



# **HAMILTON COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2024**



HAMILTON COUNTY

COUNTY OFFICIALS

COUNTY JUDGE	JAMES YATES
COUNTY COMMISSIONERS	
PRECINCT 1	JOHNNY WAGNER
PRECINCT 2	KEITH ALLEN CURRY
PRECINCT 3	LLOYD HUGGINS
PRECINCT 4	DICKIE CLARY
COUNTY ATTORNEY	MARK HENKES
COUNTY TREASURER	TONYA COX
COUNTY AUDITOR	JANIE STANOSCH
TAX ASSESSOR-COLLECTOR	TERRY SHORT
COUNTY CLERK	RACHEL GEESLIN
DISTRICT CLERK	ANGELA TUBBS
SHERIFF	JUSTIN CARAWAY

HAMILTON COUNTY  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

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INDEPENDENT AUDITOR'S REPORT

The Honorable Judge and  
Members of the Commissioners' Court  
Hamilton County, Texas

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Hamilton County, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the 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 Hamilton County, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Change in Accounting Method***

As discussed in Note L to the financial statements, the entity has elected to change its method of accounting for liabilities in custodial funds in 2024. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

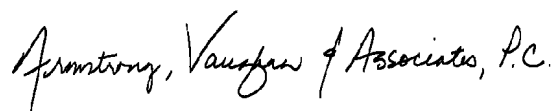
### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton County's financial statements as a whole. The combining and comparative fund statements (as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2025 on our consideration of Hamilton 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 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 Hamilton County's internal control over financial reporting and compliance.



Armstrong, Vaughan & Associates, P.C.  
August 25, 2025

## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Hamilton County’s annual financial report presents our discussion and analysis of the County’s financial performance during the fiscal year ended September 30, 2024. Please read it in conjunction with the County’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

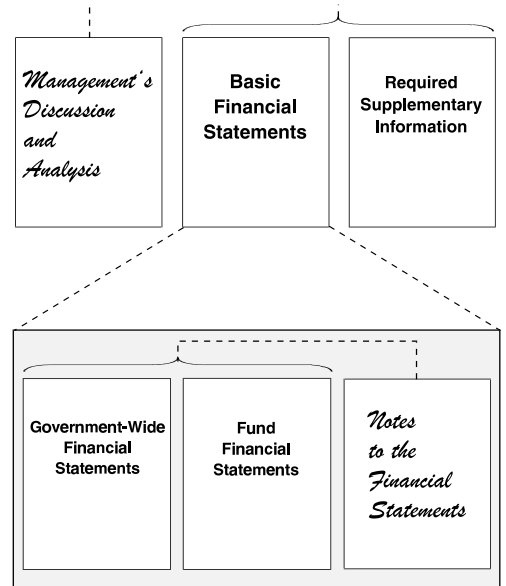
- The County’s total net position was \$10.5 million at September 30, 2024, an increase of \$428 thousand.
- During the year, the County’s governmental activities expenses were \$428 thousand less than the \$6.5 million generated in general and program revenues for governmental activities. The total cost of the County’s programs increased 5.4% from the prior year. The largest increase was in public transportation for more street maintenance activities.
- The general fund reported a fund balance this year of \$2.5 million, an increase of \$435 thousand. The County did not conduct capital improvements as budgeted.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.

Figure A-1, Required Components of the County’s Annual Financial Report



Summary ↔ Detail

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

<b>Figure A-2. Major Features of the County's Government-wide and Fund Financial Statements</b>			
<b>Fund Statements</b>			
<i>Type of Statements</i>	Government-wide	Governmental Funds	Fiduciary Funds
<i>Scope</i>	Entire County's government (except fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary	Activities the County handles for other individuals, organizations, or governments.
<i>Required financial statements</i>	• Statement of net position	• Balance Sheet	• Statement of Fiduciary Net Position
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of changes in Fiduciary Net Position.
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All additions and deductions during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the County’s financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

### **Government-Wide Statements**

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County’s net position and how they have changed. Net position—the difference between the County’s assets and liabilities—is one way to measure the County’s financial health or *position*.

- Over time, increases or decreases in the County’s net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in the County’s tax base.
- The government-wide financial statements of the County include the *Governmental activities*. All of the County’s basic services are included here, such as administration, public safety and public transportation. Property taxes, sales taxes and charges for services finance most of these activities.

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. The County’s total net position was \$10.5 million at September 30, 2024. Of this amount, \$7.6 million was invested in capital assets net of related debt. The unrestricted net position represents resources available to fund the programs of the County next year. (See Table A-1).

**Table A-1**  
County's Net Position

	Governmental Activities		Percentage Change
	2024	2023	
<i>Assets:</i>			
Current Assets	\$ 4,487,876	\$ 3,675,686	22.1
Capital and Other Assets	9,007,339	9,300,877	(3.2)
<i>Total Assets</i>	<u>13,495,215</u>	<u>12,976,563</u>	4.0
<i>Deferred Outflows of Resources:</i>	<u>307,015</u>	<u>341,517</u>	(10.1)
<i>Liabilities:</i>			
Current Liabilities	972,720	626,675	55.2
Long-term Liabilities	1,640,799	2,167,783	(24.3)
<i>Total Liabilities</i>	<u>2,613,519</u>	<u>2,794,458</u>	(6.5)
<i>Deferred Inflows of Resources:</i>	<u>719,224</u>	<u>482,413</u>	49.1
<i>Net Position:</i>			
Net Investment in Capital Assets	7,557,210	7,947,826	(4.9)
Restricted	1,693,967	333,216	408.4
Unrestricted	1,218,310	1,760,167	(30.8)
<i>Total Net Position</i>	<u>\$ 10,469,487</u>	<u>\$ 10,041,209</u>	4.3

### Fund Financial Statements

The fund financial statements provide more detailed information about the County’s most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Commissioners’ Court establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County’s programs.

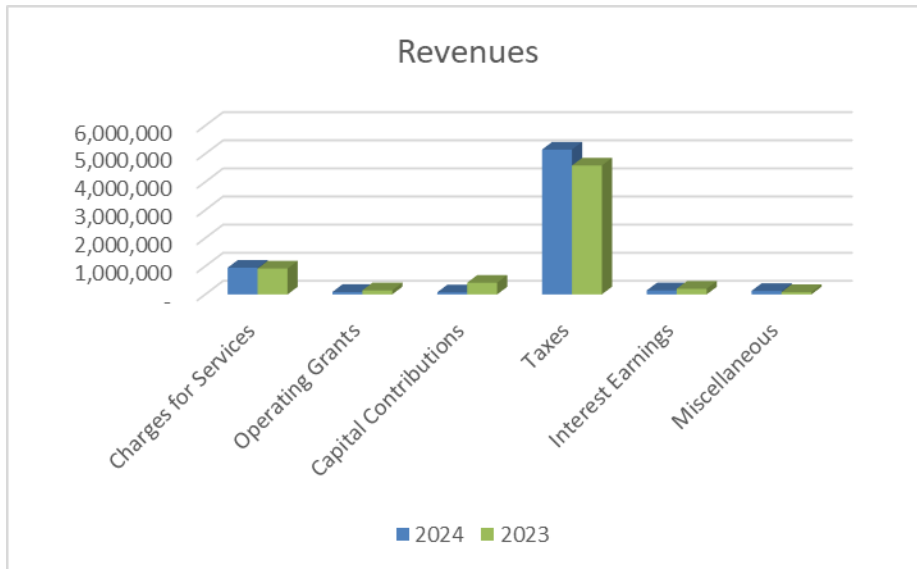
- *Fiduciary funds*—The County collects and holds funds for various other entities such as vehicle registrations for the State and court settlements for minors. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the County’s government-wide financial statements because they are not resources for the County to use on operations.

## Governmental Activities

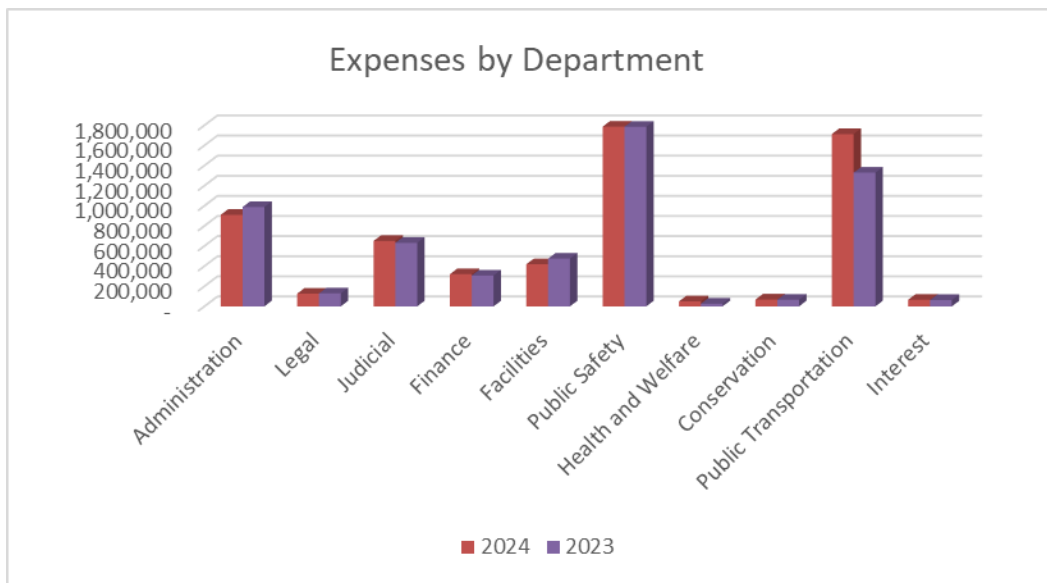
Table A-2 summarizes the changes in the County’s net position for 2024 and 2023 fiscal years.

**Table A-2**  
Changes in County's Net Position

	Governmental Activities		Percentage Change
	2024	2023	
<i>Program Revenues:</i>			
Charges for Services	\$ 959,563	\$ 920,216	4.3
Operating Grants and Contributions	87,153	143,846	(39.4)
Capital Contributions	72,427	414,651	(82.5)
<i>General Revenues:</i>			
Taxes	5,149,584	4,583,795	12.3
Interest Earnings	143,859	201,472	(28.6)
Miscellaneous	126,785	80,240	58.0
<b>TOTAL REVENUES</b>	<b>6,539,371</b>	<b>6,344,220</b>	<b>3.1</b>
<i>Program Expenses:</i>			
Administration	910,183	987,487	(7.8)
Legal	126,376	129,215	(2.2)
Judicial	650,967	631,831	3.0
Finance	320,607	306,771	4.5
Facilities	419,114	474,942	(11.8)
Public Safety	1,786,867	1,785,057	0.1
Health and Welfare	49,973	26,710	87.1
Extension	68,036	65,729	3.5
Public Transportation	1,712,845	1,329,416	28.8
Interest	66,125	63,249	4.5
<b>TOTAL EXPENSES</b>	<b>6,111,093</b>	<b>5,800,407</b>	<b>5.4</b>
 Change in Net Position	 428,278	 543,813	 (21.2)
 Beginning Net Position	 10,041,209	 9,497,396	
Ending Net Position	<b>\$ 10,469,487</b>	<b>\$ 10,041,209</b>	



Tax revenues increased in 2024, primarily from increased property values and rates. Taxes continue to fund the majority of County operations, representing 79% of total revenues. Total revenues increased approximately 3%.



Public transportation spending increased for 2024 for road repairs necessary from a storm in early 2024. The County is working with FEMA to obtain funding for these repairs and continue repairs into future years. All other expenses besides public transportation were relatively unchanged (decreased \$73 thousand).

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2024, the County had invested \$35.3 million in buildings and equipment. No significant additions occurred in 2024. (See Table A-3.)

**Table A-3**  
County's Capital Assets

	Governmental Activities		Total Percentage Change
	2024	2023	
Land	\$ 138,415	\$ 138,415	0.0
Construction in Progress	1,742,702	1,732,552	0.6
Buildings and Improvements	9,163,221	9,152,791	0.1
Infrastructure	17,773,284	17,773,284	0.0
Vehicles and Equipment	6,212,788	6,184,788	0.5
Right of Use Equipment	296,716	296,716	0.0
Totals at Historical Cost	35,327,126	35,278,546	0.1
Accumulated Depreciation	(26,755,773)	(26,055,778)	2.7
Net Capital Assets	<u>\$ 8,571,353</u>	<u>\$ 9,222,768</u>	(7.1)

More detailed information about the County's capital assets is presented in the notes to the financial statements.

### Long Term Debt

In 2024, the County made payments on equipment notes and leases as scheduled. One additional note was executed for an equipment purchase. More detailed information about the County's debt is presented in the notes to the financial statements.

**Table A-4**  
County's Long-Term Debt

	Governmental Activities		Total Percentage Change
	2024	2023	
Notes Payable	\$ 897,570	\$ 1,086,960	(17.4)
Leases Payable	116,573	187,982	(38.0)
Total Long-Term Debt	<u>\$ 1,014,143</u>	<u>\$ 1,274,942</u>	(20.5)

## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

Revenues from governmental fund types increased from \$6.3 million to \$6.5 million. Property tax increases made up the increase. Governmental expenditures decreased \$1.4 million to \$6.1 million. A capital project for communications tower did not continue in 2024 and was partially offset by increased road and bridge storm maintenance.

The General Fund ended with a fund balance of \$2.5 million, which is approximately 7 months of general fund operating expenditures.

Road and Bridge fund ended the year adding \$7 thousand to its fund balance. The ending Road and Bridge fund balance was \$872 thousand: a little over 6 months of operations.

### **Budgetary Highlights**

The County's actual revenues in the general fund were similar to the budget, exceeding it by \$96 thousand. Expenditures were under budget by \$2.4 million. The largest reason for the savings related to communications towers that were deferred until the 2024-2025 year. Fund balance increased \$435 thousand compared to a budgeted reduction in fund balance of \$1.1 million.

The County's actual revenues in the road bridge fund were \$10 thousand more than budgeted. Expenditures were under budget by \$341 thousand. The expenditures were amended during the year to allocate the contingency to the precincts. However, costs for storm repairs did not increase as much as anticipated. Fund balance increased \$7 thousand compared to a budgeted reduction in fund balance of \$297 thousand.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The 2024-2025 budget increased property tax rates to 0.43 per \$100 of valuation, which will result in a \$233 thousand in additional property tax revenue. Spending in the General Fund is expected to increase about 4% over the 2023-2024 level. Most of the increased taxes will be going to the Road and Birdge Fund for maintenance on storm damaged roads. The County will be issuing tax notes in 2025 to fund the completion of communication towers in the County. Otherwise, the County does not anticipate any significant changes to County services or operations.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County at (254)-386-1200.



## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
  - Governmental Funds
  - Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

HAMILTON COUNTY  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 4,004,636
Ad Valorem Taxes Receivable (net)	129,665
Other Receivables (Net of Allowances)	140,949
Prepaid Expenses	212,626
<i>Total Current Assets</i>	<u>4,487,876</u>
 <i>Capital Assets:</i>	
Land	138,415
Construction in Progress	1,742,702
Buildings and Improvements (net)	5,116,782
Vehicles and Equipment (net)	1,328,925
Right of Use Equipment (net)	160,632
Infrastructure (net)	83,897
<i>Total Capital Assets</i>	<u>8,571,353</u>
 <i>Other Assets:</i>	
Net Pension Asset	435,986
<i>Total Other Assets</i>	<u>435,986</u>
<b>TOTAL ASSETS</b>	<u>13,495,215</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Related Outflows	196,148
Deferred Other Post Employment Benefit Outflows	110,867
<b>TOTAL DEFERRED OUTFLOWS</b>	<u>\$ 307,015</u>

See accompanying notes to basic financial statements.

HAMILTON COUNTY  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2024

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 251,393
Accrued Wages	119,795
Accrued Interest Payable	10,435
Unearned Revenue	250,000
Accrued Compensated Absences	9,313
Long-term Debt Due within One Year	331,784
<i>Total Current Liabilities</i>	<u>972,720</u>
 <i>Long-term Liabilities:</i>	
Accrued Compensated Absences	9,313
Long-term Debt Due in More than One Year	682,359
Total Other Post Employment Benefits Liability	949,127
<i>Total Long-term Liabilities</i>	<u>1,640,799</u>
<b>TOTAL LIABILITIES</b>	<u><u>2,613,519</u></u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pension Related Inflows	37,135
Deferred Other Post Employment Benefits Inflows	682,089
<b>TOTAL DEFERRED INFLOWS</b>	<u><u>719,224</u></u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	7,557,210
Restricted for:	
Net Pension Asset	435,986
Elections	2,665
Legal	40,126
Judicial	198,206
Public Safety	8,102
Records Management	137,178
Road and Bridge Maintenance	871,704
Unrestricted	1,218,310
<b>TOTAL NET POSITION</b>	<u><u>\$ 10,469,487</u></u>

See accompanying notes to basic financial statements.



HAMILTON COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue (Expense) and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
Administration	\$ 910,183	\$ 165,865	\$ 32,077	\$ -	\$ (712,241)
Legal	126,376	-	50,483	-	(75,893)
Judicial	650,967	288,025	2,190	-	(360,752)
Finance	320,607	41,158	-	-	(279,449)
Facilities	419,114	-	-	-	(419,114)
Public Safety	1,786,867	14,825	2,403	-	(1,769,639)
Health and Welfare	49,973	-	-	-	(49,973)
Extension	68,036	-	-	-	(68,036)
Public Transportation	1,712,845	449,690	-	72,427	(1,190,728)
Interest	66,125	-	-	-	(66,125)
<b>Total Primary Government</b>	<u>\$ 6,111,093</u>	<u>\$ 959,563</u>	<u>\$ 87,153</u>	<u>\$ 72,427</u>	<u>(4,991,950)</u>
<b>General Revenues:</b>					
Taxes					
Ad Valorem Taxes					4,459,905
Sales Taxes					689,679
Interest and Investment Earnings					143,859
Miscellaneous					126,785
<b>Total General Revenues</b>					<u>5,420,228</u>
Change in Net Position					428,278
<b>Net Position at Beginning of Year</b>					<u>10,041,209</u>
<b>Net Position at End of Year</b>					<u>\$ 10,469,487</u>

See accompanying notes to basic financial statements.

HAMILTON COUNTY  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Road & Bridge	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,458,128	\$ 915,326	\$ 631,183	\$ 4,004,637
Ad Valorem Taxes Receivable (net)	129,665	-	-	129,665
Other Receivables	111,195	28,132	1,622	140,949
Prepaid Items	180,714	26,081	5,831	212,626
<b>TOTAL ASSETS</b>	<b>\$ 2,879,702</b>	<b>\$ 969,539</b>	<b>\$ 638,636</b>	<b>\$ 4,487,877</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 187,974	\$ 61,060	\$ 2,359	\$ 251,393
Accrued Wages	83,020	36,775	-	119,795
Unearned Revenue	-	-	250,000	250,000
<i>Total Liabilities</i>	270,994	97,835	252,359	621,188
<i>Deferred Inflows of Resources:</i>				
Unavailable Revenues - Property Taxes	72,876	-	-	72,876
<i>Total Deferred Inflows</i>	72,876	-	-	72,876
<i>Fund Balances:</i>				
Nonspendable:				
Prepaid Items	180,714	26,081	5,831	212,626
Restricted for:				
Elections	-	-	2,665	2,665
Legal	-	-	40,126	40,126
Judicial	-	-	198,206	198,206
Public Safety	-	-	8,102	8,102
Records Management	-	-	131,347	131,347
Road and Bridge Maintenance	-	845,623	-	845,623
Unassigned	2,355,118	-	-	2,355,118
<i>Total Fund Balances</i>	2,535,832	871,704	386,277	3,793,813
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,879,702</b>	<b>\$ 969,539</b>	<b>\$ 638,636</b>	<b>\$ 4,487,877</b>

See accompanying notes to basic financial statements.

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

**TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS** \$ 3,793,813

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

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 8,571,353

Long-term liabilities (including notes payable and leases) are not due and payable with current financial resources and thus not reported in the governmental funds.

Notes Payable	(897,570)	
Leases Payable	(116,573)	
Accrued Interest	<u>(10,435)</u>	(1,024,578)

Net Pension Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in governmental funds.

Net Pension Asset	435,986	
Pension Related Deferred Outflows	196,148	
Pension Related Deferred Inflows	<u>(37,135)</u>	594,999

Other Post Employment Benefit (OPEB) Liabilities (and related deferred inflows and outflows of resources) do not consume current financial resources and are not reported in governmental funds.

Total Other OPEB Liability	(949,127)	
OPEB Related Deferred Outflows	110,867	
OPEB Related Deferred Inflows	<u>(682,089)</u>	(1,520,349)

Other liabilities are not due and payable in the current period, and therefore, not reported in the funds.

Accrued Compensated Absences		(18,626)
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.

		<u>72,875</u>
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**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 10,469,487

See accompanying notes to basic financial statements.

HAMILTON COUNTY  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Road & Bridge	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 3,292,967	\$ 1,140,000	\$ -	\$ 4,432,967
Sales Taxes	639,965	-	-	639,965
Fines and Forfeitures	475,891	-	92,236	568,127
Charges for Services	10,400	-	-	10,400
Licenses, Permits, and Fees	-	501,602	-	501,602
Interest Income	117,206	26,653	-	143,859
Misc Income	121,749	-	-	121,749
Grants and Donations	77,814	20,515	4,592	102,921
<b>TOTAL REVENUES</b>	<u>4,735,992</u>	<u>1,688,770</u>	<u>96,828</u>	<u>6,521,590</u>
<b>EXPENDITURES</b>				
Current:				
Administration	909,904	-	23,850	933,754
Legal	143,171	-	-	143,171
Judicial	679,653	-	18,604	698,257
Finance	340,384	-	-	340,384
Facilities	176,514	-	-	176,514
Public Safety	1,747,845	-	1,313	1,749,158
Health and Welfare	49,973	-	-	49,973
Conservation	68,036	-	-	68,036
Public Transportation	-	1,517,058	-	1,517,058
Capital Outlay	1,482	36,913	-	38,395
Debt Service:				
Principal	150,019	159,446	-	309,465
Interest	33,948	21,741	-	55,689
<b>TOTAL EXPENDITURES</b>	<u>4,300,929</u>	<u>1,735,158</u>	<u>43,767</u>	<u>6,079,854</u>
Excess (Deficiency) in Revenue Over (Under) Expenditures	435,063	(46,388)	53,061	441,736
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Notes Payable	-	48,666	-	48,666
Sale of Capital Assets	-	5,000	-	5,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>53,666</u>	<u>-</u>	<u>53,666</u>
Net Change in Fund Balance	435,063	7,278	53,061	495,402
<b>BEGINNING FUND BALANCE</b>	<u>2,100,769</u>	<u>864,426</u>	<u>333,216</u>	<u>3,298,411</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,535,832</u>	<u>\$ 871,704</u>	<u>\$ 386,277</u>	<u>\$ 3,793,813</u>

See accompanying notes to basic financial statements.



HAMILTON COUNTY  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2024

	Custodial Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 976,492
Certificates of Deposit	28,592
<b>TOTAL ASSETS</b>	<b>1,005,084</b>
 <b>LIABILITIES</b>	
Payables to Other Entities	109,869
<b>TOTAL LIABILITIES</b>	<b>109,869</b>
 <b>NET POSITION</b>	
Restricted for:	
Individuals, Organizations and other Governments	895,215
<b>TOTAL NET POSITION</b>	<b>\$ 895,215</b>

See accompanying notes to basic financial statements.

HAMILTON COUNTY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Custodial Funds
<b>ADDITIONS</b>	
Cash Bonds and Court Fees	\$ 699,381
Motor Vehicle Collections for the State	1,193,913
<b>TOTAL ADDITIONS</b>	1,893,294
 <b>DEDUCTIONS</b>	
Cash Bond Refunds and Forfeitures	22,009
Motor Vehicle Distributions to the State	1,193,913
Other Distributions	2,261
<b>TOTAL DEDUCTIONS</b>	1,218,183
 Net Increase in Fiduciary Net Position	 675,111
 <b>BEGINNING NET POSITION</b>	
Prior Period Adjustment - Accounting Change	-
<b>ENDING NET POSITION</b>	220,104
	<b>\$ 895,215</b>

See accompanying notes to basic financial statements.

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Hamilton County (“County”) is a public corporation and political subdivision of the State of Texas. The County is governed by four elected Commissioners (divided into precincts) and the elected County Judge. The County provides the following services: general government (administration, judicial, legal, elections, and financial administration), public safety (corrections, and sheriff), public transportation (roads and bridges), health and extension.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. REPORTING ENTITY

*Component Units*

Component units are legally separate entities that are, in substance, part of the government’s operations; thus, data from these units, would be combined with data of the primary government. The County does not have any component units.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the County. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues.

The statement of activities reflects the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental, proprietary and fiduciary funds. The General Fund and Road and Bridge Fund meet the criteria as *major funds*.

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types which have been accrued consist of revenue from taxes, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs, investment earnings, and other miscellaneous revenues.

**Governmental fund level financial statements** are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental funds:

**General Fund** is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property and sales taxes. Primary expenditures are for general administration, judicial, and public safety.

**Road and Bridge Fund** is used to account for property taxes and licenses committed to road and bridge maintenance in the County.

**Fiduciary fund level financial statements** are used to account resources held for others. The County's custodial funds hold motor vehicle fees for the State and various other settlements.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the County. For the County, this includes investments in local government investment pools that are liquid and maintain a stable net asset value.

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

5. INVESTMENTS

State statutes authorize the County to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations.

Investments in local government investment pools are reported as net asset value of \$1 per share, which approximates fair value. Investments in local government pools are liquid and available on demand. Thus, they are reported in cash and cash equivalents. The County reports investments in certificates of deposit at amortized cost and U.S. Agency debt instruments at fair value.

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

5. INVESTMENTS (CONT.)

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the County believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

6. ACCOUNTS RECEIVABLE/REVENUE RECOGNITION

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2023 and past due after January 31, 2024. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for credit losses.

7. PREPAID ITEMS

Payments made for goods and services in advance are recorded as prepaid items on the balance sheet.

8. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund statements.

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

9. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more and a useful life in excess of two years. Infrastructure assets include County-owned streets, water system, and sewer system. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Estimated Life</u>
Buildings and Improvements	10-35 years
Infrastructure	30 years
Vehicles and Equipment	3-20 years

10. COMPENSATED ABSENCES

Full-time employees earn paid time off (including vacation, compensatory, holiday and sick time) at varying rates depending on length of service. Compensatory time is paid on termination, but no other leave is. Accumulated, unused compensatory time is accrued as incurred in the government-wide statements. However, it is only recognized on the governmental fund statements when it is due and payable.

11. UNAVAILABLE/UNEARNED REVENUE

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue not expected to be available for the current period are reflected as unavailable revenue (a deferred inflow of resources). Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

12. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period, while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

13. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt (including capital leases) and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the discount. Bond issuance costs are expensed as incurred. 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.

14. PENSIONS

The net pension liability, deferred inflows, and outflows 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 and deductions from TCERS's fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. NET POSITION

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

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

16. FUND BALANCES

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable - Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can only be used for a specific purpose by a resolution of Commissioners' Court. Committed amounts cannot be used for any other purpose unless Commissioners' Court removes those constraints through the same formal action.

Assigned - Represents amounts which the County intends to use for a specific purpose but do not meet the criteria of restricted or committed. The Commissioners' Court may delegate authority for assignments to other officials in the County.

Unassigned - Represents the residual balance that may be spent on any other purpose of the County.

When an expenditure is incurred for a purpose in which multiple classifications are available, the County considers restricted balances spent first, committed second and assigned third.

17. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

18. COMPARATIVE DATA/RECLASSIFICATIONS

Comparative data for the prior year (where provided) includes certain reclassifications to conform to the 2024 presentation. These reclassifications had no effect on the changes in fund balance/net position except as noted in the prior period adjustment note to the financial statements.

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE B -- DEPOSITS AND INVESTMENTS**

1. Deposits

The County maintains deposits at one institution that provides a combination of pledged collateral and FDIC insurance to completely collateralize the County's deposits, including certificates.

2. Investments

As of September 30, 2024, the County's investments included \$2.43 million in Logic, a AAAM rated local government investment pool. The investments are reported in cash and equivalents at \$1 per share, which approximates fair value. The pool is available on demand.

The County has materially complied with the provisions of the Public Funds Investment Act, by investing in qualified vehicles, adopting an investment policy, naming an investment officer, and attending the required training.

**NOTE C -- PROPERTY TAX CALENDAR**

The County's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the County. Assessed values are established by the Hamilton County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2023, upon which the fiscal 2024 levy was based, was \$1.08 billion (i.e., market value less exemptions).

The County is permitted by the Constitution of the State of Texas to levy taxes up to \$0.80 per \$100 of taxable assessed valuation for all governmental purposes. Taxes for voter approved debt service are generally unlimited. The tax rate to finance general governmental services for the year ended September 30, 2024 was \$0.4005 per \$100 of assessed value. Generally, the County may only increase the maintenance and operations tax levy 3.5% each year without first obtaining voter approval.

**NOTE D -- RECEIVABLES**

Receivables for the County as of September 30, 2024 are as follows:

	General Fund	Road & Bridge	Nonmajor Funds
Ad Valorem Taxes	\$ 202,541	\$ -	\$ -
Allowance for Credit Losses	(72,876)	-	-
Sales and Mixed Beverage Tax	111,195	-	-
Grant Receivable	-	28,132	-
Other Receivables	-	-	1,622
	\$ 240,860	\$ 28,132	\$ 1,622

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE E -- CAPITAL ASSETS**

Capital asset activity in the governmental funds for the year ended September 30, 2024, was as follows:

	Balance 10/1/2023	Additions	Disposals/ Transfers	Balance 9/30/2024
<i>Governmental Activities</i>				
Land	\$ 138,415	\$ -	\$ -	\$ 138,415
Construction in Progress	1,732,552	10,150	-	1,742,702
Buildings and Improvements	9,152,791	10,430	-	9,163,221
Vehicles and Equipment	6,184,788	28,000	-	6,212,788
Right of Use Equipment	296,716	-	-	296,716
Infrastructure	17,773,284	-	-	17,773,284
	35,278,546	48,580	-	35,327,126
Less Accumulated Depreciation				
Buildings and Improvements	(3,748,108)	(298,331)	-	(4,046,439)
Infrastructure	(17,604,387)	(85,000)	-	(17,689,387)
Vehicles and Equipment	(4,626,542)	(257,321)	-	(4,883,863)
Right of Use Equipment	(76,741)	(59,343)	-	(136,084)
	(26,055,778)	(699,995)	-	(26,755,773)
Governmental Activities, Net	\$ 9,222,768	\$ (651,415)	\$ -	\$ 8,571,353

Land and Construction in Progress are not depreciated. Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 19,561
Facilities	245,905
Public Safety	171,748
Public Transportation	262,781
Total Depreciation Expense - Governmental Activities	\$ 699,995

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE F -- LONG-TERM DEBT**

Changes in long-term debt were as follows:

	Balance 10/1/2023	Additions	Reductions	Balance 9/30/2024
<i>Governmental Activities:</i>				
Notes Payable	\$ 1,086,960	\$ 48,666	\$ (238,056)	\$ 897,570
Leases Payable	187,982	-	(71,409)	116,573
Compensated Absences	-	18,626	-	18,626
Net Pension Liability (Asset)	(78,109)	791,563	(1,149,440)	(435,986)
Total OPEB Liability	1,202,336	211,224	(464,433)	949,127
<i>Total Government</i>	<u>\$ 2,399,169</u>	<u>\$ 1,070,079</u>	<u>\$ (1,923,338)</u>	<u>\$ 1,545,910</u>

The General Fund and Road and Bridge Fund are generally charged with servicing these obligations.

The notes payable consist of 9 agreements to finance equipment purchases. Each note requires annual payments, and they bear interest at rates ranging between 3.24% and 6.24%. The notes were privately placed at banks but do not include subjective acceleration or events of default with finance-related consequences.

In addition, the County leased several vehicles under two separate agreements. The agreements require monthly payments and bear interest at 6.71% and 9.32%. At lease termination, the value of the vehicles will be compared to the expected value to determine a potential purchase option.

Annual requirements to service these agreements are as follows:

Year Ending September 30,	Notes Payable		Leases		Total
	Principal	Interest	Principal	Interest	
2025	\$ 255,444	\$ 37,511	\$ 76,340	\$ 6,770	\$ 376,065
2026	236,139	27,087	36,819	1,644	301,689
2027	163,401	17,244	3,414	53	184,112
2028	134,886	10,522	-	-	145,408
2029	107,700	4,786	-	-	112,486
Total	<u>\$ 897,570</u>	<u>\$ 97,150</u>	<u>\$ 116,573</u>	<u>\$ 8,467</u>	<u>\$ 1,119,760</u>

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE G -- PENSION PLAN**

**Plan Description**

The County participates as one of 830 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the state of Texas and administered in accordance with the TCDRS Act as an agent multiple-employer retirement system for County and District employees in the State of Texas. The Board of Trustees of TCDRS is responsible for the administration and management of the system. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service or with 20 years regardless of age or when the sum of their age and years of service equals 75 or more. A member is vested after 8 years but must leave his accumulated contributions in the plan. Members who withdraw their personal contributions in a partial lump sum are not entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County within the actuarial constraints imposed by the TCDRS Act so the resulting benefits can be expected to be adequately financed by the employer'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 employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

**Benefits Provided**

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the District, within the options available in the state statutes governing TCDRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the County-financed monetary credits with interest were used to purchase an annuity.

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	55
Inactive Employees Entitled to but Not Yet Receiving Benefits	103
Active employees	52
	<u>210</u>

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE G -- PENSION PLAN (Continued)**

**Contributions**

The County has elected the annually determined contribution rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The actuarially determined rates were 5.65% and 5.51% for the calendar years of 2023 and 2024, respectively. The County elected to contribute 9.79% for the year ending September 30, 2024.

The contribution rate payable by the employee members is 6% as adopted by the governing body of the County. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The County has adopted a matching rate of 150%. Employees may not take a partial lump sum on retirement.

**Actuarial Assumptions**

The County's net pension liability (NPL) was measured as of December 31, 2023 and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date. The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	1.6 Years
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average including inflation
Investment Rate of Return	7.50%, net of administrative and investment expenses
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The long-term expected rate of return on pension plan investments is 7.50%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE G -- PENSION PLAN (Continued)**

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2023 information for a 10-year time horizon. Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon; the most recent analysis was performed in March 2021.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Geometric Real Rate of Return</u>
U.S. Equities	11.5%	4.75%
Global Equity	2.5%	4.75%
International Developed Markets	5.0%	4.75%
International Emerging Markets	6.0%	4.75%
Investment Grade Bonds	3.0%	2.35%
Strategic Credit	9.0%	3.65%
Direct Lending	16.0%	7.25%
Distressed Debt	4.0%	6.90%
REIT Equities	2.0%	4.10%
Master Limited Partnerships (MLPs)	2.0%	5.20%
Private Real Estate Partnerships	6.0%	5.70%
Private Equity	25.0%	7.75%
Hedge Funds	6.0%	3.25%
Cash Equivalents	2.0%	0.60%
	<u>100%</u>	

The discount rate used to measure the Total Pension Liability (or asset) was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability (or asset).

The following presents the net pension liability of the District, calculated using the discount rate of 7.60%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate		
	<u>1% Decrease</u>	<u>7.60%</u>	<u>1% Increase</u>
Net Pension Liability (Asset)	\$ 569,110	\$ (435,986)	\$ (1,278,650)

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE G -- PENSION PLAN (Continued)**

**Changes in the Net Pension Liability**

The below schedule presents the changes in the Net Pension Liability as of December 31, 2023:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2022	\$ 7,749,384	\$ 7,827,493	\$ (78,109)
Changes for the year:			
Service Cost	183,378	-	183,378
Interest	588,628	-	588,628
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	13,596	-	13,596
Changes of Assumptions	-	-	-
Refund of Contributions	(11,617)	(11,617)	-
Benefit Payments	(370,690)	(370,690)	-
Administrative Expense	-	(4,485)	4,485
Contributions - Employee	-	110,238	(110,238)
Net Investment Income	-	859,337	(859,337)
Contributions - Employer	-	179,865	(179,865)
Other Changes	-	(1,476)	1,476
Net Changes	<u>403,295</u>	<u>761,172</u>	<u>(357,877)</u>
Balance at December 31, 2023	<u>\$ 8,152,679</u>	<u>\$ 8,588,665</u>	<u>\$ (435,986)</u>

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the internet at [www.TCDRS.com](http://www.TCDRS.com).

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE G -- PENSION PLAN (Continued)**

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

For the year ended September 30, 2024, the County recognized pension expense of (\$107,785). Also as of September 30, 2024, 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	\$ 9,064	\$ 37,135
Changes in Actuarial Assumptions	-	-
Differences Between Projected and Actual Investment Earnings	31,544	-
Contributions Subsequent to the Measurement Date	155,540	-
	\$ 196,148	\$ 37,135

Deferred outflows of resources in the amount of \$155,540 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Plan Year ended December 31,	
2024	\$ (89,941)
2025	(23,509)
2026	170,545
2027	(53,622)
2028	-
Thereafter	-
	\$ 3,473

**NOTE H -- OTHER POST-EMPLOYMENT BENEFIT**

Eligible retirees of the County may participate in the health insurance plan of the County at the County's cost. Eligible employees are those that attain age 60 or 25 years of service, regardless of age. The retiree must have at least 8 years of continuous coverage under the medical plan prior to the date of eligible retirement. Through age 65 a traditional medical plan is offered and after 65 a medicare supplement is available. The County contributes \$250 per month for eligible retirees with the additional premiums covered by the retiree.

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE H -- OTHER POST-EMPLOYMENT BENEFIT (Continued)**

Membership in the plan at September 30, 2024, the valuation date, consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefits	8
Inactive Employees Entitled to but Not Yet Receiving Benefits	0
Active employees	<u>52</u>
	<u><u>60</u></u>

This County does not maintain a separate trust for this plan and is not accumulating assets to service the other post-employment benefit. Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of employees attaining eligibility. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.50%
Salary Increases	3.50%
Discount Rate	4.06% (S&P Municipal Bond 20 Year High Grade Index)
Mortality Rates	RPH-2014 Total Table with Projection MP-2021
Turnover	Rates are based on TCDRS assumptions from 2017.
Health Care Trend Rates	Level trend rate of 4.50%
Participation Rates	Assumed 50% of all active employees who currently have coverage and 100% of all retirees currently on the plan will continue with coverage.

The following tables present the sensitivity of the TOL to a 1% swing in the discount rate and health care cost trend rate:

	<u>1% Decrease</u>	Healthcare <u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 813,429	\$ 949,127	\$ 1,120,902
		Discount Rate	
	<u>1% Decrease</u>	<u>4.77%</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,097,552	\$ 949,127	\$ 828,741

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)**

The County's Total OPEB Liability (TOL), based on the above actuarial factors, as of September 30, 2024, the measurement date, was calculated as follows:

	Total OPEB Liability
Balance at September 30, 2023	\$ 1,202,336
Changes for the year:	
Service Cost	63,555
Interest	59,706
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(436,055)
Changes in Assumptions or Other Inputs	87,963
Benefit Payments	(28,378)
Net Changes	(253,209)
Balance at September 30, 2024	\$ 949,127

There is no separate trust maintained to fund this TOL. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 to pay related benefits.

For the year ended September 30, 2024, the County recognized OPEB expense of (\$8,422). In addition, the following deferred inflows and outflows were reported as of September 30, 2024 related to the benefit:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ 110,867	\$ 270,252
Changes in Experience	-	411,837
Contributions Subsequent to the Measurement Date	-	-
	\$ 110,867	\$ 682,089

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)**

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

For the Plan Year ended September 30,	
2025	\$ (131,683)
2026	(131,683)
2027	(142,526)
2028	(68,763)
2029	(50,305)
Thereafter	<u>(46,262)</u>
	<u>\$ (571,222)</u>

**NOTE I – TAX ABATEMENTS**

The County provides tax abatements to incentivize development and provide economic growth in the County. As of September 30, 2024, the County had two such agreements.

The first agreement is for a solar farm that abates 100% of the incremental property taxes in the County in exchange for a payment in lieu of taxes for \$120,000 for ten years (beginning in 2024 and ending in 2033). The payment is reported as part of property taxes in these financial statements. The estimated abated property taxes for the year ending September 30, 2024 were \$320,000.

The second agreement abates 100% of the incremental property taxes in the County for five years. The first abatement is expected for the year ending September 30, 2025.

**NOTE J -- RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The County contracts with the Texas Association of Counties Risk Management Pool (“Pool”) to provide insurance coverage for liability, property and casualty, auto liability and workers compensation. The Pool is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the County is generally limited to the contributed amounts for losses up to coverage limits.

HAMILTON COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2024

**NOTE K -- LITIGATION**

The County is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the County's liability in these cases, if decided adversely to the County, will not have a material effect on the County's financial position.

**NOTE L -- PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING METHOD**

The custodial funds report liabilities when an event has occurred that compels the government to disburse fiduciary resources. Previously, the County report the registry accounts of the District Clerk and County Clerk as liabilities. As of October 1, 2023, the County has changed that understanding to equity in the fiduciary fund as the registry accounts are holding resources waiting for a court resolution. This more accurately represents the liabilities of the fiduciary activities. The change resulted in a prior period adjustment increasing the beginning net position in the custodial funds from \$0 to \$220,104.

**NOTE M -- SUBSEQUENT EVENTS**

In March 2025, the County issued \$1.425 million in tax notes for improvements to communications towers. The notes bear interest at rates ranging from 3.75% to 4.35% and mature serially through February, 20232.

In April 2025, the County issued a promissory note for \$178 thousand to purchase equipment. The note bears interest at 5.99% and requires five annual payments of \$35,607 through April 2030.

## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Road and Bridge Fund
- Schedule of Changes - Net Pension Liability and Related Ratios
- Schedule of Contributions – Defined Benefit Pension Plan
- Schedule of Changes – Total Other Post-Employment Benefit Liability and Related Ratios

HAMILTON COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 3,477,841	\$ 3,477,841	\$ 3,292,967	\$ (184,874)
Sales Taxes	598,000	598,000	639,965	41,965
Fines and Forfeitures	405,000	408,313	475,891	67,578
Charges for Services	12,000	12,000	10,400	(1,600)
Interest Income	50,000	50,000	117,206	67,206
Misc Income	20,000	21,057	121,749	100,692
Grants and Donations	71,200	72,700	77,814	5,114
<b>TOTAL REVENUES</b>	<u>4,634,041</u>	<u>4,639,911</u>	<u>4,735,992</u>	<u>96,081</u>
<b>EXPENDITURES</b>				
<i>Current:</i>				
<i>Administration:</i>				
County Judge	151,199	153,249	153,898	(649)
County Clerk	250,069	250,069	216,447	33,622
Nondepartmental	602,586	609,305	473,213	136,092
Community Service	67,150	67,150	66,346	804
<i>Legal:</i>				
County Attorney	152,393	152,393	143,171	9,222
<i>Judicial:</i>				
District Clerk	166,556	168,056	153,535	14,521
Justice of the Peace	226,115	226,115	222,554	3,561
County Court	16,000	25,853	18,316	7,537
District Court	146,935	157,381	128,401	28,980
District Attorney	108,636	110,999	110,999	-
Juvenile Court	50,975	50,975	45,848	5,127
<i>Finance:</i>				
County Auditor	159,658	155,058	107,725	47,333
County Treasurer	67,723	69,923	70,002	(79)
Tax Assessor	164,271	164,571	162,657	1,914
<i>Facilities</i>	245,854	243,254	176,514	66,740
<i>Public Safety:</i>				
Volunteer Fire Departments	64,500	64,500	64,500	-
County Sheriff	901,598	913,683	889,592	24,091
Jail	348,700	346,500	281,511	64,989
Communications	633,700	634,079	512,242	121,837
<i>Health and Welfare</i>	55,350	59,110	49,973	9,137
<i>Extension</i>	71,165	71,165	68,036	3,129
<i>Capital Outlay</i>	1,815,000	1,795,145	1,482	1,793,663
<i>Debt Service:</i>				
Principal	151,000	151,000	150,019	981
Interest	38,500	38,500	33,948	4,552
<b>TOTAL EXPENDITURES</b>	<u>6,655,633</u>	<u>6,678,033</u>	<u>4,300,929</u>	<u>2,377,104</u>

HAMILTON COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(2,021,592)	(2,038,122)	435,063	2,473,185
<b>OTHER FINANCING SOURCES (OFS)</b>				
Issuance of Tax Notes	1,000,000	1,000,000	-	(1,000,000)
Transfer In (Out)	(100,000)	(91,054)	-	91,054
<b>TOTAL OFS</b>	<u>900,000</u>	<u>908,946</u>	<u>-</u>	<u>(908,946)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,121,592)	(1,129,176)	435,063	1,564,239
<b>BEGINNING FUND BALANCE</b>	<u>2,100,769</u>	<u>2,100,769</u>	<u>2,100,769</u>	<u>-</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 979,177</u>	<u>\$ 971,593</u>	<u>\$ 2,535,832</u>	<u>\$ 1,564,239</u>

HAMILTON COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL – ROAD AND BRIDGE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget Amounts		Actual Amounts	Variance
	Original	Final		
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 1,140,000	\$ 1,140,000	\$ 1,140,000	\$ -
Licenses, Permits, and Fees	510,000	510,000	501,602	(8,398)
Interest Income	9,000	9,000	26,653	17,653
Grants and Donations	20,000	20,000	20,515	515
<b>TOTAL REVENUES</b>	<u>1,679,000</u>	<u>1,679,000</u>	<u>1,688,770</u>	<u>9,770</u>
<b>EXPENDITURES</b>				
<i>Current:</i>				
Public Transportation				
Precinct 1	394,362	444,609	302,078	142,531
Precinct 2	375,079	491,855	410,394	81,461
Precinct 3	376,077	457,687	426,645	31,042
Precinct 4	389,477	435,761	377,941	57,820
Capital Outlay	355,000	65,000	36,913	28,087
<i>Debt Service:</i>				
Principal	168,050	159,050	159,446	(396)
Interest	23,900	21,900	21,741	159
<b>TOTAL EXPENDITURES</b>	<u>2,081,945</u>	<u>2,075,862</u>	<u>1,735,158</u>	<u>340,704</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(402,945)	(396,862)	(46,388)	350,474
<b>OTHER FINANCING SOURCES (OFS)</b>				
Transfer In	100,000	100,000	-	(100,000)
Issuance of Note Payable	-	-	48,666	48,666
Sale of Capital Assets	-	-	5,000	5,000
<b>TOTAL OFS</b>	<u>100,000</u>	<u>100,000</u>	<u>53,666</u>	<u>(46,334)</u>
<b>Net Change in Fund Balance</b>	(302,945)	(296,862)	7,278	304,140
<b>BEGINNING FUND BALANCE</b>	864,426	864,426	864,426	-
<b>ENDING FUND BALANCE</b>	<u>\$ 561,481</u>	<u>\$ 567,564</u>	<u>\$ 871,704</u>	<u>\$ 304,140</u>

HAMILTON COUNTY  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
SEPTEMBER 30, 2024

**Budgetary Information** – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The County maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by Commissioners’ Court and as such is a good management control device. The General Fund and all special revenue funds have legally adopted annual budgets.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

The County uses encumbrances throughout the year, however all encumbrances are closed at year end. Accordingly, no encumbrances are reported in these financial statements.

HAMILTON COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES - NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN PLAN (CALENDAR) YEARS

	Total Pension Liability			
	2014	2015	2016	2017
Service Cost	\$ 178,410	\$ 161,122	\$ 174,734	\$ 161,726
Interest (on the Total Pension Liability)	394,186	415,154	427,875	447,961
Changes of Benefit Terms	-	(22,650)	-	-
Change of Assumptions	-	48,748	-	14,527
Difference between Expected and Actual Experience	(61,704)	(151,152)	(117,821)	(10,059)
Benefit Payments, Including Refunds of Employee Contributions	(236,552)	(276,928)	(299,630)	(326,642)
Net Change in Total Pension Liability	274,340	174,294	185,158	287,513
Total Pension Liability - Beginning	4,895,000	5,169,340	5,343,634	5,528,792
Total Pension Liability - Ending	<u>\$ 5,169,340</u>	<u>\$ 5,343,634</u>	<u>\$ 5,528,792</u>	<u>\$ 5,816,305</u>
	Plan Fiduciary Net Position			
	2014	2015	2016	2017
Contributions - Employer	\$ 124,944	\$ 118,979	\$ 122,965	\$ 112,182
Contributions - Employee	106,831	101,836	101,068	103,394
Net Investment Income	327,395	31,990	367,191	759,004
Benefit Payments, Including Refunds of Employee Contributions	(236,552)	(276,927)	(299,629)	(326,642)
Administrative Expense	(3,788)	(3,618)	(4,002)	(3,894)
Other	8,555	(77,053)	(49,298)	(1,526)
Net Change	327,385	(104,793)	238,295	642,518
Beginning Plan Fiduciary Net Postion	4,751,251	5,078,636	4,973,843	5,212,138
Ending Plan Fiduciary Net Postion	<u>\$ 5,078,636</u>	<u>\$ 4,973,843</u>	<u>\$ 5,212,138</u>	<u>\$ 5,854,656</u>
Net Pension Liability (Asset) - Ending	\$ 90,704	\$ 369,791	\$ 316,654	\$ (38,351)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.25%	93.08%	94.27%	100.66%
Covered Payroll	\$ 1,742,616	\$ 1,697,265	\$ 1,684,462	\$ 1,723,226
Net Pension Liability as a Percentage of Covered Payroll	5.21%	21.79%	18.80%	-2.23%

Total Pension Liability					
2018	2019	2020	2021	2022	2023
\$ 167,879	\$ 171,013	\$ 176,772	\$ 198,439	\$ 210,722	\$ 183,378
470,689	493,769	520,848	546,962	568,840	588,628
-	-	-	-	-	-
-	-	385,564	(17,209)	-	-
(3,917)	21,835	31,801	(75,413)	(111,405)	13,596
<u>(353,293)</u>	<u>(352,392)</u>	<u>(363,966)</u>	<u>(375,826)</u>	<u>(378,633)</u>	<u>(382,305)</u>
281,358	334,225	751,019	276,953	289,524	403,297
5,816,305	6,097,663	6,431,888	7,182,907	7,459,860	7,749,384
<u>\$ 6,097,663</u>	<u>\$ 6,431,888</u>	<u>\$ 7,182,907</u>	<u>\$ 7,459,860</u>	<u>\$ 7,749,384</u>	<u>\$ 8,152,681</u>

Plan Fiduciary Net Position					
2018	2019	2020	2021	2022	2023
\$ 116,121	\$ 119,284	\$ 153,404	\$ 197,246	\$ 188,285	\$ 179,865
104,059	107,302	115,013	114,832	115,394	110,238
(110,558)	920,270	659,857	1,518,255	(485,817)	859,337
(353,293)	(352,393)	(363,966)	(375,826)	(378,632)	(382,307)
(4,500)	(4,869)	(5,082)	(4,543)	(4,587)	(4,485)
<u>(3,378)</u>	<u>(3,417)</u>	<u>(3,885)</u>	<u>1,797</u>	<u>(3,536)</u>	<u>(1,474)</u>
(251,549)	786,177	555,341	1,451,761	(568,893)	761,174
5,854,656	5,603,107	6,389,284	6,944,625	8,396,386	7,827,493
<u>\$ 5,603,107</u>	<u>\$ 6,389,284</u>	<u>\$ 6,944,625</u>	<u>\$ 8,396,386</u>	<u>\$ 7,827,493</u>	<u>\$ 8,588,667</u>

\$ 494,556	\$ 42,604	\$ 238,282	\$ (936,526)	\$ (78,109)	\$ (435,986)
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91.89%	99.34%	96.68%	112.55%	101.01%	105.35%
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\$ 1,734,314	\$ 1,788,370	\$ 1,916,888	\$ 1,913,862	\$ 1,923,240	\$ 1,837,298
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28.52%	2.38%	12.43%	-48.93%	-4.06%	-23.73%
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HAMILTON COUNTY  
SCHEDULE OF COUNTY CONTRIBUTIONS – PENSION PLAN  
LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 119,360	\$ 211,192	\$ (91,832)	\$ 2,151,799	9.8%
2023	136,935	198,382	(61,447)	2,184,699	9.1%
2022	124,210	211,009	(86,799)	2,110,090	10.0%
2021	127,090	197,246	(70,156)	1,913,862	10.3%
2020	113,919	153,404	(39,485)	1,916,888	8.0%
2019	116,026	119,284	(3,258)	1,788,370	6.7%
2018	112,182	112,182	-	1,734,314	6.5%
2017	122,965	122,965	-	1,723,226	7.1%
2016	118,979	118,979	-	1,684,462	7.1%
2015	124,944	124,944	-	1,697,265	7.4%

Notes to Schedule of Contributions

Changes in Benefit Terms:

2017: New annuity purchase rates for benefits earned after 2017.

Changes in Assumptions:

- 2015: New inflation, mortality and other assumptions
- 2017: New mortality assumptions
- 2019: New inflation, mortality and other assumptions
- 2022: New investment return and inflation assumptions

HAMILTON COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY AND  
RELATED RATIOS  
RETIREE INSURANCE  
LAST SEVEN FISCAL YEARS

	Total OPEB Liability			
	2018	2019	2020	2021
Service Cost	\$ 69,039	\$ 71,842	\$ 71,842	\$ 71,842
Interest	50,511	50,963	57,206	35,381
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	-	-	(47,357)	-
Changes in Assumptions or Other Inputs	-	-	124,194	-
Benefit Payments	(39,381)	(39,381)	(42,409)	(42,409)
Net Change in Total Pension Liability	80,169	83,424	163,476	64,814
Total OPEB Liability - Beginning	1,194,774	1,274,943	1,358,367	1,521,843
Total OPEB Liability - Ending	<u>\$ 1,274,943</u>	<u>\$ 1,358,367</u>	<u>\$ 1,521,843</u>	<u>\$ 1,586,657</u>

Covered Employee Payroll	\$ 1,723,236	\$ 1,734,314	\$ 1,788,370	\$ 1,916,888
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Total OPEB Liability as a Percentage of Covered Employee Payroll	73.99%	78.32%	85.10%	82.77%
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	Total OPEB Liability		
	2022	2023	2024
Service Cost	\$ 105,546	\$ 63,555	\$ 63,555
Interest	37,657	55,585	59,706
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(48,869)	-	(436,055)
Changes in Assumptions or Other Inputs	(523,617)	-	87,963
Benefit Payments	(37,089)	(37,089)	(28,378)
Net Change in Total Pension Liability	(466,372)	82,051	(253,209)
Total OPEB Liability - Beginning	1,586,657	1,120,285	1,202,336
Total OPEB Liability - Ending	<u>\$ 1,120,285</u>	<u>\$ 1,202,336</u>	<u>\$ 949,127</u>

Covered Employee Payroll	\$ 1,913,862	\$ 1,923,240	\$ 1,917,546
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Total OPEB Liability as a Percentage of Covered Employee Payroll	58.54%	62.52%	49.50%
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HAMILTON COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES – TOTAL OTHER POST-EMPLOYMENT BENEFIT LIABILITY AND  
RELATED RATIOS  
RETIREE INSURANCE (CONTINUED)  
LAST SEVEN FISCAL YEARS

**Notes to OPEB Schedule**

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

Changes in Assumptions:

2024    New participation rate assumptions based on change in benefits  
          Discount rate reduced from 4.77% to 4.06%

Changes in Benefits:

None.

Information for this schedule is being accumulated prospectively until a rolling ten year period is available.



## SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Combining Statements – Nonmajor Funds
- Comparative Statements
  - General Fund
  - Road and Bridge Fund

HAMILTON COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS  
 SEPTEMBER 30, 2024

	Special Revenue			
	Vital Statistics	Records Management & Archival	Rural Law Enforcement	Court Reporter
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 11,820	\$ 121,308	\$ 250,000	\$ 25,461
Other Receivables	-	-	-	-
Prepaid Items	-	5,831	-	-
<b>TOTAL ASSETS</b>	<b>\$ 11,820</b>	<b>\$ 127,139</b>	<b>\$ 250,000</b>	<b>\$ 25,461</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ 1,781	\$ -	\$ -
Unearned Revenue	-	-	250,000	-
<i>Total Liabilities</i>	-	1,781	250,000	-
<i>Fund Balances:</i>				
Nonspendable:				
Prepaid Items	-	5,831	-	-
Restricted for:				
Elections	-	-	-	-
Legal	-	-	-	-
Judicial	-	-	-	25,461
Public Safety	-	-	-	-
Records Management	11,820	119,527	-	-
<i>Total Fund Balances</i>	11,820	125,358	-	25,461
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,820</b>	<b>\$ 127,139</b>	<b>\$ 250,000</b>	<b>\$ 25,461</b>

HAMILTON COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)  
 SEPTEMBER 30, 2024

	Special Revenue			
	Court Technology & Security	Probate Fees	Election Funds	LEOSE Training
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 150,637	\$ 16,468	\$ 1,043	\$ 1,566
Other Receivables	-	-	1,622	-
Prepaid Items	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 150,637</b>	<b>\$ 16,468</b>	<b>\$ 2,665</b>	<b>\$ 1,566</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 578	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	-
<i>Total Liabilities</i>	578	-	-	-
<i>Fund Balances:</i>				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted for:				
Elections	-	-	2,665	-
Legal	-	-	-	-
Judicial	150,059	16,468	-	-
Public Safety	-	-	-	1,566
Records Management	-	-	-	-
<i>Total Fund Balances</i>	150,059	16,468	2,665	1,566
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 150,637</b>	<b>\$ 16,468</b>	<b>\$ 2,665</b>	<b>\$ 1,566</b>

HAMILTON COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)  
 SEPTEMBER 30, 2024

	Special Revenue		
	Law Library	Sheriff Forfeitures	County Attorney Hot Check
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 35,175	\$ 6,536	\$ 4,951
Other Receivables	-	-	-
Prepaid Items	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 35,175</b>	<b>\$ 6,536</b>	<b>\$ 4,951</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-
<i>Total Liabilities</i>	-	-	-
<i>Fund Balances:</i>			
Nonspendable:			
Prepaid Items	-	-	-
Restricted for:			
Elections	-	-	-
Legal	35,175	-	4,951
Judicial	-	-	-
Public Safety	-	6,536	-
Records Management	-	-	-
<i>Total Fund Balances</i>	35,175	6,536	4,951
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 35,175</b>	<b>\$ 6,536</b>	<b>\$ 4,951</b>

HAMILTON COUNTY  
 COMBINING BALANCE SHEET – NONMAJOR FUNDS (CONTINUED)  
 SEPTEMBER 30, 2024

	<u>Jury Fund</u>	<u>Total Nonmajor Funds</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 6,218	\$ 631,183
Other Receivables	-	1,622
Prepaid Items	-	5,831
	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 6,218</u></u>	<u><u>\$ 638,636</u></u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 2,359
Unearned Revenue	-	250,000
	<u>          </u>	<u>          </u>
<i>Total Liabilities</i>	<u>          </u>	<u>252,359</u>
 <i>Fund Balances:</i>		
Nonspendable:		
Prepaid Items	-	5,831
Restricted for:		
Elections	-	2,665
Legal	-	40,126
Judicial	6,218	198,206
Public Safety	-	8,102
Records Management	-	131,347
	<u>          </u>	<u>          </u>
<i>Total Fund Balances</i>	<u>6,218</u>	<u>386,277</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>		
	<u><u>\$ 6,218</u></u>	<u><u>\$ 638,636</u></u>

HAMILTON COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – NONMAJOR FUNDS  
 FOR THE YEAR ENDING SEPTEMBER 30, 2024

	Special Revenue			
	Vital Statistics	Records Management & Archival	Rural Law Enforcement	Court Reporter
<b>REVENUES</b>				
Fines and Fees	\$ 1,543	\$ 50,493	\$ -	\$ 5,124
Grants and Donations	-	-	-	-
<b>TOTAL REVENUES</b>	<u>1,543</u>	<u>50,493</u>	<u>-</u>	<u>5,124</u>
<b>EXPENDITURES</b>				
Current:				
Administration	-	22,047	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>22,047</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,543	28,446	-	5,124
<b>BEGINNING FUND BALANCE</b>	<u>10,277</u>	<u>96,912</u>	<u>-</u>	<u>20,337</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 11,820</u>	<u>\$ 125,358</u>	<u>\$ -</u>	<u>\$ 25,461</u>

HAMILTON COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – NONMAJOR FUNDS (CONTINUED)  
 FOR THE YEAR ENDING SEPTEMBER 30, 2024

	Special Revenue			
	Court Technology & Security	Probate Fees	Election Funds	LEOSE Training
<b>REVENUES</b>				
Fines and Fees	\$ 14,590	\$ 1,040	\$ -	\$ -
Grants and Donations	-	-	-	2,402
<b>TOTAL REVENUES</b>	<u>14,590</u>	<u>1,040</u>	<u>-</u>	<u>2,402</u>
<b>EXPENDITURES</b>				
Current:				
Administration	-	-	-	-
Judicial	9,444	-	-	-
Public Safety	-	-	-	1,313
<b>TOTAL EXPENDITURES</b>	<u>9,444</u>	<u>-</u>	<u>-</u>	<u>1,313</u>
Net Change in Fund Balance	5,146	1,040	-	1,089
<b>BEGINNING FUND BALANCE</b>	<u>144,913</u>	<u>15,428</u>	<u>2,665</u>	<u>477</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 150,059</u>	<u>\$ 16,468</u>	<u>\$ 2,665</u>	<u>\$ 1,566</u>

HAMILTON COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – NONMAJOR FUNDS (CONTINUED)  
 FOR THE YEAR ENDING SEPTEMBER 30, 2024

	Special Revenue		
	Law Library	Sheriff Forfeitures	County Attorney Hot Check
<b>REVENUES</b>			
Fines and Fees	\$ 6,258	\$ -	\$ -
Grants and Donations	-	-	-
<b>TOTAL REVENUES</b>	<u>6,258</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Administration	1,803	-	-
Judicial	-	-	-
Public Safety	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,803</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	4,455	-	-
<b>BEGINNING FUND BALANCE</b>	<u>30,720</u>	<u>6,536</u>	<u>4,951</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 35,175</u>	<u>\$ 6,536</u>	<u>\$ 4,951</u>

HAMILTON COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – NONMAJOR FUNDS (CONTINUED)  
 FOR THE YEAR ENDING SEPTEMBER 30, 2024

	Jury Fund	Total Nonmajor Funds
<b>REVENUES</b>		
Fines and Fees	\$ 13,188	\$ 92,236
Grants and Donations	2,190	4,592
<b>TOTAL REVENUES</b>	15,378	96,828
<b>EXPENDITURES</b>		
Current:		
Administration	-	23,850
Judicial	9,160	18,604
Public Safety	-	1,313
<b>TOTAL EXPENDITURES</b>	9,160	43,767
Net Change in Fund Balance	6,218	53,061
<b>BEGINNING FUND BALANCE</b>	-	333,216
<b>ENDING FUND BALANCE</b>	\$ 6,218	\$ 386,277

HAMILTON COUNTY  
 COMPARATIVE BALANCE SHEETS –GENERAL FUND  
 SEPTEMBER 30, 2024 AND 2023

	2024	2023
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,458,128	\$ 2,112,875
Ad Valorem Taxes Receivable (net)	129,665	43,633
Other Receivables	111,195	101,886
Prepaid Items	180,714	106,132
<b>TOTAL ASSETS</b>	<b>\$ 2,879,702</b>	<b>\$ 2,364,526</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 187,974	\$ 105,069
Accrued Wages	83,020	87,055
Unearned Revenue	-	28,000
<i>Total Liabilities</i>	270,994	220,124
<i>Deferred Inflows of Resources:</i>		
Unavailable Revenues - Property Taxes	72,876	43,633
<i>Total Deferred Inflows</i>	72,876	43,633
<i>Fund Balances:</i>		
Nonspendable:		
Prepaid Items	180,714	106,132
Unassigned	2,355,118	1,994,637
<i>Total Fund Balances</i>	2,535,832	2,100,769
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,879,702</b>	<b>\$ 2,364,526</b>

HAMILTON COUNTY  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE – GENERAL FUND  
 FOR THE YEARS ENDING SEPTEMBER 30, 2024 AND 2023

	2024	2023
<b>REVENUES</b>		
Ad Valorem Taxes	\$ 3,292,967	\$ 3,193,547
Sales Taxes	639,965	603,458
Fines and Forfeitures	475,891	393,322
Charges for Services	10,400	2,400
Interest Income	117,206	155,954
Misc Income	121,749	114,078
Grants and Donations	77,814	518,059
<b>TOTAL REVENUES</b>	4,735,992	4,980,818
<b>EXPENDITURES</b>		
Current:		
Administration	909,904	804,278
Legal	143,171	135,215
Judicial	679,653	637,503
Finance	340,384	312,771
Facilities	176,514	214,013
Public Safety	1,747,845	1,711,953
Health and Welfare	49,973	26,710
Extension	68,036	65,729
Capital Outlay	1,482	1,964,393
Debt Service:		
Principal	150,019	75,412
Interest	33,948	41,057
<b>TOTAL EXPENDITURES</b>	4,300,929	5,989,034
Excess (Deficiency) in Revenue Over (Under) Expenditures	435,063	(1,008,216)
<b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of Leases Payable	-	54,378
Transfer Out	-	(100,000)
<b>TOTAL OTHER FINANCING SOURCES</b>	-	(45,622)
Net Change in Fund Balance	435,063	(1,053,838)
<b>BEGINNING FUND BALANCE</b>	2,100,769	3,154,607
<b>ENDING FUND BALANCE</b>	\$ 2,535,832	\$ 2,100,769

HAMILTON COUNTY  
 COMPARATIVE BALANCE SHEETS – ROAD AND BRIDGE FUND  
 SEPTEMBER 30, 2024 AND 2023

	2024	2023
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 915,326	\$ 898,295
Ad Valorem Taxes Receivable (net)	-	10,908
Other Receivables	28,132	28,132
Prepaid Items	26,081	26,081
<b>TOTAL ASSETS</b>	<b>\$ 969,539</b>	<b>\$ 963,416</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 61,060	\$ 64,658
Accrued Wages	36,775	23,424
<i>Total Liabilities</i>	97,835	88,082
<i>Deferred Inflows of Resources:</i>		
Unavailable Revenues - Property Taxes	-	10,908
<i>Total Deferred Inflows</i>	-	10,908
<i>Fund Balances:</i>		
Nonspendable:		
Prepaid Items	26,081	26,081
Restricted for:		
Road and Bridge Maintenance	845,623	838,345
<i>Total Fund Balances</i>	871,704	864,426
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 969,539</b>	<b>\$ 963,416</b>

HAMILTON COUNTY  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCE -- ROAD AND BRIDGE  
 FOR THE YEARS ENDING SEPTEMBER 30, 2024 AND 2023

	2024	2023
<b>REVENUES</b>		
Ad Valorem Taxes	\$ 1,140,000	\$ 740,000
Licenses, Permits, and Fees	501,602	461,446
Interest Income	26,653	45,518
Misc Income	-	5,788
Grants and Donations	20,515	78,380
<b>TOTAL REVENUES</b>	1,688,770	1,331,132
<b>EXPENDITURES</b>		
Current:		
Public Transportation		
Precinct 1	302,078	253,311
Precinct 2	410,394	238,776
Precinct 3	426,645	292,417
Precinct 4	377,941	314,101
Capital Outlay	36,913	201,005
Debt Service:		
Principal	159,446	129,410
Interest	21,741	22,192
<b>TOTAL EXPENDITURES</b>	1,735,158	1,451,212
Excess (Deficiency) in Revenue Over (Under) Expenditures	(46,388)	(120,080)
<b>OTHER FINANCING SOURCES (USES)</b>		
Issuance of Notes Payable	48,666	77,640
Sale of Capital Assets	5,000	23,347
Transfer In	-	100,000
<b>TOTAL OTHER FINANCING SOURCES</b>	53,666	200,987
Net Change in Fund Balance	7,278	80,907
<b>BEGINNING FUND BALANCE</b>	864,426	783,519
<b>ENDING FUND BALANCE</b>	\$ 871,704	\$ 864,426



## COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT

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

County Commissioners  
Hamilton County

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton County as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Hamilton County's basic financial statements, and have issued our report thereon dated August 25, 2025.

***Report on Internal Control over Financial Reporting***

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

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

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

### ***Report on Compliance and Other Matters***

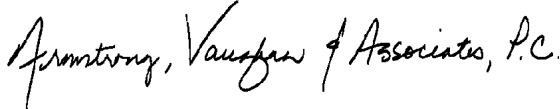
As part of obtaining reasonable assurance about whether Hamilton County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

We noted certain matters that we have reported to management of the County in a separate letter dated August 25, 2025.

### **Purpose of this Report**

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

Respectfully submitted,



Armstrong, Vaughan & Associates, P.C.

August 25, 2025