

**COUNTY OF
HAMILTON, TEXAS**

**ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED

SEPTEMBER 30, 2010

**Prepared by
HAMILTON COUNTY AUDITOR'S OFFICE
L. MARLISSA CLARK, CPA
COUNTY AUDITOR
HAMILTON, TEXAS 76531**

HAMILTON COUNTY, TEXAS
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INTRODUCTORY SECTION

HAMILTON COUNTY, TEXAS
LIST OF PRINCIPAL OFFICIALS

GOVERNING BODY

Randy Mills..... County Judge
Jim Boatwright..... Commissioner, Precinct 1
Michael Lewis Commissioner, Precinct 2
Jon Bonner..... Commissioner, Precinct 3
Dickie Clarey..... Commissioner, Precinct 4

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FINANCIAL SECTION

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Independent Auditors' Report

To the Honorable Randy Mills, County Judge
and Members of the Commissioners Court
Hamilton County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton County, Texas (the County) as of and for the year ended September 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10, budgetary comparison and required pension system information on pages 42 through 48 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

To the Honorable Randy Mills, County Judge
and Members of the Commissioners Court
Hamilton County, Texas

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Null-Lairson, P.C.
Houston, Texas
October 17, 2011

HAMILTON COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Management's Discussion and Analysis* of the County of Hamilton' Annual Financial Report (AFR) presents a discussion and analysis of the County's financial performance during the fiscal year that ended September 30, 2010.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$8.3 million (net assets). Of this amount, \$1.7 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$629,234 .
- As of the close of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$1.9 million, a decrease of \$1.2 million from the prior year.
- At the end of the current fiscal year approximately \$747,088 is available for spending at the government's discretion (unreserved, undesignated general fund balance). This fund balance amounts to 19% of total general fund expenditures.
- The County's total long-term liabilities decreased during the current fiscal year. The decrease was primarily due to the unscheduled prepayment of debt on the Courthouse Annex.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned-but-unused vacation leave).

The government-wide financial statements present functions of the County that are principally supported by taxes (governmental activities). The governmental activities of the County include general government, judicial, law enforcement, public safety, highway and streets, health and welfare, service, and interest on long-term debt.

The government-wide financial statements can be found on pages 13 through 15 of this report.

HAMILTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County are categorized as governmental funds or fiduciary funds.

Governmental funds

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

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

The County maintains 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Tax Note Series 2008 Capital Projects Fund, Road and Bridge Funds Precincts 1, Road and Bridge Funds Precincts 2, Road and Bridge Funds Precincts 3, and the Road and Bridge Funds Precincts 4, all of which are considered to be major funds. Data from the other 25 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the comprehensive annual financial report.

Hamilton County adopts an annual appropriated budget for its General Fund and other funds. Budgetary comparison statements have been provided for all these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 16 through 23 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds in that the measurement focus emphasizes changes in economic resources, much like that of a private-sector business.

The basic fiduciary fund financial statement can be found on page 24 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 39 of this report.

HAMILTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. The County adopts an annual appropriated budget for its general, debt service, road and bridge funds and certain special revenue funds. Budgetary comparison statements have been provided for the general fund and the road and bridge funds to demonstrate compliance with this budget. Required supplementary information can be found on pages 42 through 48 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Hamilton County, assets exceeded liabilities by \$8.3 million at the close of the most recent fiscal year.

By far, the largest portion of the County's net assets, \$5.9 million (71 %), reflects its investment in capital assets (e.g., land, buildings, vehicles, road equipment, office furniture and equipment, infrastructure, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

HAMILTON COUNTY'S NET ASSETS
CONDENSED SCHEDULE OF NET ASSETS
September 30, 2010 and 2009

	Primary Government	
	Governmental Activities	
	2010	2009
Current and other assets	\$ 3,387,206	\$ 4,178,522
Capital assets, net	6,407,101	5,092,792
Total Assets	9,794,307	9,271,314
Long-term liabilities	805,179	1,326,638
Other liabilities	699,590	284,372
Total Liabilities	1,504,769	1,611,010
Net Assets:		
Invested in capital assets, net of debt	5,924,311	4,159,770
Restricted	652,535	1,845,156
Unrestricted	1,712,692	1,655,378
Total Net Assets	\$ 8,289,538	\$ 7,660,304

HAMILTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

A portion of the County's net assets, \$0.7 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$1.7 million, may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the County's fund designation, state statutes, and fiscal policies.

The overall financial condition of the County improved by \$629,234 from 2009 to 2010. The County's assets exceeded liabilities by \$8.3 million. Overall total assets increased due to construction in progress and the purchase of other assets. Long-term liabilities decreased overall by \$516,784 due to the retirement of debt with principal payments in the amount of \$599,784, offset by an increase in capital lease obligations of \$83,000 for equipment purchased during the fiscal year.

HAMILTON COUNTY'S CHANGES IN NET ASSETS
SCHEDULE OF CHANGES IN NET ASSETS
For the years ended September 30, 2010 and 2009

	Primary Government	
	Governmental Activities	
	2010	2009
Revenues		
Program revenues:		
Charges for services	\$ 1,546,163	\$ 1,716,369
Operating grants and contributions	147,207	1,575,497
Capital grants and contributions	1,191,298	1,345,329
General revenues:		
Property taxes	2,738,945	2,576,104
Sales and use taxes	233,064	237,801
Earnings on investments	6,581	39,519
Other		55,535
Total Revenues	5,863,258	7,546,154
Expenses		
General administration	1,049,276	1,056,970
Administration of justice	542,335	678,336
Highways and streets	1,727,930	1,896,556
Health and welfare	79,439	72,717
Conservation	2,741	2,055
Public safety	1,797,495	1,750,709
Miscellaneous	1,388	
Interest on long-term debt	33,420	57,815
Total Expenses	5,234,024	5,515,158
Change in Net Assets	629,234	2,030,996
Net Assets, Beginning	7,660,304	5,629,308
Net Assets, Ending	\$ 8,289,538	\$ 7,660,304

The total costs of all functions and programs was \$5.2 million. Ninety-nine percent (99%) of these costs relate directly to the costs of providing services.

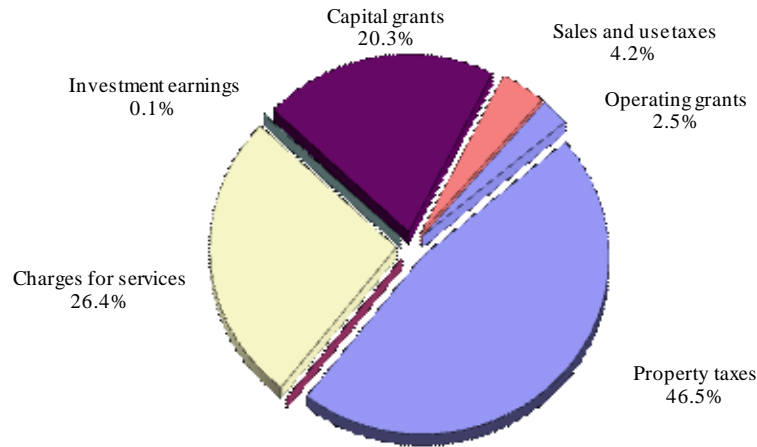
Charges for services decreased 10% mainly due to the decrease in gas exploration activities while property tax revenues increased due to approximately \$6 million dollars of new construction and an

HAMILTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

increase in taxable values. Sales and use taxes increased by \$4,737 . There was a decrease in administration of justice expenses of \$136 thousand due to the County's concerted efforts to decrease such expenses and in highways and streets of \$169 thousand as a result of completion of repairs of damage due to flooding in 2009. Increases to changes in net assets were offset by a decrease in operating grants and contributions of \$1.4 million. This was the result of receipt of grant funds in fiscal year 2009 relating to specific programs. The activity included grants received in 2009 from the U.S. Department of Housing and Urban Development and Homeland Security totaling approximately \$1.5 million that were significantly reduced in the current fiscal year.

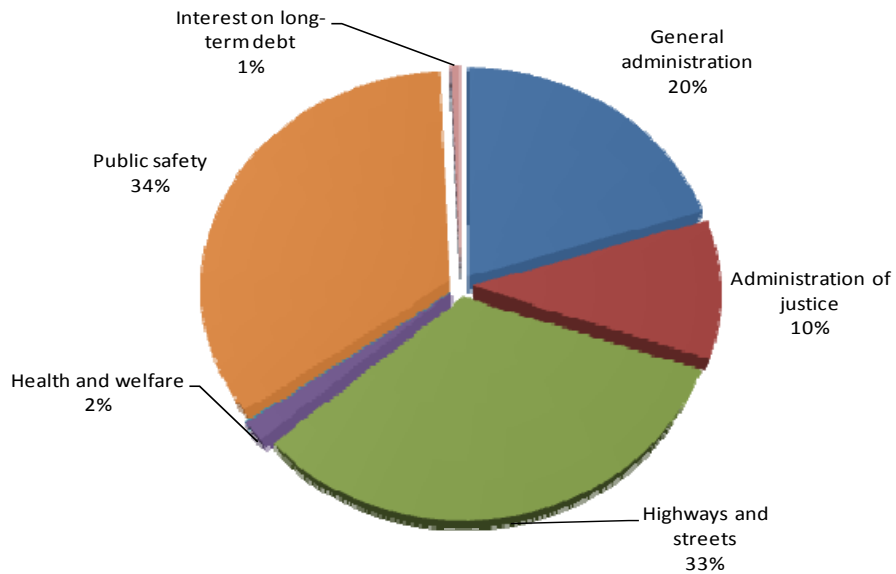
Governmental revenues for fiscal year 2010 are graphically displayed as follows:

GOVERNMENTAL REVENUES



Governmental functional expenses were as follows:

GOVERNMENTAL FUNCTIONAL EXPENSES



HAMILTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the County's Funds

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

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

The County's governmental funds reflect a combined fund balance of \$1.9 million, a decrease of \$1.2 million compared with the prior year. Of this, \$747,088 is unreserved and available for day-to-day operations of the County. In addition, \$49,010 is reserved for debt service and \$286,702 for capital projects. The special revenue fund balance of \$820.9 thousand is available for specific purposes of the special revenue funds.

There was a decrease in the combined fund balance of \$1.2 million from the prior year. This decrease primarily relates to decreases in the fund balances in the General Fund of \$447,695. Overall, revenue to the General Fund increased the fund balance by \$3.3 million mainly from property taxes of \$2.0 million. Revenues were offset by General Fund expenditures of \$3.9 million. The single largest area of expense is the General Fund is costs relating to public safety, which amounts to 46% of total expenditures.

The Tax Note Series 2008 capital projects fund decreased by \$251,450 as a result of capital outlay expenditures of \$1.2 million, offset by capital grant revenue of \$0.9 million in order to fund the construction of the County's courthouse renovation project.

General Fund Budgetary Highlights

The County uses the cash basis for budgeting purposes. Over the course of the year, the County revised its budget several times as necessary. Even with these adjustments, actual expenditures were \$137,401 below final budget amounts. The positive variance is attributable to reduced spending in departmental budgets throughout all functions.

Revenues were \$143,081 less than expected. The most significant negative variance (over 50%) is attributable to lower fees and fines.

During the budget year, the County was awarded monies for Emergency Management, HAVA (Help Americans Vote Act), and ORCA (for administration of funding for disaster relief). These items necessitated budget amendments increasing revenues and corresponding expenditures.

HAMILTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Capital Assets and Debt Administration

Capital Assets - At the end of fiscal year 2010, the County's governmental activities had invested \$6.4 million (net of accumulated depreciation) in capital assets. This investment in capital assets includes land, buildings, equipment, vehicles, infrastructure and construction in progress, as reflected in the following schedule. Capital acquisitions were approximately \$1.8 million, offset by \$490.2 thousand in depreciation expense, showing a net increase in Capital Assets of approximately \$1.3 million over the previous fiscal year. The majority of the capital acquisitions relate to the restoration of the courthouse.

HAMILTON COUNTY'S CAPITAL ASSETS

	Governmental Activities	
	2010	2009
Non-Depreciable Assets		
Land and intangibles	\$ 30,407	\$ 30,407
Construction in progress	3,393,253	1,978,281
Other Capital Assets, Net		
Vehicles	480,678	597,357
Machinery and equipment	823,531	728,339
Buildings, facilities and improvements	1,107,140	1,151,289
Infrastructure	572,090	607,119
Totals	\$ 6,407,099	\$ 5,092,792

Long-Term Debt - At the end of the current fiscal year, the County had total debt outstanding of \$769,492 . This is a decrease of \$516,784 from the prior year due to the principal payments made during the year of \$599,784 , offset by an addition to capital lease obligations of \$83,000 as a result of equipment purchased during the year.

	Governmental Activities	
	2010	2009
General Obligation Bonds	\$ 557,000	\$ 686,000
Capital Leases	212,492	600,276
Total	\$ 769,492	\$ 1,286,276

Additional information on capital assets and long-term debt is available in Notes 6 and 7 respectively in the financial statements.

HAMILTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

ECONOMIC FACTORS

Other economic factors include the following:

- Appraised value used for the 2011 budget preparation is up \$6 million, or 1%, from 2010. New construction for 2011 is up \$.6 million to \$6.5 million.
- In 2004, Hamilton County adopted a provision for a tax ceiling for homeowners age 65 or older or disabled. The total appraised value of "frozen values" for 2011 is \$79,022,577 which amounts to 15.8% of appraised values. As this number continues to rise, the tax burden will continue to shift to the under 65 taxpayer.
- General operating fund spending decreases in the 2011 budget from \$4,035,510 in 2010 to \$3,663,324. This is a 9% decrease.

Overall property tax revenue will increase due to increasing values, even though the rate has decreased because of the retirement of the long-term debt. The County will use these increases in revenues to finance programs it currently offers.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the County's finances. If you have questions about this report or need any additional information, contact the Hamilton County Auditor, Marliessa Clark, at 102 North Rice Street, Hamilton, Texas 76531.

BASIC FINANCIAL STATEMENTS

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HAMILTON COUNTY, TEXAS

STATEMENT OF NET ASSETS

September 30, 2010

	<u>Primary Government Governmental Activities</u>
Assets	
Cash and equivalents	\$ 2,016,437
Receivables:	
Taxes, net	266,247
Due from other governments	534,497
Fees and fines	570,025
Capital assets, not being depreciated	3,423,660
Capital assets, net of accumulated depreciation	2,983,441
Total Assets	<u>9,794,307</u>
Liabilities	
Accounts payable and accrued expenses	567,703
Accrued payroll	119,577
Accrued interest payable	12,310
Long-term liabilities due within one-year	176,277
Long-term liabilities due in more than one-year	628,902
Total Liabilities	<u>1,504,769</u>
Net Assets	
Invested in capital assets, net of related debt	5,924,311
Restricted for:	
Debt Service	36,700
Road and Bridge	549,696
Judicial and Law Enforcement	66,139
Unrestricted	1,712,692
Total net assets	<u>\$ 8,289,538</u>

The accompanying notes are an integral part of these financial statements.

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HAMILTON COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the year ended September 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary Government					
Governmental Activities:					
General administration	\$ 1,049,276	\$ 777,684	\$ 32,684	\$ 1,185,959	\$ 947,051
Administration of justice	542,335	89,501	65,031		(387,803)
Highways and Streets	1,727,930	519,759	47,947		(1,160,224)
Health and welfare	79,439		1,545		(77,894)
Conservation	2,741				(2,741)
Public safety	1,797,495	159,219		5,339	(1,632,937)
Interest on long-term debt	33,420				(33,420)
Total Primary Government	\$ 5,232,636	\$ 1,546,163	\$ 147,207	\$ 1,191,298	(2,347,968)
General revenues:					
					2,738,945
					233,064
					6,581
					(1,388)
Total General Revenues					2,977,202
					629,234
Net Assets, Beginning					7,660,304
Net Assets, Ending					\$ 8,289,538

The accompanying notes are an integral part of these financial statements.

HAMILTON COUNTY, TEXAS**BALANCE SHEET****GOVERNMENTAL FUNDS***September 30, 2010*

	General Fund - 010	Debt Service Fund - 060	Tax Note Series 2008 - 061	R and B 1 - 021
Assets				
Cash and equivalents	\$ 806,787	\$ 49,010	\$ 61,702	\$ 43,536
Taxes receivable, net	216,378			11,896
Federal and state grants			225,000	
Fines and fees receivable	559,245			
Other receivables				
Due from other funds	117,894			
Due from other governments	2,967			3,190
Total Assets	\$ 1,703,271	\$ 49,010	\$ 286,702	\$ 58,622
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 134,625	\$	\$	\$ 4,615
Accrued payroll	85,291			6,534
Due to other governments				
Due to other funds				1,559
Deferred revenue	736,267			11,895
Total Liabilities	956,183			24,603
Fund Balances:				
Reserved for:				
Debt Service		49,010		
Capital Projects			286,702	
Unreserved, Reported in:				
General Fund	747,088			
Special Revenue Funds				34,019
Total Fund Balances	747,088	49,010	286,702	34,019
Total Liabilities and Fund Balances	\$ 1,703,271	\$ 49,010	\$ 286,702	\$ 58,622

The accompanying notes are an integral part of these financial statements.

<u>R and B 2 - 022</u>	<u>R and B 3 - 023</u>	<u>R and B 4 - 024</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 196,389	\$ 386,730	\$ 188,095	\$ 284,189	\$ 2,016,438
11,896	11,896	11,895		263,961
			285,454	510,454
			8,974	568,219
			2,240	2,240
				117,894
3,190	3,190	3,191		15,728
<u>\$ 211,475</u>	<u>\$ 401,816</u>	<u>\$ 203,181</u>	<u>\$ 580,857</u>	<u>\$ 3,494,934</u>
\$ 6,659	\$ 85,834	\$ 11,221	\$ 188,855	\$ 431,809
8,694	6,579	9,512	11	116,621
129,852				129,852
2,599	2,079	2,079	109,578	117,894
11,896	11,896	11,895	11,203	795,052
<u>159,700</u>	<u>106,388</u>	<u>34,707</u>	<u>309,647</u>	<u>1,591,228</u>
				49,010
				286,702
				747,088
51,775	295,428	168,474	271,210	820,906
<u>51,775</u>	<u>295,428</u>	<u>168,474</u>	<u>271,210</u>	<u>1,903,706</u>
<u>\$ 211,475</u>	<u>\$ 401,816</u>	<u>\$ 203,181</u>	<u>\$ 580,857</u>	<u>\$ 3,494,934</u>

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HAMILTON COUNTY, TEXAS
RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET ASSETS
September 30, 2010

Total fund balance, governmental funds	\$ 1,903,706
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.	6,407,101
Other long-term assets are not available to pay for current-period expenditures and are therefore deferred in the funds.	796,220
Some liabilities (such as Long-term Compensated Absences, and Bonds Payable) are not due and payable in the current period and are not included in the fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.	
Bonds payable	(557,000)
Capital lease obligation	(212,492)
Compensated absences	(35,687)
Accrued interest is not due and payable in the current period and therefore not reported in the funds.	(12,310)
	<hr/>
Net Assets of Governmental Activities	<u>\$ 8,289,538</u>

The accompanying notes are an integral part of these financial statements.

HAMILTON COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2010

	General Fund - 010	Debt Service Fund - 060	Tax Note Series 2008 - 061	R and B 1 - 021
Revenues				
Property taxes	\$ 1,955,825	\$ 174,422	\$	\$ 139,678
Sales and use taxes	233,064			
Fees and fines	418,951			5,071
Intergovernmental	644,394		900,505	124,530
Earnings on investments	3,586	116	557	275
Miscellaneous	16,536			1,471
Total Revenues	3,272,356	174,538	901,062	271,025
Expenditures				
Current:				
General administration	990,907			
Public safety	1,787,460			
Administration of justice	524,135			
Health and welfare	79,439			
Conservation	2,741			
Highways and streets				296,964
Capital Outlay	104,178		1,152,512	
Debt Service:				
Principal	398,508	129,000		29,647
Interest and fiscal charges	10,741	20,199		2,682
Total Expenditures	3,898,109	149,199	1,152,512	329,293
Excess (Deficiency) of Revenues Over (Under) Expenditures	(625,753)	25,339	(251,450)	(58,268)
Other Financing Sources (Uses)				
Transfers in	179,808			
Transfers out	(1,750)			(44,952)
Proceeds from capital leases				
Total other financing sources (uses)	178,058			(44,952)
Net change in fund balances	(447,695)	25,339	(251,450)	(103,220)
Fund balances - beginning	1,194,783	23,671	538,152	137,239
Fund balances - ending	\$ 747,088	\$ 49,010	\$ 286,702	\$ 34,019

The accompanying notes are an integral part of these financial statements.

<u>R and B 2 - 022</u>	<u>R and B 3 - 023</u>	<u>R and B 4 - 024</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 139,679	\$ 139,677	\$ 139,677	\$	\$ 2,688,958
124,868	124,868	125,207	61,180	233,064
5,071	5,071	65,426	290,215	860,145
539	942	424	142	2,035,212
3,825			1,750	6,581
<u>273,982</u>	<u>270,558</u>	<u>330,734</u>	<u>353,287</u>	<u>23,582</u>
				990,907
				1,787,460
			30,777	554,912
				79,439
				2,741
529,393	384,634	365,034	1,680	1,577,705
			287,433	1,544,123
	23,587	19,042		599,784
	2,542	3,928		40,092
<u>529,393</u>	<u>410,763</u>	<u>388,004</u>	<u>319,890</u>	<u>7,177,163</u>
<u>(255,411)</u>	<u>(140,205)</u>	<u>(57,270)</u>	<u>33,397</u>	<u>(1,329,621)</u>
				181,558
(44,952)	(44,952)	(44,952)	1,750	(181,558)
	83,000			83,000
<u>(44,952)</u>	<u>38,048</u>	<u>(44,952)</u>	<u>1,750</u>	<u>83,000</u>
(300,363)	(102,157)	(102,222)	35,147	(1,246,621)
352,138	397,585	270,696	236,063	3,150,327
<u>\$ 51,775</u>	<u>\$ 295,428</u>	<u>\$ 168,474</u>	<u>\$ 271,210</u>	<u>\$ 1,903,706</u>

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HAMILTON COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (GOVERNMENTAL FUNDS) TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

Net change in fund balances - total governmental funds: \$ (1,246,621)

Adjustments for the Statement of Activities:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$1.8 million) exceeded depreciation expense (\$0.5 million) in the current period. 1,303,682

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (83,000)

Revenues that do not provide current financial resources are not reported as revenues in the governmental funds. This adjustment reflects the net change in receivables on the accrual basis of accounting. 44,042

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This adjustment reflects the net change in interest payable on the accrual basis of accounting. 6,672

Principal payments on debt are reported as expenditures in governmental funds but not as expenses in the government-wide statements. 599,784

Changes in long-term liabilities such as compensated absences are not reflected in fund-basis statements. This amount represents the change in long-term compensated absences. 4,675

Change in net assets of governmental activities \$ 629,234

The accompanying notes are an integral part of these financial statements.

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2010

	Private-Purpose Trust Fund Historical Commission	Agency Funds
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ 3,296	\$ 1,200,763
Total Assets	<u>3,296</u>	<u>1,200,763</u>
Liabilities		
Accounts payable	\$ 90	\$ 138,116
Due to other governments		23,603
Due to others		1,039,044
Total Liabilities	<u>\$ 90</u>	<u>\$ 1,200,763</u>
Net Assets		
Held in trust	<u>\$ 3,206</u>	<u>\$</u>

The accompanying notes are an integral part of these financial statements.

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

Hamilton County, Texas ("County") is an independent governmental entity created under the laws of the State of Texas. The County is governed by an elected Commissioners' Court. The financial statements of the County include all funds and agencies over which the County is considered to be financially accountable.

The County is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the County's financial reporting entity.

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

B. Government-wide and Fund Accounting

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. While the previous reporting model emphasized fund types (the total of all funds of a particular type), the GASB 34 reporting model focuses on either the County as a whole or on major individual funds (within the fund financial statements). Typically, both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. All primary activities of the County are considered to be governmental type activities; therefore no business type activities are presented within the basic financial statements. In the government-wide Statement of Net Assets, governmental activities are presented on a full accrual, economic resource basis, which incorporates long-term assets and receivables, as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general administration, financial administration, public safety, etc.), which are otherwise being supported by general government revenues (property taxes, earnings on investments, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues. The program revenues must be directly associated with the function (general administration, financial administration, public safety, etc.).

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile fund-based financial statements with the governmental column of the government-wide presentation.

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Accounting (continued)

The County's fiduciary funds are presented in the fund financial statements by type. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. Since the County only reports agency funds, a statement of changes in fiduciary net assets is not presented. All assets reported in agency funds should be offset by a corresponding liability, resulting in zero net assets.

In the fund financial statements, the accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate.

The County reports the following major governmental funds:

General Fund

The General Fund is the County's primary operating fund. It is used to account for all financial transactions not properly includable in other funds. The principal source of revenue is local property taxes. Expenditures include all costs associated with the daily operations of the County.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term bonded debt.

Tax Note Series 2008-Capital Projects Fund

The Tax Note Series 2008 capital projects fund is used to account for the accumulation of resources to be used for the construction of major capital projects.

Road and Bridge Precinct #1

The Road and Bridge Fund is used to account for the proceeds of specific revenue sources, mostly taxes and fees that are legally restricted to expenditures for street and highway improvements for the Road and Bridge Department of Precinct 1. Revenues are used for public transportation, maintenance and construction purposes.

Road and Bridge Precinct #2

The Road and Bridge Fund is used to account for the proceeds of specific revenue sources, mostly taxes and fees that are legally restricted to expenditures for street and highway improvements for the Road and Bridge Department of Precinct 2. Revenues are used for public transportation, maintenance and construction purposes.

Road and Bridge Precinct #3

The Road and Bridge Fund is used to account for the proceeds of specific revenue sources, mostly taxes and fees that are legally restricted to expenditures for street and highway improvements for the Road and Bridge Department of Precinct 3. Revenues are used for public transportation, maintenance and construction purposes.

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Accounting (continued)

Road and Bridge Precinct #4

The Road and Bridge Fund is used to account for the proceeds of specific revenue sources, mostly taxes and fees that are legally restricted to expenditures for street and highway improvements for the Road and Bridge Department of Precinct 4. Revenues are used for public transportation, maintenance and construction purposes.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund-types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net assets and statements of activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet. Proprietary fund equity consists of net assets.

The accounts of the Governmental Fund Types (the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) are maintained, and the financial statements have been prepared, on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., both measurable and available). Available means collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Substantially all revenues, except property taxes, are considered to be susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as expenditures when due.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is that interfund services provided and used within the County are not eliminated in the process of consolidation. Elimination of these services would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Revenues that are generated internally are reported as general revenues, including property taxes.

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used as an extension of formal budgetary control. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities of the current year and are reappropriated in the budget of the subsequent year. Unencumbered appropriations lapse at the end of the year.

E. Cash and Cash Equivalents

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

F. Temporary Investments

The County's temporary investments are comprised of deposits in pooled investment accounts. Obligations with maturities of one year or less when purchased are reported on the balance sheet at their amortized cost, which approximates fair value. All other investments are reported at fair value. The investments in U.S. Government Securities are generally held to maturity.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

H. Due to and Due From Other Funds

During the course of operations, transactions occur between individual funds for specified purposes, such as lending/borrowing arrangements. In addition, the County maintains numerous bank accounts among all the funds and occasionally monies are deposited into the incorrect account. Therefore, a receivable and payable are recorded in the proper funds. These receivables and payables are classified as "due from other funds" or "due to other funds" (or "due from component unit/primary government" or "due to component unit/primary government" if the transactions are between the primary government and its component unit).

I. Interfund Transfers

The County maintains numerous special revenue and capital project funds to account separately for monies that have been set aside for particular purposes. Often, these monies are initially budgeted in the General Fund during the annual budget process and are then transferred to various funds during the course of the fiscal year. In addition, when these projects are complete, these same funds often transfer residual monies back to the General Fund or some other fund, as determined by where the monies should be returned. These interfund transfers are classified as "transfers in" and "transfers out" within the primary government.

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

J. Interest Receivable

Interest on investments is recorded as revenue in the year the interest is earned and available to pay liabilities of the current period.

K. Capital Assets

Capital assets used in governmental fund types of the government are recorded as expenditures of the General, Special Revenue and Capital Projects Funds and as assets in the government-wide financial statements to the extent the County's capitalization threshold (currently \$5,000) is met. Depreciation is recorded on capital assets on a government-wide basis. Major outlays for capital assets and improvements are capitalized as projects are constructed and subsequently depreciated over their estimated useful lives on a straight-line basis at both the fund and government-wide levels. All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and resulting gain or loss is included in the results of operations.

The County applies a half-year convention for depreciation on all assets. Therefore, one half of a year of depreciation is charged to operations the first and last year that an asset is in service. Depreciation has been provided for plant and equipment using the straight-line method over the estimated useful life for the type of assets as follows:

<u>Assets</u>	<u>Estimated Useful Life</u>
Buildings	10-35 years
Equipment	5-20 years
Vehicles	5-7 years
Infrastructure	15-45 years

L. Accrued Compensated Absences

The County's full-time employees earn 10 to 20 days of vacation with pay per year based on years of continuous service. A maximum of 80 hours of vacation time is paid to employees upon termination after at least one year of service with the County. Unused sick leave, bereavement leave and jury leave are not paid upon termination.

M. Restricted/Unrestricted Net Assets

It is the County's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 1 - Summary of Significant Accounting Policies (continued)

O. Reclassifications

Certain reclassifications to prior-year balances have been made to conform to current-year presentation. Such reclassifications have had no effect on the excess of revenues over expenditures.

P. Estimates

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

Note 2 - Deposits (Cash) and Investments

A. Authorization for Deposits and Investments

The Texas Public Funds Investment Act (PFIA), as prescribed in Chapter 2256 of the Texas Government Code, regulates deposits and investment transactions of the County.

In accordance with applicable statutes, the County has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the County incurs for banking services received. The County may place funds with the depository in interest and non-interest bearing accounts. State law provides that collateral pledged as security for bank deposits must have a market value of not less than the amount of the deposits and must consist of: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas; and/or (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent. County policy requires the collateralization level to be at least 100% of market value of principal and accrued interest.

Commissioners Court has adopted a written investment policy regarding the investment of its funds as defined by the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The investments of the County are in compliance with this policy. State statutes authorize the County to invest in fully collateralized or insured time deposits, direct debt obligations of the United States, and certain repurchase agreements. Investments in security repurchase agreements are authorized when the investment has a defined termination date, is secured by obligations described in the Public Funds Investment Act, is pledged to the County, is deposited with a third party selected and approved by the entity, and is placed through a primary government securities dealer or national bank domiciled in the State of Texas. The County did not invest in repurchase agreements for the year ended September 30, 2010.

The County's cash and investments are classified as: cash and cash equivalents, and investments. Cash and cash equivalents include cash on hand, deposits with financial institutions, and short-term investments in a privately-managed public funds investment pool account.

At September 30, 2010, the County's cash deposits are either insured by FDIC or covered by collateral held by the County's agent in the County's name.

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 2 - Deposits (Cash) and Investments (continued)

B. Deposit and Investment Amounts

The following schedule shows the County's recorded cash and cash equivalents and investment pools at year-end, excluding Agency Fund:

	Total Fair Value
Cash deposits	<u>\$ 2,016,438</u>
Total cash deposits	<u><u>\$ 2,016,438</u></u>

Interest Rate Risk

In accordance with its investment policy, the government manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 90 days.

At year-end, the County had no investments subject to interest rate risks as there were no investments and only cash deposits.

Concentration of Credit Risk

It is the County's policy to diversify its portfolio to eliminate the risk of loss resulting from a concentration of assets in a specific maturity (save and except zero duration funds), a specific issuer or a specific class of investments.

It is the County's policy to select investments in order to provide stability of income and reasonable liquidity.

Note 3 - Receivables

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2010, were as follows:

	Governmental Activities							Total
	General	Tax Note Series 2008	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Other Governmental Funds	
Receivables:								
Taxes	\$ 216,378		\$ 11,895	\$ 11,896	\$ 11,896	\$ 11,895		\$ 263,960
Grants		225,000					285,454	510,454
Fees & fines	1,075,471						8,974	1,084,445
Other	2,967		3,190	3,190	3,190	3,191	2,240	17,968
Gross receivables	1,294,816	225,000	15,085	15,086	15,086	15,086	296,668	1,876,827
Less: allowance for uncollectibles	(516,225)							(516,225)
Total	<u>\$ 778,591</u>	<u>\$ 225,000</u>	<u>\$ 15,085</u>	<u>\$ 15,086</u>	<u>\$ 15,086</u>	<u>\$ 15,086</u>	<u>\$ 296,668</u>	<u>\$ 1,360,602</u>

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 3 - Receivables (continued)

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2010, the various components of deferred revenue reported in the governmental funds are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes (general fund)	\$ 198,901	\$
Delinquent property taxes (Road and Bridge #1)	11,895	
Delinquent property taxes (Road and Bridge #2)	11,896	
Delinquent property taxes (Road and Bridge #3)	11,896	
Delinquent property taxes (Road and Bridge #4)	11,895	
Fees and fines (general fund)	537,366	
Other receivables (other governmental funds)	11,203	
Total deferred revenue for governmental funds	<u>\$ 795,052</u>	<u>\$</u>

Note 4 - Property Taxes

The County's tax year covers the period October 1 through September 30. The County's property taxes are levied annually in October on the basis of the Hamilton Central Appraisal District's (CAD) assessed values as of January 1 of that calendar year. Such taxes become delinquent on February 1 of the subsequent calendar year. The CAD establishes appraised values at 100% of market value less exemptions. The County's property taxes are billed and collected by the County's Tax Assessor/Collector.

A. 2009 Tax Year

Property taxes are prorated between the General, Debt Service, and Road and Bridge Funds based on rates adopted for the year of the levy. For the 2010 fiscal year (2009 tax year), the County levied property taxes of \$0.5616 per \$100 of assessed valuation. The 2009 rates resulted in total tax levies of approximately \$2.6 million based on a total adjusted valuation of approximately \$500 million.

B. Hamilton Central Appraisal District

The Hamilton Central Appraisal District (CAD), a separate governmental entity, is responsible for the recording and appraisal of property for all taxing units in the County.

The CAD is required by state law to assess property at 100% of its appraised value. Further, real property must be appraised at least every four years. Under certain circumstances, the taxpayers and taxing units, including the County, may challenge orders of the CAD's Appraisal Review Board through various appeals and, if necessary, legal action may be taken.

The Commissioners Court will continue to set the tax rates on the property. State law also provides that, if approved by the qualified voters in the County, collection functions may be assigned to the CAD.

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5 - Interfund Activity

During the year, cash advances are occasionally made between funds for various projects and situations, which create receivables and payables between these funds. Interfund balances are expected to be paid within one year. At September 30, 2010, there were the following interfund receivables and payables outstanding:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 117,894	\$
Other Governmental Funds		117,894
Total Governmental Activity	<u>\$ 117,894</u>	<u>\$ 117,894</u>

A summary of interfund transfers, the purpose of which is to cover operational expenses/expenditures, for the year ended September 30, 2010, is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 179,808	\$ 1,750
Road and Bridge #1		44,952
Road and Bridge #2		44,952
Road and Bridge #3		44,952
Road and Bridge #4		44,952
Other Governmental Funds	1,750	
	<u>\$ 181,558</u>	<u>\$ 181,558</u>

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 6 - Capital Assets

A summary of changes in the primary government's capital assets for the year ended September 30, 2010, follows:

	Primary Government			Balance 09/30/10
	Balance 10/01/09	Increases	Decreases	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 30,407	\$	\$	\$ 30,407
CIP	1,978,281	1,414,970		3,393,251
Total capital assets not being depreciated	2,008,688	1,414,970		3,423,658
Other capital assets:				
Vehicles	1,309,987	73,709	(24,980)	1,358,716
Machinery and equipment	2,835,197	318,294		3,153,491
Buildings, facilities and improvements	1,994,818			1,994,818
Infrastructure	17,773,284			17,773,284
Total other capital assets	23,913,286	392,003	(24,980)	24,280,309
Accumulated depreciation for:				
Vehicles	(712,630)	(187,890)	22,482	(878,038)
Machinery and equipment	(2,106,858)	(223,102)		(2,329,960)
Buildings, facilities and improvements	(843,529)	(44,147)		(887,676)
Infrastructure	(17,166,165)	(35,029)		(17,201,194)
Total accumulated depreciation	(20,829,182)	(490,168)	22,482	(21,296,868)
Other capital assets, net	3,084,104	(98,165)	(2,498)	2,983,441
Total Net Assets	\$ 5,092,792	\$ 1,316,805	\$ (2,498)	\$ 6,407,099

Depreciation expenses were charged to the following functions in the statement of activities:

Fiscal Year 2010 Depreciation Expense	
General Administration	\$ 46,925
Public Safety	135,476
Highway & Streets	298,960
Administration of Justice	8,807
Total Depreciation Expense	\$ 490,168

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 7 - Long-Term Debt

A. General Obligation Bonds and Certificates of Obligation

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Long-term bonded debt at September 30, 2010, is as follows:

Primary Government				
<u>Original Issue</u>	<u>Description</u>	<u>Interest Rate</u> %	<u>Matures</u>	<u>Debt</u> <u>Outstanding</u>
General Obligation Bonds				
\$ 800,000	Tax Note Series 2008	3.25	2015	\$ 557,000

A summary of long-term liability transactions of the County for the year ended September 30, 2010, follows:

	<u>October 1,</u> <u>2009 Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30,</u> <u>2010 Balance</u>	<u>Amounts Due</u> <u>Within One</u> <u>Year</u>
Tax Note Series 2008	\$ 686,000	\$	\$ 129,000	\$ 557,000	\$ 104,000
Capital lease obligation	600,276	83,000	470,784	212,492	72,277
Compensated Absences	40,362		4,675	35,687	
Total Long-Term Liabilities	<u>\$ 1,326,638</u>	<u>\$ 83,000</u>	<u>\$ 604,459</u>	<u>\$ 805,179</u>	<u>\$ 176,277</u>

In prior years, the general fund's resources have been used to liquidate other long-term liabilities, including accrued compensated absences.

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 7 - Long-Term Debt (continued)

A. General Obligation Bonds and Certificates of Obligation (continued)

Annual debt service requirements (excluding accrued compensated absences) to maturity are summarized as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 104,000	\$ 16,413	\$ 120,413
2011	108,000	12,968	120,968
2012	111,000	9,409	120,409
2013	115,000	5,736	120,736
2014	<u>119,000</u>	<u>1,934</u>	<u>120,934</u>
Totals	<u>\$ 557,000</u>	<u>\$ 46,460</u>	<u>\$ 603,460</u>

B. Obligations Under Capital Leases

The County also finances acquisition of equipment through capital leases which are paid by the fund acquiring the underlying asset. At September 30, 2010, the County had the following obligations under capital lease:

<u>Purpose</u>	<u>Cost</u>	<u>Year Acquired</u>	<u>Year Matures</u>	<u>Annual Payment</u>	<u>Interest Rate</u>	<u>Balance 9/30/2010</u>
M802AA Pct. 4 - Motor grader	\$ 100,000	2/18/2008	2/18/2013	19,042	4.80%	\$ 62,790
M710AA Pct. 3 - Dump truck	95,670	1/10/2008	1/10/2011	23,587	5.25%	24,710
M10-814 Pct. 3 - JD tractor & mower	83,000	8/23/2010	11/18/2013		4.00%	83,000
M909A Pct. 1 - Boom mower	34,189	9/14/2009	3/10/2012	11,401	4.20%	22,788
M7H194 Pct. 1 - Mack trucks	75,000	11/15/2007	10/22/2010	18,247	5.25%	19,204
						<u>\$ 212,492</u>

Annual debt service requirements to maturity for capital lease obligations:

<u>Due Fiscal Year Ending September 30,</u>	<u>Government Activities</u>
2011	\$ 103,635
2012	57,292
2013	45,185
2014	<u>22,205</u>
Total Payments	228,317
Less imputed interest	<u>(15,710)</u>
	<u>\$ 212,607</u>

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 8 - Employee Retirement System

A. Plan Description

The 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 602 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (AFR) on a calendar year basis. The AFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire with eight or more years of service at age 60 and above, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer 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 employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 7.75% for the months of the accounting year in 2009, and 8.80% for the months of the accounting year in 2010. The deposit rate payable by the employee members for calendar year 2010 is the rate of 7% as adopted by the governing body of the employer. The employee deposit rate and the employer deposit rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

B. Contributions

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 8.80% for calendar year 2010. The contribution rate payable by the employee members is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 8 - Employee Retirement System (continued)

B. Contributions (continued)

The County's total payroll in fiscal year 2010 was approximately \$2.0 million and the County's contributions were based on a payroll of \$1.5 million. Contributions made by employees totaled \$120 thousand, and the County made contributions of \$130 thousand during the fiscal year ended September 30, 2010.

Three-year trend information for the Pension Plan is presented below:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annual Pension Cost (APC)	\$ 130,070	\$ 123,826	\$ 116,310
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation at the End of Period	0	0	0

For the year ended September 30, 2010, the pension cost for the TCDRS plan and the actual contributions made were \$834,808. Because all contributions are made as required, no pension obligation existed at September 30, 2010.

<u>Actuarial Information</u>	<u>12/31/2009</u>
Actuarial cost method	entry age
Amortization method	level percentage of payroll, closed
Amortization period in years	20 years
Asset valuation method	SAF: 10-year smoothed value ESF: Fund value
Assumptions:	
Investment return	8.00%
Projected salary increases	5.30%
Inflation	3.50%
Cost of living adjustments	0.00%

Funded Status and Funding Progress

A schedule of funded status as of the most recent actuarial valuation is as follows:

<u>Schedule of Funding Information</u>		<u>12/31/2009</u>
Actuarial valuation date		
Actuarial value of assets	\$	2,391,203
Actuarial accrued liability (AAL)	\$	2,787,619
Unfunded/(Overfunded) actuarial accrued liability (UAAL or OAAL)	\$	396,416
Funded ratio		85.78%
Annual covered payroll (actuarial)	\$	2,080,285
UAAL or OAAL as % of covered payroll		19.06%

HAMILTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 9 - Contingencies and Commitments

Litigation and Other Contingencies

The County is contingently liable with respect to lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would not materially affect the financial position of the County as of September 30, 2010.

Note 10 - Risk Management

The County is exposed to various risks related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County's risk management program encompasses various means of protecting the County against loss through self-insurance and obtaining property, casualty, and liability coverage through commercial insurance carriers. Settled claims have not exceeded insurance coverage in any of the previous three fiscal years. There has not been any significant reduction in insurance coverage from that of the previous year.

Note 11 - Subsequent Event

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through October 17, 2011, the date on which the financial statements were available to be issued. There were no subsequent events that were required to be recognized or disclosed in the financial statements through that date.

Note 12 - Deficit Fund Balance

The Phase 2 Construction Capital Project Fund has a negative fund balance of \$1,979 .

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REQUIRED SUPPLEMENTARY INFORMATION

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 2,011,614	\$ 2,011,614	\$ 1,955,825	\$ (55,789)
Sales and use taxes	239,673	239,673	233,064	(6,609)
Fees and fines	501,852	501,852	418,951	(82,901)
Intergovernmental	582,084	633,730	644,394	10,664
Earnings on investments	7,000	7,000	3,586	(3,414)
Miscellaneous		21,568	16,536	(5,032)
Total Revenues	<u>3,342,223</u>	<u>3,415,437</u>	<u>3,272,356</u>	<u>(143,081)</u>
Expenditures				
Current:				
General administration	1,019,580	1,055,574	990,907	64,667
Public safety	1,739,608	1,766,291	1,787,460	(21,169)
Administration of justice	589,542	587,281	524,135	63,146
Health and welfare	115,949	115,949	79,439	36,510
Conservation	3,905	3,905	2,741	1,164
Capital Outlay	90,006	97,214	104,178	(6,964)
Debt Service:				
Principal	213,174	398,552	398,508	44
Interest and fiscal charges	16,313	10,744	10,741	3
Total Expenditures	<u>3,788,077</u>	<u>4,035,510</u>	<u>3,898,109</u>	<u>137,401</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(445,854)</u>	<u>(620,073)</u>	<u>(625,753)</u>	<u>(5,680)</u>
Other Financing Sources (Uses)				
Transfers in			179,808	179,808
Transfers out			(1,750)	(1,750)
Total Other Financing Sources (Uses)			<u>178,058</u>	<u>178,058</u>
Net Changes in Fund Balances	(445,854)	(620,073)	(447,695)	(183,738)
Fund Balances, Beginning of Year	<u>1,194,783</u>	<u>1,194,783</u>	<u>1,194,783</u>	
Fund Balances, End of Year	<u>\$ 748,929</u>	<u>\$ 574,710</u>	<u>\$ 747,088</u>	<u>\$ (183,738)</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE #1 FUND
For the Year Ended September 30, 2010

	Original Budget	Final Budget	Actual	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 144,086	\$ 144,086	\$ 139,678	\$ (4,408)
Fees and Fines	5,052	5,052	5,071	19
Intergovernmental	121,528	121,528	124,530	3,002
Earnings on investments	2,666	2,666	275	(2,391)
Miscellaneous	30,000	30,000	1,471	(28,529)
Total Revenues	303,332	303,332	271,025	(32,307)
Expenditures				
Current:				
Highway and streets	343,404	298,452	296,964	1,488
Debt Service:				
Principal and interest	29,647	29,647	29,647	
Interest and fiscal charges	2,682	2,682	2,682	
Total Expenditures	375,733	330,781	329,293	1,488
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,401)	(27,449)	(58,268)	(30,819)
Other Financing Sources (Uses)				
Transfers (out)			(44,952)	(44,952)
Total Other Financing Sources (Uses)			(44,952)	(44,952)
Net Changes in Fund Balances	(72,401)	(27,449)	(103,220)	(75,771)
Fund Balances - Beginning of Year	137,239	137,239	137,239	
Fund Balances - End of Year	\$ 64,838	\$ 109,790	\$ 34,019	\$ (75,771)

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE #2 FUND
For the Year Ended September 30, 2010

	Original Budget	Final Budget	Actual	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 144,086	\$ 144,086	\$ 139,679	\$ (4,407)
Fees and Fines	121,528	121,528	124,868	3,340
Intergovernmental	5,052	5,052	5,071	19
Earnings on investments	3,672	3,672	539	(3,133)
Miscellaneous	10,000	10,000	3,825	(6,175)
Total Revenues	284,338	284,338	273,982	(10,356)
Expenditures				
Current:				
Highway and streets	560,376	584,230	529,393	54,837
Total Expenditures	560,376	584,230	529,393	54,837
Excess (Deficiency) of Revenues Over (Under) Expenditures	(276,038)	(299,892)	(255,411)	44,481
Other Financing Sources (Uses)				
Transfers (out)			(44,952)	(44,952)
Total Other Financing Sources (Uses)			(44,952)	(44,952)
Net Changes in Fund Balances	(276,038)	(299,892)	(300,363)	(471)
Fund Balances - Beginning of Year	352,138	352,138	352,138	
Fund Balances - End of Year	\$ 76,100	\$ 52,246	\$ 51,775	\$ (471)

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE #3 FUND
For the Year Ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 144,086	\$ 144,086	\$ 139,677	\$ (4,409)
Fees and Fines	121,528	121,528	124,868	3,340
Intergovernmental	5,052	5,052	5,071	19
Earnings on investments	4,729	4,729	942	(3,787)
Total Revenues	<u>275,395</u>	<u>275,395</u>	<u>270,558</u>	<u>(4,837)</u>
Expenditures				
Current:				
Highway and streets	346,079	301,127	384,634	(83,507)
Debt Service:				
Principal and interest	23,587	23,587	23,587	
Interest and fiscal charges	2,542	2,542	2,542	
Total Expenditures	<u>372,208</u>	<u>327,256</u>	<u>410,763</u>	<u>(83,507)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96,813)	(51,861)	(140,205)	(88,344)
Other Financing Sources (Uses)				
Proceeds from capital leases			83,000	83,000
Transfers (out)			(44,952)	(44,952)
Total Other Financing Sources (Uses)			<u>38,048</u>	<u>38,048</u>
Net Changes in Fund Balances	(96,813)	(51,861)	(102,157)	(50,296)
Fund Balances - Beginning of Year	<u>397,585</u>	<u>397,585</u>	<u>397,585</u>	
Fund Balances - End of Year	<u>\$ 300,772</u>	<u>\$ 345,724</u>	<u>\$ 295,428</u>	<u>\$ (50,296)</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE #4 FUND
For the Year Ended September 30, 2010

	Original Budget	Final Budget	Actual	Variance from Amended Positive (Negative)
Revenues				
Property taxes	\$ 144,086	\$ 144,086	\$ 139,678	\$ (4,408)
Fees and Fines	121,529	121,529	125,207	3,678
Intergovernmental	5,052	5,052	65,426	60,374
Earnings on investments	2,447	2,447	424	(2,023)
Total Revenues	<u>273,114</u>	<u>273,114</u>	<u>330,735</u>	<u>57,621</u>
Expenditures				
Current:				
Highway and streets	295,058	381,567	365,035	16,532
Debt Service:				
Principal and interest	18,169	19,042	19,042	
Interest and fiscal charges	4,800	3,928	3,928	
Total Expenditures	<u>318,027</u>	<u>404,537</u>	<u>388,005</u>	<u>16,532</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,913)	(131,423)	(57,270)	74,153
Other Financing Sources (Uses)				
Transfers (out)			(44,952)	(44,952)
Total Other Financing Sources (Uses)			<u>(44,952)</u>	<u>(44,952)</u>
Net Changes in Fund Balances	(44,913)	(131,423)	(102,222)	29,201
Fund Balances - Beginning of Year	<u>270,696</u>	<u>270,696</u>	<u>270,696</u>	
Fund Balances - End of Year	<u>\$ 225,783</u>	<u>\$ 139,273</u>	<u>\$ 168,474</u>	<u>\$ 29,201</u>

HAMILTON COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY DATA

Budgets are adopted on the cash basis of accounting. Annual appropriated budgets are adopted for the General Fund and Special Revenue Funds. All annual appropriations lapse at fiscal year-end. The County Judge serves as the budget officer for the Commissioners Court and submits the annual budget for approval where the legal level of control is by line item. Amendments to the budget and additional appropriations must be approved by Commissioners Court. Following is a summary of the budget calendar:

1. The proposed budget is filed with the County Clerk and made available for public inspection.
2. Budgets are prepared on the cash basis for the General Fund and Special Revenue Funds.
3. The Commissioners Court holds a public hearing on the proposed budget and subsequently makes changes and approves the budget including the adoption of a property tax levy which is effective on October 1 preceding the beginning of the fiscal year.
4. The approved budget is filed with the County Clerk.
5. During the course of the budget year, it may be necessary to amend the budget. The Commissioners Court may, by order, authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. The Commissioners Court may issue an order to amend the budget by transferring an amount budgeted for one line item to another budgeted line item without authorizing an emergency expenditure.

During the year, the Commissioners Court authorized numerous supplemental amendments to the annual budget. The County exceeded its budget for public safety and capital outlay in the general fund and highways and streets in the Road and Bridge #3 Fund.

HAMILTON COUNTY, TEXAS
REQUIRED PENSION SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
September 30, 2010

Schedule of Funding Information

	12/31/2007	12/31/2008	12/31/2009
Actuarial valuation date			
Actuarial value of assets	\$ 2,388,500	\$ 2,215,969	\$ 2,391,203
Actuarial accrued liability (AAL)	\$ 2,632,486	\$ 2,661,106	\$ 2,787,619
Unfunded/(Overfunded) actuarial accrued liability (UAAL or OAAL)	\$ 243,986	\$ 445,137	\$ 396,416
Funded ratio	90.73%	83.27%	85.78%
Annual covered payroll (actuarial)	\$ 1,230,689	\$ 1,859,304	\$ 2,080,285
UAAL or OAAL as % of covered payroll	19.83%	23.94%	19.06%

OTHER SUPPLEMENTARY INFORMATION

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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HAMILTON COUNTY, TEXAS
NON-MAJOR FUND DESCRIPTIONS

Special Revenue Funds

Vital Statistics

This fund is used to account for receipts of fees collected by the County Clerk and expenditures for administration of vital statistic information.

County Clerk Records Management

This fund is used to account for the receipt and expenditure of records management fees assessed by the County Clerk. Such fees may only be used for records management or records management projects for the County Clerk.

Vital Statistics District Court

This fund is used to account for receipts of fees collected by the District Clerk and expenditures for administration of vital statistic information by the District Clerk.

County Clerk Records Archive

This fund is used to account for the receipt of funds collected by the County Clerk and expenditures for the archival of the records of the County Clerk.

Justice Court Technology - Precinct 3

This fund is used to account for receipts and disbursements of technology fees collected by the Justice Court Clerks. The funds may be used only to finance the purchase of technological enhancements for Justice Court - Precinct 3.

Court Reporter

This fund is used to account for receipts collected by the District Clerk and disbursements of fees for court reporting activity of the District Court.

Justice Court Technology - Precinct 1

This fund is used to account for receipts of technology fees collected by the Justice Court Clerks. The funds may be used only to finance the purchase of technological enhancements for Justice Court - Precinct 1.

County Clerk Probate

This fund is used to account for receipts or fees collected in probate cases and expenditures for education relating to probate statutes.

Election Contracting

This fund is used to account for the receipt and expenditure of funds for election services by the County Clerk.

Transaction Fee Justice of the Peace

This fund is used to account for fees collected by the Justice Courts and expenditures thereof.

County Court Technology

This fund is used to account for receipts and disbursements of technology fees collected by the County Court Clerk. The funds may be used only to finance the purchase of technological enhancements for a County Court.

HAMILTON COUNTY, TEXAS
NON-MAJOR FUND DESCRIPTIONS

District Court Technology

This fund is used to account for receipts and disbursements of technology fees collected by the District Clerk. The funds may be used only to finance the purchase of technological enhancements for a District Court.

LEOSE Sheriff's Office

This fund is used to account for the receipt and expenditure of state funding for the professional training of law enforcement officers. All funds are collected locally, remitted to the state and allocated back to the County.

LEOSE Constable Precinct #3

This fund is used to account for the receipt and expenditure of state funding for the professional training of Precinct #3 and constable. All funds are collected locally, remitted to the state and allocated back to the County.

Law Library Fund

This fund is used to account for the receipts collected by the courts and the disbursement of funds to benefit the County's Law Library.

Record County Clerk Management and Preservation

This fund is used to account for receipts collected by the County Clerk and expenditures of fees assessed on civil findings in the County court as required by state law. Such fees may only be spent on records management or preservation projects for the County Clerk.

Courthouse Security Fund

This fund is used to account for the receipts collected by the courts and the disbursements of funds for courthouse security.

District Clerk Records Preservation

This fund is used to account for receipts and disbursements of resources relating to the archiving of records maintained by the District Clerk.

County Judge Judiciary Fund

This fund is used to account for excess fees collected for the salary supplement paid to the County judge and disbursements of resources relating to the County Judge's department activity.

Justice Court Building Security Fund

This fund is used to account for the receipts and disbursements for justice courthouse security activity off of courthouse premises.

Supplemental Court-Initiated Guardianship Fund

This fund is used to account for receipts collected by the County Clerk to be disbursed as needed for legal representation in court initiated guardianship cases.

Sheriff Trust Fund

This fund is used to account for the receipt and expenditure of forfeitures funds by the Sheriff's department.

HAMILTON COUNTY, TEXAS
NON-MAJOR FUND DESCRIPTIONS

VIT Escrow

This fund is used to account for the receipt and expenditure of VIT funds and the expenditure by the tax assessor of interest earned from these receipts.

County Attorney

This fund is used to account for fees collected by the County Attorney under the “Hot Check” statute. Expenditures from this fund shall be at the sole discretion of the County Attorney and may be used only to defray the salaries and expenses of his office.

Capital Project Funds

Phase 2 Construction Fund

This fund is used to account for financial resources to be used for the courthouse restoration project, Phase 2.

HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
September 30, 2010

	Special Revenue Funds			
	Vital Statistics - 025	CC Records Management - 026	Vital Statistics District Court - 027	County Clerk Record Archive - 040
Assets				
Cash and Cash Equivalents	\$ 8,921	\$ 32,428	\$ 311	\$ 40,411
Receivables net of allowance for estimated uncollectibles:				
Fines and fees	7	509	22	200
Federal and state grants				
Other receivables				
Total Assets	\$ 8,928	\$ 32,937	\$ 333	\$ 40,611
Total Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Accrued payroll				
Due to other funds				
Deferred revenues	7	509	22	200
Total Liabilities	7	509	22	200
Fund Balances:				
Reserved:				
Prepaid items				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	8,921	32,428	311	40,411
Total Fund Balances	8,921	32,428	311	40,411
Total Liabilities and Fund Balances	\$ 8,928	\$ 32,937	\$ 333	\$ 40,611

Special Revenue Funds

Justice Court Tech PCT 3 - 041	Court Reporter - 042	Justice Court Technology - 043	County Clerk Probate Fund - 044	Election Contracting - 045	Transaction Fee JP 1/SO - 046
\$ 5,001	\$ 12,204	\$ 3,439	\$ 708	\$ 4,098	\$ 10,097
661	115	2,256			1,239
<u>\$ 5,662</u>	<u>\$ 12,319</u>	<u>\$ 5,695</u>	<u>\$ 708</u>	<u>\$ 4,098</u>	<u>\$ 11,336</u>
\$	\$	\$	\$	\$	\$
661	115	2,256			1,239
<u>661</u>	<u>115</u>	<u>2,256</u>			<u>1,239</u>
5,001	12,204	3,439	708	4,098	10,097
<u>5,001</u>	<u>12,204</u>	<u>3,439</u>	<u>708</u>	<u>4,098</u>	<u>10,097</u>
<u>\$ 5,662</u>	<u>\$ 12,319</u>	<u>\$ 5,695</u>	<u>\$ 708</u>	<u>\$ 4,098</u>	<u>\$ 11,336</u>

HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2010

	Special Revenue Funds			
	County Court Technology - 047	District Court Technology - 048	LEOSE- Sheriff's Office - 049	LEOSE- Constable Precinct #3 - 050
Assets				
Cash and Cash Equivalents	\$ 16	\$ 523	\$ 853	\$
Receivables net of allowance for estimated uncollectibles:				
Fines and fees	17	100		
Federal and state grants				
Other receivables				
Total Assets	<u>\$ 33</u>	<u>\$ 623</u>	<u>\$ 853</u>	<u>\$</u>
Total Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$	\$	\$
Accrued payroll				
Due to other funds				
Deferred revenues	17	100		
Total Liabilities	<u>17</u>	<u>100</u>		
Fund Balances:				
Reserved:				
Prepaid items				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	16	523	853	
Total Fund Balances	<u>16</u>	<u>523</u>	<u>853</u>	
Total Liabilities and Fund Balances	<u>\$ 33</u>	<u>\$ 623</u>	<u>\$ 853</u>	<u>\$</u>

Special Revenue Funds					
Law Library Fund - 051	Records Mgmt Preservation - 052	Courthouse Security - 053	District Clerk Records Preservation- 054	County Judge Judiciary Fund - 055	Justice Court Bldg Security - 056
\$ 26,722	\$ 10,591	\$ 75,987	\$ 9,164	\$ 6,906	\$ 7,534
343	10	2,581	302		612
<u>\$ 27,065</u>	<u>\$ 10,601</u>	<u>\$ 78,568</u>	<u>\$ 9,466</u>	<u>\$ 6,906</u>	<u>\$ 8,146</u>
\$	\$	\$	\$	\$	\$
<u>343</u>	<u>10</u>	<u>2,581</u>	<u>302</u>		<u>612</u>
<u>343</u>	<u>10</u>	<u>2,581</u>	<u>302</u>		<u>612</u>
<u>26,722</u>	<u>10,591</u>	<u>75,987</u>	<u>9,164</u>	<u>6,906</u>	<u>7,534</u>
<u>26,722</u>	<u>10,591</u>	<u>75,987</u>	<u>9,164</u>	<u>6,906</u>	<u>7,534</u>
<u>\$ 27,065</u>	<u>\$ 10,601</u>	<u>\$ 78,568</u>	<u>\$ 9,466</u>	<u>\$ 6,906</u>	<u>\$ 8,146</u>

HAMILTON COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2010

	Special Revenue Funds			
	Supplemental Guardianship Fund - 057	Sheriff Trust - 087	VIT Escrow - 089	County Attorney CK Coll - 090
Assets				
Cash and Cash Equivalents	\$ 3,320	\$ 11,692	\$ 11,177	\$ 2,086
Receivables net of allowance for estimated uncollectibles:				
Fines and fees				
Federal and state grants				
Other receivables	10			2,230
Total Assets	\$ 3,330	\$ 11,692	\$ 11,177	\$ 4,316
Total Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$	\$	\$ 11,000	\$
Accrued payroll	11			
Due to other funds				
Deferred revenues				2,229
Total Liabilities	11		11,000	2,229
Fund Balances:				
Reserved:				
Prepaid items				
Capital Projects				
Unreserved, reported in:				
Special revenue funds	3,319	11,692	177	2,087
Total Fund Balances	3,319	11,692	177	2,087
Total Liabilities and Fund Balances	\$ 3,330	\$ 11,692	\$ 11,177	\$ 4,316

Capital Project Funds

Phase 2 - Construction Fund - 062	TOTALS
\$	\$ 284,189
	8,974
285,454	285,454
	2,240
<u>\$ 285,454</u>	<u>\$ 580,857</u>
\$	\$ 188,855
	11
109,578	109,578
	11,203
<u>287,433</u>	<u>309,647</u>
<u>(1,979)</u>	<u>271,210</u>
<u>(1,979)</u>	<u>271,210</u>
<u>\$ 285,454</u>	<u>\$ 580,857</u>

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2010

	Special Revenue Funds			
	Vital Statistics - 025	CC Records Management - 026	Vital Statistics District Court - 027	County Clerk Record Archive - 040
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines	700	12,021	76	8,325
Intergovernmental				
Earnings on Investments				
Miscellaneous				
Total Revenues	<u>700</u>	<u>12,021</u>	<u>76</u>	<u>8,325</u>
Expenditures				
Current:				
Administration of justice		11,785		
Public safety				
Capital Outlay				
Total Expenditures		<u>11,785</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>700</u>	<u>236</u>	<u>76</u>	<u>8,325</u>
Other Financing Sources (Uses)				
Transfers in				
Total other financing sources (uses)				
Net change in fund balances	700	236	76	8,325
Fund balances - beginning of year	<u>8,221</u>	<u>32,192</u>	<u>235</u>	<u>32,086</u>
Fund balances - end of year	<u>\$ 8,921</u>	<u>\$ 32,428</u>	<u>\$ 311</u>	<u>\$ 40,411</u>

Special Revenue Funds

Justice Court Tech PCT 3 - 041	Court Reporter - 042	Justice Court Technology - 043	County Clerk Probate Fund - 044	Election Contracting - 045	Transaction Fee JP 1/SO - 046
\$ 728	\$ 1,455	\$ 4,694	\$ 220	\$ 2,348	\$ 2,562
<u>728</u>	<u>1,455</u>	<u>4,694</u>	<u>220</u>	<u>2,348</u>	<u>2,562</u>
185		2,260			3,560
<u>185</u>	<u></u>	<u>2,260</u>	<u></u>	<u></u>	<u>3,560</u>
543	1,455	2,434	220	2,348	(998)
				1,750	
				1,750	
543	1,455	2,434	220	4,098	(998)
4,458	10,749	1,005	488		11,095
<u>\$ 5,001</u>	<u>\$ 12,204</u>	<u>\$ 3,439</u>	<u>\$ 708</u>	<u>\$ 4,098</u>	<u>\$ 10,097</u>

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2010

	Special Revenue Funds			
	County Court Technology - 047	District Court Technology - 048	LEOSE- Sheriff's Office - 049	LEOSE- Constable Precinct #3 - 050
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines	16	523		
Intergovernmental			2,272	
Earnings on Investments				
Miscellaneous				
Total Revenues	<u>16</u>	<u>523</u>	<u>2,272</u>	
Expenditures				
Current:				
Administration of justice				
Public safety			1,680	
Capital Outlay				
Total Expenditures			<u>1,680</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16</u>	<u>523</u>	<u>592</u>	
Other Financing Sources (Uses)				
Transfers in				
Total other financing sources (uses)				
Net change in fund balances	16	523	592	
Fund balances - beginning of year			<u>261</u>	
Fund balances - end of year	<u>\$ 16</u>	<u>\$ 523</u>	<u>\$ 853</u>	<u>\$</u>

Special Revenue Funds

Law Library Fund - 051	Records Mgmt Preservation - 052	Courthouse Security - 053	District Clerk Records Preservation- 054	County Judge Judiciary Fund - 055	Justice Court Bldg Security - 056
\$ 5,425	\$ 623	\$ 8,664	\$ 2,232	\$ 2,489	\$ 1,317
<u>5,425</u>	<u>623</u>	<u>8,664</u>	<u>2,232</u>	<u>2,489</u>	<u>1,317</u>
4,004		300		2,902	
<u>4,004</u>	<u></u>	<u>300</u>	<u></u>	<u>2,902</u>	<u></u>
<u>1,421</u>	<u>623</u>	<u>8,364</u>	<u>2,232</u>	<u>(413)</u>	<u>1,317</u>
<u>1,421</u>	<u>623</u>	<u>8,364</u>	<u>2,232</u>	<u>(413)</u>	<u>1,317</u>
<u>25,301</u>	<u>9,968</u>	<u>67,623</u>	<u>6,932</u>	<u>7,319</u>	<u>6,217</u>
<u>\$ 26,722</u>	<u>\$ 10,591</u>	<u>\$ 75,987</u>	<u>\$ 9,164</u>	<u>\$ 6,906</u>	<u>\$ 7,534</u>

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2010

	Special Revenue Funds			
	Supplemental Guardianship Fund - 057	Sheriff Trust - 087	VIT Escrow - 089	County Attorney CK Coll - 090
Revenues				
Taxes	\$	\$	\$	\$
Fees and fines	879	1,298		7,074
Intergovernmental				
Earnings on Investments			142	
Miscellaneous		1,750		
Total Revenues	<u>879</u>	<u>3,048</u>	<u>142</u>	<u>7,074</u>
Expenditures				
Current:				
Administration of justice			331	5,450
Public safety				
Capital Outlay				
Total Expenditures			<u>331</u>	<u>5,450</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>879</u>	<u>3,048</u>	<u>(189)</u>	<u>1,624</u>
Other Financing Sources (Uses)				
Transfers in				
Total other financing sources (uses)				
Net change in fund balances	879	3,048	(189)	1,624
Fund balances - beginning of year	<u>2,440</u>	<u>8,644</u>	<u>366</u>	<u>463</u>
Fund balances - end of year	<u>\$ 3,319</u>	<u>\$ 11,692</u>	<u>\$ 177</u>	<u>\$ 2,087</u>

Capital Project Funds

Phase 2 - Construction Fund - 062	TOTALS
\$	\$
	61,180
285,454	290,215
	142
	1,750
<u>285,454</u>	<u>353,287</u>
	30,777
	1,680
287,433	287,433
<u>287,433</u>	<u>319,890</u>
<u>(1,979)</u>	<u>33,397</u>
	<u>1,750</u>
	<u>1,750</u>
(1,979)	35,147
	236,063
<u>\$ (1,979)</u>	<u>\$ 271,210</u>

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HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues				
Property taxes	\$ 149,199	\$ 149,199	\$ 174,422	\$ 25,223
Earnings on investments	2,000	2,000	116	(1,884)
Total Revenues	<u>151,199</u>	<u>151,199</u>	<u>174,538</u>	<u>23,339</u>
Expenditures				
Debt Service:				
Principal and interest	129,000	129,000	129,000	
Interest and fiscal charges	20,199	20,199	20,199	
Total Expenditures	<u>149,199</u>	<u>149,199</u>	<u>149,199</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,000</u>	<u>2,000</u>	<u>25,339</u>	<u>23,339</u>
Net Changes in Fund Balances	2,000	2,000	25,339	23,339
Fund Balances - Beginning of Year	<u>23,671</u>	<u>23,671</u>	<u>23,671</u>	
Fund Balances - End of Year	<u><u>\$ 25,671</u></u>	<u><u>\$ 25,671</u></u>	<u><u>\$ 49,010</u></u>	<u><u>\$ 23,339</u></u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
VITAL STATISTICS FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 1,548	\$ 700	\$ (848)
Total Revenues	<u>1,548</u>	<u>700</u>	<u>(848)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>1,548</u>	<u>700</u>	<u>(848)</u>
Net Changes in Fund Balances	1,548	700	(848)
Fund Balances - Beginning of Year	<u>8,221</u>	<u>8,221</u>	
Fund Balances - End of Year	<u>\$ 9,769</u>	<u>\$ 8,921</u>	<u>\$ (848)</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 13,574	\$ 12,021	\$ (1,553)
Total Revenues	<u>13,574</u>	<u>12,021</u>	<u>(1,553)</u>
Expenditures			
Current:			
Administration of justice	37,500	11,786	25,714
Total Expenditures	<u>37,500</u>	<u>11,786</u>	<u>25,714</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(23,926)</u>	<u>235</u>	<u>24,161</u>
Net Changes in Fund Balances	(23,926)	235	24,161
Fund Balances - Beginning of Year	<u>32,193</u>	<u>32,193</u>	
Fund Balances - End of Year	<u>\$ 8,267</u>	<u>\$ 32,428</u>	<u>\$ 24,161</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
VITAL STATISTICS DISTRICT FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 76	\$ 76	\$
Total Revenues	<u>76</u>	<u>76</u>	
Expenditures			
Current:			
Administration of justice	288		288
Total Expenditures	<u>288</u>		<u>288</u>
Net Changes in Fund Balances	(212)	76	288
Fund Balances - Beginning of Year	<u>235</u>	<u>235</u>	
Fund Balances - End of Year	<u>\$ 23</u>	<u>\$ 311</u>	<u>\$ 288</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS ARCHIVE FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 10,305	\$ 8,325	\$ (1,980)
Total Revenues	<u>10,305</u>	<u>8,325</u>	<u>(1,980)</u>
Expenditures			
Current:			
Administration of justice	43,000		43,000
Total Expenditures	<u>43,000</u>		<u>43,000</u>
Net Changes in Fund Balances	(32,695)	8,325	41,020
Fund Balances - Beginning of Year	<u>32,086</u>	<u>32,086</u>	
Fund Balances - End of Year	<u>\$ (609)</u>	<u>\$ 40,411</u>	<u>\$ 41,020</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY PRECINCT 3 FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 1,000	\$ 728	\$ (272)
Earnings on investments			
Miscellaneous			
Total Revenues	<u>1,000</u>	<u>728</u>	<u>(272)</u>
Expenditures			
Current:			
Administration of justice	<u>3,200</u>	<u>185</u>	<u>3,015</u>
Total Expenditures	<u>3,200</u>	<u>185</u>	<u>3,015</u>
Net Changes in Fund Balances	(2,200)	543	2,743
Fund Balances - Beginning of Year	<u>4,458</u>	<u>4,458</u>	
Fund Balances - End of Year	<u>\$ 2,258</u>	<u>\$ 5,001</u>	<u>\$ 2,743</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT REPORTER FUND
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance from Amended Positive (Negative)
Revenues			
Fees and Fines	\$ 1,680	\$ 1,455	\$ (225)
Total Revenues	<u>1,680</u>	<u>1,455</u>	<u>(225)</u>
Expenditures			
Current:			
Administration of justice	10,400		10,400
Total Expenditures	<u>10,400</u>		<u>10,400</u>
Net Changes in Fund Balances	(8,720)	1,455	10,175
Fund Balances - Beginning of Year	<u>10,749</u>	<u>10,749</u>	
Fund Balances - End of Year	<u><u>\$ 2,029</u></u>	<u><u>\$ 12,204</u></u>	<u><u>\$ 10,175</u></u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT TECHNOLOGY FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 5,457	\$ 4,694	\$ (763)
Total Revenues	<u>5,457</u>	<u>4,694</u>	<u>(763)</u>
Expenditures			
Current:			
Administration of justice	7,901	2,260	5,641
Total Expenditures	<u>7,901</u>	<u>2,260</u>	<u>5,641</u>
Net Changes in Fund Balances	(2,444)	2,434	4,878
Fund Balances - Beginning of Year	<u>1,005</u>	<u>1,005</u>	
Fund Balances - End of Year	<u>\$ (1,439)</u>	<u>\$ 3,439</u>	<u>\$ 4,878</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK PROBATE
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 330	\$ 220	\$ (110)
Total Revenues	<u>330</u>	<u>220</u>	<u>(110)</u>
Expenditures			
Current:			
Administration of justice	600		600
Total Expenditures	<u>600</u>		<u>600</u>
Net Changes in Fund Balances	(270)	220	490
Fund Balances - Beginning of Year	<u>488</u>	<u>488</u>	
Fund Balances - End of Year	<u>\$ 218</u>	<u>\$ 708</u>	<u>\$ 490</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ELECTION CONTRACTING FUND
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance from Amended Positive (Negative)
Revenues			
Fees and Fines	\$	2,348	\$ 2,348
Total Revenues		<u>2,348</u>	<u>2,348</u>
Net Changes in Fund Balances		4,098	4,098
Fund Balances - Beginning of Year			
Fund Balances - End of Year	<u>\$</u>	<u>4,098</u>	<u>\$ 4,098</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TRANSACTION FEE JUSTICE OF THE PEACE FUND
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance from Amended Positive (Negative)
Revenues			
Fees and Fines	\$ 3,070	\$ 2,562	\$ (508)
Total Revenues	<u>3,070</u>	<u>2,562</u>	<u>(508)</u>
Expenditures			
Current:			
Public Safety	14,000	3,561	10,439
Total Expenditures	<u>14,000</u>	<u>3,561</u>	<u>10,439</u>
Net Changes in Fund Balances	(10,930)	(999)	9,931
Fund Balances - Beginning of Year	<u>11,096</u>	<u>11,096</u>	
Fund Balances - End of Year	<u>\$ 166</u>	<u>\$ 10,097</u>	<u>\$ 9,931</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY COURT TECHNOLOGY FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 1,000	\$ 16	\$ (984)
Total Revenues	<u>1,000</u>	<u>16</u>	<u>(984)</u>
Expenditures			
Current:			
Administration of justice	1,000		1,000
Total Expenditures	<u>1,000</u>		<u>1,000</u>
Net Changes in Fund Balances		16	16
Fund Balances - Beginning of Year			
Fund Balances - End of Year	<u>\$</u>	<u>\$ 16</u>	<u>\$ 16</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT COURT TECHNOLOGY FUND
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance from Amended Positive (Negative)
Revenues			
Fees and fines	\$ 500	\$ 523	\$ 23
Total Revenues	<u>500</u>	<u>523</u>	<u>23</u>
Expenditures			
Current:			
Administration of justice	500		500
Total Expenditures	<u>500</u>		<u>500</u>
Net Changes in Fund Balances		523	523
Fund Balances - Beginning of Year			
Fund Balances - End of Year	<u>\$</u>	<u>\$ 523</u>	<u>\$ 523</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LEOSE FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 2,409	\$ 2,272	\$ (137)
Total Revenues	<u>2,409</u>	<u>2,272</u>	<u>(137)</u>
Expenditures			
Current:			
Public safety	2,670	1,680	990
Total Expenditures	<u>2,670</u>	<u>1,680</u>	<u>990</u>
Net Changes in Fund Balances	(261)	592	853
Fund Balances - Beginning of Year	<u>261</u>	<u>261</u>	
Fund Balances - End of Year	<u>\$</u>	<u>\$ 853</u>	<u>\$ 853</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LEOSE CONSTABLE FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 660	\$	\$ (660)
Total Revenues	<u>660</u>	<u></u>	<u>(660)</u>
Net Changes in Fund Balances	660		(660)
Fund Balances - Beginning of Year			
Fund Balances - End of Year	<u>\$ 660</u>	<u>\$</u>	<u>\$ (660)</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY FUND
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance from Amended Positive (Negative)
Revenues			
Fines and fees	\$ 6,320	\$ 5,425	\$ (895)
Total Revenues	<u>6,320</u>	<u>5,425</u>	<u>(895)</u>
Expenditures			
Current:			
Administration of justice	31,500	4,004	27,496
Total Expenditures	<u>31,500</u>	<u>4,004</u>	<u>27,496</u>
Net Changes in Fund Balances	(25,180)	1,421	26,601
Fund Balances - Beginning of Year	<u>25,301</u>	<u>25,301</u>	
Fund Balances - End of Year	<u>\$ 121</u>	<u>\$ 26,722</u>	<u>\$ 26,601</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS MANAGEMENT PRESERVATION FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 300	\$ 623	\$ 323
Total Revenues	<u>300</u>	<u>623</u>	<u>323</u>
 Net Changes in Fund Balances	 300	 623	 323
 Fund Balances - Beginning of Year	 <u>9,968</u>	 <u>9,968</u>	
Fund Balances - End of Year	<u>\$ 10,268</u>	<u>\$ 10,591</u>	<u>\$ 323</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURTHOUSE SECURITY FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and fines	\$ 10,425	\$ 8,664	\$ (1,761)
Total Revenues	<u>10,425</u>	<u>8,664</u>	<u>(1,761)</u>
Expenditures			
Current:			
Administration of justice	78,000	300	77,700
Total Expenditures	<u>78,000</u>	<u>300</u>	<u>77,700</u>
Net Changes in Fund Balances	(67,575)	8,364	75,939
Fund Balances - Beginning of Year	<u>67,623</u>	<u>67,623</u>	
Fund Balances - End of Year	<u>\$ 48</u>	<u>\$ 75,987</u>	<u>\$ 75,939</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK RECORDS PRESERVATION FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and fines	\$ 2,350	\$ 2,232	\$ (118)
Total Revenues	<u>2,350</u>	<u>2,232</u>	<u>(118)</u>
 Net Changes in Fund Balances	 2,350	 2,232	 (118)
 Fund Balances - Beginning of Year	 <u>6,932</u>	 <u>6,932</u>	 <u></u>
Fund Balances - End of Year	<u>\$ 9,282</u>	<u>\$ 9,164</u>	<u>\$ (118)</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY JUDGE JUDICIARY FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 1,213	\$ 2,489	\$ 1,276
Total Revenues	<u>1,213</u>	<u>2,489</u>	<u>1,276</u>
Expenditures			
Current:			
Administration of justice	8,500	2,901	5,599
Total Expenditures	<u>8,500</u>	<u>2,901</u>	<u>5,599</u>
Net Changes in Fund Balances	(7,287)	(412)	6,875
Fund Balances - Beginning of Year	<u>7,318</u>	<u>7,318</u>	
Fund Balances - End of Year	<u>\$ 31</u>	<u>\$ 6,906</u>	<u>\$ 6,875</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
JUSTICE COURT BUILDING SECURITY FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 1,557	\$ 1,317	\$ (240)
Total Revenues	<u>1,557</u>	<u>1,317</u>	<u>(240)</u>
 Net Changes in Fund Balances	 1,557	 1,317	 (240)
 Fund Balances - Beginning of Year	 <u>6,217</u>	 <u>6,217</u>	
Fund Balances - End of Year	<u>\$ 7,774</u>	<u>\$ 7,534</u>	<u>\$ (240)</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SUPPLEMENTAL GUARDIANSHIP FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$ 100	\$ 880	\$ 780
Total Revenues	<u>100</u>	<u>880</u>	<u>780</u>
 Net Changes in Fund Balances	 100	 880	 780
 Fund Balances - Beginning of Year	 <u>2,439</u>	 <u>2,439</u>	 <u></u>
Fund Balances - End of Year	<u>\$ 2,539</u>	<u>\$ 3,319</u>	<u>\$ 780</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF TRUST FUND
For the Year Ended September 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
Revenues			
Fees and Fines	\$	\$ 1,298	\$ 1,298
Miscellaneous		1,750	1,750
Total Revenues		<u>3,048</u>	<u>3,048</u>
 Net Changes in Fund Balances		 3,048	 (3,048)
 Fund Balances - Beginning of Year	 8,644	 8,644	
Fund Balances - End of Year	<u>\$ 8,644</u>	<u>\$ 11,692</u>	<u>\$ (3,048)</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
VIT ESCROW FUND
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance from Amended Positive (Negative)
Revenues			
Miscellaneous	\$ 76	\$ 142	\$ 66
Total Revenues	<u>76</u>	<u>142</u>	<u>66</u>
Expenditures			
Current:			
Judicial and law enforcement	332	332	
Total Expenditures	<u>332</u>	<u>332</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(256)	(190)	66
Net Changes in Fund Balances	(256)	(190)	66
Fund Balances - Beginning of Year	<u>367</u>	<u>367</u>	
Fund Balances - End of Year	<u>\$ 111</u>	<u>\$ 177</u>	<u>\$ 66</u>

HAMILTON COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY ATTORNEY FUND
For the Year Ended September 30, 2010

	Final Budget	Actual	Variance from Amended Positive (Negative)
Revenues			
Miscellaneous	\$ 7,808	\$ 7,074	\$ (734)
Total Revenues	<u>7,808</u>	<u>7,074</u>	<u>(734)</u>
Expenditures			
Current:			
Administration of justice	9,000	5,452	3,548
Total Expenditures	<u>9,000</u>	<u>5,452</u>	<u>3,548</u>
Net Changes in Fund Balances	(1,192)	1,622	2,814
Fund Balances - Beginning of Year	<u>465</u>	<u>465</u>	
Fund Balances - End of Year	<u>\$ (727)</u>	<u>\$ 2,087</u>	<u>\$ 2,814</u>

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Agency Funds

Historical Commission Trust Fund

This fund is used to account for receipts collected by Hamilton County Historical Commission and deposited with the County to be disbursed as directed for historical preservation activity.

State Fees

This fund is used to account for the receipt and remittance of fees and court costs collected by the County that are solely due to the State.

Probation

This fund is used to account for the expenditure of funds remaining from pre-1978 probation fees.

Child Support

This fund is used to account for receipts collected for child support due to others.

County Clerk

This fund is used to account for funds placed in the trust account by court order pending adjudication.

District Clerk

This fund is used to account for funds placed in the trust account by court order pending adjudication or monies held in trust for minors.

Other Agency

These funds account for various small fees that are to be remitted to other agencies.

HAMILTON COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
September 30, 2010

	Private-Purpose Trust Fund	Agency Funds		
	Historical Commission Trust Fund	State Fees	Probation	Child Support
Assets				
Cash and cash equivalents	\$ 3,296	\$ 42,146	\$ 2,899	\$ 193
Total Assets	\$ 3,296	\$ 42,146	\$ 2,899	\$ 193
Liabilities				
Accounts payable	\$ 90	\$	\$	\$
Due to other governments		42,146		193
Due to others				
Total Liabilities		42,146		193
Net Assets				
Held in trust	\$ 3,206	\$	\$ 2,899	\$

The accompanying notes are an integral part of these financial statements.

Agency Funds

<u>County Clerk</u>	<u>District Clerk</u>	<u>Other Agency</u>	<u>Total Agency Funds</u>
\$ 23,410	\$ 1,039,044	\$ 93,071	\$ 1,200,763
<u>\$ 23,410</u>	<u>\$ 1,039,044</u>	<u>\$ 93,071</u>	<u>\$ 1,200,763</u>
\$	\$	\$ 93,071	\$ 93,071
23,410	1,039,044	93,071	65,749
<u>23,410</u>	<u>1,039,044</u>	<u>93,071</u>	<u>1,039,044</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,899</u>