



Financial Statements
December 31, 2019

Hale County, Texas

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Independent Auditor's Report

To the Honorable Judge and Members of the Commissioners' Court
Hale County, Texas
Plainview, 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 Hale County, Texas (the County) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Hale County, Texas, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement of Prior Period Net Position

As discussed in Note 14 to the financial statements, an error resulting in overstatement of amount previously reported for capital assets as of December 31, 2018 was discovered. Accordingly, amount reported for beginning net position for governmental activities has been restated. Our opinions are 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, and pension schedules on pages 4 through 10 and 49 through 59 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 or 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 financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2020 on our consideration of Hale County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Eide Bailly LLP

Abilene, Texas
June 16, 2020

This section of Hale County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2019. Please read it in conjunction with the County's financial statements, which follow this section.

Financial Highlights

- The County's total net position was \$29,171,912 at December 31, 2019.
- During the year, the County's expenses were \$1,015,776 less than the \$18,124,726 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$9,311,956.

Overview of the Financial Statements

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the County's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses.
- Fiduciary fund statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The Management's Discussion and Analysis, Basic Financial Statements, and Required Supplementary Information are the three main components of Hale County's financial statements. The basic financial statements include the government-wide financial statements, fund financial statements and the notes to the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

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

The two government-wide statements report the County's net position and how they have changed. Net position - the difference between the County's assets, liabilities, and deferred inflows of resources - is one way to measure the County's financial health or position.

Over time, increases or decreases in the County's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the Governmental activities. Most of the County's basic services are included here, such as general administration, financial administration, judicial, public safety and correctional, public facilities, health and welfare, conservation, culture and recreation, environmental protection, elections and public transportation. Property taxes and intergovernmental revenues finance most of these activities.

FUND FINANCIAL STATEMENTS

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

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

The County has the following kinds of funds:

- Governmental funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- Proprietary funds – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

We use the internal service fund to report activities that provide supplies and services for the County's other programs and activities.

- **Fiduciary funds** – The County is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the County's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operation.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

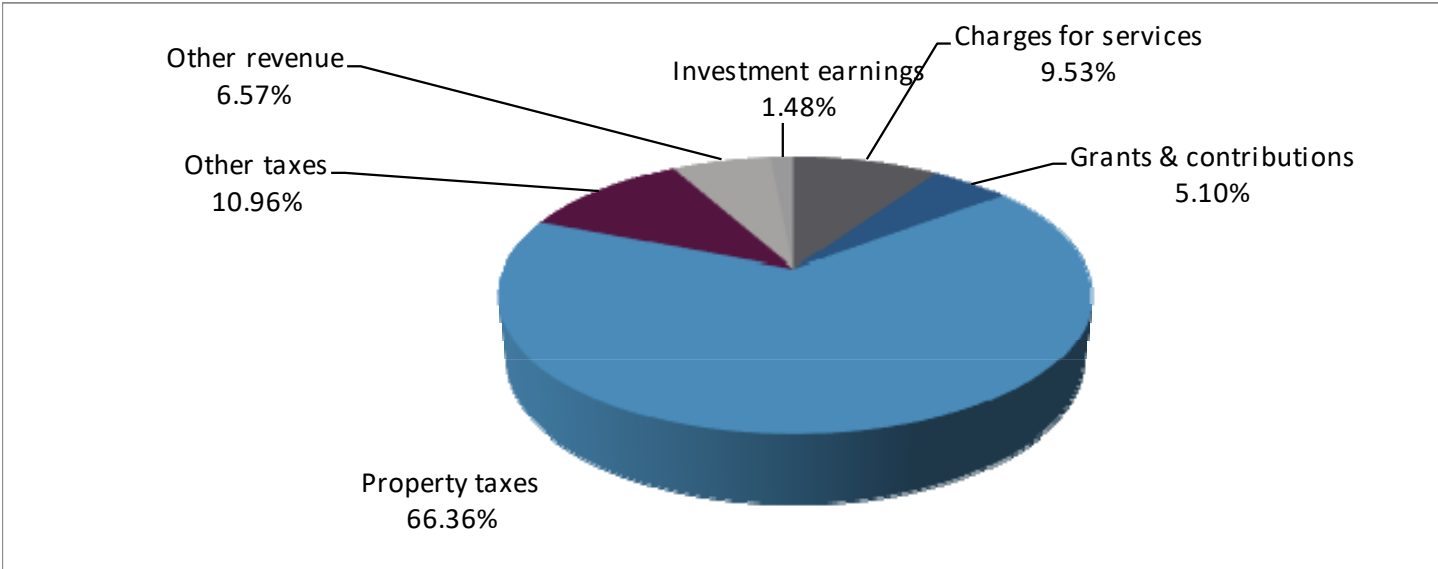
The County's net position was \$29,171,912 at December 31, 2019, as shown below.

	Governmental Activities	
	2019	2018
Current and other assets	\$ 31,337,016	\$ 29,820,939
Capital assets (net of depreciation)	17,628,066	19,913,932
Total assets	\$ 48,965,082	\$ 49,734,871
Deferred outflows of resources - pension	\$ 3,420,511	\$ 1,409,368
Total deferred outflows of resources	\$ 3,420,511	\$ 1,409,368
Current and other liabilities	\$ 1,012,594	\$ 1,941,602
Noncurrent liabilities		
Due within one year	443,707	428,623
Due in more than one year	1,382,027	1,825,657
Net pension liability	7,345,981	4,034,739
Total noncurrent liabilities	9,171,715	6,289,019
Total liabilities	10,184,309	8,230,621
Deferred inflows of resources - property taxes	12,516,570	11,793,244
Deferred inflows of resources - pension	512,802	1,351,272
Total deferred inflows of resources	13,029,372	13,144,516
Net position		
Net investment in capital assets	15,930,566	18,254,664
Restricted	833,319	2,034,180
Unrestricted	12,408,027	9,480,258
Total net position	29,171,912	29,769,102
Total liabilities, deferred inflows of resources, and net position	\$ 52,385,593	\$ 51,144,239

The \$12,408,027 of unrestricted net position represents resources available to fund the programs of the County in future periods.

Changes in Net Position

The County's total revenues were \$18,124,726. A significant portion, 66.36%, of the County's revenue comes from property taxes, 9.53% comes from the charges for services, 1.48% comes from investment earnings, 5.10% comes from grants and contributions, 10.96% comes from other taxes and 6.57% comes from other revenues.



The total cost of all programs and services was \$17,108,950; 34.42% of these costs are for public safety and correctional services.

Governmental Activities

Property assessed values increased, thus causing an increase of property tax revenue.

	Governmental Activities	
	2019	2018
Revenues		
Taxes - property	\$ 12,027,778	\$ 10,989,401
Taxes - sales	1,702,660	1,702,433
Taxes - other	283,501	316,479
Intergovernmental	924,501	374,766
Fees of office	1,034,512	932,166
Fines and forfeitures	68,707	48,999
Licenses and permits	623,228	640,002
Interest and other	1,459,839	1,884,922
Total revenues	18,124,726	16,889,168
Expenses		
General administration	2,061,807	1,810,582
Financial administration	1,272,035	1,140,955
Judicial	3,319,074	2,975,591
Public safety and correctional	5,889,049	5,377,197
Public facilities	430,991	399,384
Health and welfare	680,346	558,225
Conservation	411,909	338,921
Culture and recreation	479,310	1,211,996
Environmental protection	9,576	9,576
Elections	46,193	527,439
Public transportation	2,455,701	2,391,406
Interest	52,959	78,057
Total expenses	17,108,950	16,819,329
Change in net position	1,015,776	69,839
Beginning balance, net position	29,769,102	28,849,967
Restatement of beginning balance, net position	(1,612,966)	849,296
Ending balance, net position	\$ 29,171,912	\$ 29,769,102

The cost of each of the County's largest functions includes:

- The cost of all governmental activities this year was \$17,108,950; property taxes were \$12,027,778.
- Some of the cost was paid by those who directly benefited from the programs, \$1,726,447, or by operating and capital grants and contributions, \$924,501.

Revenues from the general fund totaled \$13,687,704, an increase of 6.72% over the preceding year.

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget several times. Even with these adjustments, actual expenditures were \$1,023,644 under final budget amounts. The most significant positive variances resulted from judicial, public safety and health and welfare.

Resources available were \$137,952 above the final budgeted amount.

- Property taxes, sales taxes, intergovernmental revenues, and investment earnings were higher than expected.

CAPITAL ASSETS ADMINISTRATION

Capital assets. At the end of 2019, the County had invested \$17,628,066 in a broad range of capital assets, including land, equipment, buildings and vehicles.

	Governmental Activities	
	2019	2018
Land	\$ 217,694	\$ 229,352
Buildings and improvements	4,480,380	4,484,880
Other improvements	4,997,472	4,928,537
Infrastructure	16,107,114	16,107,114
Equipment	9,933,085	9,798,121
Total at historical cost	35,735,745	35,548,004
Total accumulated depreciation	(18,107,679)	(15,634,072)
Net capital assets	\$ 17,628,066	\$ 19,913,932

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

Debt. At year end, the County's has \$1,675,000 in Limited Tax Notes, Series 2016. More detailed information about the County's long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Plainview/Hale County Industrial Park neared completion. Western Equipment broke ground on their 45,000 square foot facility as the first tenant of the Industrial Park. Promising prospects continue to inquire.

Wind turbine construction was completed in the south east part of Hale County in 2019.

Construction of a new concrete parking lot for the south side of the Hale County Court House was completed.

Grand opening of the Conrad Loft Apartments in downtown Plainview was held in 2019.

Lawley's Inc., an animal nutrition products company, is located in the former ADM Milling Facility on North Columbia in Plainview.

The 2020 proposed budget includes:

1. An increase in employer contribution rate to Texas County District Retirement System from 15.74% to 17.87%.
2. Salary increase of 5% for elected and appointed officials.
3. Salary step increase of 2.5% for employees employed less than one full year on December 31, 2019.
4. Salary step increase of 5% for employees that were employed for one full year on December 31, 2019.
5. New full time position in County Treasurer's Office.
6. New full time courthouse security position in the Sheriff's Office.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office at 500 Broadway, Plainview, Texas 79072-8030.

Hale County, Texas
Statement of Net Position (Exhibit A-1)
December 31, 2019

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 7,662,204
Investments	10,000,000
Taxes receivable (net)	9,494,399
Other receivables (net)	619,005
Investment in joint ventures	3,316,585
Prepaid expenses	206,735
Restricted assets:	
Cash and cash equivalents	38,088
Capital assets not being depreciated	217,694
Capital assets (net of accumulated depreciation)	17,410,372
Total assets	48,965,082
Deferred Outflows of Resources	
Deferred outflows of resources - pension	3,420,511
Total deferred outflows of resources	3,420,511
Liabilities	
Accounts payable and other current liabilities	928,576
Accrued interest	19,263
Escheat accounts	64,755
Noncurrent liabilities:	
Due within one year	
Compensated absences	33,082
Note payable	405,000
Unamortized premium	5,625
Due in more than one year	
Compensated absences	95,152
Note payable	1,270,000
Unamortized premium	16,875
Net pension liability	7,345,981
Total liabilities	10,184,309
Deferred Inflows of Resources	
Deferred inflows of resources - property taxes	12,516,570
Deferred inflows of resources - pension	512,802
Total deferred inflows of resources	13,029,372
Net Position	
Net investment in capital assets	15,930,566
Restricted by enabling legislation	804,255
Restricted for debt service	29,064
Unrestricted	12,408,027
Total net position	\$ 29,171,912

Hale County, Texas
Statement of Activities (Exhibit A-2)
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary government						
Governmental activities						
General administration	\$ 2,061,807	\$ 196,341	\$ 130,072	\$ -	\$ (1,735,394)	\$ (1,735,394)
Financial administration	1,272,035	-	-	-	(1,272,035)	(1,272,035)
Judicial	3,319,074	597,371	-	-	(2,721,703)	(2,721,703)
Public safety and correctional	5,889,049	446,518	-	-	(5,442,531)	(5,442,531)
Public facilities	430,991	-	-	-	(430,991)	(430,991)
Health and welfare	680,346	-	-	-	(680,346)	(680,346)
Conservation	411,909	-	-	-	(411,909)	(411,909)
Culture and recreation	479,310	-	-	-	(479,310)	(479,310)
Environmental protection	9,576	-	-	-	(9,576)	(9,576)
Elections	46,193	27,990	-	-	(18,203)	(18,203)
Public transportation	2,455,701	458,227	794,429	-	(1,203,045)	(1,203,045)
Interest on long-term debt	52,959	-	-	-	(52,959)	(52,959)
Total governmental activities	<u>17,108,950</u>	<u>1,726,447</u>	<u>924,501</u>	<u>-</u>	<u>(14,458,002)</u>	<u>(14,458,002)</u>
Total primary government	<u>\$ 17,108,950</u>	<u>\$ 1,726,447</u>	<u>\$ 924,501</u>	<u>\$ -</u>	<u>(14,458,002)</u>	<u>(14,458,002)</u>
General revenues						
Property taxes, levied for general purposes					12,027,778	12,027,778
Sales tax					1,702,660	1,702,660
Liquor tax					37,155	37,155
Motor vehicle sales tax					208,346	208,346
State of Texas gasoline tax					38,000	38,000
Unrestricted investment earnings					268,769	268,769
Gain from disposition of assets					299,769	299,769
Miscellaneous					891,301	891,301
Total general revenues					<u>15,473,778</u>	<u>15,473,778</u>
Change in net position					1,015,776	1,015,776
Net position, beginning - as restated					28,156,136	28,156,136
Net position, ending					<u>\$ 29,171,912</u>	<u>\$ 29,171,912</u>

Hale County, Texas
Balance Sheet – Governmental Funds (Exhibit A-3)
December 31, 2019

	General Fund	Road and Bridge Fund	Construction Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 2,711,289	\$ 877,812	\$ -
Investments	10,000,000	-	-
Taxes receivable (net)	8,054,908	1,409,034	-
Other receivable (net)	485,203	10,480	-
Prepaid expenses	199,212	-	-
Total current assets	<u>21,450,612</u>	<u>2,297,326</u>	<u>-</u>
Restricted assets			
Restricted cash and cash equivalents	-	-	38,088
Total restricted assets	<u>-</u>	<u>-</u>	<u>38,088</u>
Total assets	<u>\$ 21,450,612</u>	<u>\$ 2,297,326</u>	<u>\$ 38,088</u>
Liabilities			
Accounts payable and other current liabilities	\$ 690,957	\$ -	\$ 38,088
Due to other funds	452,414	-	-
Escheat accounts	64,755	-	-
Total liabilities	<u>1,208,126</u>	<u>-</u>	<u>38,088</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	10,697,974	1,945,730	-
Unavailable revenue - fines and fees	232,556	-	-
Total deferred inflows of resources	<u>10,930,530</u>	<u>1,945,730</u>	<u>-</u>
Fund Balances			
Nonspendable fund balances			
Prepaid items	199,212	-	-
Restricted fund balances			
Special revenue funds restricted for specific purposes	-	-	-
Restricted for retirement of long term debt	-	-	-
Assigned fund balances			
Road and bridge fund assigned for specific purposes	-	351,596	-
Special revenue funds assigned for specific purposes	-	-	-
Capital projects fund assigned for specific purposes	-	-	-
Unassigned fund balance	9,112,744	-	-
Total fund balances	<u>9,311,956</u>	<u>351,596</u>	<u>-</u>
	<u>\$ 21,450,612</u>	<u>\$ 2,297,326</u>	<u>\$ 38,088</u>

Hale County, Texas
Balance Sheet – Governmental Funds (Exhibit A-3) – Continued
December 31, 2019

	Other Governmental Funds	Total Governmental Funds
Assets		
Current assets		
Cash and cash equivalents	\$ 3,466,580	\$ 7,055,681
Investments	-	10,000,000
Taxes receivable (net)	30,457	9,494,399
Other receivable (net)	39,159	534,842
Prepaid expenses	7,523	206,735
Total current assets	<u>3,543,719</u>	<u>27,291,657</u>
Restricted assets		
Restricted cash and cash equivalents	-	38,088
Total restricted assets	<u>-</u>	<u>38,088</u>
Total assets	<u>\$ 3,543,719</u>	<u>\$ 27,329,745</u>
Liabilities		
Accounts payable and other current liabilities	\$ 110,527	\$ 839,572
Due to other funds	173,029	625,443
Escheat accounts	-	64,755
Total liabilities	<u>283,556</u>	<u>1,529,770</u>
Deferred Inflows of Resources		
Unavailable revenue - property taxes	169,706	12,813,410
Unavailable revenue - fines and fees	10,086	242,642
Total deferred inflows of resources	<u>179,792</u>	<u>13,056,052</u>
Fund Balances		
Nonspendable fund balances		
Prepaid items	7,523	206,735
Restricted fund balances		
Special revenue funds restricted for specific purposes	804,255	804,255
Restricted for retirement of long term debt	48,327	48,327
Assigned fund balances		
Road and bridge fund assigned for specific purposes	-	351,596
Special revenue funds assigned for specific purposes	1,540,059	1,540,059
Capital projects fund assigned for specific purposes	680,207	680,207
Unassigned fund balance	-	9,112,744
Total fund balances	<u>3,080,371</u>	<u>12,743,923</u>
	<u>\$ 3,543,719</u>	<u>\$ 27,329,745</u>

Total Fund Balances - Governmental Fund Balance Sheet	\$ 12,743,923
Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet. The net effect is to increase net position.	17,628,066
Bond premiums are recorded as expenditures when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is a decrease to net position.	(22,500)
Internal service funds are used by management to account for the self-insurance fund of the government. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The net effect is an increase to net position.	1,227,125
Interest payable on bonds is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due.	(19,263)
The County's investment in joint venture is not reported in the governmental funds but is included in the statement of net position. This results in an increase in net position.	3,316,585
Certain assets, such as property taxes receivable and fees, are not available to pay for current-period expenditures and are therefore deferred inflows in the governmental funds. Deferred inflows of resources recognized in the government-wide financial statements results in a net increase to net position.	539,482
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds. The net effect is a decrease in net position.	(1,803,234)
Included in the items related to debt is the recognition of the County's net pension liability in the amount of \$7,345,981, a deferred outflow of resources of \$3,420,511 and a deferred inflow of resources of \$512,802. The net effect is a decrease to net position.	<u>(4,438,272)</u>
Net Position of Governmental Activities- Statement of net position	<u>\$ 29,171,912</u>

Hale County, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds (Exhibit A-5) Year Ended December 31, 2019

	General Fund	Road and Bridge Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 9,811,271	\$ 1,692,118	\$ -	\$ 488,597	\$ 11,991,986
Sales taxes	1,702,660	-	-	-	1,702,660
Intergovernmental	755,487	-	-	71,154	826,641
Charges for services	1,027,406	-	-	356,132	1,383,538
Fines and forfeitures	68,707	-	-	-	68,707
Licenses and permits	-	623,228	-	-	623,228
Investment earnings	248,877	3,149	953	13,206	266,185
Miscellaneous	73,296	2,312	-	12,150	87,758
Total revenues	13,687,704	2,320,807	953	941,239	16,950,703
Expenditures					
Current					
General administration	1,956,802	-	-	33,672	1,990,474
Financial administration	1,127,578	-	-	-	1,127,578
Judicial	2,866,952	-	-	162,910	3,029,862
Public safety and correctional	4,738,316	-	-	183,834	4,922,150
Public facilities	258,787	-	-	-	258,787
Health and welfare	648,950	-	-	-	648,950
Conservation	300,187	-	-	-	300,187
Culture and recreation	39,500	-	439,810	-	479,310
Environmental protection	9,576	-	-	-	9,576
Elections	26,547	-	-	8,801	35,348
Public transportation	-	30,552	-	1,598,349	1,628,901
Capital outlay	170,829	-	-	1,119,758	1,290,587
Debt service					
Principal	-	-	-	395,000	395,000
Interest	-	-	-	57,501	57,501
Total expenditures	12,144,024	30,552	439,810	3,559,825	16,174,211
Excess of revenue over (under) expenditures	1,543,680	2,290,255	(438,857)	(2,618,586)	776,492
Other financing sources (uses)					
Proceeds from the sale of capital assets	141,430	-	-	562,293	703,723
Transfers in	-	-	-	2,656,698	2,656,698
Transfers out	(839,579)	(2,269,533)	-	(173,029)	(3,282,141)
Total other financing sources	(698,149)	(2,269,533)	-	3,045,962	78,280
Net change in fund balances	845,531	20,722	(438,857)	427,376	854,772
Fund balances, beginning	8,466,425	330,874	438,857	2,652,995	11,889,151
Fund balances, ending	\$ 9,311,956	\$ 351,596	\$ -	\$ 3,080,371	\$ 12,743,923

Hale County, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit A-6) Year Ended December 31, 2019

Net Change in Fund Balances -Total Government Funds	\$ 854,772
Amounts reported for governmental activities in the statement of activities (A-5) are different because:	
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays is to increase net position.	1,321,355
Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of recording current year depreciation expense is to decrease net position.	(1,590,301)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the governmental funds. The current year revenue recognized in the government-wide financial statements results in an decrease in net position.	68,127
Proceeds from the sale and trade in of capital assets are recorded in the fund financial statements, whereas in the government-wide financial statements the proceeds are reduced by the net book value of the assets sold and traded in.	(403,954)
The net increase in the investment in joint ventures is a increase to net position.	803,543
The net increase in compensated absences payable is a decrease to net position.	27,921
Bond premiums are recorded as expenditures when paid in the fund financial statements but are capitalized and amortized in the government-wide financial statements. This is current year amortization.	5,625
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expense is reported when due.	4,542
Principal payments are expenditures in the fund financial statements, but they are shown as reductions in long - term debt in the government-wide financial statements.	395,000
Internal service funds are used by management to charge the costs of self-insurance in individual funds. The change in net position of the internal service funds are included in governmental activities in the statement of activities. This results in a net decrease to net position.	(9,225)
Certain expenditures for the pension that are recorded to the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to decrease in the amount of \$68,398. The County's share of the unrecognized deferred inflows and outflows for TCDRS as of the measurement date must be amortized and the County's proportionate share of the pension expense must be recognized. These cause the change in net position to decrease in the amount of \$393,231. The net effect is a decrease to net position.	<u>(461,629)</u>
Change in Net Position of Governmental Activities - Statement of Activities	<u>\$ 1,015,776</u>

Hale County, Texas
Statement of Net Position – Proprietary Funds (Exhibit A-7)
December 31, 2019

	Governmental Activities
	Internal Service Fund
Assets	
Cash and cash equivalents	\$ 606,523
Accounts receivable	84,163
Due from other funds	625,443
Total assets	1,316,129
Liabilities	
Claims payable from restricted assets	89,004
Total liabilities	89,004
Net Position	
Unrestricted	1,227,125
Total net position	\$ 1,227,125

Hale County, Texas

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds (Exhibit A-8)
Year Ended December 31, 2019

	Governmental Activities
	Internal Service Fund
Operating revenues	
Employee deductions	\$ 1,018,240
Dependent deductions	134,585
Total operating revenues	1,152,825
Operating expenses	
Insurance administration and premiums	988,632
Insurance claims	801,445
Total operating expenses	1,790,077
Operating loss	(637,252)
Nonoperating revenues	
Interest on investments	2,584
Transfers in	625,443
Total nonoperating revenues	628,027
Change in net position	(9,225)
Net position, beginning	1,236,350
Net position, ending	\$ 1,227,125

Hale County, Texas
Statement of Cash Flows – Proprietary Funds (Exhibit A-9)
Year Ended December 31, 2019

	Governmental Activities <u>Internal Service Fund</u>
Operating activities	
Cash received from participants	\$ 1,068,662
Cash payments for claims	(736,123)
Cash payments for administrative fees and insurance premiums	<u>(988,632)</u>
Net cash used in operation activities	<u>(656,093)</u>
Noncapital financing activities	
Transfer from other funds	<u>501,188</u>
Net cash provided by noncapital financing activities	<u>501,188</u>
Investing activities	
Interest and dividends	<u>2,584</u>
Net cash from investing activities	<u>2,584</u>
Net change in cash and cash equivalents	(152,321)
Cash and cash equivalents, beginning of year	<u>758,844</u>
Cash and cash equivalents, end of year	<u><u>\$ 606,523</u></u>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (637,252)
Net change in	
Accounts receivable	(84,163)
Claims payable	<u>65,322</u>
Net cash used in operating activities	<u><u>\$ (656,093)</u></u>

Hale County, Texas
Statement of Fiduciary Net Position – Fiduciary Funds (Exhibit A-10)
December 31, 2019

	Agency Funds
Assets	
Cash and cash equivalents	\$ 1,976,087
Investments	519,087
Accounts receivable	28,651
Other assets	5,713
Total assets	\$ 2,529,538
Liabilities	
Accounts payable and other current liabilities	\$ 527,052
Due to trust beneficiaries	73,209
Funds held for others	1,410,190
Deferred compensation payable	519,087
Total liabilities	\$ 2,529,538

Note 1 - Summary of Significant Accounting Policies

The financial statements of Hale County, Texas (the County) included in the accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's Basic Financial Statements.

Reporting Entity

Hale County, Texas is a state mandated governmental unit of the State of Texas. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general administration, judicial (courts, juries, etc.), legal (district attorney, county attorney, etc.), public safety (sheriff, jail, etc.), transportation, facilities, and public service (e.g. rural fire protection and emergency management).

The County's basic financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, The Financial Reporting Entity, include whether:

1. the organization is legally separate (can sue and be sued in its name)
2. the County holds the corporate powers of the organization
3. the County appoints a voting majority of the organization's board
4. the County is able to impose its will on the organization
5. the organization has the potential to impose a financial benefit/burden on the County
6. there is fiscal dependency by the organization on the County
7. the exclusion of the organization would result in misleading or incomplete financial statements

The County also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the County to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the County, its component units or its constituents; 2) The County or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the County.

Based on these criteria, the County has no component units. Additionally, the County is not a component unit of any other reporting entity as defined by the GASB Statement.

Basis of Presentation

The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

The County does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements provide information about the County's funds, with separate statements presented for each fund category. 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 non-major funds.

Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. The County applies only those Financial Accounting Standards Board (FASB) pronouncements issued prior to November 30, 1989 in the accounting and reporting of its proprietary funds.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund.

Road and Bridge Fund. The County's activities for which revenues and assessments, relative to vehicles' licenses, permits and an allocated portion of property tax revenues for the purposes of supporting and maintaining the County's public transportation system, are accounted for in this fund.

Construction Fund. This fund accounts for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of major capital facilities.

In addition, the County reports the following fund types:

Special Revenue Funds. These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds. These funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund. This fund is used to account for the accumulation of resources that are legally restricted, committed or assigned to expenditures for the specific purpose of the retirement of long-term debt, including debt principal, interest and related costs.

Proprietary Fund Types:

Internal Service Fund. These funds are used to account for revenues and expenses related to services provided to parties inside the County. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the County's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary Fund Types:

Agency Funds. These funds are used to report funds of the County's fee offices and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Fees are generated and retained by the fee offices until notification is received to disburse funds to the proper individual or entity. Fees generated include fines, restitution, bail bond deposits, and inmate trust funds.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support County programs, these funds are not included in the government-wide statements.

Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property taxes revenue and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the County incurs an expenditure or expenses for which both restricted and unrestricted resources may be used, it is the County's policy to use restricted resources first, then unrestricted resources.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available 1) when they become due or past due and receivable within the current period and 2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the County is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In the fund financial statements, they are offset by a reservation of fund balance which indicates they do not represent "available spendable resources."

Capital Assets

General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are capitalized in the government-wide statement of net position.

Donated capital assets are recorded at their estimated acquisition value at the date of the donation.

The County capitalizes all capital assets, which have a cost of \$5,000 or more, and a useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction is included as part of the capitalized value of the assets constructed. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. There was no capitalized interest during the current fiscal year.

Interest is capitalized on capital project funds assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20 to 50 years
Other Improvements	20 to 50 years
Equipment	10 years
Infrastructure	20 to 75 years

Receivables and Payable Balances

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

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue.

There are no significant receivables which are not scheduled for collection within one year of year end.

Compensated Absences

A liability for unused vacation and comp time for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

1. Leave or compensation is attributable to services already rendered
2. Leave or compensation is not contingent on specific event (such as illness)

Per GASB Interpretation No. 6 liabilities for compensated absences are recognized in the fund statements to extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued as long-term debt in the government-wide statements.

Upon termination from employment by the County, accrued vacation leave may be paid but not to exceed the maximum vacation leave accrual which is ten days. Compensatory time earned, but not taken, is paid at termination, but cannot accumulate beyond 120 hours for employees whose work involves public safety, emergency response or seasonal work. All other eligible employees may not accrue more than 60 hours of compensatory time. Sick leave accrues at the rate of 6.67 hours per month for full time employees with the maximum accumulation being 30 working days. Unused sick leave is cancelable and will not be paid on termination, thus vacation time and compensatory time are the only accrued compensation liabilities recorded.

Amounts of vested or accumulated vacation that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position. No expenditure is reported for the amounts.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund, except quasi-external transactions and reimbursements, transactions are treated as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.

All other interfund transfers are reported as operating transfers. Transfers in and Transfers out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. On new bonds, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

Deferred Outflows and Inflows of Resources

The County reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in current period. Deferred inflows of resources also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the deferred inflows of resources is removed from the balance sheet and revenue is recognized.

In addition to assets, the statement of net position will 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 deferred outflows of resources for changes in actuarial assumptions for its pension plan and contributions made to the pension plan after the measurement date, but before the end of the fiscal year.

In addition to liabilities, the statement of net position will 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 deferred inflows of resources for the differences between expected and actual experience and the difference between projected and actual earnings related to its pension plan. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Assets Limited as to Use or Restricted

Resources are set aside for the terms of bond agreements or self-insurance arrangements.

Legally Adopted Budgets

All special revenue funds have legally adopted budgets except for the following:

1. HAVA Grant
2. District Attorney Hot Check Fund
3. District Attorney Seized Currency Fund
4. District Attorney Forfeiture Fund
5. Commissary Fund
6. Veterans' Assistance
7. Drug Forfeiture Const #1
8. County Child Abuse Prevention
9. District Clerk Criminal Clearing
10. District Clerk Civil Clearing
11. CC Revolving and Clearing
12. JP 1 Case Manager

Pensions

The fiduciary net position of the Texas County & District Retirement System (TCDRS) has been determined using the flow of economic resources measurement focus and full accrual basis of account. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCERS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 - Fair Value Measurements

The County adopted GASB Statement No. 72, Fair Value Measurement and Application, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 inputs are observable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value:

Market approach – uses prices generated by market transactions involving identical or comparable assets or liabilities.

Cost approach – uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach – uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Note 3 - Deposits and Investments

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Cash Deposits

Custodial Credit Risk - At December 31, 2019, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$20,195,466 and the bank balance was \$20,719,587. The County's cash deposits at December 31, 2019 were entirely covered by FDIC insurance or by pledged collateral held by the County's bank in the County's name.

Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written, primarily to emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management, include a list of the types of authorized investments in which the investing entity's funds may be invested and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act (Act) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports an establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, certificates of deposit, certain municipal securities, money market savings accounts, repurchasing agreements, bankers' acceptance, mutual funds, investment pools, guaranteed investment contracts, and common trust funds.

The Hale County Investment Officers shall use any or all of the following authorized investment instruments consistent with governing law (Texas Government Code Chapter 2256).

- A) Except as provided by Texas Government Code Section 2256.009(b) the following are authorized investment instruments consistent with governing law (Texas Government Code Chapter 2256).
1. Obligations of the United States or its agencies and instrumentalities;
 2. Direct obligations of this state or its agencies and instrumentalities;
 3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit, of this state or the United State or their respective agencies and instrumentalities; and
 4. 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
- B) Certificates of Deposit if issued by a state or national bank domiciled in this state or a savings and loan association domiciled in this state and is:
1. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor;
 2. Secured by obligations that are described by Texas Government Code Section 2256.009(a), including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Texas Government Code Section 2256.009(b); or
 3. Secured in any other manner and amount provided by law for deposits of the County of Hale.
- C) Eligible investment pools (as discussed in the Texas Government Code Section 2256.0016-2256.0019) if the Commissioners Court by resolution authorizes investment in the particular pool. An investment pool shall invest the funds it received from entities in authorized investments permitted by the Public Funds Investment Act. Hale County by contract may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

Analysis of Specific Deposit and Investment Risks

- Interest Rate Risk - In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to less than 365 days. The maximum allowable stated maturity of any individual investment owned by the County shall not exceed three years.

- **Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. County policy limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. At year end, the County was not significantly exposed to credit risk.

- **Concentration of Credit Risk** - The County's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce the risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

- **Investment Accounting Policy** - The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The County's investments at December 31, 2019 of \$10,000,000 were invested in various certificates of deposit that were purchased under the Certificate of Deposit Account Registry Service through a commercial banking institution. All certificates of deposit purchased under this program were entirely covered by FDIC insurance.

Note 4 - Receivables

Receivables at year end, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Road and Bridge Fund	Other Governmental Funds	Total
Receivables				
Taxes	\$ 8,274,408	\$ 1,448,956	\$ 31,100	\$ 9,754,464
Other	12,956,044	10,480	295,836	13,262,360
Total gross receivables	21,230,452	1,459,436	326,936	23,016,824
Less allowance for uncollectibles				
Taxes	(219,500)	(39,922)	(643)	(260,065)
Other	(12,470,841)	-	(256,677)	(12,727,518)
Net total receivables	\$ 8,540,111	\$ 1,419,514	\$ 69,616	\$ 10,029,241

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balances (as restated)	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 217,694	\$ -	\$ -	\$ 217,694
Total capital assets not being depreciated	217,694	-	-	217,694
Capital assets being depreciated				
Buildings and improvements	4,480,380	-	-	4,480,380
Other improvements	4,877,940	119,532	-	4,997,472
Infrastructure	16,107,114	-	-	16,107,114
Equipment	9,833,961	1,201,823	(1,102,699)	9,933,085
Total capital assets being depreciated	35,299,395	1,321,355	(1,102,699)	35,518,051
Less accumulated depreciation for				
Buildings and improvements	(3,072,189)	(119,409)	-	(3,191,598)
Other improvements	(2,508,741)	(286,634)	-	(2,795,375)
Infrastructure	(6,909,537)	(218,005)	-	(7,127,542)
Equipment	(4,725,656)	(966,253)	698,745	(4,993,164)
Total accumulated depreciation	(17,216,123)	(1,590,301)	698,745	(18,107,679)
Total capital assets being depreciated, net	18,083,272	(268,946)	(403,954)	17,410,372
Governmental activities capital assets, net	<u>\$ 18,300,966</u>	<u>\$ (268,946)</u>	<u>\$ (403,954)</u>	<u>\$ 17,628,066</u>

Depreciation expense for the year ended December 31, 2019 was \$1,590,301.

Depreciation was allocated to the various functions based on the capital assets within each group as follows:

General administrative	\$ 11,767
Judicial	33,714
Public safety and correctional	429,222
Public facilities	170,480
Conservation	89,693
Public transportation	826,800
Elections	10,814
Health & Welfare	17,811
	<u>\$ 1,590,301</u>

Note 6 - Interfund Balances and Activity

Due to and from Other Fund

Balances due to and due from other funds at December 31, 2019 consisted of the following:

Due to	Due from	Amount
Internal service fund	General fund	\$ 452,414
Internal service fund	Other governmental funds	<u>173,029</u>
	Total	<u>\$ 625,443</u>

Transfers to and from Other Funds

Transfers to and from other funds at December 31, 2019, consisted of the following:

Transfers from	Transfers to	Amount	Purpose
General fund	Nonmajor governmental funds	\$ 387,165	Supplement other funds sources
General fund	Internal service fund	452,414	Supplement other funds sources
Nonmajor governmental funds	Internal service fund	173,029	Supplement other funds sources
Road and bridge fund	Nonmajor governmental funds	<u>2,269,533</u>	Supplement other funds sources
	Total	<u>\$ 3,282,141</u>	

Note 7 - Long-Term Obligations

Long-Term Obligation Activity

Long-term obligations include compensated absences, the tax note, and net pension liability. Changes in long-term obligations for the period ended December 31, 2019, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	\$ 156,155	\$ -	\$ (27,921)	\$ 128,234	\$ 33,082
Limited Tax Notes, Series 2016	2,070,000	-	(395,000)	1,675,000	405,000
Bond premium on issuance	28,125	-	(5,625)	22,500	5,625
Net pension liability	4,034,739	-	3,311,242	7,345,981	-
Total governmental activities	<u>\$ 6,289,019</u>	<u>\$ -</u>	<u>\$ 2,882,696</u>	<u>\$ 9,171,715</u>	<u>\$ 443,707</u>

Debt service requirements for the Limited Tax Notes, Series 2016 as of December 31, 2019 are as follows:

Year Ended	Principal	Interest	Total
2020	\$ 405,000	\$ 44,175	\$ 449,175
2021	410,000	31,950	441,950
2022	425,000	19,025	444,025
2023	435,000	6,325	441,325
	\$ 1,675,000	\$ 101,475	\$ 1,776,475

Interest is due semi-annually at a rate of 3%.

Note 8 - Risk Management

The County is exposed to various risks of loss related to group health coverage and torts (theft of, damage of, and destruction of assets; errors and omission; injuries to employee; and natural disasters).

Commercial insurance is purchased to cover liabilities associated with risks associated with torts whenever possible. There were no significant changes in coverage, retention, or limits during the year.

The County established the Employee Benefit Fund (an internal service fund) in 1993 in order to account for its health and life insurance program. The purpose of this fund is to pay for and finance the uninsured medical claims of County employees and their covered dependents. It also minimizes the total cost of insurance to the County and its employees. Employees reimburse the County for the cost of covering their dependents.

The County's liability is limited to \$40,000 per covered person per year and aggregate limit of \$1,130,730 per year under the present plan. The County has obtained insurance through a private insurance carrier for claims in excess of the above coverage.

The carrier processes all the claims and bills the County every two weeks for processed claims that are within the coverage of the fund. The premium amounts are based on estimates by the various insurance carriers using past experience to estimate future claims and to establish a reserve for losses. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

Changes in the County's claim liability amount were:

For the Year Ended	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
December 31, 2016	\$ 92,082	\$ 743,084	\$ (756,530)	\$ 78,636
December 31, 2017	78,636	656,704	(585,198)	150,142
December 31, 2018	150,142	628,290	(754,750)	23,682
December 31, 2019	23,682	801,445	(736,123)	89,004

The risk of loss on the life insurance program is carried by the insurance agency. It is included in this fund for administrative purposes only.

Note 9 - Pension Plan

Plan Description

Hale County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 781 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at Barton Oaks Plaza IV, Ste. 500, 901 S MoPac Expy, Austin, TX 78746 or at <https://www.tcdrs.org>.

Benefits Provided

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the District's Board within certain guidelines.

Membership

Membership in the TCDRS plan at December 31, 2018, consisted of the following:

Inactive Employees' Accounts	
Receiving benefits	119
Entitled to but not yet receiving benefits	129
	248
Active Employees	170

Contributions

The County has elected the annually determined contribution rate (Variable-Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

Contribution Rates	2018	2019
Member	7.00%	7.00%
Employers	16.40%	15.56%
Employer Contributions	\$ 1,092,851	\$ 1,024,453
Member Contributions	479,621	490,967

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.1 years
Asset Valuation Method	5 year smoothed market
Discount Rate	8.10%
Long-term expected Investment Rate of Return*	8.10%
Salary Increases*	4.9%, average
Payroll Growth Rate	3.25%
<i>*Includes Inflation of 2.75%</i>	

The plan does not have an automatic cost-of-living adjustment and one is not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations or in the funding valuation. Each year, the plan may elect an ad-hoc COLA for its retirees.

Disability rates for males and females were as follows:

Age	Male and Female Occupational	Male and Female All Other Causes
28-29	-	0.00008
30	-	0.00009
31-32	-	0.00010
33	-	0.00011
34	-	0.00014
35	0.00001	0.00018
36	0.00001	0.00022
37	0.00002	0.00028
38	0.00002	0.00033
39	0.00002	0.00038
40	0.00002	0.00042
41	0.00003	0.00047
42	0.00003	0.00053
43	0.00004	0.00058
44	0.00004	0.00063
45	0.00004	0.00069
46	0.00005	0.00076
47	0.00006	0.00084
48	0.00007	0.00095
49	0.00009	0.00109
50	0.00010	0.00125
51	0.00012	0.00142
52	0.00013	0.00162
53	0.00015	0.00183
54	0.00018	0.00203
55	0.00018	0.00222
56	0.00018	0.00238
57	0.00018	0.00250
58	0.00018	0.00259
59	0.00018	0.00270
60 and above	0.00018	-

Mortality rates for depositing members were based on 90% of the RP-2014 Active Employee Mortality Table for males and females as appropriate, with adjustments, projected with 110% of the MP-2014 Ultimate Scale after 2014. Service retirees, beneficiaries, and non-depositing members were based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females as appropriate, with adjustments, projected with 110% of the MP-2014 Ultimate Scale after 2014. Disabled retirees were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the MP-2014 Disabled Annuitant Mortality Table for females as appropriate, with adjustments, projected with 110% of the MP-2014 Ultimate Scale after 2014.

Service retirement rates for males and females were as follows:

<u>Age</u>	<u>Male and Female</u>
40-44	0.045
45-49	0.090
50	0.010
51-53	0.009
54-57	0.100
58-61	0.120
62	0.200
63-64	0.150
65-66	0.250
67	0.220
68-69	0.200
70-74	0.220
75 & Over	1.000

The actuarial assumptions were developed from an actuarial experience investigation of TCDRS over the years 2013 - 2016. Assumptions were recommended by Milliman, Inc., adopted by the TCDRS Board of Trustees in 2017 and first used in the December 31, 2017 actuarial valuation.

There were no changes in methods reflected in the December 31, 2018 actuarial valuation. There were no changes in actuarial assumptions were reflected in the December 31, 2018 actuarial valuation.

Discount Rate

The discount rate used to measure the total pension liability was 8.1%. There was no change in the discount rate since the previous year.

In order to determine the discount rate to be used, we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. This alternative method reflects the funding requirements under our funding policy and the legal requirements under the TCDRS Act:

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a cost-of-living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.0%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2018 information for a 10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is based on a 30-year time horizon; the most recent analysis was performed in 2017 based on the period January 1, 2013 – December 31, 2016.

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation are summarized below:

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

^a Target asset allocation adopted at the April 2019 TCDRS Board meeting.

^b Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.70%, per Cliffwater's 2019 capital market assumptions.

^c Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

^d Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

^e Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

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

At December 31, 2019, the County reported a net pension liability of \$7,345,981 measured at December 31, 2018. For the year ended December 31, 2019, the County recognized pension expense of \$1,486,084.

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

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

Changes in the net pension liability for the year ended December 31, 2018 were as follows:

Changes in Net Pension Liability / (Asset)	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2017	\$ 39,260,674	\$ 35,225,935	\$ 4,034,739
Changes for the year			
Service Cost	912,073	-	912,073
Interest on total pension liability (1)	3,166,903	-	3,166,903
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	99,374	-	99,374
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(85,410)	(85,410)	-
Benefit payments	(2,107,644)	(2,107,644)	-
Administrative expense	-	(27,229)	27,229
Member contributions	-	479,621	(479,621)
Net investment income	-	(663,185)	663,185
Employer contributions	-	1,092,851	(1,092,851)
Other (3)	-	(14,950)	14,950
Net changes	<u>1,985,296</u>	<u>(1,325,946)</u>	<u>3,311,242</u>
Balance at December 31, 2018	<u>\$ 41,245,970</u>	<u>\$ 33,899,989</u>	<u>\$ 7,345,981</u>

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

(2) No plan changes valued.

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

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease in Discount Rate (7.10%)	Current Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
Total pension liability	\$ 46,372,275	\$ 41,245,970	\$ 36,922,908
Fiduciary net position	<u>33,899,990</u>	<u>33,899,989</u>	<u>33,899,990</u>
Net pension liability / (asset)	<u>\$ 12,472,285</u>	<u>\$ 7,345,981</u>	<u>\$ 3,022,918</u>

At December 31, 2019 the County reported its deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 512,802	\$ 74,530
Changes in actuarial assumptions	-	195,370
Difference between projected and actual investment earnings	-	2,126,158
Contributions subsequent to the measurement date	-	1,024,453
Total	\$ 512,802	\$ 3,420,511

\$1,024,453 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 net pension liability for the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2020	\$ 714,038
2021	254,563
2022	216,622
2023	698,033
2024	-
Thereafter	-
	\$ 1,883,256

Group Term Life Fund

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 Group Term Life Fund (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 a postemployment benefit other than pension benefits (OPEB). The County has elected not to offer coverage to retirees.

The GTLF is a separate trust administered by the TCDRS Board of Trustees. TCDRS issues a publicly available CAFR that includes financial statements and required supplementary information 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 contributions to the GTLF for the years ended December 31, 2019, 2018 and 2017 were \$11,853, \$13,022 and \$13,138, respectively, which equaled the contractually required contributions each year.

Note 10 - Commitments and Contingencies

Contingencies

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds or any money received may be required and collectability of any related receivable at December 31, 2019 may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grant; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Litigation

Various lawsuits have been filed and are pending against the County but in the County's opinion none will result in a material effect on the County's financial position.

Note 11 - Fund Balance

GASB has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

1. Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned).
2. Restricted fund balance category includes amounts that can be spent for only the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Commissioners' Court (the County's highest level of decision-making authority).
4. Assigned fund balance classification includes amounts intended to be used by the County for specific purposes but does not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications.

Restricted Fund Balance

At December 31, 2019, the restricted fund balance is composed of the following:

Economic development	\$ 12,901
Jury fund	156,928
Rural fire protection	69,018
Drug forfeiture const #1	1,586
HAVA grant	26,000
County child abuse prevention	1,500
District court archive	37,195
County clerk vital statistics	8,001
County clerk record management	140,686
County clerk records archive	144,109
County clerk records preservation & management	1,113
District clerk records preservation & management	90,444
District attorney forfeiture fund	66,677
County court technology	10,633
District court technology	13,498
Courthouse security fund	23,966
Debt service	48,327
Total restricted fund balance	<u>\$ 852,582</u>

Assigned Fund Balance

At December 31, 2019, the assigned fund balance is composed of the following:

Precinct #1	\$ 280,043
Precinct #2	300,134
Precinct #3	462,695
Precinct #4	347,396
District attorney hot check fund	6,295
District attorney seized currency fund	36,852
Commissary fund	47,315
Law library	37,273
Veterans' assistance	186
JP #1 case manager	21,870
Capital projects	680,207
Road and bridge	351,596
Total assigned fund balance	<u>\$ 2,571,862</u>

Order of Fund Balance Spending Policy

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: 1) Restricted; 2) Committed; 3) Assigned; and 4) Unassigned.

Minimum Fund Balance Policy

The County’s financial goal is to have a sufficient balance in the operating fund with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The County shall strive to maintain a yearly fund balance in the general operating fund equal to 150 days of the budgeted General Fund expenditures, considering the annual budget, as amended, for any given fiscal year.

Note 12 - Joint Ventures

Plainview/Hale County Airport

The Hale County Airport is a joint venture between Hale County and the City of Plainview. The seven-member board of directors consists of three directors appointed by the County, three appointed by the City, and one director jointly commissioned by both entities. The amount of control exercised by each government is limited to its representation on the board. Hale County is the fiscal agent for the airport. General airport operations are funded by user charges and typically require support for major improvements only.

Summary Financial Information
Year Ending Date

	12/31/2019
Total current assets	\$ 152,131
Total property and equipment, net	1,725,776
Total current liabilities	983
Net position invested in capital assets	1,725,776
Unrestricted net position	151,148
Total net position	1,876,924
Total operating revenues	95,757
Total operating expenses	142,812
Net decrease in net position	(47,055)

Complete financial statements for the joint venture can be obtained from:

Melinda Silvas, County Auditor
Hale County
500 Broadway
Plainview, Texas 79072-8030

City of Plainview/Hale County Business Park

The City of Plainview/Hale County Business Park is under equal joint ownership by the City of Plainview and the County of Hale. General administration is accomplished by the Community Development Program Committee composed of five members. Two members are appointed by the City and two members are appointed by the County. The fifth board member is the Plainview Hale County Economic Development Corporation. The degree of control of each government consists of its representation on the Board. The City of Plainview is the fiscal agent for the joint venture.

Summary Financial Information

Year Ending Date	9/30/2019
Total current assets	\$ 978,212
Total property and equipment, net	4,756,246
Total current liabilities	978,212
Net position invested in capital assets	4,756,246
Total net position	4,756,246
Total operating revenues	1,588,180
Total operating expenses	4,500
Net increase in net position	1,583,680

Complete financial statements for the joint venture can be obtained from:

Sarianne Beversdorf, Director of Finance
City of Plainview
121 W. Seventh St.
Plainview, TX 7907

Note 13 - Related Parties

At December 31, 2019, Contributions made from Hale County to the City of Plainview / Hale County Business Park were \$439,817. Hale County also paid \$13,901 to the Plainview/Hale County airport for its portion of expenses.

Note 14 - Restatement of Prior Period Net Position

In the current year, it was determined that capital assets were overstated due to understatement of accumulated depreciation. Net position contained in the previously issued financial statements have been restated to appropriately reflect the December 31, 2018 misstatement. The following table reflects the changes for correction of the error in the accompanying financial statements:

	Governmental Activities
Net position - as previously reported	\$ 29,769,102
Capital assets (net of accumulated depreciation)	(1,612,966)
Net position - as restated	\$ 28,156,136



Required Supplementary Information
December 31, 2019
Hale County, Texas

Hale County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments to Budget Basis	Actual Budget Basis	Variance from Final Budget
Revenues						
Property taxes	\$ 9,772,767	\$ 9,772,767	\$ 9,811,271	\$ -	\$ 9,811,271	\$ 38,504
Sales taxes	1,700,000	1,700,000	1,702,660	-	1,702,660	2,660
Intergovernmental	752,200	754,645	755,487	-	755,487	842
Charges for services	1,133,650	1,133,650	1,027,406	-	1,027,406	(106,244)
Fines and forfeitures	70,000	70,000	68,707	-	68,707	(1,293)
Investment earnings	7,800	7,800	248,877	-	248,877	241,077
Miscellaneous	69,875	110,890	73,296	-	73,296	(37,594)
Total revenues	<u>13,506,292</u>	<u>13,549,752</u>	<u>13,687,704</u>	<u>-</u>	<u>13,687,704</u>	<u>137,952</u>
Expenditures						
Current						
General administration						
Commissioners' court	307,593	307,593	300,891	-	300,891	6,702
County judge and commissioners' court	6,650	6,650	2,723	-	2,723	3,927
County clerk	377,421	377,421	357,677	-	357,677	19,744
Special projects coordinator	64,684	64,684	63,464	-	63,464	1,220
Non-departmental	427,125	794,682	934,268	-	934,268	(139,586)
Telephone system	35,500	35,500	30,569	-	30,569	4,931
Insurance and bonds	327,000	327,000	267,210	-	267,210	59,790
Total general administration	<u>1,545,973</u>	<u>1,913,530</u>	<u>1,956,802</u>	<u>-</u>	<u>1,956,802</u>	<u>(43,272)</u>
Financial administration						
Auditor	326,433	326,433	302,968	-	302,968	23,465
County treasurer	255,068	255,405	254,186	-	254,186	1,219
Tax assessor/collector	326,688	326,688	316,603	-	316,603	10,085
Computer maintenance	232,500	232,500	217,321	-	217,321	15,179
Financial non-departmental	36,500	36,500	36,500	-	36,500	-
Total financial administration	<u>1,177,189</u>	<u>1,177,526</u>	<u>1,127,578</u>	<u>-</u>	<u>1,127,578</u>	<u>49,948</u>

Hale County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments to Budget Basis	Actual Budget Basis	Variance from Final Budget
Judicial						
County judge	230,750	233,195	206,735	-	206,735	26,460
Adult probation	3,444	3,444	1,609	-	1,609	1,835
242nd district court	127,544	127,773	119,340	-	119,340	8,433
64th district court	146,180	146,180	115,236	-	115,236	30,944
District clerk	436,276	436,276	372,852	-	372,852	63,424
Justice of the Peace #1	207,765	207,765	203,804	-	203,804	3,961
Justice of the Peace #3	274,172	274,172	225,667	-	225,667	48,505
Judicial trial fees	404,768	404,768	376,749	-	376,749	28,019
County attorney	232,742	232,944	228,192	-	228,192	4,752
District attorney	645,290	645,290	531,113	-	531,113	114,177
Juvenile probation	485,743	485,743	485,655	-	485,655	88
Total judicial	3,194,674	3,197,550	2,866,952	-	2,866,952	330,598
Public safety and correctional						
Hale County community workforce	10,410	10,411	8,700	-	8,700	1,711
Ambulance service	111,500	111,500	111,500	-	111,500	-
Fire protection	125,500	140,500	131,402	-	131,402	9,098
Constable Precinct #1	83,062	83,062	69,424	-	69,424	13,638
Constable Precinct #3	84,752	84,752	82,376	-	82,376	2,376
Department of Public Safety	25,534	25,534	-	-	-	25,534
License and Weights	1,200	1,200	1,200	-	1,200	-
Sheriff's department	5,229,546	4,833,616	4,328,214	-	4,328,214	505,402
Public safety	17,350	17,350	5,500	-	5,500	11,850
Total public safety and correctional	5,688,854	5,307,925	4,738,316	-	4,738,316	569,609

Hale County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments to Budget Basis	Actual Budget Basis	Variance from Final Budget
Public facilities						
Courthouse square building and grounds	150,172	158,249	133,606	-	133,606	24,643
Courthouse annex	24,000	25,000	20,966	-	20,966	4,034
Courthouse annex II	99,591	107,246	103,926	-	103,926	3,320
Courthouse annex III	1,900	1,900	289	-	289	1,611
Total public facilities	275,663	292,395	258,787	-	258,787	33,608
Health and welfare						
Health and welfare	645,315	592,887	548,157	-	548,157	44,730
Indigent health veteran's service officer	56,886	56,886	53,815	-	53,815	3,071
Veteran service officer	42,012	51,034	46,978	-	46,978	4,056
Total health and welfare	744,213	700,807	648,950	-	648,950	51,857
Conservation						
Texas cooperative extension-Hale County	178,465	178,465	167,526	-	167,526	10,939
Exhibition building-Ollie Liner Center	146,283	146,284	132,661	-	132,661	13,623
Total conservation	324,748	324,749	300,187	-	300,187	24,562
Culture and recreation						
Libraries and museums	39,500	39,500	39,500	-	39,500	-
Total culture and recreation	39,500	39,500	39,500	-	39,500	-
Environmental protection						
Solid waste disposal	9,800	9,800	9,576	-	9,576	224
Total environmental protection	9,800	9,800	9,576	-	9,576	224

Hale County, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended December 31, 2019

	Original Budget	Final Budget	Actual GAAP Basis	Adjustments to Budget Basis	Actual Budget Basis	Variance from Final Budget
Elections						
Elections	36,313	36,314	26,547	-	26,547	9,767
Total elections	36,313	36,314	26,547	-	26,547	9,767
Capital outlay	114,000	275,132	170,829	107,560	278,389	(3,257)
Total expenditures	13,150,927	13,275,228	12,144,024	107,560	12,251,584	1,023,644
Excess (deficiency) of revenues over (under) expenditures	355,365	274,524	1,543,680	(107,560)	1,436,120	1,161,596
Other financing sources (uses)						
Proceeds from the sale of capital assets	20,000	100,980	141,430	-	141,430	40,450
Transfers in	12,000	12,000	-	-	-	(12,000)
Transfers out	(387,165)	(387,165)	(839,579)	-	(839,579)	(452,414)
Total other financing sources (uses)	(355,165)	(274,185)	(698,149)	-	(698,149)	(423,964)
Net change in fund balance	200	339	845,531	(107,560)	737,971	737,632
Fund balance, beginning	8,466,425	8,466,425	8,466,425	-	8,466,425	-
Fund balance, ending	<u>\$ 8,466,625</u>	<u>\$ 8,466,764</u>	<u>\$ 9,311,956</u>	<u>\$ (107,560)</u>	<u>\$ 9,204,396</u>	<u>\$ 737,632</u>

Hale County, Texas
 Budgetary Comparison Schedule – General Road and Bridge Fund (Exhibit B-2)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Ad valorem taxes	\$ 1,682,033	\$ 1,682,033	\$ 1,692,118	\$ 10,085
Licenses and permits	695,000	695,000	623,228	(71,772)
Interest on investments	2,500	2,500	3,149	649
Miscellaneous	2,000	2,000	2,312	312
Total revenues	<u>2,381,533</u>	<u>2,381,533</u>	<u>2,320,807</u>	<u>(60,726)</u>
Expenditures				
Current				
Public transportation	<u>112,000</u>	<u>112,000</u>	<u>30,552</u>	<u>81,448</u>
Total expenditures	<u>112,000</u>	<u>112,000</u>	<u>30,552</u>	<u>81,448</u>
Excess (deficiency) of revenues over (under) expenditures	2,269,533	2,269,533	2,290,255	20,722
Other financing uses				
Transfers out	<u>(2,269,533)</u>	<u>(2,269,533)</u>	<u>(2,269,533)</u>	<u>-</u>
Total other financing uses	<u>(2,269,533)</u>	<u>(2,269,533)</u>	<u>(2,269,533)</u>	<u>-</u>
Net change in fund balance	-	-	20,722	20,722
Fund balance, beginning	<u>330,874</u>	<u>330,874</u>	<u>330,874</u>	<u>-</u>
Fund balance, ending	<u>\$ 330,874</u>	<u>\$ 330,874</u>	<u>\$ 351,596</u>	<u>\$ 20,722</u>

Hale County, Texas
 Budgetary Comparison Schedule – Construction Fund (Exhibit B-3)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Interest on investments	\$ 250	\$ 250	\$ 953	\$ 703
Total revenues	250	250	953	703
Expenditures				
Current				
Culture and recreation	1,800,000	1,800,000	439,810	1,360,190
Total expenditures	1,800,000	1,800,000	439,810	1,360,190
Excess (deficiency) of revenues over (under) expenditures	(1,799,750)	(1,799,750)	(438,857)	1,360,893
Net change in fund balance	(1,799,750)	(1,799,750)	(438,857)	1,360,893
Fund balance, beginning	438,857	438,857	438,857	-
Fund balance, ending	<u>\$ (1,360,893)</u>	<u>\$ (1,360,893)</u>	<u>\$ -</u>	<u>\$ 1,360,893</u>

Schedule of Changes in Net Pension Liability and Related Ratios – Texas County & District Retirement System (Exhibit B-4)

December 31, 2019

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability					
Service cost	\$ 912,073	\$ 950,440	\$ 991,190	\$ 928,328	\$ 898,335
Interest on total pension liability	3,166,903	3,063,997	2,907,130	2,770,801	2,657,328
Effect of plan changes	-	-	-	(168,000)	-
Effect of economic / demographic (gains) or losses	-	(658,862)	(248,109)	(277,288)	(598,486)
Effect of assumptions changes or inputs	99,374	185,555	-	420,182	-
Benefit payments/refunds of contributions	(2,193,054)	(2,270,093)	(2,089,571)	(1,713,997)	(1,675,980)
Net change in total pension liability	1,985,296	1,271,037	1,560,640	1,960,026	1,281,197
Total pension liability, beginning	39,260,674	37,989,637	36,428,997	34,468,971	33,187,774
Total pension liability, ending (a)	<u>\$ 41,245,970</u>	<u>\$ 39,260,674</u>	<u>\$ 37,989,637</u>	<u>\$ 36,428,997</u>	<u>\$ 34,468,971</u>
Fiduciary Net Position					
Contributions - Employer	\$ 1,092,851	\$ 1,074,594	\$ 1,033,353	\$ 1,036,656	\$ 984,610
Contributions - Employee	479,621	484,051	479,673	467,564	457,047
Net investment income	(663,185)	4,571,696	2,194,640	(26,761)	1,931,213
Benefit payments/refunds of contributions	(2,193,054)	(2,270,093)	(2,089,571)	(1,713,997)	(1,675,980)
Administrative expenses	(27,229)	(23,426)	(23,836)	(21,436)	(22,548)
Other	(14,950)	(9,755)	145,143	(55,137)	(306,788)
Net change in fiduciary net position	(1,325,946)	3,827,067	1,739,402	(313,111)	1,367,554
Fiduciary net position, beginning	35,225,935	31,398,868	29,659,466	29,972,577	28,605,023
Fiduciary net position, ending (b)	<u>\$ 33,899,989</u>	<u>\$ 35,225,935</u>	<u>\$ 31,398,868</u>	<u>\$ 29,659,466</u>	<u>\$ 29,972,577</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 7,345,981</u>	<u>\$ 4,034,739</u>	<u>\$ 6,590,769</u>	<u>\$ 6,769,531</u>	<u>\$ 4,496,394</u>
Fiduciary net position as a percentage of total pension liability	82.19%	89.72%	82.65%	81.42%	86.96%
Pensionable covered payroll	\$ 6,851,728	\$ 6,915,016	\$ 6,852,476	\$ 6,679,455	\$ 6,529,242
Net pension liability as a percentage of covered payroll	107.21%	58.35%	96.18%	101.35%	68.87%

Hale County, Texas
Schedule of Employer Contributions – Texas County & District Retirement System (Exhibit B-5)
Year Ended December 31, 2019

Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll (1)	Actual Contribution as a Percentage of Covered Payroll
2010	\$ 797,020	\$ 797,020	\$ -	\$ 6,231,590	12.8%
2011	841,741	841,741	-	6,362,364	13.2%
2012	878,926	878,926	-	6,486,541	13.5%
2013	934,149	934,149	-	6,550,833	14.3%
2014	984,610	984,610	-	6,529,242	15.1%
2015	1,036,656	1,036,656	-	6,679,455	15.5%
2016	1,033,353	1,033,353	-	6,852,476	15.1%
2017	1,074,594	1,074,594	-	6,915,016	15.5%
2018	1,092,851	1,092,851	-	6,851,728	16.0%
2019	1,024,453	1,024,453	-	6,583,888	15.6%

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

Note A: Explanation of Differences Between Budget Basis and GAAP Basis Actual Amounts for the General Fund

The County has a practice of recording certain asset purchases to the general ledger based on the desired budget year, rather than the year in which the expense was incurred. These capital outlay expenditures occurred in the General Fund and the Nonmajor Special Revenue Fund, Precinct #3. This practice is not in accordance with GAAP, therefore, the following is a reconciliation of actual figures on a GAAP basis:

	General Fund
Change in Budgetary Basis Fund Balance Exhibit B-1	\$ 737,971
Capital outlay	107,560
Change in GAAP Basis Fund Balance Exhibit A-5	\$ 845,531
	Precinct #3
Change in Budgetary Basis Fund Balance Exhibit C-10	\$ 39,446
Capital outlay	35,845
Change in GAAP Basis Fund Balance Exhibit C-4	\$ 75,291

Note B: Budgetary Information

The budget is prepared in accordance with accounting principles generally accepted in the United States of America by the County Judge with the assistance of the County Auditor’s Office and approved by the Commissioners’ Court following a public hearing. The County maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County’s governing body and as such is a good management control device.

The budget law of the State of Texas provides that “the amounts budgeted for current expenditures from the various funds of the County shall not exceed the balances in said funds plus the anticipated revenues for the current year for which the budget is made as estimated by the County Auditor”. In addition, the law provides that the Commissioners’ Court “may, upon proper application, transfer an existing budget surplus during the year to a budget of like kind and fund but no such transfer shall increase the total budget”.

Each year, all departments submit to the County Judge requests for appropriation. These requests are reviewed, compiled and presented to the Commissioners’ Court for approval. The Commissioners’ Court conducts departmental budget reviews, adjusts budget requests to final form and conducts a public hearing in the Commissioners’ Courtroom. One copy of the proposed budget must be filed with the County Clerk and one with the County Auditor. A copy must be available to the public. The Commissioners’ Court must provide for the public hearing on the budget on some date within seven calendar days after the filing of the budget and prior to October 1st of the current fiscal year.

The County controls appropriations at the account level (i.e., salaries-department head, salaries, insurance, retirement, social security tax, education and travel, stationary and supplies, etc.) for each department/project within the General Fund. Appropriation transfers and budget increases may be made between categories or departments only with the approval of the Commissioners' Court. The original budgets presented in the report are the approved budgets before amendments and transfers. The final budgets presented in this report reflect the budgets as amended for all appropriation transfers and increases processed during the fiscal year. In the current year there were no expenditures over appropriations at the legal level of control.

The following summarizes the excess of General Fund expenditures over appropriations at the legal level of control:

Department	Category	Amount
General Administration	Non-departmental	\$ 139,586

Note C: Net Pension Liability – Texas County and District Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

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.
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	11.1 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by age and service. 4.9%, average over career, including inflation.
Investment rate of return	8.00%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at services 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.

Changes of Benefit Terms

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

Changes in the Size or Composition of the Population Covered by the Benefit Terms

There were no changes in the size or composition of the population covered by the benefit terms during the measurement period.

Changes of Assumptions

There were no changes in assumptions that were reflected in the December 31, 2018 valuation.



Other Supplementary Information
December 31, 2019

Hale County, Texas

Hale County, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit C-1)
December 31, 2019

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Funds
Assets				
Cash and cash equivalents	\$ 2,590,360	\$ 186,527	\$ 689,693	\$ 3,466,580
Taxes receivable (net)	5,335	25,122	-	30,457
Other receivables (net)	39,159	-	-	39,159
Prepaid expenses	7,523	-	-	7,523
	<u>\$ 2,642,377</u>	<u>\$ 211,649</u>	<u>\$ 689,693</u>	<u>\$ 3,543,719</u>
Liabilities				
Accounts payable and other current liabilities	\$ 101,041	\$ -	\$ 9,486	\$ 110,527
Due to other funds	173,029	-	-	173,029
	<u>274,070</u>	<u>-</u>	<u>9,486</u>	<u>283,556</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	6,384	163,322	-	169,706
Unavailable revenue - fines and fees	10,086	-	-	10,086
	<u>16,470</u>	<u>163,322</u>	<u>-</u>	<u>179,792</u>
Fund Balances				
Nonspendable fund balances:				
Prepaid items	7,523	-	-	7,523
Restricted fund balances:				
Special revenue funds restricted for for specific purposes	804,255	-	-	804,255
Retirement of long term debt	-	48,327	-	48,327
Assigned fund balances				
Special revenue funds assigned for specific purposes	1,540,059	-	-	1,540,059
Capital project funds assigned for specific purposes	-	-	680,207	680,207
	<u>2,351,837</u>	<u>48,327</u>	<u>680,207</u>	<u>3,080,371</u>
	<u>\$ 2,642,377</u>	<u>\$ 211,649</u>	<u>\$ 689,693</u>	<u>\$ 3,543,719</u>

Hale County, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds (Exhibit C-2)
Year Ended December 31, 2019

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Funds
Revenues				
Taxes	\$ 6,147	\$ 482,450	\$ -	\$ 488,597
Intergovernmental	71,154	-	-	71,154
Charges for services	356,132	-	-	356,132
Interest on investments	10,374	178	2,654	13,206
Miscellaneous	12,150	-	-	12,150
Total revenues	455,957	482,628	2,654	941,239
Expenditures				
Current:				
General administration	32,391	-	1,281	33,672
Judicial	162,910	-	-	162,910
Public transportation	1,598,349	-	-	1,598,349
Public safety and correctional	183,834	-	-	183,834
Elections	8,801	-	-	8,801
Debt service				
Principal	-	395,000	-	395,000
Interest	-	57,501	-	57,501
Capital outlay	1,000,226	-	119,532	1,119,758
Total expenditures	2,986,511	452,501	120,813	3,559,825
Excess (deficiency) of revenues over (under) expenditures	(2,530,554)	30,127	(118,159)	(2,618,586)
Other financing sources				
Proceeds from the sale of capital assets	562,293	-	-	562,293
Transfers in	2,332,498	-	324,200	2,656,698
Transfers out	(173,029)	-	-	(173,029)
Total other financing sources	2,721,762	-	324,200	3,045,962
Net change in fund balance	191,208	30,127	206,041	427,376
Fund balance, beginning	2,160,629	18,200	474,166	2,652,995
Fund balance, ending	<u>\$ 2,351,837</u>	<u>\$ 48,327</u>	<u>\$ 680,207</u>	<u>\$ 3,080,371</u>

Hale County, Texas

Nonmajor Special Revenue Funds – Combining Balance Sheet (Exhibit C-3)

December 31, 2019

	<u>Economic Development</u>	<u>Jury Fund</u>	<u>Rural Fire Protection</u>	<u>Precinct #1</u>	<u>Precinct #2</u>	<u>Precinct #3</u>	<u>Precinct #4</u>	<u>Drug Forfeiture Const #1</u>
Assets								
Cash and cash equivalents	\$ 12,901	\$ 154,589	\$ 69,018	\$ 290,002	\$ 353,664	\$ 537,324	\$ 438,154	\$ 1,586
Taxes receivable (net)	-	-	-	1,142	1,142	1,142	1,142	-
Accounts receivable (net)	-	2,449	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	183	194	-
Total assets	<u>\$ 12,901</u>	<u>\$ 157,038</u>	<u>\$ 69,018</u>	<u>\$ 291,144</u>	<u>\$ 354,806</u>	<u>\$ 538,649</u>	<u>\$ 439,490</u>	<u>\$ 1,586</u>
Liabilities								
Accounts payable and other current liabilities	\$ -	\$ -	\$ -	\$ 9,336	\$ 17,945	\$ 16,112	\$ 10,638	\$ -
Due to other funds	-	-	-	169	35,131	58,063	79,666	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,505</u>	<u>53,076</u>	<u>74,175</u>	<u>90,304</u>	<u>-</u>
Deferred inflows of resources								
Unavailable revenue - property taxes	-	-	-	1,596	1,596	1,596	1,596	-
Unavailable revenue - fines and fees	-	110	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>110</u>	<u>-</u>	<u>1,596</u>	<u>1,596</u>	<u>1,596</u>	<u>1,596</u>	<u>-</u>
Fund balance								
Nonspendable	-	-	-	-	-	183	194	-
Restricted	12,901	156,928	69,018	-	-	-	-	1,586
Assigned	-	-	-	280,043	300,134	462,695	347,396	-
Total fund balance	<u>12,901</u>	<u>156,928</u>	<u>69,018</u>	<u>280,043</u>	<u>300,134</u>	<u>462,878</u>	<u>347,590</u>	<u>1,586</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,901</u>	<u>\$ 157,038</u>	<u>\$ 69,018</u>	<u>\$ 291,144</u>	<u>\$ 354,806</u>	<u>\$ 538,649</u>	<u>\$ 439,490</u>	<u>\$ 1,586</u>

Hale County, Texas

Nonmajor Special Revenue Funds – Combining Balance Sheet (Exhibit C-3)

December 31, 2019

	HAVA Grant	County Child Abuse Prevention	District Court Archive	County Clerk Vital Statistics	County Clerk Record Management	County Clerk Records Archive	County Clerk Records & Management
Assets							
Cash and cash equivalents	\$ 8,466	\$ 1,500	\$ 36,865	\$ 7,807	\$ 137,625	\$ 141,534	\$ 717
Taxes receivable (net)	-	-	-	-	-	-	-
Accounts receivable (net)	17,534	-	330	194	5,129	2,575	569
Prepaid expenses	-	-	-	-	7,146	-	-
Total assets	<u>\$ 26,000</u>	<u>\$ 1,500</u>	<u>\$ 37,195</u>	<u>\$ 8,001</u>	<u>\$ 149,900</u>	<u>\$ 144,109</u>	<u>\$ 1,286</u>
Liabilities							
Accounts payable and other current liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Deferred inflows of resources							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - fines and fees	-	-	-	-	2,068	-	173
Total deferred inflows of resources	-	-	-	-	2,068	-	173
Fund balance							
Nonspendable	-	-	-	-	7,146	-	-
Restricted	26,000	1,500	37,195	8,001	140,686	144,109	1,113
Assigned	-	-	-	-	-	-	-
Total fund balance	<u>26,000</u>	<u>1,500</u>	<u>37,195</u>	<u>8,001</u>	<u>147,832</u>	<u>144,109</u>	<u>1,113</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,000</u>	<u>\$ 1,500</u>	<u>\$ 37,195</u>	<u>\$ 8,001</u>	<u>\$ 149,900</u>	<u>\$ 144,109</u>	<u>\$ 1,286</u>

Hale County, Texas

Nonmajor Special Revenue Funds – Combining Balance Sheet (Exhibit C-3)

December 31, 2019

	District Clerk Records Preservation & Management	District Attorney Hot Check Fund	District Attorney Seized Currency Fund	District Attorney Forfeiture Fund	District Clerk Criminal Clearing	District Clerk Civil Clearing	County Court Technology	District Court Technology
Assets								
Cash and cash equivalents	\$ 89,248	\$ 6,295	\$ 38,525	\$ 66,677	\$ 7,562	\$ 10,443	\$ 10,659	\$ 16,745
Taxes receivable (net)	-	-	-	-	-	-	-	-
Accounts receivable (net)	4,106	-	-	-	-	-	130	492
Prepaid expenses	-	-	-	-	-	-	-	-
Total assets	<u>\$ 93,354</u>	<u>\$ 6,295</u>	<u>\$ 38,525</u>	<u>\$ 66,677</u>	<u>\$ 7,562</u>	<u>\$ 10,443</u>	<u>\$ 10,789</u>	<u>\$ 17,237</u>
Liabilities								
Accounts payable and other current liabilities	\$ -	\$ -	\$ 1,673	\$ -	\$ 3,178	\$ 10,443	\$ 156	\$ 3,739
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1,673</u>	<u>-</u>	<u>3,178</u>	<u>10,443</u>	<u>156</u>	<u>3,739</u>
Deferred inflows of resources								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
Unavailable revenue - fines and fees	2,910	-	-	-	4,384	-	-	-
Total deferred inflows of resources	<u>2,910</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,384</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	90,444	-	-	66,677	-	-	10,633	13,498
Assigned	-	6,295	36,852	-	-	-	-	-
Total fund balance	<u>90,444</u>	<u>6,295</u>	<u>36,852</u>	<u>66,677</u>	<u>-</u>	<u>-</u>	<u>10,633</u>	<u>13,498</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 93,354</u>	<u>\$ 6,295</u>	<u>\$ 38,525</u>	<u>\$ 66,677</u>	<u>\$ 7,562</u>	<u>\$ 10,443</u>	<u>\$ 10,789</u>	<u>\$ 17,237</u>

Hale County, Texas

Nonmajor Special Revenue Funds – Combining Balance Sheet (Exhibit C-3)

December 31, 2019

	Commissary Fund	Law Library	Courthouse Security Fund	Veterans' Assistance	JP #1 Case Manager	CC Revolving and Clearing	Nonmajor Special Revenue Funds
Assets							
Cash and cash equivalents	\$ 47,315	\$ 38,134	\$ 18,756	\$ 186	\$ 21,103	\$ 26,960	\$ 2,590,360
Taxes receivable (net)	-	-	-	-	767	-	5,335
Accounts receivable (net)	-	-	5,651	-	-	-	39,159
Prepaid expenses	-	-	-	-	-	-	7,523
Total assets	<u>\$ 47,315</u>	<u>\$ 38,134</u>	<u>\$ 24,407</u>	<u>\$ 186</u>	<u>\$ 21,870</u>	<u>\$ 26,960</u>	<u>\$ 2,642,377</u>
Liabilities							
Accounts payable and other current liabilities	\$ -	\$ 861	\$ -	\$ -	\$ -	\$ 26,960	\$ 101,041
Due to other funds	-	-	-	-	-	-	173,029
Total liabilities	-	861	-	-	-	26,960	274,070
Deferred inflows of resources							
Unavailable revenue - property taxes	-	-	-	-	-	-	6,384
Unavailable revenue - fines and fees	-	-	441	-	-	-	10,086
Total deferred inflows of resources	-	-	441	-	-	-	16,470
Fund balance							
Nonspendable	-	-	-	-	-	-	7,523
Restricted	-	-	23,966	-	-	-	804,255
Assigned	47,315	37,273	-	186	21,870	-	1,540,059
Total fund balance	<u>47,315</u>	<u>37,273</u>	<u>23,966</u>	<u>186</u>	<u>21,870</u>	<u>-</u>	<u>2,351,837</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 47,315</u>	<u>\$ 38,134</u>	<u>\$ 24,407</u>	<u>\$ 186</u>	<u>\$ 21,870</u>	<u>\$ 26,960</u>	<u>\$ 2,642,377</u>

Hale County, Texas

Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-4)
Year Ended December 31, 2019

	Economic Development	Jury Fund	Rural Fire Protection	Precinct #1	Precinct # 2	Precinct #3	Precinct #4	Drug Forfeiture Const #1
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ 1,536	\$ 1,537	\$ 1,537	\$ 1,537	\$ -
Intergovernmental	-	-	-	9,500	9,500	9,500	9,500	-
Charges for services	-	6,928	-	-	-	-	-	-
Interest on investments	73	556	247	1,620	1,567	2,136	1,675	6
Miscellaneous	-	-	-	863	3,402	1,041	569	-
Total revenues	<u>73</u>	<u>7,484</u>	<u>247</u>	<u>13,519</u>	<u>16,006</u>	<u>14,214</u>	<u>13,281</u>	<u>6</u>
Expenditures								
Current								
General administration	15,000	-	-	-	-	-	-	-
Judicial	-	14,827	-	-	-	-	-	-
Public transportation	-	-	-	475,884	428,130	335,477	358,858	-
Public safety and correctional	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	335,350	254,500	262,700	135,000	-
Total expenditures	<u>15,000</u>	<u>14,827</u>	<u>-</u>	<u>811,234</u>	<u>682,630</u>	<u>598,177</u>	<u>493,858</u>	<u>-</u>
Excess (deficit) of revenues over (under) expenditures	<u>(14,927)</u>	<u>(7,343)</u>	<u>247</u>	<u>(797,715)</u>	<u>(666,624)</u>	<u>(583,963)</u>	<u>(480,577)</u>	<u>6</u>
Other financing sources (uses)								
Proceeds from the sale of capital assets	-	-	-	165,000	146,000	161,015	90,278	-
Transfers in	25,000	19,370	10,000	597,267	580,452	556,302	535,512	-
Transfers out	-	-	-	(169)	(35,131)	(58,063)	(79,666)	-
Total other financing sources (uses)	<u>25,000</u>	<u>19,370</u>	<u>10,000</u>	<u>762,098</u>	<u>691,321</u>	<u>659,254</u>	<u>546,124</u>	<u>-</u>
Net change in fund balance	10,073	12,027	10,247	(35,617)	24,697	75,291	65,547	6
Fund balances, beginning	2,828	144,901	58,771	315,660	275,437	387,587	282,043	1,580
Fund balances, ending	<u>\$ 12,901</u>	<u>\$ 156,928</u>	<u>\$ 69,018</u>	<u>\$ 280,043</u>	<u>\$ 300,134</u>	<u>\$ 462,878</u>	<u>\$ 347,590</u>	<u>\$ 1,586</u>

Hale County, Texas

Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-4)
Year Ended December 31, 2019

	HAVA Grant	County Child Abuse Prevention	District Court Archive	County Clerk Vital Statistics	County Clerk Records Mgt	County Clerk Records Archive	County Clerk Records Preservation & Mgt
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	33,154	-	-	-	-	-	-
Charges for services	-	181	4,896	2,858	42,751	38,755	2,394
Interest on investments	33	-	129	45	469	615	5
Miscellaneous	-	5	-	-	-	-	-
Total revenues	<u>33,187</u>	<u>186</u>	<u>5,025</u>	<u>2,903</u>	<u>43,220</u>	<u>39,370</u>	<u>2,399</u>
Expenditures							
Current							
General administration	-	-	-	-	-	-	-
Judicial	-	-	240	10,510	38,277	71,296	4,261
Public transportation	-	-	-	-	-	-	-
Public safety and correctional	-	-	-	-	-	-	-
Elections	8,801	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>8,801</u>	<u>-</u>	<u>240</u>	<u>10,510</u>	<u>38,277</u>	<u>71,296</u>	<u>4,261</u>
Excess (deficit) of revenues over (under) expenditures	<u>24,386</u>	<u>186</u>	<u>4,785</u>	<u>(7,607)</u>	<u>4,943</u>	<u>(31,926)</u>	<u>(1,862)</u>
Other financing sources (uses)							
Proceeds from the sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>24,386</u>	<u>186</u>	<u>4,785</u>	<u>(7,607)</u>	<u>4,943</u>	<u>(31,926)</u>	<u>(1,862)</u>
Fund balances, beginning	<u>1,614</u>	<u>1,314</u>	<u>32,410</u>	<u>15,608</u>	<u>142,889</u>	<u>176,035</u>	<u>2,975</u>
Fund balances, ending	<u>\$ 26,000</u>	<u>\$ 1,500</u>	<u>\$ 37,195</u>	<u>\$ 8,001</u>	<u>\$ 147,832</u>	<u>\$ 144,109</u>	<u>\$ 1,113</u>

Hale County, Texas

Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-4)
Year Ended December 31, 2019

	District Clerk Records Preservation & Mgt	District Attorney Hot Check Fund	District Attorney Seized Currency Fund	District Attorney Forfeiture Fund	District Clerk Criminal Clearing	District Clerk Civil Clearing	County Court Technology	District Court Technology
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	8,207	3,412	-	-	-	-	1,740	6,426
Interest on investments	328	19	107	206	32	30	39	56
Miscellaneous	-	-	6,270	-	-	-	-	-
Total revenues	8,535	3,431	6,377	206	32	30	1,779	6,482
Expenditures								
Current								
General administration	-	-	-	-	-	-	-	-
Judicial	6,105	2,523	-	1,170	32	30	1,287	6,040
Public transportation	-	-	-	-	-	-	-	-
Public safety and correctional	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	6,105	2,523	-	1,170	32	30	1,287	6,040
Excess (deficit) of revenues over (under) expenditures	2,430	908	6,377	(964)	-	-	492	442
Other financing sources (uses)								
Proceeds from the sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	2,430	908	6,377	(964)	-	-	492	442
Fund balances, beginning	88,014	5,387	30,475	67,641	-	-	10,141	13,056
Fund balances, ending	\$ 90,444	\$ 6,295	\$ 36,852	\$ 66,677	\$ -	\$ -	\$ 10,633	\$ 13,498

Hale County, Texas

Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-4)
Year Ended December 31, 2019

	Commissary Fund	Law Library	Courthouse Security Fund	Veterans' Assistance	JP #1 Case Manager	County Clerk Revolving Clearing	Total Nonmajor Special Revenue Funds
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,147
Intergovernmental	-	-	-	-	-	-	71,154
Charges for services	208,235	245	18,580	-	10,524	-	356,132
Interest on investments	-	151	91	-	63	76	10,374
Miscellaneous	-	-	-	-	-	-	12,150
Total revenues	<u>208,235</u>	<u>396</u>	<u>18,671</u>	<u>-</u>	<u>10,587</u>	<u>76</u>	<u>455,957</u>
Expenditures							
Current							
General administration	-	-	17,391	-	-	-	32,391
Judicial	-	6,236	-	-	-	76	162,910
Public transportation	-	-	-	-	-	-	1,598,349
Public safety and correctional	183,834	-	-	-	-	-	183,834
Elections	-	-	-	-	-	-	8,801
Capital outlay	-	-	12,676	-	-	-	1,000,226
Total expenditures	<u>183,834</u>	<u>6,236</u>	<u>30,067</u>	<u>-</u>	<u>-</u>	<u>76</u>	<u>2,986,511</u>
Excess (deficit) of revenues over (under) expenditures	<u>24,401</u>	<u>(5,840)</u>	<u>(11,396)</u>	<u>-</u>	<u>10,587</u>	<u>-</u>	<u>(2,530,554)</u>
Other financing sources (uses)							
Proceeds from the sale of capital assets	-	-	-	-	-	-	562,293
Transfers in	-	-	8,595	-	-	-	2,332,498
Transfers out	-	-	-	-	-	-	(173,029)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,721,762</u>
Net change in fund balance	24,401	(5,840)	(2,801)	-	10,587	-	191,208
Fund balances, beginning	<u>22,914</u>	<u>43,113</u>	<u>26,767</u>	<u>186</u>	<u>11,283</u>	<u>-</u>	<u>2,160,629</u>
Fund balances, ending	<u>\$ 47,315</u>	<u>\$ 37,273</u>	<u>\$ 23,966</u>	<u>\$ 186</u>	<u>\$ 21,870</u>	<u>\$ -</u>	<u>\$ 2,351,837</u>

Hale County, Texas
 Budgetary Comparison Schedule – Economic Development (Exhibit C-5)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Interest on investments	\$ 125	\$ 125	\$ 73	\$ (52)
Total revenues	125	125	73	(52)
Expenditures				
Current				
General administration				
Economic development	25,000	25,000	15,000	10,000
Total expenditures	25,000	25,000	15,000	10,000
Excess (deficiency) of revenues over (under) expenditures	(24,875)	(24,875)	(14,927)	9,948
Other financing sources				
Transfers in	25,000	25,000	25,000	-
Total other financing sources	25,000	25,000	25,000	-
Net change in fund balance	125	125	10,073	9,948
Fund balance, beginning	2,828	2,828	2,828	-
Fund balance, ending	<u>\$ 2,953</u>	<u>\$ 2,953</u>	<u>\$ 12,901</u>	<u>\$ 9,948</u>

Hale County, Texas
 Budgetary Comparison Schedule – Jury Fund (Exhibit C-6)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 12,000	\$ 12,000	\$ 6,928	\$ (5,072)
Interest on investments	330	330	556	226
Total revenues	12,330	12,330	7,484	(4,846)
Expenditures				
Current				
Judicial				
Supplies	31,000	31,000	14,635	16,365
Other services and charges	700	700	192	508
Total expenditures	31,700	31,700	14,827	16,873
Excess (deficiency) of revenues over (under) expenditures	(19,370)	(19,370)	(7,343)	(12,027)
Other financing sources				
Transfers in	19,370	19,370	19,370	-
Total other financing sources	19,370	19,370	19,370	-
Net change in fund balance	-	-	12,027	12,027
Fund balance, beginning	144,901	144,901	144,901	-
Fund balance, ending	\$ 144,901	\$ 144,901	\$ 156,928	\$ 12,027

Hale County, Texas
 Budgetary Comparison Schedule – Rural Fire Protection Fund (Exhibit C-7)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Interest on investments	\$ 110	\$ 110	\$ 247	\$ 137
Total revenues	110	110	247	137
Expenditures				
Current:				
Public safety and correctional Repairs and maintenance	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Excess (deficiency) of revenues over (under) expenditures	(9,890)	(9,890)	247	10,137
Other financing sources				
Transfers in	10,000	10,000	10,000	-
Total other financing sources	10,000	10,000	10,000	-
Net change in fund balance	110	110	10,247	10,137
Fund balance, beginning	58,771	58,771	58,771	-
Fund balance, ending	<u>\$ 58,881</u>	<u>\$ 58,881</u>	<u>\$ 69,018</u>	<u>\$ 10,137</u>

Hale County, Texas
 Budgetary Comparison Schedule – Precinct #1 (Exhibit C-8)
 Year Ended December 31, 2019

	Budgeted Amounts			Variance from Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Ad valorem taxes	\$ 1,500	\$ 1,500	\$ 1,536	\$ 36
Intergovernmental revenue	10,000	10,000	9,500	(500)
Interest on investments	606	606	1,620	1,014
Miscellaneous	1,450	1,450	863	(587)
Total revenues	13,556	13,556	13,519	(37)
Expenditures				
Current				
Public transportation				
Payroll expense	291,423	300,305	300,136	169
Supplies	139,950	128,152	121,792	6,360
Other services and charges	50,450	58,021	53,956	4,065
Capital outlay	130,000	165,694	335,350	(169,656)
Total expenditures	611,823	652,172	811,234	(159,062)
Excess (deficiency) of revenues over (under) expenditures	(598,267)	(638,616)	(797,715)	(159,099)
Other financing sources (uses)				
Proceeds from the sale of capital assets	1,000	1,000	165,000	164,000
Transfers in	597,267	597,267	597,267	-
Transfers out	-	-	(169)	(169)
Total other financing sources (uses)	598,267	598,267	762,098	163,831
Net change in fund balance	-	(40,349)	(35,617)	4,732
Fund balance, beginning	315,660	315,660	315,660	-
Fund balance, ending	<u>\$ 315,660</u>	<u>\$ 275,311</u>	<u>\$ 280,043</u>	<u>\$ 4,732</u>

Hale County, Texas
 Budgetary Comparison Schedule – Precinct #2 (Exhibit C-9)
 Year Ended December 31, 2019

	Budgeted Amounts			Variance from Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Ad valorem taxes	\$ 1,500	\$ 1,500	\$ 1,537	\$ 37
Intergovernmental revenue	10,000	10,000	9,500	(500)
Interest on investments	1,000	1,000	1,567	567
Miscellaneous	500	500	3,402	2,902
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>16,006</u>	<u>3,006</u>
Expenditures				
Current				
Public transportation				
Payroll expense	304,852	304,852	269,721	35,131
Supplies	105,000	88,507	68,137	20,370
Other services and charges	52,600	73,733	90,272	(16,539)
Capital outlay	111,000	111,693	254,500	(142,807)
Total expenditures	<u>573,452</u>	<u>578,785</u>	<u>682,630</u>	<u>(103,845)</u>
Excess (deficiency) of revenues over (under) expenditures	(560,452)	(565,785)	(666,624)	(100,839)
Other financing sources (uses)				
Proceeds from the sale of capital assets	-	-	146,000	146,000
Transfers in	580,452	580,452	580,452	-
Transfers out	-	-	(35,131)	(35,131)
Total other financing sources (uses)	<u>580,452</u>	<u>580,452</u>	<u>691,321</u>	<u>110,869</u>
Net change in fund balance	20,000	14,667	24,697	10,030
Fund balance, beginning	<u>275,437</u>	<u>275,437</u>	<u>275,437</u>	<u>-</u>
Fund balance, ending	<u>\$ 295,437</u>	<u>\$ 290,104</u>	<u>\$ 300,134</u>	<u>\$ 10,030</u>

Hale County, Texas
 Budgetary Comparison Schedule – Precinct #3 (Exhibit C-10)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual GAAP Basis	Adjustments to Budget Basis	Actual Budget Basis	Variance from Final Budget
	Original Budget	Final Budget				
Revenues						
Ad valorem taxes	\$ 1,500	\$ 1,500	\$ 1,537	\$ -	\$ 1,537	\$ 37
Intergovernmental revenue	10,000	10,000	9,500	-	9,500	(500)
Interest on investments	1,000	1,000	2,136	-	2,136	1,136
Miscellaneous	1,000	1,000	1,041	-	1,041	41
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>14,214</u>	<u>-</u>	<u>14,214</u>	<u>714</u>
Expenditures						
Current						
Public transportation						
Payroll expense	290,551	290,551	232,488	-	232,488	58,063
Supplies	104,100	87,401	68,730	-	68,730	18,671
Other services and charges	50,151	49,305	34,259	-	34,259	15,046
Capital outlay	125,000	142,545	262,700	35,845	298,545	(156,000)
Total expenditures	<u>569,802</u>	<u>569,802</u>	<u>598,177</u>	<u>35,845</u>	<u>634,022</u>	<u>(64,220)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(556,302)</u>	<u>(556,302)</u>	<u>(583,963)</u>	<u>(35,845)</u>	<u>(619,808)</u>	<u>(63,506)</u>
Other financing sources (uses)						
Proceeds from the sale of capital assets	-	-	161,015	-	161,015	161,015
Transfers in	556,302	556,302	556,302	-	556,302	-
Transfers out	-	-	(58,063)	-	(58,063)	(58,063)
Total other financing sources (uses)	<u>556,302</u>	<u>556,302</u>	<u>659,254</u>	<u>-</u>	<u>659,254</u>	<u>102,952</u>
Net change in fund balance	-	-	75,291	(35,845)	39,446	39,446
Fund balance, beginning	387,587	387,587	387,587	-	387,587	-
Fund balance, ending	<u>\$ 387,587</u>	<u>\$ 387,587</u>	<u>\$ 462,878</u>	<u>\$ (35,845)</u>	<u>\$ 427,033</u>	<u>\$ 39,446</u>

Hale County, Texas
 Budgetary Comparison Schedule – Precinct #4 (Exhibit C-11)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Ad valorem taxes	\$ 1,500	\$ 1,500	\$ 1,537	\$ 37
Intergovernmental revenue	10,000	10,000	9,500	(500)
Interest on investments	500	500	1,675	1,175
Miscellaneous	200	200	569	369
Total revenues	12,200	12,200	13,281	1,081
Expenditures				
Current:				
Public transportation				
Payroll expense	293,501	293,501	213,835	79,666
Supplies	112,820	91,820	77,536	14,284
Other services and charges	52,391	73,391	67,487	5,904
Capital outlay	90,000	90,000	135,000	(45,000)
Total expenditures	548,712	548,712	493,858	54,854
Excess (deficiency) of revenues over (under) expenditures	(536,512)	(536,512)	(480,577)	55,935
Other financing sources (uses)				
Proceeds from the sale of capital assets	1,000	1,000	90,278	89,278
Transfers in	535,512	535,512	535,512	-
Transfers out	-	-	(79,666)	(79,666)
Total other financing sources (uses)	536,512	536,512	546,124	9,612
Net change in fund balance	-	-	65,547	65,547
Fund balance, beginning	282,043	282,043	282,043	-
Fund balance, ending	\$ 282,043	\$ 282,043	\$ 347,590	\$ 65,547

Hale County, Texas
 Budgetary Comparison Schedule – District Court Archive (Exhibit C-12)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 6,000	\$ 6,000	\$ 4,896	\$ (1,104)
Interest on investments	50	50	129	79
Total revenues	<u>6,050</u>	<u>6,050</u>	<u>5,025</u>	<u>(1,025)</u>
Expenditures				
Current:				
Judicial				
Pretrial intervention fee	5,000	5,000	240	4,760
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>240</u>	<u>4,760</u>
Net change in fund balance	1,050	1,050	4,785	3,735
Fund balance, beginning	<u>32,410</u>	<u>32,410</u>	<u>32,410</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 33,460</u></u>	<u><u>\$ 33,460</u></u>	<u><u>\$ 37,195</u></u>	<u><u>\$ 3,735</u></u>

Hale County, Texas

Budgetary Comparison Schedule – County Clerk Vital Statistics Record Preservation (Exhibit C-13)
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 2,600	\$ 2,600	\$ 2,858	\$ 258
Interest on investments	50	50	45	(5)
Total revenues	<u>2,650</u>	<u>2,650</u>	<u>2,903</u>	<u>253</u>
Expenditures				
Current				
Judicial				
Other services and charges	10,510	12,510	10,510	2,000
Total expenditures	<u>10,510</u>	<u>12,510</u>	<u>10,510</u>	<u>2,000</u>
Net change in fund balance	(7,860)	(9,860)	(7,607)	2,253
Fund balance, beginning	<u>15,608</u>	<u>15,608</u>	<u>15,608</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 7,748</u></u>	<u><u>\$ 5,748</u></u>	<u><u>\$ 8,001</u></u>	<u><u>\$ 2,253</u></u>

Hale County, Texas
 Budgetary Comparison Schedule – County Clerk Records Management (Exhibit C-14)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 50,000	\$ 50,000	\$ 42,751	\$ (7,249)
Interest on investments	300	300	469	169
Total revenues	50,300	50,300	43,220	(7,080)
Expenditures				
Current:				
Judicial				
Other services and charges	75,000	75,000	38,277	36,723
Capital outlay	2,000	2,000	-	2,000
Total expenditures	77,000	77,000	38,277	38,723
Net change in fund balance	(26,700)	(26,700)	4,943	31,643
Fund balance, beginning	142,889	142,889	142,889	-
Fund balance, ending	\$ 116,189	\$ 116,189	\$ 147,832	\$ 31,643

Hale County, Texas
 Budgetary Comparison Schedule – County Clerk Records Archive (Exhibit C-15)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 43,000	\$ 43,000	\$ 38,755	\$ (4,245)
Interest on investments	325	325	615	290
Total revenues	<u>43,325</u>	<u>43,325</u>	<u>39,370</u>	<u>(3,955)</u>
Expenditures				
Current				
Judicial				
Other services and charges	72,600	72,600	71,296	1,304
Total expenditures	<u>72,600</u>	<u>72,600</u>	<u>71,296</u>	<u>1,304</u>
Net change in fund balance	(29,275)	(29,275)	(31,926)	(2,651)
Fund balance, beginning	<u>176,035</u>	<u>176,035</u>	<u>176,035</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 146,760</u></u>	<u><u>\$ 146,760</u></u>	<u><u>\$ 144,109</u></u>	<u><u>\$ (2,651)</u></u>

Hale County, Texas

Budgetary Comparison Schedule – County Clerk Records Preservation and Management (Exhibit C-16)
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 2,600	\$ 2,600	\$ 2,394	\$ (206)
Interest on investments	50	50	5	(45)
Total revenues	2,650	2,650	2,399	(251)
Expenditures				
Current				
Judicial				
Supplies	4,800	4,800	2,761	2,039
Other services and charges	5,000	5,000	1,500	3,500
Capital Outlay	2,000	2,000	-	2,000
Total expenditures	11,800	11,800	4,261	7,539
Net change in fund balance	(9,150)	(9,150)	(1,862)	7,288
Fund balance, beginning	2,975	2,975	2,975	-
Fund balance, ending	\$ (6,175)	\$ (6,175)	\$ 1,113	\$ 7,288

Hale County, Texas

Budgetary Comparison Schedule – District Clerk Records Preservation and Management (Exhibit C-17)
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 8,000	\$ 8,000	\$ 8,207	\$ 207
Interest on investments	200	200	328	128
Total revenues	<u>8,200</u>	<u>8,200</u>	<u>8,535</u>	<u>335</u>
Expenditures				
Current				
Judicial				
Other services and charges	7,575	7,575	6,105	1,470
Total expenditures	<u>7,575</u>	<u>7,575</u>	<u>6,105</u>	<u>1,470</u>
Net change in fund balance	625	625	2,430	1,805
Fund balance, beginning	<u>88,014</u>	<u>88,014</u>	<u>88,014</u>	<u>-</u>
Fund balance, ending	<u>\$ 88,639</u>	<u>\$ 88,639</u>	<u>\$ 90,444</u>	<u>\$ 1,805</u>

Hale County, Texas
 Budgetary Comparison Schedule – County Court Technology (Exhibit C-18)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 2,200	\$ 2,200	\$ 1,740	\$ (460)
Interest on investments	15	15	39	24
Total revenues	<u>2,215</u>	<u>2,215</u>	<u>1,779</u>	<u>(436)</u>
Expenditures				
Current				
Judicial				
Supplies	<u>2,000</u>	<u>2,000</u>	<u>1,287</u>	<u>713</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,287</u>	<u>713</u>
Net change in fund balance	215	215	492	277
Fund balance, beginning	<u>10,141</u>	<u>10,141</u>	<u>10,141</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 10,356</u></u>	<u><u>\$ 10,356</u></u>	<u><u>\$ 10,633</u></u>	<u><u>\$ 277</u></u>

Hale County, Texas
 Budgetary Comparison Schedule – District Court Technology (Exhibit C-19)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 7,500	\$ 7,500	\$ 6,426	\$ (1,074)
Interest on investments	25	25	56	31
Total revenues	7,525	7,525	6,482	(1,043)
Expenditures				
Current				
Judicial				
Supplies	7,500	7,500	6,040	1,460
Total expenditures	7,500	7,500	6,040	1,460
Net change in fund balance	25	25	442	417
Fund balance, beginning	13,056	13,056	13,056	-
Fund balance, ending	\$ 13,081	\$ 13,081	\$ 13,498	\$ 417

Hale County, Texas
 Budgetary Comparison Schedule – Law Library Fund (Exhibit C-20)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 1,000	\$ 1,000	\$ 245	\$ (755)
Interest on investments	120	120	151	31
Total revenues	<u>1,120</u>	<u>1,120</u>	<u>396</u>	<u>(724)</u>
Expenditures				
Current				
Judicial				
Supplies	<u>10,000</u>	<u>10,000</u>	<u>6,236</u>	<u>3,764</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>6,236</u>	<u>3,764</u>
Net change in fund balance	(8,880)	(8,880)	(5,840)	3,040
Fund balance, beginning	<u>43,113</u>	<u>43,113</u>	<u>43,113</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 34,233</u></u>	<u><u>\$ 34,233</u></u>	<u><u>\$ 37,273</u></u>	<u><u>\$ 3,040</u></u>

Hale County, Texas
 Budgetary Comparison Schedule – Courthouse Security Fund (Exhibit C-21)
 Year Ended December 31, 2019

	Budgeted Amounts			Variance from Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Charges for services	\$ 19,875	\$ 19,875	\$ 18,580	\$ (1,295)
Interest on investments	30	30	91	61
Total revenue	<u>19,905</u>	<u>19,905</u>	<u>18,671</u>	<u>(1,234)</u>
Expenditures				
Current				
General administration				
Other services and charges	28,500	28,500	17,391	11,109
Capital outlay	-	-	12,676	(12,676)
Total expenditures	<u>28,500</u>	<u>28,500</u>	<u>30,067</u>	<u>(1,567)</u>
Excess of revenues over expenditures	<u>(8,595)</u>	<u>(8,595)</u>	<u>(11,396)</u>	<u>(2,801)</u>
Other financing sources				
Transfers in	<u>8,595</u>	<u>8,595</u>	<u>8,595</u>	<u>-</u>
Total other financing sources	<u>8,595</u>	<u>8,595</u>	<u>8,595</u>	<u>-</u>
Net change in fund balance	-	-	(2,801)	(2,801)
Fund balance, beginning	<u>26,767</u>	<u>26,767</u>	<u>26,767</u>	<u>-</u>
Fund balance, ending	<u>\$ 26,767</u>	<u>\$ 26,767</u>	<u>\$ 23,966</u>	<u>\$ (2,801)</u>

Hale County, Texas
 Budgetary Comparison Schedule – Debt Service Fund (Exhibit C-22)
 Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance from Final Budget
	Original Budget	Final Budget		
Revenues				
Ad valorem taxes	\$ 451,175	\$ 451,175	\$ 482,450	\$ 31,275
Interest on investments	-	-	178	178
Total revenue	451,175	451,175	482,628	31,453
Expenditures				
Debt service				
Principal	395,000	395,000	395,000	-
Interest and fees	56,175	56,175	57,501	(1,326)
Total expenditures	451,175	451,175	452,501	(1,326)
Excess of revenues over expenditures	-	-	30,127	30,127
Net change in fund balance	-	-	30,127	30,127
Fund balance, beginning	18,200	18,200	18,200	-
Fund balance, ending	\$ 18,200	\$ 18,200	\$ 48,327	\$ 30,127

Hale County, Texas
 Budgetary Comparison Schedule – Permanent Improvement (Exhibit C-23)
 Year Ended December 31, 2019

	Budgeted Amounts			Variance from Final Budget
	Original Budget	Final Budget	Actual	
Revenues				
Investment earnings	\$ 800	\$ 800	\$ 2,654	\$ 1,854
Total revenues	800	800	2,654	1,854
Expenditures				
Current				
Conservation				
Exhibition Building-Ollie Liner Center	21,000	18,183	1,281	16,902
Annex I Building	5,000	12,655	-	12,655
Capital outlay	299,000	294,162	119,532	174,630
Total expenditures	325,000	325,000	120,813	204,187
Excess (deficiency) of revenues over (under) expenditures	(324,200)	(324,200)	(118,159)	206,041
Other financing sources				
Transfers in	324,200	324,200	324,200	-
Total other financing sources	324,200	324,200	324,200	-
Net change in fund balance	-	-	206,041	206,041
Fund balance, beginning	474,166	474,166	474,166	-
Fund balance, ending	\$ 474,166	\$ 474,166	\$ 680,207	\$ 206,041

Hale County, Texas

Combining Statement of Fiduciary Assets and Liabilities – Agency Funds (Exhibit C-24)

December 31, 2019

	Special Court Costs	NISC Deferred Compensation	Pension Concepts Fund	County Clerk Trust	District Clerk Trust	Sheriff's Inmate Fund #1	Sheriff's Inmate Fund #2	District Attorney Felony
Assets								
Cash and cash equivalents	\$ 55,830	\$ -	\$ 5,137	\$ 199,138	\$ 151,809	\$ 26,562	\$ 304	\$ 73,209
Investments	-	519,087	-	-	-	-	-	-
Accounts receivable	24,466	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ 80,296	\$ 519,087	\$ 5,137	\$ 199,138	\$ 151,809	\$ 26,562	\$ 304	\$ 73,209
Liabilities								
Accounts payable and other current liabilities	\$ 80,296	\$ -	\$ 5,137	\$ -	\$ -	\$ -	\$ -	\$ -
Due to trust beneficiaries	-	-	-	-	-	-	-	73,209
Funds held for others	-	-	-	199,138	151,809	26,562	304	-
Deferred compensation payable	-	519,087	-	-	-	-	-	-
Total liabilities	\$ 80,296	\$ 519,087	\$ 5,137	\$ 199,138	\$ 151,809	\$ 26,562	\$ 304	\$ 73,209

Hale County, Texas

Combining Statement of Fiduciary Assets and Liabilities – Agency Funds (Exhibit C-24)

December 31, 2019

	Sheriff's Drug Forfeiture	Juvenile Probation	Adult Probation	District Attorney State Fund	Airport Maintenance	JP #1 Technology Fund	JP #3 Technology Fund	LEOSE Sheriff
Assets								
Cash and cash equivalents	\$ 43,980	\$ 118,900	\$ 321,347	\$ 21,626	\$ 143,267	\$ 4,760	\$ 29,361	\$ 2,489
Investments	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	3,571	234	380	-
Other assets	-	-	-	-	5,293	-	-	420
Total assets	\$ 43,980	\$ 118,900	\$ 321,347	\$ 21,626	\$ 152,131	\$ 4,994	\$ 29,741	\$ 2,909
Liabilities								
Accounts payable and other current liabilities	\$ -	\$ 118,900	\$ 321,347	\$ -	\$ 983	\$ 65	\$ 324	\$ -
Due to trust beneficiaries	-	-	-	-	-	-	-	-
Funds held for others	43,980	-	-	21,626	151,148	4,929	29,417	2,909
Deferred compensation payable	-	-	-	-	-	-	-	-
Total liabilities	\$ 43,980	\$ 118,900	\$ 321,347	\$ 21,626	\$ 152,131	\$ 4,994	\$ 29,741	\$ 2,909

Hale County, Texas

Combining Statement of Fiduciary Assets and Liabilities – Agency Funds (Exhibit C-24)

December 31, 2019

	Bail Bond Board	LEOSE District Attorney	LEOSE Constable #1	District Clerk General	District Clerk Registry	District Attorney Special Funds	Tax Assessor Check Clearing	Tax Assessor Motor Vehicle
Assets								
Cash and cash equivalents	\$ 11,846	\$ 347	\$ 4,850	\$ 41,224	\$ 320,040	\$ 14	\$ 956	\$ 340,585
Investments	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ 11,846	\$ 347	\$ 4,850	\$ 41,224	\$ 320,040	\$ 14	\$ 956	\$ 340,585
Liabilities								
Accounts payable and other current liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to trust beneficiaries	-	-	-	-	-	-	-	-
Funds held for others	11,846	347	4,850	41,224	320,040	14	956	340,585
Deferred compensation payable	-	-	-	-	-	-	-	-
Total liabilities	\$ 11,846	\$ 347	\$ 4,850	\$ 41,224	\$ 320,040	\$ 14	\$ 956	\$ 340,585

Hale County, Texas

Combining Statement of Fiduciary Assets and Liabilities – Agency Funds (Exhibit C-24)

December 31, 2019

	Tax Assessor Liquor Tax	Tax Assessor Certificate of Title Account	Pretrial Service Program	Constable #3 LEOSE	District Attorney General Trust	Juvenile Probation Restitution	Hale County Probation Travel Fund	Total Agency Funds
Assets								
Cash and cash equivalents	\$ 157	\$ 7,886	\$ 33,896	\$ 2,566	\$ 6,894	\$ 4,105	\$ 3,002	\$ 1,976,087
Investments	-	-	-	-	-	-	-	519,087
Accounts receivable	-	-	-	-	-	-	-	28,651
Other assets	-	-	-	-	-	-	-	5,713
Total assets	\$ 157	\$ 7,886	\$ 33,896	\$ 2,566	\$ 6,894	\$ 4,105	\$ 3,002	\$ 2,529,538
Liabilities								
Accounts payable and other current liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 527,052
Due to trust beneficiaries	-	-	-	-	-	-	-	73,209
Funds held for others	157	7,886	33,896	2,566	6,894	4,105	3,002	1,410,190
Deferred compensation payable	-	-	-	-	-	-	-	519,087
Total liabilities	\$ 157	\$ 7,886	\$ 33,896	\$ 2,566	\$ 6,894	\$ 4,105	\$ 3,002	\$ 2,529,538

Hale County, Texas
Combining Statement of Changes in Assets and Liabilities – All Agency Funds (Exhibit C-25)
Year Ended December 31, 2019

	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
Special Court Costs				
Assets				
Cash and cash equivalents	\$ 64,007	\$ -	\$ 8,177	\$ 55,830
Accounts receivable	24,150	316	-	24,466
Total assets	<u>\$ 88,157</u>	<u>\$ 316</u>	<u>\$ 8,177</u>	<u>\$ 80,296</u>
Liabilities				
Accounts payable and other current liabilities	\$ 88,157	\$ 316	\$ 8,177	\$ 80,296
Total liabilities	<u>\$ 88,157</u>	<u>\$ 316</u>	<u>\$ 8,177</u>	<u>\$ 80,296</u>
NISC - Deferred Compensation				
Assets				
Investments	\$ 429,463	\$ 101,696	\$ 12,072	\$ 519,087
Total assets	<u>\$ 429,463</u>	<u>\$ 101,696</u>	<u>\$ 12,072</u>	<u>\$ 519,087</u>
Liabilities				
Deferred compensation payable	\$ 429,463	\$ 101,696	\$ 12,072	\$ 519,087
Total liabilities	<u>\$ 429,463</u>	<u>\$ 101,696</u>	<u>\$ 12,072</u>	<u>\$ 519,087</u>
Pension Concepts				
Assets				
Cash and cash equivalents	\$ 6,622	\$ 35,568	\$ 37,053	\$ 5,137
Total assets	<u>\$ 6,622</u>	<u>\$ 35,568</u>	<u>\$ 37,053</u>	<u>\$ 5,137</u>
Liabilities				
Accounts payable and other current liabilities	\$ 6,622	\$ 35,568	\$ 37,053	\$ 5,137
Total liabilities	<u>\$ 6,622</u>	<u>\$ 35,568</u>	<u>\$ 37,053</u>	<u>\$ 5,137</u>
County Clerk Trust				
Assets				
Cash and cash equivalents	\$ 142,335	\$ 92,596	\$ 35,793	\$ 199,138
Total assets	<u>\$ 142,335</u>	<u>\$ 92,596</u>	<u>\$ 35,793</u>	<u>\$ 199,138</u>
Liabilities				
Funds held for others	\$ 142,335	\$ 92,596	\$ 35,793	\$ 199,138
Total liabilities	<u>\$ 142,335</u>	<u>\$ 92,596</u>	<u>\$ 35,793</u>	<u>\$ 199,138</u>

Hale County, Texas
Combining Statement of Changes in Assets and Liabilities – All Agency Funds (Exhibit C-25)
Year Ended December 31, 2019

	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
District Clerk Trust				
Assets				
Cash and cash equivalents	\$ 86,000	\$ 90,359	\$ 24,550	\$ 151,809
Total assets	<u>\$ 86,000</u>	<u>\$ 90,359</u>	<u>\$ 24,550</u>	<u>\$ 151,809</u>
Liabilities				
Funds held for others	\$ 86,000	\$ 90,359	\$ 24,550	\$ 151,809
Total liabilities	<u>\$ 86,000</u>	<u>\$ 90,359</u>	<u>\$ 24,550</u>	<u>\$ 151,809</u>
Sheriff's Inmate Fund #1				
Assets				
Cash and cash equivalents	\$ 26,676	\$ -	\$ 114	\$ 26,562
Total assets	<u>\$ 26,676</u>	<u>\$ -</u>	<u>\$ 114</u>	<u>\$ 26,562</u>
Liabilities				
Funds held for others	\$ 26,676	\$ -	\$ 114	\$ 26,562
Total liabilities	<u>\$ 26,676</u>	<u>\$ -</u>	<u>\$ 114</u>	<u>\$ 26,562</u>
Sheriff's Inmate Fund #2				
Assets				
Cash and cash equivalents	\$ 555	\$ 266,954	\$ 267,205	\$ 304
Total assets	<u>\$ 555</u>	<u>\$ 266,954</u>	<u>\$ 267,205</u>	<u>\$ 304</u>
Liabilities				
Funds held for others	\$ 555	\$ 266,954	\$ 267,205	\$ 304
Total liabilities	<u>\$ 555</u>	<u>\$ 266,954</u>	<u>\$ 267,205</u>	<u>\$ 304</u>
District Attorney Felony Trust				
Assets				
Cash and cash equivalents	\$ 73,214	\$ 1,601	\$ 1,606	\$ 73,209
Total assets	<u>\$ 73,214</u>	<u>\$ 1,601</u>	<u>\$ 1,606</u>	<u>\$ 73,209</u>
Liabilities				
Due to trust beneficiaries	\$ 73,214	\$ 1,601	\$ 1,606	\$ 73,209
Total liabilities	<u>\$ 73,214</u>	<u>\$ 1,601</u>	<u>\$ 1,606</u>	<u>\$ 73,209</u>

Hale County, Texas
Combining Statement of Changes in Assets and Liabilities – All Agency Funds (Exhibit C-25)
Year Ended December 31, 2019

	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
Sheriff's Drug Forfeitures				
Assets				
Cash and cash equivalents	\$ 46,128	\$ -	\$ 2,148	\$ 43,980
Total assets	<u>\$ 46,128</u>	<u>\$ -</u>	<u>\$ 2,148</u>	<u>\$ 43,980</u>
Liabilities				
Funds held for others	\$ 46,128	\$ -	\$ 2,148	\$ 43,980
Total liabilities	<u>\$ 46,128</u>	<u>\$ -</u>	<u>\$ 2,148</u>	<u>\$ 43,980</u>
Juvenile Probation Funds				
Assets				
Cash and cash equivalents	\$ 84,642	\$ 1,330,327	\$ 1,296,069	\$ 118,900
Total assets	<u>\$ 84,642</u>	<u>\$ 1,330,327</u>	<u>\$ 1,296,069</u>	<u>\$ 118,900</u>
Liabilities				
Accounts payable and other current liabilities	\$ 84,642	\$ 1,330,327	\$ 1,296,069	\$ 118,900
Total liabilities	<u>\$ 84,642</u>	<u>\$ 1,330,327</u>	<u>\$ 1,296,069</u>	<u>\$ 118,900</u>
Adult Probation Funds				
Assets				
Cash and cash equivalents	\$ 296,446	\$ 781,610	\$ 756,709	\$ 321,347
Total assets	<u>\$ 296,446</u>	<u>\$ 781,610</u>	<u>\$ 756,709</u>	<u>\$ 321,347</u>
Liabilities				
Accounts payable and other current liabilities	\$ 296,446	\$ 781,610	\$ 756,709	\$ 321,347
Total liabilities	<u>\$ 296,446</u>	<u>\$ 781,610</u>	<u>\$ 756,709</u>	<u>\$ 321,347</u>
District Attorney State Fund				
Assets				
Cash and cash equivalents	\$ 19,450	\$ 27,764	\$ 25,588	\$ 21,626
Total assets	<u>\$ 19,450</u>	<u>\$ 27,764</u>	<u>\$ 25,588</u>	<u>\$ 21,626</u>
Liabilities				
Funds held for others	\$ 19,450	\$ 27,764	\$ 25,588	\$ 21,626
Total liabilities	<u>\$ 19,450</u>	<u>\$ 27,764</u>	<u>\$ 25,588</u>	<u>\$ 21,626</u>

Hale County, Texas
Combining Statement of Changes in Assets and Liabilities – All Agency Funds (Exhibit C-25)
Year Ended December 31, 2019

	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
Airport Maintenance				
Assets				
Cash and cash equivalents	\$ 148,805	\$ 98,192	\$ 103,730	\$ 143,267
Accounts receivable	2,609	962	-	3,571
Other assets	5,293	-	-	5,293
Total assets	<u>\$ 156,707</u>	<u>\$ 99,154</u>	<u>\$ 103,730</u>	<u>\$ 152,131</u>
Liabilities				
Accounts payable and other current liabilities	\$ 587	\$ 396	\$ -	\$ 983
Funds held for others	156,120	98,758	103,730	151,148
Total liabilities	<u>\$ 156,707</u>	<u>\$ 99,154</u>	<u>\$ 103,730</u>	<u>\$ 152,131</u>
J.P. #1 Technology Fund				
Assets				
Cash and cash equivalents	\$ 4,239	\$ 521	\$ -	\$ 4,760
Accounts receivable	283	-	49	234
Total assets	<u>\$ 4,522</u>	<u>\$ 521</u>	<u>\$ 49</u>	<u>\$ 4,994</u>
Liabilities				
Accounts payable and other current liabilities	\$ 63	\$ 2	\$ -	\$ 65
Funds held for others	4,459	519	49	4,929
Total liabilities	<u>\$ 4,522</u>	<u>\$ 521</u>	<u>\$ 49</u>	<u>\$ 4,994</u>
J.P. #3 Technology Fund				
Assets				
Cash and cash equivalents	\$ 30,156	\$ 240	\$ 1,035	\$ 29,361
Accounts receivable	412	-	32	380
Total assets	<u>\$ 30,568</u>	<u>\$ 240</u>	<u>\$ 1,067</u>	<u>\$ 29,741</u>
Liabilities				
Accounts payable and other current liabilities	\$ 84	\$ 240	\$ -	\$ 324
Funds held for others	30,484	-	1,067	29,417
Total liabilities	<u>\$ 30,568</u>	<u>\$ 240</u>	<u>\$ 1,067</u>	<u>\$ 29,741</u>

Hale County, Texas
Combining Statement of Changes in Assets and Liabilities – All Agency Funds (Exhibit C-25)
Year Ended December 31, 2019

	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
Leose Fund-Sheriff				
Assets				
Cash and cash equivalents	\$ 3,162	\$ 5,175	\$ 5,848	\$ 2,489
Other assets	420	-	-	420
Total assets	<u>\$ 3,582</u>	<u>\$ 5,175</u>	<u>\$ 5,848</u>	<u>\$ 2,909</u>
Liabilities				
Funds held for others	\$ 3,582	\$ 5,175	\$ 5,848	\$ 2,909
Total liabilities	<u>\$ 3,582</u>	<u>\$ 5,175</u>	<u>\$ 5,848</u>	<u>\$ 2,909</u>
Bail Bond Board				
Assets				
Cash and cash equivalents	\$ 13,766	\$ 549	\$ 2,469	\$ 11,846
Total assets	<u>\$ 13,766</u>	<u>\$ 549</u>	<u>\$ 2,469</u>	<u>\$ 11,846</u>
Liabilities				
Funds held for others	\$ 13,766	\$ 549	\$ 2,469	\$ 11,846
Total liabilities	<u>\$ 13,766</u>	<u>\$ 549</u>	<u>\$ 2,469</u>	<u>\$ 11,846</u>
Leose Fund - District Attorney				
Assets				
Cash and cash equivalents	\$ 951	\$ 927	\$ 1,531	\$ 347
Total assets	<u>\$ 951</u>	<u>\$ 927</u>	<u>\$ 1,531</u>	<u>\$ 347</u>
Liabilities				
Funds held for others	\$ 951	\$ 927	\$ 1,531	\$ 347
Total liabilities	<u>\$ 951</u>	<u>\$ 927</u>	<u>\$ 1,531</u>	<u>\$ 347</u>
Leose Fund - Constable #1				
Assets				
Cash and cash equivalents	\$ 4,447	\$ 699	\$ 296	\$ 4,850
Total assets	<u>\$ 4,447</u>	<u>\$ 699</u>	<u>\$ 296</u>	<u>\$ 4,850</u>
Liabilities				
Funds held for others	\$ 4,447	\$ 699	\$ 296	\$ 4,850
Total liabilities	<u>\$ 4,447</u>	<u>\$ 699</u>	<u>\$ 296</u>	<u>\$ 4,850</u>

Hale County, Texas
Combining Statement of Changes in Assets and Liabilities – All Agency Funds (Exhibit C-25)
Year Ended December 31, 2019

	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
District Clerk General Hsb				
Assets				
Cash and cash equivalents	\$ 38,274	\$ 58,814	\$ 55,864	\$ 41,224
Total assets	<u>\$ 38,274</u>	<u>\$ 58,814</u>	<u>\$ 55,864</u>	<u>\$ 41,224</u>
Liabilities				
Funds held for others	\$ 38,274	\$ 58,814	\$ 55,864	\$ 41,224
Total liabilities	<u>\$ 38,274</u>	<u>\$ 58,814</u>	<u>\$ 55,864</u>	<u>\$ 41,224</u>
District Clerk Registry Fund				
Assets				
Cash and cash equivalents	\$ 264,215	\$ 127,760	\$ 71,935	\$ 320,040
Total assets	<u>\$ 264,215</u>	<u>\$ 127,760</u>	<u>\$ 71,935</u>	<u>\$ 320,040</u>
Liabilities				
Funds held for others	\$ 264,215	\$ 127,760	\$ 71,935	\$ 320,040
Total liabilities	<u>\$ 264,215</u>	<u>\$ 127,760</u>	<u>\$ 71,935</u>	<u>\$ 320,040</u>
District Attorney Special Funds				
Assets				
Cash and cash equivalents	\$ 503	\$ 2,773	\$ 3,262	\$ 14
Total assets	<u>\$ 503</u>	<u>\$ 2,773</u>	<u>\$ 3,262</u>	<u>\$ 14</u>
Liabilities				
Funds held for others	\$ 503	\$ 2,773	\$ 3,262	\$ 14
Total liabilities	<u>\$ 503</u>	<u>\$ 2,773</u>	<u>\$ 3,262</u>	<u>\$ 14</u>
Tax Assessor Check Clearing				
Assets				
Cash and cash equivalents	\$ 1,500	\$ 1,914	\$ 2,458	\$ 956
Total assets	<u>\$ 1,500</u>	<u>\$ 1,914</u>	<u>\$ 2,458</u>	<u>\$ 956</u>
Liabilities				
Funds held for others	\$ 1,500	\$ 1,914	\$ 2,458	\$ 956
Total liabilities	<u>\$ 1,500</u>	<u>\$ 1,914</u>	<u>\$ 2,458</u>	<u>\$ 956</u>

Hale County, Texas
Combining Statement of Changes in Assets and Liabilities – All Agency Funds (Exhibit C-25)
Year Ended December 31, 2019

	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
Tax Assessor Motor Vehicle				
Assets				
Cash and cash equivalents	\$ 511,852	\$ 5,269,962	\$ 5,441,229	\$ 340,585
Total assets	<u>\$ 511,852</u>	<u>\$ 5,269,962</u>	<u>\$ 5,441,229</u>	<u>\$ 340,585</u>
Liabilities				
Funds held for others	\$ 511,852	\$ 5,269,962	\$ 5,441,229	\$ 340,585
Total liabilities	<u>\$ 511,852</u>	<u>\$ 5,269,962</u>	<u>\$ 5,441,229</u>	<u>\$ 340,585</u>
Tax Assessor Liquor Tax				
Assets				
Cash and cash equivalents	\$ 144	\$ 5,841	\$ 5,828	\$ 157
Total assets	<u>\$ 144</u>	<u>\$ 5,841</u>	<u>\$ 5,828</u>	<u>\$ 157</u>
Liabilities				
Funds held for others	\$ 144	\$ 5,841	\$ 5,828	\$ 157
Total liabilities	<u>\$ 144</u>	<u>\$ 5,841</u>	<u>\$ 5,828</u>	<u>\$ 157</u>
Tax Assessor Certificate of Title Account				
Assets				
Cash and cash equivalents	\$ 8,166	\$ 137,558	\$ 137,838	\$ 7,886
Total assets	<u>\$ 8,166</u>	<u>\$ 137,558</u>	<u>\$ 137,838</u>	<u>\$ 7,886</u>
Liabilities				
Funds held for others	\$ 8,166	\$ 137,558	\$ 137,838	\$ 7,886
Total liabilities	<u>\$ 8,166</u>	<u>\$ 137,558</u>	<u>\$ 137,838</u>	<u>\$ 7,886</u>
Pretrial Service Program				
Assets				
Cash and cash equivalents	\$ 33,771	\$ 125	\$ -	\$ 33,896
Total assets	<u>\$ 33,771</u>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ 33,896</u>
Liabilities				
Funds held for others	\$ 33,771	\$ 125	\$ -	\$ 33,896
Total liabilities	<u>\$ 33,771</u>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ 33,896</u>

Hale County, Texas
Combining Statement of Changes in Assets and Liabilities – All Agency Funds (Exhibit C-25)
Year Ended December 31, 2019

	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
Constable #3 Lease				
Assets				
Cash and cash equivalents	\$ 2,050	\$ 691	\$ 175	\$ 2,566
Total assets	<u>\$ 2,050</u>	<u>\$ 691</u>	<u>\$ 175</u>	<u>\$ 2,566</u>
Liabilities				
Funds held for others	\$ 2,050	\$ 691	\$ 175	\$ 2,566
Total liabilities	<u>\$ 2,050</u>	<u>\$ 691</u>	<u>\$ 175</u>	<u>\$ 2,566</u>
District Attorney Trust Fund				
Assets				
Cash and cash equivalents	\$ 6,969	\$ 50,168	\$ 50,243	\$ 6,894
Total assets	<u>\$ 6,969</u>	<u>\$ 50,168</u>	<u>\$ 50,243</u>	<u>\$ 6,894</u>
Liabilities				
Funds held for others	\$ 6,969	\$ 50,168	\$ 50,243	\$ 6,894
Total liabilities	<u>\$ 6,969</u>	<u>\$ 50,168</u>	<u>\$ 50,243</u>	<u>\$ 6,894</u>
Juvenile Probation Restitution				
Assets				
Cash and cash equivalents	\$ 4,105	\$ 8	\$ 8	\$ 4,105
Total assets	<u>\$ 4,105</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 4,105</u>
Liabilities				
Funds held for others	\$ 4,105	\$ 8	\$ 8	\$ 4,105
Total liabilities	<u>\$ 4,105</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 4,105</u>
Hale County Probation Travel Fund				
Assets				
Cash and cash equivalents	\$ 3,002	\$ 2,130	\$ 2,130	\$ 3,002
Total assets	<u>\$ 3,002</u>	<u>\$ 2,130</u>	<u>\$ 2,130</u>	<u>\$ 3,002</u>
Liabilities				
Funds held for others	\$ 3,002	\$ 2,130	\$ 2,130	\$ 3,002
Total liabilities	<u>\$ 3,002</u>	<u>\$ 2,130</u>	<u>\$ 2,130</u>	<u>\$ 3,002</u>

Hale County, Texas
Combining Statement of Changes in Assets and Liabilities – All Agency Funds (Exhibit C-25)
Year Ended December 31, 2019

	Balance 1/1/2019	Additions	Deductions	Balance 12/31/2019
Total Agency Funds				
Assets				
Cash and cash equivalents	\$ 1,926,152	\$ 8,390,826	\$ 8,340,891	\$ 1,976,087
Investments	429,463	101,696	12,072	519,087
Accounts receivable	27,454	1,278	81	28,651
Other assets	5,713	-	-	5,713
	\$ 2,388,782	\$ 8,493,800	\$ 8,353,044	\$ 2,529,538
Liabilities				
Accounts payable and other current liabilities	\$ 476,601	\$ 2,148,459	\$ 2,098,008	\$ 527,052
Due to trust beneficiaries	73,214	1,601	1,606	73,209
Funds held for others	1,409,504	6,242,044	6,241,358	1,410,190
Deferred compensation payable	429,463	101,696	12,072	519,087
	\$ 2,388,782	\$ 8,493,800	\$ 8,353,044	\$ 2,529,538



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Judge and Member of the Commissioners’ Court
Hale County, Texas
Plainview, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hale County, Texas (the County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated June 16, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

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

County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eide Saelly LLP".

Abilene, Texas
June 16, 2020

Section I - Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified that are not considered to be material weaknesses	No
Noncompliance material to financial statements noted?	No

Section II – Financial Statement Findings

Finding 2019-001:	Preparation of Financial Statements and Material Audit Adjustments in the Financial Statements
Type of Finding:	Material weakness
Criteria:	Management of the County is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP) as well as timely reconciliations of account balances. This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement which includes proper and timely reconciliations of account balances.
Condition:	The County does not have an internal control system designed to provide for the timely preparation of accurate financial statements and account reconciliations and preparation of the financial statements and related financial statement disclosures. Our audit procedures indicated that the County lacks proper controls accurate and timely reconciliations of account balances. Further, there were material entries recorded that were detected as a result of audit procedures, including a restatement to net position. Finally, in conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements.

Cause:	The County does not prepare and has not developed an internal control system to provide for the timely and accurate reconciliation of account balances and the preparation of the financial statements and related disclosures in a timely manner.
Effect:	The preparation of financial statements and lack of proper account reconciliations may result in financial statements and related information included in financial statement disclosures not being available or accurate for management purposes as timely and accurate as it would be if the financial statements were prepared by the County and proper controls were in place around account reconciliations. Lack of proper account reconciliations indicates that the County's interim financial information may not be materially correct, which may affect management decisions made during the course of the year.
Recommendation:	Auditing standards require that auditors communicate this deficiency; however, the County prepares budgetary and other financial reports for Commissioners review on a routine basis, similar to many smaller governmental entities. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.
View of Responsible Officials:	Management agrees with the finding. Refer to Corrective Action Plan.