>\$ 28,004</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY FEES
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Fines and fees	\$ 28,268	\$ 28,268	\$ 25,865	\$ (2,403)
Total Revenues	<u>28,268</u>	<u>28,268</u>	<u>25,865</u>	<u>(2,403)</u>
<u>Expenditures</u>				
Public safety	28,268	28,268	1,365	26,903
Total Expenditures	<u>28,268</u>	<u>28,268</u>	<u>1,365</u>	<u>26,903</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	24,500	<u>\$ 24,500</u>
Beginning fund balance			<u>33,639</u>	
Ending Fund Balance			<u>\$ 58,139</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JURY
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 391,834	\$ 391,834	\$ 395,823	\$ 3,989
Fines and fees	101,800	101,800	94,965	(6,835)
Other revenues	12,000	12,000	8,398	(3,602)
Total Revenues	<u>505,634</u>	<u>505,634</u>	<u>499,186</u>	<u>(6,448)</u>
<u>Expenditures</u>				
Administration of justice	505,634	641,099	625,794	15,305
Total Expenditures	<u>505,634</u>	<u>641,099</u>	<u>625,794</u>	<u>15,305</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>-</u>	<u>(135,465)</u>	<u>(126,608)</u>	<u>8,857</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(304,101)	(54,596)	249,505
Total Other Financing (Uses)	<u>-</u>	<u>(304,101)</u>	<u>(54,596)</u>	<u>249,505</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (168,636)</u>	<u>(181,204)</u>	<u>\$ (12,568)</u>
Beginning fund balance			<u>236,811</u>	
Ending Fund Balance			<u>\$ 55,607</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISPATCHERS

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Intergovernmental	\$ 191,387	\$ 191,387	\$ 190,626	\$ (761)
Total Revenues	191,387	191,387	190,626	(761)
<u>Expenditures</u>				
Public safety	191,387	191,387	190,626	761
Total Expenditures	191,387	191,387	190,626	761
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Beginning fund balance			-	
Ending Fund Balance			\$ -	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LATERAL ROADS
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 36,624	\$ 36,624	\$ 36,580	\$ (44)
Total Revenues	<u>36,624</u>	<u>36,624</u>	<u>36,580</u>	<u>(44)</u>
<u>Expenditures</u>				
Public transportation	260,744	260,744	-	260,744
Total Expenditures	<u>260,744</u>	<u>260,744</u>	<u>-</u>	<u>260,744</u>
Net Change in Fund Balance	<u>\$ (224,120)</u>	<u>\$ (224,120)</u>	36,580	<u>\$ 260,700</u>
Beginning fund balance			<u>127,479</u>	
Ending Fund Balance			<u>\$ 164,059</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 4,913	\$ 4,913	\$ 8,270	\$ 3,357
Total Revenues	<u>4,913</u>	<u>4,913</u>	<u>8,270</u>	<u>3,357</u>
<u>Expenditures</u>				
Administration of justice	14,913	14,913	13,150	1,763
Total Expenditures	<u>14,913</u>	<u>14,913</u>	<u>13,150</u>	<u>1,763</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(4,880)</u>	<u>5,120</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	10,000	10,000	4,880	(5,120)
Total Other Financing Sources	<u>10,000</u>	<u>10,000</u>	<u>4,880</u>	<u>(5,120)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ -</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ELECTION EQUIPMENT
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other revenue	\$ 10,000	\$ 10,000	\$ 4,320	\$ (5,680)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>4,320</u>	<u>(5,680)</u>
<u>Expenditures</u>				
General government	22,125	22,125	22,125	-
Total Expenditures	<u>22,125</u>	<u>22,125</u>	<u>22,125</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (12,125)</u>	<u>\$ (12,125)</u>	(17,805)	<u>\$ (5,680)</u>
Beginning fund balance			<u>42,952</u>	
Ending Fund Balance			<u>\$ 25,147</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JAG PROGRAM
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ -	\$ 30,100	\$ 30,100	\$ -
Total Revenues	<u>-</u>	<u>30,100</u>	<u>30,100</u>	<u>-</u>
<u>Expenditures</u>				
Capital outlay	-	30,100	30,100	-
Total Expenditures	<u>-</u>	<u>30,100</u>	<u>30,100</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ -</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF OFFICE DISPATCH
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other revenues	\$ -	\$ 125,805	\$ 105,641	\$ (20,164)
Total Revenues	<u>-</u>	<u>125,805</u>	<u>105,641</u>	<u>(20,164)</u>
<u>Expenditures</u>				
Public safety	-	125,805	105,641	20,164
Total Expenditures	<u>-</u>	<u>125,805</u>	<u>105,641</u>	<u>20,164</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ -</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CA PRE-TRIAL DIVERSION
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 23,389	\$ 38,070	\$ 50,600	\$ 12,530
Total Revenues	<u>23,389</u>	<u>38,070</u>	<u>50,600</u>	<u>12,530</u>
<u>Expenditures</u>				
General government	23,389	38,070	26,377	11,693
Total Expenditures	<u>23,389</u>	<u>38,070</u>	<u>26,377</u>	<u>11,693</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	24,223	<u>\$ 24,223</u>
Beginning fund balance			<u>29,446</u>	
Ending Fund Balance			<u>\$ 53,669</u>	

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2019

	<u>Elected Officials</u>	<u>District Attorney Seizure</u>	<u>Juvenile Probation</u>	<u>Adult Probation</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 2,870,342	\$ 115,352	\$ 47,290	\$ 626,352
Receivables	-	-	58,830	782
Total Assets	\$ 2,870,342	\$ 115,352	\$ 106,120	\$ 627,134
<u>Liabilities</u>				
Due to other units	\$ 2,870,342	\$ 115,352	\$ 106,120	\$ 627,134
Total Liabilities	\$ 2,870,342	\$ 115,352	\$ 106,120	\$ 627,134

**Total Agency
Funds**

\$ 3,659,336
59,612

\$ 3,718,948

\$ 3,718,948

\$ 3,718,948

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