

ANNUAL FINANCIAL REPORT

of

HARDIN COUNTY, TEXAS

For the Year Ended
September 30, 2018

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HARDIN COUNTY, TEXAS

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INTRODUCTORY SECTION

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HARDIN COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS

September 30, 2018

COMMISSIONERS' COURT:

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

JUDICIAL:

David Sheffield	District Attorney
Dana Hogg	District Clerk

LEGAL

Rebecca Walton	County Attorney
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COUNTY COURT

Glenda Alston	County Clerk
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JUSTICE COURTS:

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

LAW ENFORCEMENT:

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

FINANCIAL ADMINISTRATION:

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

*Designated appointed official. All others are elected.

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hardin County, Texas (the "County"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2018, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

In 2018, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2019 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
May 14, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

The Statement of Activities presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The County maintains 47 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, road and bridge, Hurricane Harvey, and Hurricane Ike disaster recovery funds, which are considered to be major funds for reporting purposes.

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

Fiduciary Funds

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

HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

Notes to Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$17,479,448 as of September 30, 2018. This compares with \$13,785,865 from the prior fiscal year. A portion of the County's net position, 76 percent, reflects its investments in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 13,742,127	\$ 15,982,242
Capital assets, net	<u>16,231,264</u>	<u>12,578,793</u>
Total Assets	<u>29,973,391</u>	<u>28,561,035</u>
Deferred charge on refunding	24,711	29,653
Deferred outflows - pensions	<u>1,653,409</u>	<u>4,059,545</u>
Total Deferred Outflows of Resources	<u>1,678,120</u>	<u>4,089,198</u>
Long-term liabilities	8,997,682	12,812,337
Other liabilities	<u>3,535,629</u>	<u>5,398,681</u>
Total Liabilities	<u>12,533,311</u>	<u>18,211,018</u>
Deferred inflows - pensions	<u>1,638,752</u>	<u>653,350</u>
Total Deferred Inflows of Resources	<u>1,638,752</u>	<u>653,350</u>
Net Position:		
Net investment in capital assets	13,243,701	9,463,220
Restricted	3,329,354	3,065,921
Unrestricted	<u>906,393</u>	<u>1,256,724</u>
Total Net Position	<u>\$ 17,479,448</u>	<u>\$ 13,785,865</u>

A portion of the County's net position, \$3,329,354 or 19 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$906,393 or 5 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

Net position had an increase of \$3,693,583 overall compared to prior year primarily due to the completion of the annex building construction during the fiscal year.

HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

Statement of Activities:

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

	Governmental Activities	
	2018	2017
Revenues		
Program revenues:		
Charges for services	\$ 4,068,339	\$ 3,863,568
Operating grants and contributions	6,563,884	4,025,090
General revenues:		
Taxes	17,718,517	17,655,320
Investment income	128,755	58,250
Other revenues	695,760	184,011
Total Revenues	29,175,255	25,786,239
Expenses		
General government	3,159,319	3,310,023
Administration of justice	4,282,092	4,546,618
Roads and bridges	4,349,037	4,457,434
Public safety	11,858,363	9,647,335
Health and human services	786,963	884,697
Community enrichment	103,790	136,455
Tax administration	872,126	887,413
Interest on long-term debt	69,982	71,535
Total Expenses	25,481,672	23,941,510
Change in Net Position	3,693,583	1,844,729
Beginning net position	13,785,865	11,941,136
Ending Net Position	\$ 17,479,448	\$ 13,785,865

Overall, governmental activities revenue increased \$3,389,016 primarily as a result of an increase in charges for services and operating grants and contributions. Total expenses also increased over the prior year by \$1,540,162. Public safety expenses increased during the year, which can be attributed to the debris clean up in the County related to Hurricane Harvey.

HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

The County's governmental funds reflect a combined fund balance of \$7,290,869. Of this, \$3,689,745 is unassigned and available for day-to-day operations of the County, \$16,841 is restricted for debt service, \$1,959,941 is restricted for road and bridge projects, and \$1,352,572 is restricted within the County's special revenue funds.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,681,225. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 38 percent of total general fund expenditures while total fund balance represents 40 percent of total general fund expenditures.

Fund balance in the general fund and road and bridge fund experienced increases of \$29,171 and \$82,642, respectively, due to increases in tax revenue for the County. The County's Hurricane Harvey fund experienced a decrease of \$637,974 in fund balance that can be attributed to hurricane-related expenditures not reimbursed by Federal Emergency Management Agency (FEMA) as of fiscal year end. There was an overall decrease in the combined fund balance of \$685,457 from the prior year, which is primarily a result of Hurricane Harvey expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted general fund revenues were over final actual revenues by \$23,958 during the year. This net negative variance is primarily attributable to the original budgeted amount for taxes exceeding the actual amount collected. General fund disbursements were under the final budget by \$1,648,196. The largest positive expenditure variance was in commissioners' court for \$813,288 as a result of less expenditures than anticipated in contingency and case management software.

CAPITAL ASSETS

At the end of fiscal year 2018, the County had invested \$16,231,264 in a variety of capital assets and infrastructure (net of accumulated depreciation). Major capital asset events during the current year include the following:

- Land for Sour Lake project in the amount of \$132,302
- The completion of the annex building totaling \$2,133,248
- Silsbee communications tower in the amount of \$507,224
- Three washers and a dishwasher for the jail totaling \$33,063
- Five vehicles for public safety in the amount of \$176,073
- Road and bridge equipment in the amount of \$890,732

HARDIN COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2018

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

LONG-TERM DEBT

At the end of the year, the County reported total general obligation bonds, certificates of obligation, and capital leases of \$2,958,036. The County did not issue any new capital lease obligations during fiscal year 2018.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County experienced an increase in ad valorem revenue during the current year and is projected to have a 3.80% increase in the property tax revenue in the 2019 fiscal budget. This is due to the prior year's increase in the tax rate from 0.5762% to 0.5850%, an increase in the certified appraised values, and new property in the County. The consolidated adopted rate for fiscal year 2019 is 0.5850%.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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HARDIN COUNTY, TEXAS

STATEMENT OF NET POSITION

September 30, 2018

	<u>Primary Government Governmental Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 7,526,924
Receivables, net	5,909,028
Prepays	271,770
Due from other units	34,405
Total Current Assets	<u>13,742,127</u>
Capital assets:	
Nondepreciable	4,197,397
Net depreciable capital assets	12,033,867
Total Noncurrent Assets	<u>16,231,264</u>
Total Assets	<u>29,973,391</u>
<u>Deferred Outflows of Resources</u>	
Deferred charge on refunding	24,711
Deferred outflows - pensions	1,653,409
Total Deferred Outflows of Resources	<u>1,678,120</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued liabilities	2,836,682
Accrued interest payable	27,767
Due to other governments	38,921
Unearned revenue	632,259
Total Current Liabilities	<u>3,535,629</u>
Noncurrent liabilities:	
Long-term liabilities due within one year	813,506
Long-term liabilities due in more than one year	8,184,176
Total Noncurrent Liabilities	<u>8,997,682</u>
Total Liabilities	<u>12,533,311</u>
<u>Deferred Inflows of Resources</u>	
Deferred inflows - pensions	1,638,752
Total Deferred Inflows of Resources	<u>1,638,752</u>
<u>Net Position</u>	
Net investment in capital assets	13,243,701
Restricted for:	
Road and bridge	1,959,941
Debt service	16,841
Other purposes	1,352,572
Unrestricted	906,393
Total Net Position	<u>\$ 17,479,448</u>

See Notes to Financial Statements.

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HARDIN COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 3,159,319	\$ 1,519,552	\$ 491,536	\$ (1,148,231)
Administration of justice	4,282,092	173,208	132,999	(3,975,885)
Roads and bridges	4,349,037	2,375,579	664,448	(1,309,010)
Public safety	11,858,363	-	5,274,901	(6,583,462)
Health and human services	786,963	-	-	(786,963)
Community enrichment	103,790	-	-	(103,790)
Tax administration	872,126	-	-	(872,126)
Interest and fiscal charges	69,982	-	-	(69,982)
Total Governmental Activities	\$ 25,481,672	\$ 4,068,339	\$ 6,563,884	(14,849,449)
General Revenues:				
				17,718,517
				128,755
				695,760
			Total General Revenues	18,543,032
			Change in Net Position	3,693,583
			Beginning net position	13,785,865
			Ending Net Position	\$ 17,479,448

See Notes to Financial Statements.

HARDIN COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2018

	<u>General</u>	<u>Road and Bridge</u>	<u>Hurricane Harvey</u>	<u>Hurricane Ike Disaster Recovery</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 3,801,150	\$ 1,550,784	\$ -	\$ -
Receivables, net	3,176,260	440,078	243,490	1,561,960
Prepays	271,038	732	-	-
Due from other funds	1,977,140	547,462	-	-
Due from other units	33,757	-	-	-
Total Assets	\$ 9,259,345	\$ 2,539,056	\$ 243,490	\$ 1,561,960
<u>Liabilities</u>				
Accounts payable	\$ 813,939	\$ 114,751	\$ 72	\$ 1,561,960
Accrued wages	181,211	40,671	-	-
Due to other funds	-	-	2,215,353	-
Due to other governments	5	-	-	-
Due to others	-	12	-	-
Unearned revenue	-	-	19,545	-
Total Liabilities	995,155	155,434	2,234,970	1,561,960
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	2,311,927	422,949	-	-
Total Deferred Inflows of Resources	2,311,927	422,949	-	-
<u>Fund Balances</u>				
Nonspendable:				
Prepays	271,038	732	-	-
Restricted:				
Road and bridge	-	1,959,941	-	-
Debt service	-	-	-	-
Special revenue funds	-	-	-	-
Unassigned	5,681,225	-	(1,991,480)	-
Total Fund Balances	5,952,263	1,960,673	(1,991,480)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,259,345	\$ 2,539,056	\$ 243,490	\$ 1,561,960

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 2,174,990	\$ 7,526,924
487,240	5,909,028
-	271,770
-	2,524,602
648	34,405
<u>\$ 2,662,878</u>	<u>\$ 16,266,729</u>
\$ 124,078	\$ 2,614,800
-	221,882
309,249	2,524,602
38,904	38,909
-	12
612,714	632,259
<u>1,084,945</u>	<u>6,032,464</u>
71,451	71,451
137,069	2,871,945
<u>208,520</u>	<u>2,943,396</u>
-	271,770
-	1,959,941
16,841	16,841
1,352,572	1,352,572
-	3,689,745
<u>1,369,413</u>	<u>7,290,869</u>
<u>\$ 2,662,878</u>	<u>\$ 16,266,729</u>

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HARDIN COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
September 30, 2018

Fund balances - total governmental funds		\$ 7,290,869
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Nondepreciable capital assets		4,197,397
Depreciable capital assets, net		12,033,867
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Deferred inflows - property taxes		2,871,945
Deferred inflows - grant		71,451
Deferred outflows and deferred inflows related to pension activity and other post employment benefits (OPEB) are not current financial resources and, therefore, not reported in the governmental funds.		
Deferred outflows - pensions		1,653,409
Deferred inflows - pensions		(1,638,752)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable		(27,767)
Deferred charge on refunding		24,711
Long-term liabilities due within one year		(813,506)
Long-term liabilities due in more than one year		(8,184,176)
	Net Position of Governmental Activities	<u><u>\$ 17,479,448</u></u>

See Notes to Financial Statements.

HARDIN COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	<u>General</u>	<u>Road and Bridge</u>	<u>Hurricane Harvey</u>	<u>Hurricane Ike Disaster Recovery</u>
Revenues				
Taxes	\$ 14,477,645	\$ 2,212,768	\$ -	\$ -
Intergovernmental	-	-	2,669,896	2,104,814
Fines and fees	1,122,061	475,262	-	-
Licenses and permits	169,474	1,900,317	-	-
Investment income	128,301	-	-	-
Other revenues	84,156	-	504,370	-
Total Revenues	<u>15,981,637</u>	<u>4,588,347</u>	<u>3,174,266</u>	<u>2,104,814</u>
Expenditures				
General government	4,088,585	-	-	-
Administration of justice	3,583,745	-	-	-
Public transportation	-	4,421,124	-	-
Public safety	5,358,635	-	3,812,240	2,105,548
Health and human services	788,756	-	-	-
Community enrichment	103,918	-	-	-
Tax administration	880,451	-	-	-
Debt service:				
Principal	45,452	72,509	-	-
Interest	5,828	12,072	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>14,855,370</u>	<u>4,505,705</u>	<u>3,812,240</u>	<u>2,105,548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,126,267	82,642	(637,974)	(734)
Other Financing Sources (Uses)				
Transfers in	-	-	-	734
Transfers (out)	(1,097,096)	-	-	-
Total Other Financing Sources (Uses)	<u>(1,097,096)</u>	<u>-</u>	<u>-</u>	<u>734</u>
Net Change in Fund Balances	29,171	82,642	(637,974)	-
Beginning fund balances	5,923,092	1,878,031	(1,353,506)	-
Ending Fund Balances	<u>\$ 5,952,263</u>	<u>\$ 1,960,673</u>	<u>\$ (1,991,480)</u>	<u>\$ -</u>

See Notes to Financial Statements.

<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
\$ 787,574	\$ 17,477,987
1,686,478	6,461,188
401,225	1,998,548
-	2,069,791
454	128,755
107,234	695,760
<u>2,982,965</u>	<u>28,832,029</u>
484,863	4,573,448
710,056	4,293,801
476,951	4,898,075
758,207	12,034,630
-	788,756
-	103,918
-	880,451
285,641	403,602
53,445	71,345
1,469,460	1,469,460
<u>4,238,623</u>	<u>29,517,486</u>
(1,255,658)	(685,457)
1,096,362	1,097,096
-	(1,097,096)
<u>1,096,362</u>	<u>-</u>
(159,296)	(685,457)
1,528,709	7,976,326
<u>\$ 1,369,413</u>	<u>\$ 7,290,869</u>

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HARDIN COUNTY, TEXAS

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

For the Year Ended September 30, 2018

Net changes in fund balances – total governmental funds \$ (685,457)

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

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

Capital outlay	4,801,810
Depreciation expense	(1,133,654)
Net effect of capital disposals	(15,685)

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

Deferred revenue - property taxes	240,530
Deferred revenue - grants	66,501

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

Net pension liability	3,452,310
Net OPEB liability	(20,035)
Deferred outflows - pensions	(2,406,136)
Deferred inflows - pensions	(985,402)

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

Principal payments	403,602
Changes to bond premiums	10,847
Amortization of deferred charges	(4,942)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This adjustment reflects the net change on the accrual basis of accounting for accrued interest payable and compensated absences.

Accrued interest payable	1,363
Compensated absences	(32,069)

Change in Net Position of Governmental Activities \$ 3,693,583

See Notes to Financial Statements.

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HARDIN COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2018

	<u>Total Agency Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 3,909,427
Receivables	69,113
Total Assets	\$ 3,978,540
<u>Liabilities</u>	
Due to other units	\$ 3,978,540
Total Liabilities	\$ 3,978,540

See Notes to Financial Statements.

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HARDIN COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following governmental funds:

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

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The primary source of revenue for debt service is local property taxes. The interest and sinking fund is considered a nonmajor fund for reporting purposes.

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

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

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

Hurricane Ike disaster recovery fund – This fund is used to account for expenditures related to Hurricane Ike's disaster recovery relief and Community Development Block Grant Disaster Recovery Program (CDBG) reimbursements.

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

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition or construction of the County annex and other capital assets. The capital projects fund is considered a nonmajor fund for reporting purposes.

Additionally, the County reports the following fund type:

Fiduciary funds are used to account for and report resources held for the benefit of parties outside the County. The County maintains one type of fiduciary fund, agency funds. The agency funds are custodial in nature and do not present results of operations or have a measurement

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

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

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

E. Measurement Focus and Basis of Accounting

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

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

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

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

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

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

1. Cash and Cash Equivalents

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

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

2. Investments

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

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

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

3. Inventories and Prepaid Items

The costs of governmental fund inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful years:

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has four items that qualify for reporting in this category on the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources are recognized as a result of the differences between the actuarial expectations and the actual economic experience and the changes in actuarial assumptions related to the County's defined benefit pension plan. These amounts are deferred and amortized over the average of the expected service lives of the pension plan members. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the County's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category in the government-wide Statement of Net Position. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience related to the County's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. Another deferred charge has been recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. At the fund level, the County has two items, which arise only under a modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the items, unavailable revenue, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grants and property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

6. Compensated Employee Absences

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

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

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

8. Net Position Flow Assumption

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

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

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

11. Estimates

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

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

12. Pensions

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

13. Other Postemployment Benefits

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

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

The property tax calendar dates are:

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

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

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

Budgets are adopted on a budgetary basis for all budgeted funds and are not consistent with generally accepted accounting principles (GAAP). The County does budget for some accruals; however, it does not budget for payroll accruals and capital lease transactions at year end. Several supplemental budget appropriations were made for the fiscal year ended September 30, 2018.

A. Deficit Fund Equity

As of September 30, 2018, the Hurricane Harvey fund reported a deficit fund balance of \$1,991,408 as result of costs incurred in the aftermath of Hurricane Harvey. The County has applied for assistance from FEMA and approval is pending.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2018, the County had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 4,687,835	0.08
Portfolio weighted average maturity		0.08

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

Credit risk. State law limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent. Further, commercial paper must be rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies. As of September 30, 2018, the County's investments in TexPool were rated "AAAm" by Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires funds on

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

deposit at the depository bank to be collateralized by securities and FDIC insurance. As of September 30, 2018, bank balances exceeded the market values of pledged securities and FDIC insurance.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

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

B. Receivables

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

	General	Road and Bridge	Hurricane Harvey	Hurricane Ike Disaster Recovery	Nonmajor Governmental	Total
Property taxes	\$ 2,429,459	\$ 431,580	\$ -	\$ -	\$ 141,715	\$ 3,002,754
Other receivables	868,274	17,130	243,490	1,561,960	404,495	3,095,349
Allowance for uncollectible	(121,473)	(8,632)	-	-	(58,970)	(189,075)
	<u>\$ 3,176,260</u>	<u>\$ 440,078</u>	<u>\$ 243,490</u>	<u>\$ 1,561,960</u>	<u>\$ 487,240</u>	<u>\$ 5,909,028</u>

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

C. Capital Assets

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

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,135,562	\$ 132,302	\$ -	\$ 1,267,864
Construction in progress	2,000,365	1,633,392	(704,224)	2,929,533
Total capital assets not being depreciated	3,135,927	1,765,694	(704,224)	4,197,397
Other capital assets:				
Machinery and equipment	10,426,403	1,099,868	(611,947)	10,914,324
Buildings	8,716,948	1,774,973	-	10,491,921
Improvements	823,113	865,499	-	1,688,612
Infrastructure	22,135,468	-	-	22,135,468
Total other capital assets	42,101,932	3,740,340	(611,947)	45,230,325
Less accumulated depreciation for:				
Machinery and equipment	(7,296,116)	(807,303)	596,262	(7,507,157)
Buildings	(5,406,193)	(150,805)	-	(5,556,998)
Improvements	(485,551)	(89,944)	-	(575,495)
Infrastructure	(19,471,206)	(85,602)	-	(19,556,808)
Total accumulated depreciation	(32,659,066)	(1,133,654)	596,262	(33,196,458)
Other capital assets, net	9,442,866	2,606,686	(15,685)	12,033,867
Governmental Activities Capital Assets, Net	\$ 10,000,092	\$ 4,372,380	\$ (719,909)	16,231,264
			Less associated debt	(3,012,274)
			Less deferred charge on refunding	24,711
			Net Investment in Capital Assets	\$ 13,243,701

Depreciation was charged to governmental functions as follows:

General government	\$ 247,313
Roads and bridges	347,380
Public safety	538,961
Total Governmental Activities Depreciation Expense	\$ 1,133,654

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

D. Long-Term Debt

The following is a summary of changes in the County's total long-term liabilities for the year ended September 30, 2018. In general, the County uses the general and road and bridge funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds and capital leases:					
General obligation/certificates of obligation	\$ 2,675,000	\$ -	\$ (280,000)	\$ 2,395,000	\$ 295,000
Obligations under capital lease	686,638	-	(123,602)	563,036	102,000
Less deferred amounts:					
Premium	65,085	-	(10,847)	54,238	-
	<u>3,426,723</u>	<u>-</u>	<u>(414,449)</u>	<u>3,012,274</u>	<u>* 397,000</u>
Other:					
Compensated absences	430,715	982,138	(950,069)	462,784	416,506
Net pension liability	7,565,715	-	(3,452,310)	4,113,405	-
Total OPEB liability	1,389,184	20,035	-	1,409,219	-
	<u>9,385,614</u>	<u>1,002,173</u>	<u>(4,402,379)</u>	<u>5,985,408</u>	<u>416,506</u>
Total Governmental Activities	<u>\$ 12,812,337</u>	<u>\$ 1,002,173</u>	<u>\$ (4,816,828)</u>	<u>\$ 8,997,682</u>	<u>\$ 813,506</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 8,184,176</u>
				* Debt associated with capital assets	<u>\$ 3,012,274</u>

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

Long term debt as of September 30, 2018 was comprised of the following debt issues:

	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>
General Obligation			
Refunding Bonds, Series 2014	2.00-3.00%	\$ 2,390,000	\$ 1,380,000
Certificates of Obligation			
Series 2016	1.33%	1,065,000	1,015,000
		<u>3,455,000</u>	<u>2,395,000</u>
Capital Leases			
Bankcorp South Corporation - #012	2.39%	111,245	97,178
Bankcorp South Corporation - #009	2.39%	236,440	195,179
Government Capital Group - #243	4.15%	44,393	34,561
Government Capital Group - #915	3.35%	265,521	236,118
		<u>657,599</u>	<u>563,036</u>
Total		<u>\$ 4,112,599</u>	<u>\$ 2,958,036</u>

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

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

Year Ending Sept. 30	Governmental Activities			
	General Obligation / Certificates of Obligation		Capital Leases	
	Principal	Interest	Principal	Interest
2019	\$ 295,000	\$ 44,040	\$ 102,000	\$ 15,684
2020	300,000	35,691	104,948	12,736
2021	310,000	29,892	107,985	9,699
2022	315,000	23,926	98,609	6,763
2023	330,000	17,861	76,387	3,697
2024-2026	845,000	22,544	73,107	3,694
Total	\$ 2,395,000	\$ 173,954	\$ 563,036	\$ 52,273

Machinery and equipment acquired under current capital lease obligations totaled \$939,164 and accumulated depreciation totaled \$509,306.

Federal Arbitrage

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

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2018 is as follows:

<u>Due to</u>	<u>Due from</u>	<u>Amounts</u>
General fund	Nonmajor governmental funds	\$ 309,249
General fund	Hurricane Harvey fund	1,667,891
Road and bridge fund	Hurricane Harvey fund	547,462
	Total	\$ 2,524,602

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

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amounts</u>
Hurricane Ike disaster recovery	General fund	\$ 734
Nonmajor governmental funds	General fund	1,096,362
	Total	\$ 1,097,096

Amounts transferred between funds relate to amounts collected by general, road and bridge, Hurricane Ike disaster recovery and special revenue funds for various governmental disbursements.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

F. Restatement of Beginning Net Position

Due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), the County restated its beginning net position as follows:

	Governmental Activities
Beginning net position - as reported	\$ 14,806,866
Restatement - Net OPEB obligation	368,183
Restatement - Total OPEB liability	(1,389,184)
Beginning Net Position - Restated	\$ 13,785,865

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 279 other entities in the Texas Association of Counties' (TAC) Workers' Compensation Self-Insurance Fund (the "Pool"). The TAC created this Pool in 1974 to insure the County for workers' compensation related claims. The County also provides its employees benefits, including medical and life insurance, which the County obtains through the TAC's Insurance Trust Fund.

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

B. Contingent Liabilities

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

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

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

C. Pension Plan

Texas County and District Retirement System

Plan Description

TCDRS is a statewide, agent multiple-employer, public-employee retirement system. TCDRS serves 700 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Board of Directors of each employer, within the options available in the TCDRS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

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

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

Benefits Provided

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

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

The Commissioners' Court adopted the rate of seven percent as the contributed rate payable by the employee members for calendar year 2018. The Commissioners' Court may change the employee contribution rate and the County contribution rate within the options available in the TCDRS Act.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Employees Covered by Benefit Terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	184
Inactive employees entitled to, but not yet receiving, benefits	190
Active employees	251
Total	625

Contributions

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

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

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

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

Employees for the County were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the County were 14.12 percent and 14.27 percent in calendar years 2017 and 2018, respectively. The County’s contributions to TCDRS for the fiscal year ended September 30, 2018 were \$1,579,288 and were equal to the required contributions.

Net Pension Liability

The County’s Net Pension Liability (NPL) was measured as of December 31, 2017 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The actuarial assumptions that determined the TPL as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB Standard No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68).

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Following are the key assumptions and methods used in the December 31, 2017 actuarial valuation:

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

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

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.55%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	16.00%	7.55%
Global Equities	MSCI World (net) Index	1.50%	4.85%
International Equities - Developed	MSCI World Ex USA (net) Index	11.00%	4.55%
International Equities - Emerging	MSCI World Ex USA (net) Index	8.00%	5.55%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.75%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	8.00%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.06%
Distressed Debt	Cambridge Associates Distressed Securities Index	2.00%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.05%
Master Limited Partnerships (MLP)	Alerian MLP Index	3.00%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	6.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	18.00%	4.10%

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

Discount Rate

The discount rate used to measure the TPL was 8.1 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, TCDRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on TCDRS investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 1,488,958	\$ -	\$ 1,488,958
Interest	4,233,429	-	4,233,429
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(735,684)	-	(735,684)
Changes in assumptions	341,964	-	341,964
Contributions - employer	-	1,545,695	(1,545,695)
Contributions - employee	-	766,278	(766,278)
Net investment income	-	6,512,515	(6,512,515)
Benefit payments, including refunds of employee contributions	(3,031,747)	(3,031,747)	-
Administrative expense	-	(33,548)	33,548
Other changes	-	(9,962)	9,962
Net changes	2,296,920	5,749,231	(3,452,311)
Balance at December 31, 2016	52,261,964	44,696,249	7,565,715
Balance at December 31, 2017	\$ 54,558,884	\$ 50,445,479	\$ 4,113,405

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (7.1%)	Discount Rate (8.1%)	1% Increase in Discount Rate (9.1%)
County's Net Pension Liability	\$ 10,648,977	\$ 4,113,405	\$ (1,445,770)

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$1,518,516.

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

At September 30, 2018, 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	\$ 28,270	\$ 967,108
Changes in actuarial assumptions	402,465	-
Difference between projected and actual investment earnings	-	671,644
Contributions subsequent to the measurement date	1,222,674	-
Total	\$ 1,653,409	\$ 1,638,752

\$1,222,674 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Pension Expense
2019	\$ 108,982
2020	(103,558)
2021	(628,954)
2022	(584,487)
2023	-
Thereafter	-
Total	\$ (1,208,017)

D. Other Postemployment Benefits

1. Healthcare Plan

Plan Description

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

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

The following provides a summary of the number of participants in the plan as of September 30, 2018:

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

Total OPEB Liability

The County's total OPEB liability of \$1,409,219 was measured as of September 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

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

Discount rate*	4.06%
Administrative expenses	N/A
Actuarial Cost Method	Individual entry-age normal
Mortality	RPH-2014 Total Table with Projection MP-2018

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

Funding Policy

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Changes for the year:	
Service cost	\$ 96,884
Interest	60,334
Changes of assumptions	-
Benefit payments	(137,183)
Net Changes	20,035
Beginning balance	1,389,184
Ending Balance	\$ 1,409,219

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

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

HARDIN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2018

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

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

	1% Decrease in Discount Rate (3.06%)	Discount Rate (4.06%)	1% Increase in Discount Rate (5.06%)
County's Total OPEB Liability	\$ 1,520,945	\$ 1,409,219	\$ 1,307,267

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

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

	1% Decrease in Trend Rate (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase in Trend Rate (6.00%)
County's Total OPEB Liability	\$ 1,271,410	\$ 1,409,219	\$ 1,573,434

2. Life Insurance Plan

Plan Description

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

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

Funding Policy

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The County's contributions to the GTLF for the years ended September 30, 2018, 2017, and 2016 were \$26,778, \$24,617, and \$32,800, respectively, which equaled the contractually required contributions each year.

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REQUIRED SUPPLEMENTARY INFORMATION

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)
GENERAL FUND (BUDGETARY BASIS)
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Actual Amounts Budgetary Basis Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 14,521,775	\$ 14,566,775	\$ 14,477,645	\$ (89,130)
Fines and fees	1,058,350	1,093,350	1,122,061	28,711
Licenses and permits	144,350	144,350	169,474	25,124
Investment income	20,000	119,218	128,301	9,083
Other revenues	45,050	81,902	84,156	2,254
Total Revenues	<u>15,789,525</u>	<u>16,005,595</u>	<u>15,981,637</u>	<u>(23,958)</u>
Expenditures				
General Government:				
General services	144,964	144,964	142,721	2,243
Purchasing	247,144	247,144	197,588	49,556
County judge	208,199	208,199	192,343	15,856
County treasurer	207,977	207,977	197,112	10,865
County auditor	334,565	334,565	330,803	3,762
County clerk	482,374	482,374	464,012	18,362
Commissioners' court	2,417,952	2,399,671	1,586,383	813,288
Collection improvement	4,700	4,700	-	4,700
Building maintenance	774,746	829,059	767,172	61,887
Election expense	51,000	69,000	64,598	4,402
Human resources	122,114	122,114	117,355	4,759
Technology	-	48,807	18,746	30,061
	<u>4,995,735</u>	<u>5,098,574</u>	<u>4,078,833</u>	<u>1,019,741</u>
Administration of Justice:				
Justice of the peace	900,259	900,259	874,357	25,902
County attorney	607,144	607,144	562,142	45,002
District attorney	575,666	575,666	572,084	3,582
356th District judge	291,584	291,584	280,709	10,875
88th District judge	267,318	267,318	259,336	7,982
Juvenile detention	647,705	647,705	612,080	35,625
District clerk	423,778	438,107	423,037	15,070
	<u>3,713,454</u>	<u>3,727,783</u>	<u>3,583,745</u>	<u>144,038</u>
Public Safety:				
Department of public safety	100	100	92	8
Sheriff's department	3,182,250	3,209,350	3,011,921	197,429
Sheriff's department operations	2,043,132	2,082,132	1,939,731	142,401
Constables	414,298	414,298	406,891	7,407
	<u>5,639,780</u>	<u>5,705,880</u>	<u>5,358,635</u>	<u>347,245</u>
Health and Human Services:				
Veterans services	35,858	35,858	26,160	9,698
Health unit	101,771	101,771	92,508	9,263
Indigent care	675,401	675,401	623,998	51,403
Senior services	47,000	47,000	46,090	910
	<u>860,030</u>	<u>860,030</u>	<u>788,756</u>	<u>71,274</u>

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

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Actual Amounts Budgetary Basis Positive (Negative)
	Original	Final		
<u>Expenditures (continued)</u>				
Community Enrichment				
Historical commision	\$ 29,000	\$ 29,000	\$ 13,426	\$ 15,574
Culture and recreation	125,128	125,359	90,492	34,867
	<u>154,128</u>	<u>154,359</u>	<u>103,918</u>	<u>50,441</u>
Tax Administration				
Tax assessor collector	896,055	896,055	880,451	15,604
Debt Service				
Principal	5,100	45,305	45,452	(147)
Interest and fiscal charges	-	5,828	5,828	-
	<u>5,100</u>	<u>51,133</u>	<u>51,280</u>	<u>(147)</u>
Total Expenditures	<u>16,264,282</u>	<u>16,493,814</u>	<u>14,845,618</u>	<u>1,648,196</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(474,757)</u>	<u>(488,219)</u>	<u>1,136,019</u>	<u>1,624,238</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(25,243)	(1,113,201)	(1,097,096)	16,105
Total Other Financing (Uses)	<u>(25,243)</u>	<u>(1,113,201)</u>	<u>(1,097,096)</u>	<u>16,105</u>
Net Change in Fund Balance	<u>\$ (500,000)</u>	<u>\$ (1,601,420)</u>	38,923	<u>\$ 1,640,343</u>
Beginning fund balance			<u>6,094,551</u>	
Ending Fund Balance			<u>\$ 6,133,474</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a budgetary basis and are not consistent with generally accepted accounting principles (GAAP).

2. Reconciliation of general fund fund balance to fund financial statements:

Current year payroll accrual	(181,211)
Ending Fund Balance	<u>\$ 5,952,263</u>

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HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND (BUDGETARY BASIS)
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Actual Amounts Budgetary Basis Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 2,225,774	\$ 2,225,774	\$ 2,212,768	\$ (13,006)
Fines and fees	414,300	414,300	475,262	60,962
Licenses and permits	1,800,000	1,800,000	1,900,317	100,317
Total Revenues	<u>4,440,074</u>	<u>4,440,074</u>	<u>4,588,347</u>	<u>148,273</u>
Expenditures				
General	514,097	514,097	509,050	5,047
Precinct 1	636,363	1,120,099	920,046	200,053
Precinct 2	1,406,445	1,702,384	1,242,167	460,217
Precinct 3	1,196,668	1,374,513	1,187,755	186,758
Precinct 4	612,178	798,563	540,498	258,065
Debt Service:				
Principal	95,246	72,510	72,509	1
Interest	4,077	12,073	12,072	1
Total Expenditures	<u>4,465,074</u>	<u>5,594,239</u>	<u>4,484,097</u>	<u>1,110,142</u>
Net Change in Fund Balance	<u>\$ (25,000)</u>	<u>\$ (1,154,165)</u>	104,250	<u>\$ 1,258,415</u>
Beginning fund balance			<u>1,897,094</u>	
Ending Fund Balance			<u>\$ 2,001,344</u>	

Notes to Required Supplementary Information:

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

Salary and fringe benefits	(40,671)
Ending Fund Balance	<u>\$ 1,960,673</u>

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HARDIN COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

For the Year Ended September 30, 2018

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

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

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HARDIN COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2018

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

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

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	10.9 years
Asset valuation method	5 year smoothed market
Inflation	2.8%
Salary increases	Varies by age and service. 4.9% average over career including inflation
Investment rate of return	8.1%
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

3. Other Information:

There were no benefit changes during the year.

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HARDIN COUNTY, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended September 30, 2018

	Measurement Year*
	2018
Total OPEB Liability	
Service cost	\$ 96,884
Interest (on the total OPEB liability)	60,334
Benefit payments	(137,183)
Net Change in Total OPEB Liability	20,035
Beginning total OPEB liability	1,389,184
Ending Total OPEB Liability	\$ 1,409,219
Covered Payroll	\$ 9,537,606
Total OPEB Liability as a Percentage of Covered Payroll	14.78%

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

Notes to Required Supplementary Information:

Significant Methods and Assumptions:

Actuarial cost method	Entry age normal
Discount rate	4.06%
Health care cost trend	Level 5.00%
Mortality	RPH-2014 total table with projection MP-2018
Coverage	100% of all retirees who currently have healthcare coverage will continue with the same coverage 50% of all actives who currently have individual or family healthcare coverage will continue with individual only coverage upon retirement.

Other Information:

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

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

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***COMBINING STATEMENTS
AND SCHEDULES***

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 5)
September 30, 2018

	Debt Service Fund	Special Revenue Funds		
	Interest and Sinking	Emergency Management Services	District Clerk Preservation Fees	County Clerk Preservation Fees
<u>Assets</u>				
Cash and cash equivalents	\$ 16,696	\$ -	\$ 80,445	\$ 541,995
Receivables, net	57,488	32,565	-	-
Due from other units	-	-	-	-
Total Assets	\$ 74,184	\$ 32,565	\$ 80,445	\$ 541,995
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 1,150	\$ -	\$ 6,338
Due to other funds	-	31,415	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	-	32,565	-	6,338
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	57,343	-	-	-
Total Deferred Inflows of Resources	57,343	-	-	-
<u>Fund Balances</u>				
Restricted:				
Debt service	16,841	-	-	-
Special revenue funds	-	-	80,445	535,657
Total Fund Balances	16,841	-	80,445	535,657
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 74,184	\$ 32,565	\$ 80,445	\$ 541,995

Special Revenue Funds

Law Library	County Attorney Supplement	Constitutional County Judge Supplement	Court Security Fees	Jail Commissary	Jury
\$ 23,557	\$ 70,000	\$ -	\$ 33,639	\$ 69,214	\$ 265,370
-	-	-	-	-	91,217
-	-	-	-	-	-
<u>\$ 23,557</u>	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 33,639</u>	<u>\$ 69,214</u>	<u>\$ 356,587</u>
\$ 1,542	\$ -	\$ -	\$ -	\$ 500	\$ 40,050
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>40,050</u>
-	70,000	-	-	-	-
-	-	-	-	-	79,726
-	<u>70,000</u>	-	-	-	<u>79,726</u>
-	-	-	-	-	-
<u>22,015</u>	<u>-</u>	<u>-</u>	<u>33,639</u>	<u>68,714</u>	<u>236,811</u>
<u>22,015</u>	<u>-</u>	<u>-</u>	<u>33,639</u>	<u>68,714</u>	<u>236,811</u>
<u>\$ 23,557</u>	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 33,639</u>	<u>\$ 69,214</u>	<u>\$ 356,587</u>

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 5)
September 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Dispatchers</u>	<u>Lateral Roads</u>	<u>Justice Court Technology</u>	<u>Dare Program</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 134,466	\$ -	\$ 7,892
Receivables, net	5,071	-	-	-
Due from other units	-	-	-	-
Total Assets	\$ 5,071	\$ 134,466	\$ -	\$ 7,892
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 6,987	\$ -	\$ -
Due to other funds	5,071	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	5,071	6,987	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<u>Fund Balances</u>				
Restricted:				
Debt service	-	-	-	-
Special revenue funds	-	127,479	-	7,892
Total Fund Balances	-	127,479	-	7,892
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,071	\$ 134,466	\$ -	\$ 7,892

Special Revenue Funds

Election Equipment	County Attorney Overdrawn Check	District Attorney Overdrawn Check	LEPC	Emergency Management Grant	Health Services Grant
\$ 42,952	\$ 1,293	\$ 889	\$ 3,476	\$ -	\$ -
-	15	-	-	35,385	109,226
-	648	-	-	-	-
<u>\$ 42,952</u>	<u>\$ 1,956</u>	<u>\$ 889</u>	<u>\$ 3,476</u>	<u>\$ 35,385</u>	<u>\$ 109,226</u>
\$ -	\$ 212	\$ -	\$ -	\$ -	\$ 16,489
-	-	-	-	35,385	92,737
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>212</u>	<u>-</u>	<u>-</u>	<u>35,385</u>	<u>109,226</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
42,952	1,744	889	3,476	-	-
<u>42,952</u>	<u>1,744</u>	<u>889</u>	<u>3,476</u>	<u>-</u>	<u>-</u>
<u>\$ 42,952</u>	<u>\$ 1,956</u>	<u>\$ 889</u>	<u>\$ 3,476</u>	<u>\$ 35,385</u>	<u>\$ 109,226</u>

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 5)
September 30, 2018

Special Revenue Funds

	Drug Forfeiture Rehab	County Attorney Forfeiture	District Attorney Drug Forfeiture	Sheriff Drug Forfeiture
Assets				
Cash and cash equivalents	\$ 3,985	\$ 1,758	\$ 10,844	\$ 13,793
Receivables, net	-	-	1,250	-
Due from other units	-	-	-	-
Total Assets	\$ 3,985	\$ 1,758	\$ 12,094	\$ 13,793
Liabilities				
Accounts payable	\$ -	\$ -	\$ 3,146	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	-	-	3,146	-
Deferred Inflows of Resources				
Unavailable revenue - grant	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted:				
Debt service	-	-	-	-
Special revenue funds	3,985	1,758	8,948	13,793
Total Fund Balances	3,985	1,758	8,948	13,793
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,985	\$ 1,758	\$ 12,094	\$ 13,793

Special Revenue Funds

District and County Attorney Longevity Pay	District Attorney Supplemental	Sheriff Federal Equitable Sharing	LEOSE	VOCA Juror Donations	Disaster Incident Fund Cash
\$ -	\$ 327	\$ 28,352	\$ 40,386	\$ 104,526	\$ 595,900
-	-	-	100	427	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 327</u>	<u>\$ 28,352</u>	<u>\$ 40,486</u>	<u>\$ 104,953</u>	<u>\$ 595,900</u>
\$ -	\$ -	\$ -	\$ 40,486	\$ 376	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	327	-	-	-	595,900
<u>-</u>	<u>327</u>	<u>-</u>	<u>40,486</u>	<u>376</u>	<u>595,900</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	28,352	-	104,577	-
-	-	28,352	-	104,577	-
<u>\$ -</u>	<u>\$ 327</u>	<u>\$ 28,352</u>	<u>\$ 40,486</u>	<u>\$ 104,953</u>	<u>\$ 595,900</u>

HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 5)
September 30, 2018

	Special Revenue Funds			
	VOCA 13660	DR 4223 Severe Storms 2015	DR 4272 Severe Storms 2016	US Food and Drug Administration
Assets				
Cash and cash equivalents	\$ -	\$ 16,487	\$ 35,991	\$ -
Receivables, net	44,589	-	-	2,213
Due from other units	-	-	-	-
Total Assets	\$ 44,589	\$ 16,487	\$ 35,991	\$ 2,213
Liabilities				
Accounts payable	\$ 5,030	\$ -	\$ -	\$ 145
Due to other funds	39,559	-	-	1,915
Due to other governments	-	-	35,991	-
Unearned revenue	-	16,487	-	-
Total Liabilities	44,589	16,487	35,991	2,060
Deferred Inflows of Resources				
Unavailable revenue - grant	-	-	-	153
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	153
Fund Balances				
Restricted:				
Debt service	-	-	-	-
Special revenue funds	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 44,589	\$ 16,487	\$ 35,991	\$ 2,213

Special Revenue Funds

District Attorney VAWA Grant	Title IV - E	ATPA Grant	Public Safety Grant	Crime Victim Grant	Health Department Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24,379	1,501	9,575	13,539	20,945	37,755
-	-	-	-	-	-
<u>\$ 24,379</u>	<u>\$ 1,501</u>	<u>\$ 9,575</u>	<u>\$ 13,539</u>	<u>\$ 20,945</u>	<u>\$ 37,755</u>
\$ -	\$ -	\$ 342	\$ -	\$ 444	\$ 828
24,379	1,501	9,233	13,539	17,588	36,927
-	-	-	-	2,913	-
-	-	-	-	-	-
<u>24,379</u>	<u>1,501</u>	<u>9,575</u>	<u>13,539</u>	<u>20,945</u>	<u>37,755</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 24,379</u>	<u>\$ 1,501</u>	<u>\$ 9,575</u>	<u>\$ 13,539</u>	<u>\$ 20,945</u>	<u>\$ 37,755</u>

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HARDIN COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 5)
September 30, 2018

	Special Revenue Funds		Capital Project Fund	Total Nonmajor Governmental Funds
	CA Pre-Trial Diversion	Sewer Improvement	Capital Projects	
Assets				
Cash and cash equivalents	\$ 29,446	\$ 1,298	\$ 13	\$ 2,174,990
Receivables, net	-	-	-	487,240
Due from other units	-	-	-	648
Total Assets	\$ 29,446	\$ 1,298	\$ 13	\$ 2,662,878
Liabilities				
Accounts payable	\$ -	\$ -	\$ 13	\$ 124,078
Due to other funds	-	-	-	309,249
Due to other governments	-	-	-	38,904
Unearned revenue	-	-	-	612,714
Total Liabilities	-	-	13	1,084,945
Deferred Inflows of Resources				
Unavailable revenue - grant	-	1,298	-	71,451
Unavailable revenue - property taxes	-	-	-	137,069
Total Deferred Inflows of Resources	-	1,298	-	208,520
Fund Balances				
Restricted:				
Debt service	-	-	-	16,841
Special revenue funds	29,446	-	-	1,352,572
Total Fund Balances	29,446	-	-	1,369,413
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 29,446	\$ 1,298	\$ 13	\$ 2,662,878

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 5)
For the Year Ended September 30, 2018

	Debt Service Fund	Special Revenue Funds		
	Interest and Sinking	Emergency Management Services	District Clerk Preservation Fees	County Clerk Preservation Fees
Revenues				
Taxes	\$ 332,176	\$ -	\$ -	\$ -
Intergovernmental	-	32,565	-	-
Fines and fees	-	-	33,520	228,017
Investment income	55	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>332,231</u>	<u>32,565</u>	<u>33,520</u>	<u>228,017</u>
Expenditures				
General government	800	25,501	-	103,712
Administration of justice	-	-	31,798	-
Public transportation	-	-	-	-
Public safety	-	-	-	-
Debt service:				
Principal	280,000	5,641	-	-
Interest	52,022	1,423	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>332,822</u>	<u>32,565</u>	<u>31,798</u>	<u>103,712</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(591)</u>	<u>-</u>	<u>1,722</u>	<u>124,305</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(591)	-	1,722	124,305
Beginning fund balances	17,432	-	78,723	411,352
Ending Fund Balances	<u>\$ 16,841</u>	<u>\$ -</u>	<u>\$ 80,445</u>	<u>\$ 535,657</u>

Special Revenue Funds

	Constitutional				
Law Library	County Attorney Supplement	County Judge Supplement	Court Security Fees	Jail Commissary	Jury
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,398
-	78,655	30,778	-	-	-
-	-	-	26,229	-	90,846
-	-	-	-	35	-
29,105	-	-	-	38,052	12,648
<u>29,105</u>	<u>78,655</u>	<u>30,778</u>	<u>26,229</u>	<u>38,087</u>	<u>558,892</u>
-	-	-	-	-	-
21,222	78,655	30,778	-	-	506,498
-	-	-	-	-	-
-	-	-	13,384	23,819	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,222</u>	<u>78,655</u>	<u>30,778</u>	<u>13,384</u>	<u>23,819</u>	<u>506,498</u>
<u>7,883</u>	-	-	<u>12,845</u>	<u>14,268</u>	<u>52,394</u>
-	-	-	-	-	-
-	-	-	-	-	-
7,883	-	-	12,845	14,268	52,394
14,132	-	-	20,794	54,446	184,417
<u>\$ 22,015</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,639</u>	<u>\$ 68,714</u>	<u>\$ 236,811</u>

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 5)
For the Year Ended September 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Dispatchers</u>	<u>Lateral Roads</u>	<u>Justice Court Technology</u>	<u>Dare Program</u>
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	161,633	36,624	7,178	-
Fines and fees	-	-	-	-
Investment income	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>161,633</u>	<u>36,624</u>	<u>7,178</u>	<u>-</u>
<u>Expenditures</u>				
General government	-	-	-	-
Administration of justice	-	-	15,594	-
Public transportation	-	96,640	-	-
Public safety	161,633	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>161,633</u>	<u>96,640</u>	<u>15,594</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(60,016)</u>	<u>(8,416)</u>	<u>-</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	8,416	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8,416</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(60,016)</u>	<u>-</u>	<u>-</u>
Beginning fund balances	-	187,495	-	7,892
Ending Fund Balances	<u>\$ -</u>	<u>\$ 127,479</u>	<u>\$ -</u>	<u>\$ 7,892</u>

Special Revenue Funds

Election Equipment	County Attorney Overdrawn Check	District Attorney Overdrawn Check	LEPC	Emergency Management Grant	Health Services Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	40,435	380,295
-	-	-	-	-	-
-	-	-	2	-	-
<u>2,970</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,970</u>	<u>750</u>	<u>-</u>	<u>2</u>	<u>40,435</u>	<u>380,295</u>
-	-	-	-	-	-
-	450	-	-	-	-
-	-	-	-	-	380,311
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	40,435	-
-	<u>450</u>	<u>-</u>	<u>-</u>	<u>40,435</u>	<u>380,311</u>
<u>2,970</u>	<u>300</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>(16)</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,970</u>	<u>300</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>(16)</u>
<u>39,982</u>	<u>1,444</u>	<u>889</u>	<u>3,474</u>	<u>-</u>	<u>16</u>
<u>\$ 42,952</u>	<u>\$ 1,744</u>	<u>\$ 889</u>	<u>\$ 3,476</u>	<u>\$ -</u>	<u>\$ -</u>

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 5)
For the Year Ended September 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Drug Forfeiture Rehab</u>	<u>County Attorney Forfeiture</u>	<u>District Attorney Drug Forfeiture</u>	<u>Sheriff Drug Forfeiture</u>
<u>Revenues</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and fees	-	-	-	-
Investment income	-	1	5	7
Other revenues	-	-	2,899	-
Total Revenues	<u>-</u>	<u>1</u>	<u>2,904</u>	<u>7</u>
<u>Expenditures</u>				
General government	-	-	-	-
Administration of justice	-	-	3,146	-
Public transportation	-	-	-	-
Public safety	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>3,146</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>1</u>	<u>(242)</u>	<u>7</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>1</u>	<u>(242)</u>	<u>7</u>
Beginning fund balances	3,985	1,757	9,190	13,786
Ending Fund Balances	<u>\$ 3,985</u>	<u>\$ 1,758</u>	<u>\$ 8,948</u>	<u>\$ 13,793</u>

Special Revenue Funds

District and County Attorney Longevity Pay	District Attorney Supplemental	Sheriff Federal Equitable Sharing	LEOSE	VOCA Juror Donations	Disaster Incident Fund Cash
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,470	3,918	-	-	-	-
-	-	-	-	22,613	-
-	-	19	-	54	-
-	-	-	-	-	-
<u>12,470</u>	<u>3,918</u>	<u>19</u>	<u>-</u>	<u>22,667</u>	<u>-</u>
-	-	-	-	-	-
12,470	3,918	-	-	5,527	-
-	-	-	-	-	-
-	-	4,918	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,470</u>	<u>3,918</u>	<u>4,918</u>	<u>-</u>	<u>5,527</u>	<u>-</u>
-	-	(4,899)	-	17,140	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(4,899)	-	17,140	-
-	-	33,251	-	87,437	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,352</u>	<u>\$ -</u>	<u>\$ 104,577</u>	<u>\$ -</u>

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 4 of 5)
For the Year Ended September 30, 2018

	<u>Special Revenue Funds</u>			
	<u>VOCA 13660</u>	<u>DR 4223 Severe Storms 2015</u>	<u>DR 4272 Severe Storms 2016</u>	<u>US Food and Drug Administration</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	211,334	-	-	4,561
Fines and fees	-	-	-	-
Investment income	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>211,334</u>	<u>-</u>	<u>-</u>	<u>4,561</u>
Expenditures				
General government	-	-	-	-
Administration of justice	-	-	-	-
Public transportation	-	-	-	-
Public safety	211,334	-	-	4,561
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>211,334</u>	<u>-</u>	<u>-</u>	<u>4,561</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning fund balances	-	-	-	-
Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

District Attorney VAWA Grant	Title IV - E	ATPA Grant	Public Safety Grant	Crime Victim Grant	Health Department Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
124,217	3,579	94,835	71,507	82,698	184,353
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>124,217</u>	<u>3,579</u>	<u>94,835</u>	<u>71,507</u>	<u>82,698</u>	<u>184,353</u>
124,217	3,579	94,835	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	71,507	82,698	184,353
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>124,217</u>	<u>3,579</u>	<u>94,835</u>	<u>71,507</u>	<u>82,698</u>	<u>184,353</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 5 of 5)
For the Year Ended September 30, 2018

	Special Revenue Fund		Capital Project Fund	Total Nonmajor Governmental Funds
	CA Pre-Trial Diversion	Sewer Improvement	Capital Projects	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 787,574
Intergovernmental	-	124,843	-	1,686,478
Fines and fees	-	-	-	401,225
Investment income	-	-	276	454
Other revenues	20,810	-	-	107,234
Total Revenues	20,810	124,843	276	2,982,965
Expenditures				
General government	7,376	124,843	-	484,863
Administration of justice	-	-	-	710,056
Public transportation	-	-	-	476,951
Public safety	-	-	-	758,207
Debt service:				
Principal	-	-	-	285,641
Interest	-	-	-	53,445
Capital outlay	-	-	1,429,025	1,469,460
Total Expenditures	7,376	124,843	1,429,025	4,238,623
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,434	-	(1,428,749)	(1,255,658)
Other Financing Sources (Uses)				
Transfers in	-	-	1,087,946	1,096,362
Total Other Financing Sources	-	-	1,087,946	1,096,362
Net Change in Fund Balances	13,434	-	(340,803)	(159,296)
Beginning fund balances	16,012	-	340,803	1,528,709
Ending Fund Balances	\$ 29,446	\$ -	\$ -	\$ 1,369,413

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

For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 332,872	\$ 332,872	\$ 332,176	\$ (696)
Investment income	150	150	55	(95)
Total Revenues	<u>333,022</u>	<u>333,022</u>	<u>332,231</u>	<u>(791)</u>
<u>Expenditures</u>				
General government	1,000	1,000	800	200
Debt service:				
Principal	280,000	280,000	280,000	-
Interest	52,022	52,022	52,022	-
Total Expenditures	<u>333,022</u>	<u>333,022</u>	<u>332,822</u>	<u>200</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(591)	<u>\$ (591)</u>
Beginning fund balance			<u>17,432</u>	
Ending Fund Balance			<u>\$ 16,841</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK PRESERVATION FEES
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Fines and fees	\$ 31,572	\$ 34,572	\$ 33,520	\$ (1,052)
Total Revenues	<u>31,572</u>	<u>34,572</u>	<u>33,520</u>	<u>(1,052)</u>
<u>Expenditures</u>				
Administration of justice	31,572	34,572	31,798	2,774
Total Expenditures	<u>31,572</u>	<u>34,572</u>	<u>31,798</u>	<u>2,774</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,722	<u>\$ 1,722</u>
Beginning fund balance			<u>78,723</u>	
Ending Fund Balance			<u>\$ 80,445</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK PRESERVATION FEES
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Fines and fees	\$ 136,316	\$ 136,316	\$ 228,017	\$ 91,701
Total Revenues	<u>136,316</u>	<u>136,316</u>	<u>228,017</u>	<u>91,701</u>
<u>Expenditures</u>				
General government	136,316	136,316	103,712	32,604
Total Expenditures	<u>136,316</u>	<u>136,316</u>	<u>103,712</u>	<u>32,604</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	124,305	<u>\$ 124,305</u>
Beginning fund balance			<u>411,352</u>	
Ending Fund Balance			<u>\$ 535,657</u>	

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

For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other revenues	\$ 11,390	\$ 11,390	\$ 29,105	\$ 17,715
Total Revenues	<u>11,390</u>	<u>11,390</u>	<u>29,105</u>	<u>17,715</u>
<u>Expenditures</u>				
Administration of justice	26,633	26,633	21,222	5,411
Total Expenditures	<u>26,633</u>	<u>26,633</u>	<u>21,222</u>	<u>5,411</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,243)</u>	<u>(15,243)</u>	<u>7,883</u>	<u>23,126</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	15,243	15,243	-	(15,243)
Total Other Financing Sources	<u>15,243</u>	<u>15,243</u>	<u>-</u>	<u>(15,243)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>7,883</u>	<u>\$ 7,883</u>
Beginning fund balance			<u>14,132</u>	
Ending Fund Balance			<u>\$ 22,015</u>	

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

For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Fines and fees	\$ 28,268	\$ 28,268	\$ 26,229	\$ (2,039)
Total Revenues	<u>28,268</u>	<u>28,268</u>	<u>26,229</u>	<u>(2,039)</u>
<u>Expenditures</u>				
Public safety	28,268	28,268	13,384	14,884
Total Expenditures	<u>28,268</u>	<u>28,268</u>	<u>13,384</u>	<u>14,884</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	12,845	<u>\$ 12,845</u>
Beginning fund balance			<u>20,794</u>	
Ending Fund Balance			<u>\$ 33,639</u>	

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

For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 454,342	\$ 454,342	\$ 455,398	\$ 1,056
Fines and fees	94,500	94,500	90,846	(3,654)
Other revenues	15,000	15,000	12,648	(2,352)
Total Revenues	<u>563,842</u>	<u>563,842</u>	<u>558,892</u>	<u>(4,950)</u>
<u>Expenditures</u>				
Administration of justice	563,842	563,842	506,498	57,344
Total Expenditures	<u>563,842</u>	<u>563,842</u>	<u>506,498</u>	<u>57,344</u>
Excess of Revenues				
Over Expenditures	<u>-</u>	<u>-</u>	<u>52,394</u>	<u>52,394</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(304,101)	-	304,101
Total Other Financing (Uses)	<u>-</u>	<u>(304,101)</u>	<u>-</u>	<u>304,101</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (304,101)</u>	52,394	<u>\$ 356,495</u>
Beginning fund balance			<u>184,417</u>	
Ending Fund Balance			<u>\$ 236,811</u>	

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

For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 185,812	\$ 185,812	\$ 161,633	\$ (24,179)
Total Revenues	<u>185,812</u>	<u>185,812</u>	<u>161,633</u>	<u>(24,179)</u>
<u>Expenditures</u>				
Public safety	185,812	185,812	161,633	24,179
Total Expenditures	<u>185,812</u>	<u>185,812</u>	<u>161,633</u>	<u>24,179</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Beginning fund balance			-	
Ending Fund Balance			<u>\$ -</u>	

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

For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 36,624	\$ 36,624	\$ 36,624	\$ -
Total Revenues	<u>36,624</u>	<u>36,624</u>	<u>36,624</u>	<u>-</u>
<u>Expenditures</u>				
Public transportation	224,119	224,119	96,640	127,479
Total Expenditures	<u>224,119</u>	<u>224,119</u>	<u>96,640</u>	<u>127,479</u>
Net Change in Fund Balance	<u>\$ (187,495)</u>	<u>\$ (187,495)</u>	(60,016)	<u>\$ 127,479</u>
Beginning fund balance			<u>187,495</u>	
Ending Fund Balance			<u>\$ 127,479</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 4,913	\$ 5,913	\$ 7,178	\$ 1,265
Total Revenues	<u>4,913</u>	<u>5,913</u>	<u>7,178</u>	<u>1,265</u>
<u>Expenditures</u>				
Administration of justice	14,913	15,913	15,594	319
Total Expenditures	<u>14,913</u>	<u>15,913</u>	<u>15,594</u>	<u>319</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(8,416)</u>	<u>1,584</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	10,000	10,000	8,416	(1,584)
Total Other Financing Sources	<u>10,000</u>	<u>10,000</u>	<u>8,416</u>	<u>(1,584)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ -</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ELECTION EQUIPMENT
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other revenue	\$ 8,550	\$ 8,550	\$ 2,970	\$ (5,580)
Total Revenues	<u>8,550</u>	<u>8,550</u>	<u>2,970</u>	<u>(5,580)</u>
<u>Expenditures</u>				
General government	8,550	8,550	-	8,550
Total Expenditures	<u>8,550</u>	<u>8,550</u>	<u>-</u>	<u>8,550</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	2,970	<u>\$ 2,970</u>
Beginning fund balance			<u>39,982</u>	
Ending Fund Balance			<u>\$ 42,952</u>	

HARDIN COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CA PRE-TRIAL DIVERSION
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 19,205	\$ 19,205	\$ 20,810	\$ 1,605
Total Revenues	<u>19,205</u>	<u>19,205</u>	<u>20,810</u>	<u>1,605</u>
<u>Expenditures</u>				
General government	19,205	19,205	7,376	11,829
Total Expenditures	<u>19,205</u>	<u>19,205</u>	<u>7,376</u>	<u>11,829</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	13,434	<u>\$ 13,434</u>
Beginning fund balance			<u>16,012</u>	
Ending Fund Balance			<u>\$ 29,446</u>	

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

For the Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Investment income	\$ 300	\$ 300	\$ 276	\$ (24)
Total Revenues	300	300	276	(24)
<u>Expenditures</u>				
Capital outlay	1,710,965	1,748,923	1,429,025	319,898
Total Expenditures	1,710,965	1,748,923	1,429,025	319,898
(Deficiency) of Revenues				
(Under) Expenditures	(1,710,665)	(1,748,623)	(1,428,749)	319,874
<u>Other Financing Sources (Uses)</u>				
Transfers in	1,050,000	1,087,958	1,087,946	(12)
Total Other Financing Sources	1,050,000	1,087,958	1,087,946	(12)
Net Change in Fund Balance	\$ (660,665)	\$ (660,665)	(340,803)	\$ 319,862
Beginning fund balance			340,803	
Ending Fund Balance			\$ -	

HARDIN COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2018

	<u>Elected Officials</u>	<u>District Attorney Seizure</u>	<u>Juvenile Probation</u>	<u>Adult Probation</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 3,130,410	\$ 122,619	\$ -	\$ 656,398
Receivables	-	-	69,084	29
Total Assets	<u>\$ 3,130,410</u>	<u>\$ 122,619</u>	<u>\$ 69,084</u>	<u>\$ 656,427</u>
<u>Liabilities</u>				
Due to other units	\$ 3,130,410	\$ 122,619	\$ 69,084	\$ 656,427
Total Liabilities	<u>\$ 3,130,410</u>	<u>\$ 122,619</u>	<u>\$ 69,084</u>	<u>\$ 656,427</u>

**Total All
Agency Funds**

\$	3,909,427
	<u>69,113</u>
\$	<u><u>3,978,540</u></u>

\$	3,978,540
\$	<u><u>3,978,540</u></u>

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