

**COUNTY OF  
HAMILTON, TEXAS**

**ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**SEPTEMBER 30, 2011**

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



**HAMILTON COUNTY, TEXAS**  
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# 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  
Mark Tafel ..... Commissioner, Precinct 2  
Jon Bonner ..... Commissioner, Precinct 3  
Dickie Clary ..... 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, 2011, 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, 2011, 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 May 29, 2012, 2012, 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 34 through 37 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.

*Whitley Penn LLP*

Houston, Texas  
May 29, 2012

## **HAMILTON COUNTY, TEXAS**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The *Management's Discussion and Analysis* of the County of Hamilton's Annual Financial Report (AFR) presents a discussion and analysis of the County's financial performance during the fiscal year that ended September 30, 2011.

#### **Financial Highlights**

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by 9.6 million (net assets). Of this amount, \$1.4 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 1.3 million.
- As of the close of the current fiscal year, the County's governmental funds reported a combined ending fund balance of 1.7 million, a decrease of .2 million from the prior year.
- At the end of the current fiscal year approximately \$698,000 is available for spending at the government's discretion (unreserved, undesignated general fund balance). This fund balance amounts to 21% of total general fund expenditures budgeted in 2012.
- The County's total long-term liabilities increased during the current fiscal year. The increase was primarily due to the issuance of Certificates of Obligation in the amount of \$600,000. These funds were needed to provide the required matching funds to participate in the Phase 2 Courthouse Restoration Project in conjunction with the Texas Historical Commission.

#### **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 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 property taxes. The governmental activities of the County include general government, administration of justice, law enforcement, public safety, highway and streets, health and welfare, conservation, and interest on long-term debt. The government-wide financial statements can be found on pages 12 and 13 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, Phase 2 Construction Fund, and Road and Bridge Fund Precinct 3, all of which are considered to be major funds. Data from the other 29 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 14 through 17 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 18 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 19 through 32 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 Precinct 3 Fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 34 through 37 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 \$9.7 million at the close of the most recent fiscal year.

By far, the largest portion of the County's net assets, \$7.5 million ( 78 %), 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.

**CONDENSED SCHEDULE OF NET ASSETS**  
**September 30, 2011 and 2010**

	<b>Primary Government Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
Current and other assets	\$ 3,109,756	\$ 3,387,206
Capital assets, net	8,378,521	6,407,101
<b>Total Assets</b>	<b>11,488,277</b>	<b>9,794,307</b>
Long-term liabilities	1,213,712	805,179
Other liabilities	623,859	699,590
<b>Total Liabilities</b>	<b>1,837,571</b>	<b>1,504,769</b>
Net Assets:		
Invested in capital assets, net of debt	7,549,091	5,924,311
Restricted	677,530	652,535
Unrestricted	1,424,085	1,712,692
<b>Total Net Assets</b>	<b>\$ 9,650,706</b>	<b>\$ 8,289,538</b>

**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, \$1.4 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 \$1.2 million from 2010 to 2011 as shown by the increase in net assets. Overall total assets increased due to construction in progress and the purchase of other assets.

**CONDENSED SCHEDULE OF CHANGES IN NET ASSETS**

*For the years ended September 30, 2011 and 2010*

	<b>Primary Government Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,561,681	\$ 1,510,330
Operating grants and contributions	58,231	154,762
Capital grants and contributions	1,881,910	1,191,298
General revenues:		
Property taxes	2,522,573	2,738,945
Sales and use taxes	252,651	233,064
Earnings on investments	5,336	6,573
Other	212,253	6,056
<b>Total Revenues</b>	<b>6,494,635</b>	<b>5,841,028</b>
<b>Expenses</b>		
General administration	1,364,596	1,518,489
Administration of justice	542,028	524,465
Highways and streets	1,508,852	1,418,971
Health and welfare	66,273	79,439
Environmental	1,142	2,741
Public safety	1,743,358	1,652,286
Interest on long-term debt	61,325	33,420
<b>Total Expenses</b>	<b>5,287,574</b>	<b>5,229,811</b>
Change in Net Assets	1,207,061	611,217
<b>Net Assets, Beginning</b>	<b>8,443,636</b>	<b>7,832,419</b>
<b>Net Assets, Ending</b>	<b>\$ 9,650,697</b>	<b>\$ 8,443,636</b>

The total costs of all functions and programs was \$5.3 million. Ninety-nine percent (99%) of these costs relate directly to the costs of providing services.

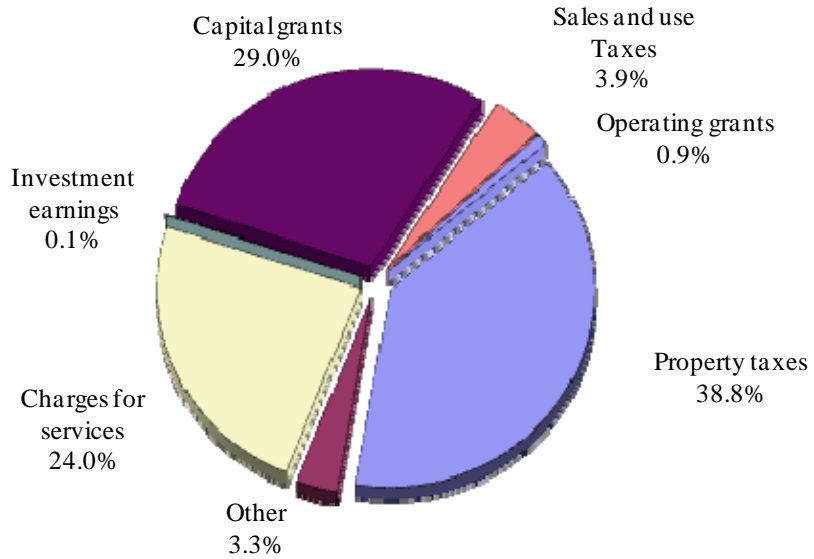
Total revenues increased mainly due to increased capital grants for the Courthouse Restoration project, Tax revenues decreased due to lowering the tax rate and the increasingly negative effect of frozen tax rates and values for individuals 65 and over. Expenses were decreased in general administration by 10% due to the County's concerted efforts to decrease administrative costs. Public Safety expenses continue to rise, as do Highways and Streets.



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

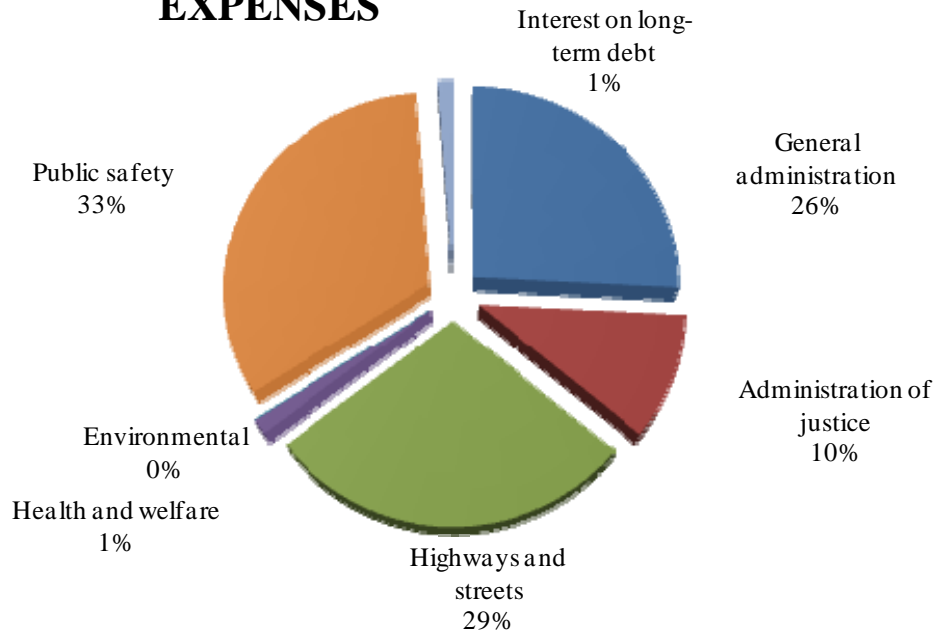
Governmental revenues for fiscal year 2011 are graphically displayed as follows:

**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 \$1.7 million. Of this amount, \$698,000 is unreserved and available for day-to-day operations of the County. In addition, \$31,000 is reserved for debt service and \$340,000 for capital projects. The special revenue fund balance of \$649,000 is available for specific purposes of the special revenue funds.

There was a decrease in the combined fund balance of all governmental funds of \$338,000 from the prior year. This decrease primarily relates to three funds. The General Fund decreased by \$148,000, Tax Notes 2008 decreased by \$118,000 and Road and Bridge Precinct #4 decreased by \$105,000. The General Fund's shortfall can mainly be attributed to lower than expected property taxes and fees and fines. The Tax Note Series 2008 capital projects fund balance decreased as a result of capital outlay expenditures of \$119,000 to fund the completion of Phase 1 of the County's courthouse restoration project. The Road and Bridge Precinct #4 budgeted deficit spending in the amount of \$113,000.

**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 \$258,628 below final budget amounts. The positive variance is attributable to reduced spending in departmental budgets throughout all functions.

Revenues were a total of \$72,702 less than expected. The largest negative variances are a result of lower fees and fines and property taxes. Property taxes were 4% lower than budget, while fees and fines were 21% lower than budgeted amounts.

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 2011, the County's governmental activities had invested \$8.4 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 \$2.5 million, offset by \$450,000 in depreciation expense, showing a net increase in Capital Assets of approximately \$2.0 million over the previous fiscal year. The majority of the capital acquisitions relate to the restoration of the courthouse.

**CAPITAL ASSETS**

	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
<b>Non-Depreciable Assets</b>		
Land and intangibles	\$ 30,407	\$ 30,407
Construction in progress	5,800,107	3,393,253
<b>Other Capital Assets, Net</b>		
Vehicles	325,650	480,678
Machinery and equipment	624,734	823,531
Buildings, facilities and improvements	1,060,950	1,107,140
Infrastructure	536,670	572,090
<b>Totals</b>	<b>\$ 8,378,518</b>	<b>\$ 6,407,099</b>

**Long-Term Debt** - At the end of the current fiscal year, the County had total debt outstanding of \$1,169,083. This is an increase of \$399,591 from the prior year due to the issuance of \$600,000 in Certificates of Obligation which was offset by principal payments made during the year.

	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
Tax Notes	\$ 453,000	\$ 557,000
Certificates of Obligation	600,000	-
Capital Leases	116,083	212,492
<b>Total</b>	<b>\$ 1,169,083</b>	<b>\$ 769,492</b>

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 2012 budget preparation is up \$3 million, or 1%, from 2011. New construction for 2012 is down from previous years at \$5.2 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 2012 is \$77 million which amounts to 16% of appraised values. If tax rates continue to decline more of the tax burden will shift to the under 65 taxpayer.
- General operating fund spending decreases in the 2012 budget from \$3,454,100 in 2011 to \$3,282,364. This is a 5% decrease.

Overall property tax revenue will continue to decrease if tax rates are not increased. The County will likely be unable to continue 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**

# HAMILTON COUNTY, TEXAS

## STATEMENT OF NET ASSETS

September 30, 2011

	<b>Primary Government Governmental Activities</b>
<b>Assets</b>	
Cash and equivalents	\$ 1,753,161
Receivables:	
Taxes, net	202,150
Due from other governments	398,625
Fees and fines	618,110
Other	137,710
Internal balances	
Capital assets, not being depreciated	5,830,514
Capital assets, net of accumulated depreciation	2,548,007
<b>Total Assets</b>	<b>11,488,277</b>
<b>Liabilities</b>	
Accounts payable and accrued expenses	423,218
Accrued payroll	188,331
Accrued interest payable	12,310
Long-term liabilities due within one-year	170,073
Long-term liabilities due in more than one-year	1,043,639
<b>Total Liabilities</b>	<b>1,837,571</b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	7,549,091
Restricted for:	
Debt Service	27,534
Road and Bridge	378,281
Other	271,715
Unrestricted	1,424,085
<b>Total net assets</b>	<b>\$ 9,650,706</b>

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

HAMILTON COUNTY, TEXAS  
 STATEMENT OF ACTIVITIES  
 For the year ended September 30, 2011

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 Governmental Activities
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
General administration	\$ 1,364,596	\$ 766,963	\$ 28,158	\$ 1,876,743	\$ 1,307,268
Administration of justice	542,028	85,202	27,696		(429,130)
Highways and Streets	1,508,852	499,807			(1,009,045)
Health and welfare	66,273		2,377		(63,896)
Conservation	1,142				(1,142)
Public safety	1,743,358	209,709		5,167	(1,528,482)
Interest on long-term debt	61,325				(61,325)
<b>Total Primary Government</b>	<u>\$ 5,287,574</u>	<u>\$ 1,561,681</u>	<u>\$ 58,231</u>	<u>\$ 1,881,910</u>	<u>(1,785,752)</u>

**General revenues:**

Property taxes, penalties, and interest	2,522,573
Sales and use taxes	252,651
Unrestricted earnings on investments	5,345
Miscellaneous	212,253
<b>Total General Revenues</b>	<u>2,992,822</u>
Changes in Net Assets	1,207,070
<b>Net Assets, Beginning</b>	<u>8,443,636</u>
<b>Net Assets, Ending</b>	<u>\$ 9,650,706</u>

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

**HAMILTON COUNTY, TEXAS****BALANCE SHEET****GOVERNMENTAL FUNDS**

September 30, 2011

	<u>General Fund</u>	<u>Phase 2 - Construction Fund</u>	<u>Road and Bridge Pct 3</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Cash and equivalents	\$ 592,397	\$ 43,200	\$ 317,920	\$ 656,463	\$ 1,609,980
Taxes receivable, net	158,763		8,735	34,652	202,150
Fines and fees receivable, net	594,120				594,120
Other receivables	116,125		3,266	25,751	145,142
Due from other funds	29,258				29,258
Due from other governments	9,167	286,337	3,048	116,631	415,183
<b>Total Assets</b>	<u>\$ 1,499,830</u>	<u>\$ 329,537</u>	<u>\$ 332,969</u>	<u>\$ 833,497</u>	<u>\$ 2,995,833</u>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 58,540	\$ 156,889	\$ 61,379	\$ 19,525	\$ 296,333
Accrued payroll	31,218		2,786	8,259	42,263
Due to other funds				29,258	29,258
Due to other governments				129,852	129,852
Deferred revenue	711,621		8,735	58,562	778,918
<b>Total Liabilities</b>	<u>801,379</u>	<u>156,889</u>	<u>72,900</u>	<u>245,456</u>	<u>1,276,624</u>
Fund Balances:					
Restricted for					
Debt Service				31,109	31,109
Capital Projects		172,648		167,005	339,653
Other			260,069	389,927	649,996
Unassigned	698,451				698,451
<b>Total Fund Balances</b>	<u>698,451</u>	<u>172,648</u>	<u>260,069</u>	<u>588,041</u>	<u>1,719,209</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,499,830</u>	<u>\$ 329,537</u>	<u>\$ 332,969</u>	<u>\$ 833,497</u>	<u>\$ 2,995,833</u>

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



**HAMILTON COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET TO**  
**THE STATEMENT OF NET ASSETS**  
*September 30, 2011*

Total fund balance, governmental funds \$ 1,719,209

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. 8,378,521

Other long-term assets are not available to pay for current-period expenditures and are therefore deferred in the funds. 778,918

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 (1,053,000)

Capital lease obligation (116,083)

Compensated absences (44,629)

Accrued interest is not due and payable in the current period and therefore not reported in the funds. (12,310)

Net Assets of Governmental Activities \$ 9,650,626

*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, 2011

	<b>General Fund</b>	<b>Phase 2 - Construction Fund</b>	<b>Road and Bridge Pct 3</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Property taxes	\$ 1,960,136	\$	\$ 136,271	\$ 529,240	\$ 2,625,647
Sales and use taxes	252,651				252,651
Fees and fines	370,076		119,919	303,896	793,891
Intergovernmental	580,685	1,876,743	5,032	133,018	2,595,478
Earnings on investments	2,949	432	768	1,196	5,345
Miscellaneous	214,901		4,370	84,267	303,538
<b>Total Revenues</b>	<b>3,381,398</b>	<b>1,877,175</b>	<b>266,360</b>	<b>1,051,617</b>	<b>6,576,550</b>
<b>Expenditures</b>					
Current:					
General administration	1,238,677			39,290	1,277,967
Public safety	1,640,484				1,640,484
Administration of justice	503,816			18,591	522,407
Health and welfare	66,273				66,273
Conservation	1,142				1,142
Highways and streets			279,960	950,657	1,230,617
<b>Capital Outlay</b>	<b>79,218</b>	<b>2,282,871</b>		<b>152,410</b>	<b>2,514,499</b>
<b>Debt Service:</b>					
Principal			46,203	154,320	200,523
Interest and fiscal charges			2,131	39,402	41,533
<b>Total Expenditures</b>	<b>3,529,610</b>	<b>2,282,871</b>	<b>328,294</b>	<b>1,354,670</b>	<b>7,495,445</b>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(148,212)	(405,696)	(61,934)	(303,053)	(918,895)
<b>Other Financing Sources (Uses)</b>					
Bond issuance		580,322			580,322
<b>Total other financing sources (uses)</b>		<b>580,322</b>			<b>580,322</b>
Net change in fund balances	(148,212)	174,626	(61,934)	(303,053)	(338,573)
<b>Fund balances - beginning</b>	<b>846,663</b>	<b>(1,978)</b>	<b>322,003</b>	<b>891,094</b>	<b>2,057,782</b>
<b>Fund balances - ending</b>	<b>\$ 698,451</b>	<b>\$ 172,648</b>	<b>\$ 260,069</b>	<b>\$ 588,041</b>	<b>\$ 1,719,209</b>

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

**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, 2011**

Net change in fund balances - total governmental funds:	\$ (338,573)
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 (\$2.5 million) exceeded depreciation expense (\$0.5 million) in the current period.	2,036,104
Governmental funds report the entire net sales prices (proceeds) from the sales of assets as revenue because they provide current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the costs of assets sold.	(64,684)
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.	(17,222)
Principal payments on debt are reported as expenditures in governmental funds but not as expenses in the government-wide statements.	200,409
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.	<u>(8,964)</u>
Change in net assets of governmental activities	<u>\$ 1,207,070</u>

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

**HAMILTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
*September 30, 2011*

	<b>Private-Purpose Trust Fund</b>	
	<b>Historical Commission Trust Fund</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,666	\$ 155,194
<b>Total Assets</b>	<b>\$ 1,666</b>	<b>\$ 155,194</b>
<b>Liabilities</b>		
Accounts payable	\$ 187	\$ 101,952
Due to other governments		50,338
Due to others		2,904
<b>Total Liabilities</b>	<b>\$ 187</b>	<b>\$ 155,194</b>
<b>Net Assets</b>		
Held in trust	<b>\$ 1,479</b>	

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*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. 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.

**Tax Note Series 2008-Capital Projects Fund**

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

**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 maintenance and construction purposes.

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

**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.

**D. 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.

**E. Temporary Investments**

The County's temporary investments are typically 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 typically reported at fair value. The County held no temporary investments at year end.

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

**F. Receivables**

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

**G. 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).

**H. 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.

**J. 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:

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



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

**Note 1 - Summary of Significant Accounting Policies (continued)**

**K. 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.

**L. 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.

**M. 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.

**O. 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.

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

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

**A. Authorization for Deposits and Investments (continued)**

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, 2011.

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, 2011, 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.

**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:

	<b>Total Fair Value</b>
Cash deposits	\$ 1,753,161
<b>Total cash deposits</b>	<b>\$ 1,753,161</b>

**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.

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

**Note 3 - Receivables**

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2011, were as follows:

	<b>General Fund</b>	<b>Road and Bridge Pct 3</b>	<b>Non Major Funds</b>	<b>Totals</b>
Receivables:				
Taxes	\$ 158,763	\$ 8,735	\$ 34,652	\$ 202,150
Grants	9,167	-	389,458	398,625
Fees & fines	1,247,601		42,879	1,290,480
Other	116,125		21,585	137,710
Gross receivables	1,531,656	8,735	488,574	2,028,965
Less: allowance for uncollectibles	(653,481)		(18,889)	(672,370)
<b>Total</b>	<b>\$ 878,175</b>	<b>\$ 8,735</b>	<b>\$ 469,685</b>	<b>\$ 1,356,595</b>

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, 2011, the various components of deferred revenue reported in the governmental funds are as follows:

	<b>Unavailable</b>
Delinquent property taxes	\$ 160,888
Fees and fines	618,110
<b>Total deferred revenue for governmental funds</b>	<b>\$ 778,998</b>

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

**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 Hamilton County Appraisal District(CAD) .

**A. 2010 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 2011 fiscal year (2010 tax year), the County levied property taxes of \$0.5616 per \$100 of assessed valuation. The 2010 rates resulted in total tax levies of approximately \$2.6 million based on a total adjusted valuation of approximately \$500 million. However, taxes were levied at a rate of only \$0.5361 due to an error at the CAD. Taxes will be assessed for an additional \$110 thousand dollars during the 2012 fiscal year to correct this error.

**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.

**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, 2011, there were the following interfund receivables and payables outstanding:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General Fund	\$ 29,258	\$
Other Governmental Funds		29,258
Total Governmental Activity	<u>\$ 29,258</u>	<u>\$ 29,258</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, 2011, follows:

	Primary Government			Balance 09/30/11
	Balance 10/01/10	Increases	Decreases	
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 30,407	\$	\$	\$ 30,407
CIP	3,393,251	2,406,856		5,800,107
<b>Total capital assets not being depreciated</b>	<b>3,423,658</b>	<b>2,406,856</b>		<b>5,830,514</b>
Other capital assets:				
Vehicles	1,358,716	27,837	(164,301)	1,222,252
Machinery and equipment	3,153,491	51,380	(165,000)	3,039,871
Buildings, facilities and improvements	1,994,818			1,994,818
Infrastructure	17,773,284			17,773,284
<b>Total other capital assets</b>	<b>24,280,309</b>	<b>79,217</b>	<b>(329,301)</b>	<b>24,030,225</b>
Accumulated depreciation for:				
Vehicles	(878,038)	(171,219)	152,655	(896,602)
Machinery and equipment	(2,329,960)	(197,141)	111,964	(2,415,137)
Buildings, facilities and improvements	(887,676)	(46,189)		(933,865)
Infrastructure	(17,201,194)	(35,420)		(17,236,614)
<b>Total accumulated depreciation</b>	<b>(21,296,868)</b>	<b>(449,969)</b>	<b>264,619</b>	<b>(21,482,218)</b>
Other capital assets, net	2,983,441	(370,752)	(64,682)	2,548,007
<b>Total Net Assets</b>	<b>\$ 6,407,099</b>	<b>\$ 2,036,104</b>	<b>\$ (64,682)</b>	<b>\$ 8,378,521</b>

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

<b>Depreciation Expense</b>	
General Administration	\$ 23,220
Public Safety	123,670
Highway & Streets	288,057
Administration of Justice	15,022
<b>Total Depreciation Expense</b>	<b>\$ 449,969</b>

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

**Note 7 - Long-Term Debt**

**A. General Obligation Debt 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, 2011, is as follows:

<u>Original Issue</u>	<u>Description</u>	<u>Interest Rate</u> <u>%</u>	<u>Matures</u>	<u>Debt</u> <u>Outstanding</u>
<b>Tax Note</b>				
\$ 800,000	Tax Note, Series 2008	3.25	2015	\$ 453,000
<b>Certificate of Obligation</b>				
\$ 600,000	Combination Tax and Revenue Certificates of Obligation, Series 2010	3.73%	2020	\$ 600,000

A summary of long-term liability transactions of the County for the year ended September 30, 2011, follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Within One</u> <u>Year</u>
Tax Note Series 2008	\$ 557,000	\$	\$ 104,000	\$ 453,000	\$ 108,000
Certificates of Obligation		600,000		600,000	9,000
Capital lease obligation	212,492		96,409	116,083	53,073
Compensated Absences	35,687	8,942		44,629	
<b>Total Long-Term Liabilities</b>	<u>\$ 805,179</u>	<u>\$ 608,942</u>	<u>\$ 200,409</u>	<u>\$ 1,213,712</u>	<u>\$ 170,073</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 Debt and Certificates of Obligation (continued)**

Annual debt service requirements to maturity are summarized as follows:

	<b>Tax Notes</b>			<b>Certificates of Obligation</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>	
2012	\$ 108,000	\$ 12,968	\$ 120,968	2012	\$ 9,000	\$ 21,139	\$ 30,139
2013	111,000	9,409	120,409	2013	9,000	20,899	29,899
2014	115,000	5,736	120,736	2014	10,000	20,632	30,632
2015	119,000	1,934	120,934	2015	10,000	20,330	30,330
<b>Totals</b>	<b>\$453,000</b>	<b>\$ 30,047</b>	<b>\$483,047</b>	2016	133,000	17,952	150,952
				2017	138,000	13,309	151,309
				2018	143,000	8,271	151,271
				2019	148,000	2,827	150,827
				<b>Totals</b>	<b>\$ 600,000</b>	<b>\$ 125,359</b>	<b>\$ 725,359</b>

**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, 2011, the County had the following obligations under capital lease:

<b>Purpose</b>	<b>Cost</b>	<b>Year Acquired</b>	<b>Year Matures</b>	<b>Annual Payment</b>	<b>Interest Rate</b>	<b>Balance 9/30/2011</b>
M802AA Pct. 4 - Motor grader	\$ 100,000	2/18/2008	2/18/2013	19,042	4.80%	\$ 42,832
M10-814 Pct. 3 - JD tractor & mower	83,000	8/23/2010	11/18/2013		4.00%	61,622
M909A Pct. 1 - Boom mower	34,189	9/14/2009	3/10/2012	11,401	4.20%	11,629
						<u>\$ 116,083</u>

**Annual debt service requirements to maturity for capital lease obligations:**

<b>Due Fiscal Year Ending September 30,</b>	<b>Government Activities</b>
2012	\$ 57,292
2013	45,185
2014	22,205
<b>Total Payments</b>	<b>124,682</b>
<b>Less imputed interest</b>	<b>(8,599)</b>
	<u><b>\$ 116,083</b></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 6.72% for the months of the accounting year in 2010, and 6.01% for the months of the accounting year in 2011. The deposit rate payable by the employee members for calendar year 2011 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 2011. 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 2011 was approximately 2.0 million and the County's contributions were based on a payroll of \$2.0 million. Contributions made by employees totaled \$120 thousand, and the County made contributions of \$130 thousand during the fiscal year ended September 30, 2011.

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual Pension Cost (APC)	\$ 135,958	\$ 130,070	\$ 123,826
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation at the End of Period	0	0	0

For the year ended September 30, 2011, the pension cost for the TCDRS plan and the actual contributions made were \$251431. Because all contributions are made as required, no pension obligation existed at September 30, 2011.

<u>Actuarial Information</u>	<u>12/31/2010</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>12/31/2010</u>
Actuarial valuation date	
Actuarial value of assets	\$ 2,685,745
Actuarial accrued liability (AAL)	\$ 3,139,426
Unfunded/(Overfunded) actuarial accrued liability (UAAL or OAAL)	\$ 453,681
Funded ratio	85.55%
Annual covered payroll (actuarial)	\$ 2,023,189
UAAL or OAAL as % of covered payroll	22.42%

**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, 2011.

**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.

**REQUIRED SUPPLEMENTARY INFORMATION**

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended September 30, 2011**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 2,047,380	\$ 2,047,380	\$ 1,960,136	\$ (87,244)
Sales and use taxes	243,900	243,900	252,651	8,751
Fees and fines	473,526	473,526	370,076	(103,450)
Intergovernmental	559,941	607,010	580,685	(26,325)
Earnings on investments	5,000	5,000	2,949	(2,051)
Miscellaneous	19,900	77,284	214,901	137,617
<b>Total Revenues</b>	<u>3,349,647</u>	<u>3,454,100</u>	<u>3,381,398</u>	<u>(72,702)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General administration	1,223,240	1,291,873	1,238,677	53,196
Public safety	1,616,889	1,701,489	1,640,484	61,005
Administration of justice	532,908	529,242	503,816	25,426
Health and welfare	121,488	121,488	66,273	55,215
Conservation	4,005	4,005	1,142	2,863
<b>Capital Outlay</b>	93,900	89,547	79,218	10,329
<b>Debt Service:</b>				
Principal	64,137	43,837		43,837
Interest and fiscal charges	6,757	6,757		6,757
<b>Total Expenditures</b>	<u>3,663,324</u>	<u>3,788,238</u>	<u>3,529,610</u>	<u>258,628</u>
Net Changes in Fund Balances	(313,677)	(334,138)	(148,212)	185,926
<b>Fund Balances, Beginning of Year</b>	846,663	846,663	846,663	
<b>Fund Balances, End of Year</b>	<u>\$ 532,986</u>	<u>\$ 512,525</u>	<u>\$ 698,451</u>	<u>\$ 185,926</u>

**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, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 142,600	\$ 142,600	\$ 136,271	\$ (6,329)
Fees and Fines	120,547	120,547	119,919	(628)
Intergovernmental	5,052	5,052	5,032	(20)
Earnings on investments	1,200	1,200	768	(432)
<b>Total Revenues</b>	<u>269,399</u>	<u>269,399</u>	<u>266,360</u>	<u>(3,039)</u>
<b>Expenditures</b>				
Current:				
Highway and streets	388,356	388,356	279,960	108,396
<b>Debt Service:</b>				
Principal and interest	46,203	46,203	46,203	
Interest and fiscal charges	2,132	2,132	2,131	1
<b>Total Expenditures</b>	<u>436,691</u>	<u>436,691</u>	<u>328,294</u>	<u>108,396</u>
Net Changes in Fund Balances	(167,292)	(167,292)	(61,934)	105,357
<b>Fund Balances - Beginning of Year</b>	<u>322,003</u>	<u>322,003</u>	<u>322,003</u>	
<b>Fund Balances - End of Year</b>	<u>\$ 154,711</u>	<u>\$ 154,711</u>	<u>\$ 260,069</u>	<u>\$ 105,357</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 did not exceed its budget for **2011**

**HAMILTON COUNTY, TEXAS**  
**REQUIRED PENSION SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**September 30, 2011**

**Schedule of Funding Information**

	12/31/2008	12/31/2009	12/31/2010
Actuarial valuation date			
Actuarial value of assets	\$ 2,215,969	\$ 2,391,203	\$ 2,685,745
Actuarial accrued liability (AAL)	\$ 2,661,106	\$ 2,787,619	\$ 3,139,426
Unfunded/(Overfunded) actuarial accrued liability (UAAL or OAAL)	\$ 445,137	\$ 396,416	\$ 453,681
Funded ratio	83.27%	85.78%	85.55%
Annual covered payroll (actuarial)	\$ 1,859,304	\$ 2,080,285	\$ 2,023,189
UAAL or OAAL as % of covered payroll	23.94%	19.06%	22.42%

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**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, 2011**

	<b>Special Revenue Funds</b>			
	<b>Road and Bridge Pct 1</b>	<b>Road and Bridge Pct 2</b>	<b>Road and Bridge Pct 4</b>	<b>Vital Statistics</b>
<b>Assets</b>				
Cash and equivalents	\$ 33,746	\$ 126,895	\$ 73,723	\$ 9,572
Taxes receivable, net	8,735	8,746	8,735	
Other receivables	1,416		345	3
Due from other funds				
Due from other governments	3,048	19,606	3,048	
<b>Total Assets</b>	<b>\$ 46,945</b>	<b>\$ 155,247</b>	<b>\$ 85,851</b>	<b>\$ 9,575</b>
<b>Total Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,216	\$ 1,729	\$ 2,639	\$
Accrued payroll	2,692	2,653	2,834	
Due to other funds				
Due to other governmental units		129,852		
Deferred revenues	8,735	8,746	8,735	3
<b>Total Liabilities</b>	<b>12,643</b>	<b>142,980</b>	<b>14,208</b>	<b>3</b>
<b>Fund Balances:</b>				
Restricted for:				
Debt service				
Capital Projects				
Other	34,302	12,267	71,643	9,572
<b>Total Fund Balances</b>	<b>34,302</b>	<b>12,267</b>	<b>71,643</b>	<b>9,572</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 46,945</b>	<b>\$ 155,247</b>	<b>\$ 85,851</b>	<b>\$ 9,575</b>



<b>Special Revenue Funds</b>					
<b>CC Records Management</b>	<b>Vital Statistics District Court</b>	<b>County Clerk Record Archive</b>	<b>Justice Court Tech PCT 3</b>	<b>Court Reporter</b>	<b>Justice Court Technology</b>
\$ 50,210	\$ 396	\$ 18,337	\$ 5,401	\$ 11,090	\$ 3,662
2,359	87	35	1,846	525	2,730
<u>\$ 52,569</u>	<u>\$ 483</u>	<u>\$ 18,372</u>	<u>\$ 7,247</u>	<u>\$ 11,615</u>	<u>\$ 6,392</u>
\$	\$	\$	\$	\$ 3,186	\$
2,359	87	35	1,846	525	2,730
<u>2,359</u>	<u>87</u>	<u>35</u>	<u>1,846</u>	<u>3,711</u>	<u>2,730</u>
50,210	396	18,337	5,401	7,904	3,662
<u>50,210</u>	<u>396</u>	<u>18,337</u>	<u>5,401</u>	<u>7,904</u>	<u>3,662</u>
<u>\$ 52,569</u>	<u>\$ 483</u>	<u>\$ 18,372</u>	<u>\$ 7,247</u>	<u>\$ 11,615</u>	<u>\$ 6,392</u>

**HAMILTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS (continued)**  
**September 30, 2011**

	<b>Special Revenue Funds</b>			
	<b>County Clerk Probate Fund</b>	<b>Election Contracting</b>	<b>Transaction Fee JP 1/SO</b>	<b>County Court Technology</b>
<b>Assets</b>				
Cash and equivalents	\$ 978	\$ 4,973	\$ 11,232	\$ 192
Taxes receivable, net				
Other receivables			1,617	200
Due from other funds				
Due from other governments				
<b>Total Assets</b>	<b>\$ 978</b>	<b>\$ 4,973</b>	<b>\$ 12,849</b>	<b>\$ 392</b>
<b>Total Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$	\$	\$	\$
Accrued payroll				
Due to other funds				
Due to other governmental units				
Deferred revenues			1,617	200
<b>Total Liabilities</b>			<b>1,617</b>	<b>200</b>
<b>Fund Balances:</b>				
Restricted for:				
Debt service				
Capital Projects				
Other	978	4,973	11,232	192
<b>Total Fund Balances</b>	<b>978</b>	<b>4,973</b>	<b>11,232</b>	<b>192</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 978</b>	<b>\$ 4,973</b>	<b>\$ 12,849</b>	<b>\$ 392.0</b>

<b>Special Revenue Funds</b>					
<b>District Court Technology</b>	<b>LEOSE- Sheriff's Office</b>	<b>LEOSE- Constable Precinct #3</b>	<b>Law Library Fund</b>	<b>Records Mgmt Preservation</b>	<b>Courthouse Security</b>
\$ 1,340	\$ 1,173	\$ 552	\$ 27,831	\$ 11,241	\$ 78,197
551			1,236	50	4,834
<u>\$ 1,891</u>	<u>\$ 1,173</u>	<u>\$ 552</u>	<u>\$ 29,067</u>	<u>\$ 11,291</u>	<u>\$ 83,031</u>
\$	\$	\$	\$	\$	\$
551			1,236	50	4,834
<u>551</u>			<u>1,236</u>	<u>50</u>	<u>4,834</u>
1,340	1,173	552	27,831	11,241	78,197
<u>1,340</u>	<u>1,173</u>	<u>552</u>	<u>27,831</u>	<u>11,241</u>	<u>78,197</u>
<u>\$ 1,891</u>	<u>\$ 1,173</u>	<u>\$ 552</u>	<u>\$ 29,067</u>	<u>\$ 11,291</u>	<u>\$ 83,031</u>

**HAMILTON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS (continued)**  
**September 30, 2011**

	<b>Special Revenue Funds</b>			
	<b>District Clerk Records Preservation</b>	<b>County Judge Judiciary Fund</b>	<b>Justice Court Bldg Security</b>	<b>Supplemental Guardianship Fund</b>
<b>Assets</b>				
Cash and equivalents	\$ 9,338	\$ 7,741	\$ 8,464	\$ 4,400
Taxes receivable, net				
Other receivables	2,966		1,466	80
Due from other funds				
Due from other governments				
<b>Total Assets</b>	<b>\$ 12,304</b>	<b>\$ 7,741</b>	<b>\$ 9,930</b>	<b>\$ 4,480</b>
<b>Total Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$	\$	\$	\$
Accrued payroll				80
Due to other funds				
Due to other governmental units				
Deferred revenues	2,966		1,466	
<b>Total Liabilities</b>	<b>2,966</b>		<b>1,466</b>	<b>80</b>
<b>Fund Balances:</b>				
Restricted for:				
Debt service				
Capital Projects				
Other	9,338	7,741	8,464	4,400
<b>Total Fund Balances</b>	<b>9,338</b>	<b>7,741</b>	<b>8,464</b>	<b>4,400</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,304</b>	<b>\$ 7,741</b>	<b>\$ 9,930</b>	<b>\$ 4,480</b>

<b>Special Revenue Funds</b>					
<b>Sheriff Trust</b>	<b>VIT Escrow</b>	<b>County Attorney CK Coll</b>	<b>Debt Service Fund</b>	<b>Tax Note Series 2008</b>	<b>TOTALS</b>
\$ 8,015	\$ 10,387	\$ 934	\$ 31,109	\$ 105,334	\$ 656,463
			8,436		34,652
		3,405			25,751
				90,929	116,631
<u>\$ 8,015</u>	<u>\$ 10,387</u>	<u>\$ 4,339</u>	<u>\$ 39,545</u>	<u>\$ 196,263</u>	<u>\$ 833,497</u>
\$	\$ 10,194	\$ 561	\$	\$	\$ 19,525
					8,259
				29,258	29,258
					129,852
		3,405	8,436		58,562
	10,194	3,966	8,436	29,258	245,456
			31,109		31,109
8,015	193	373		167,005	167,005
<u>8,015</u>	<u>193</u>	<u>373</u>	<u>31,109</u>	<u>167,005</u>	<u>389,927</u>
<u>\$ 8,015</u>	<u>\$ 10,387.0</u>	<u>\$ 4,339</u>	<u>\$ 39,545</u>	<u>\$ 196,263</u>	<u>\$ 833,497</u>

**HAMILTON COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2011**

**Special Revenue Funds**

	<b>Road and Bridge Pct 1</b>	<b>Road and Bridge Pct 2</b>	<b>Road and Bridge Pct 4</b>	<b>Vital Statistics</b>
<b>Revenues</b>				
Taxes	\$ 136,271	\$ 136,271	\$ 136,271	\$
Fees and fines	5,032	119,920	119,920	651
Intergovernmental	119,920	5,032	5,032	
Earnings on Investments	220	347	305	
Miscellaneous	22,544	58,387	1,961	
<b>Total Revenues</b>	<b>283,987</b>	<b>319,957</b>	<b>263,489</b>	<b>651</b>
<b>Expenditures</b>				
Current:				
General administration				
Administration of justice				
Highways and streets	258,372	371,650	313,593	
Capital Outlay			32,500	
<b>Debt Service:</b>				
Principal	30,364		19,956	
Interest and fiscal charges	1,965		3,014	
<b>Total Expenditures</b>	<b>290,701</b>	<b>371,650</b>	<b>369,063</b>	
Net change in fund balances	(6,714)	(51,693)	(105,574)	651
<b>Fund balances - beginning of year</b>	<b>41,016</b>	<b>63,960</b>	<b>177,217</b>	<b>8,921</b>
<b>Fund balances - end of year</b>	<b>\$ 34,302</b>	<b>\$ 12,267</b>	<b>\$ 71,643</b>	<b>\$ 9,572</b>

**Special Revenue Funds**

<b>CC Records Management</b>	<b>Vital Statistics District Court</b>	<b>County Clerk Record Archive</b>	<b>Justice Court Tech PCT 3</b>	<b>Court Reporter</b>	<b>Justice Court Technology</b>
\$ 17,782	\$ 85	\$ 8,365	\$ 400	\$ 1,590	\$ 3,427
<u>17,782</u>	<u>85</u>	<u>8,365</u>	<u>400</u>	<u>1,590</u>	<u>3,427</u>
		30,439		5,890	3,204
		<u>30,439</u>		<u>5,890</u>	<u>3,204</u>
17,782	85	(22,074)	400	(4,300)	223
<u>32,428</u>	<u>311</u>	<u>40,411</u>	<u>5,001</u>	<u>12,204</u>	<u>3,439</u>
<u>\$ 50,210</u>	<u>\$ 396</u>	<u>\$ 18,337</u>	<u>\$ 5,401</u>	<u>\$ 7,904</u>	<u>\$ 3,662</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, 2011**

	<b>Special Revenue Funds</b>			
	<b>County Clerk Probate Fund</b>	<b>Election Contracting</b>	<b>Transaction Fee JP 1/SO</b>	<b>County Court Technology</b>
<b>Revenues</b>				
Taxes	\$	\$	\$	\$
Fees and fines	270	875	2,141	176
Intergovernmental				
Earnings on Investments				
Miscellaneous				
<b>Total Revenues</b>	<u>270</u>	<u>875</u>	<u>2,141</u>	<u>176</u>
<b>Expenditures</b>				
Current:				
General administration				
Administration of justice			1,006	
Highways and streets				
Capital Outlay				
<b>Debt Service:</b>				
Principal				
Interest and fiscal charges				
<b>Total Expenditures</b>			<u>1,006</u>	
Net change in fund balances	270	875	1,135	176
<b>Fund balances - beginning of year</b>	<u>708</u>	<u>4,098</u>	<u>10,097</u>	<u>16</u>
<b>Fund balances - end of year</b>	<u>\$ 978</u>	<u>\$ 4,973</u>	<u>\$ 11,232</u>	<u>\$ 192</u>



**Special Revenue Funds**

<u>District Court Technology</u>	<u>LEOSE- Sheriff's Office</u>	<u>LEOSE- Constable Precinct #3</u>	<u>Law Library Fund</u>	<u>Records Mgmt Preservation</u>	<u>Courthouse Security</u>
\$ 817	\$ 2,199	\$ 663	\$ 5,880	\$ 650	\$ 6,290
<u>817</u>	<u>2,199</u>	<u>663</u>	<u>5,880</u>	<u>650</u>	<u>6,290</u>
			4,771		4,080
	1,879	111			
	<u>1,879</u>	<u>111</u>	<u>4,771</u>		<u>4,080</u>
817	320	552	1,109	650	2,210
<u>523</u>	<u>853</u>		<u>26,722</u>	<u>10,591</u>	<u>75,987</u>
<u>\$ 1,340</u>	<u>\$ 1,173</u>	<u>\$ 552</u>	<u>\$ 27,831</u>	<u>\$ 11,241</u>	<u>\$ 78,197</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, 2011**

	<b>Special Revenue Funds</b>			
	<b>District Clerk Records Preservation</b>	<b>County Judge Judiciary Fund</b>	<b>Justice Court Bldg Security</b>	<b>Supplemental Guardianship Fund</b>
<b>Revenues</b>				
Taxes	\$	\$	\$	\$
Fees and fines	1,985		930	1,080
Intergovernmental		835		
Earnings on Investments				
Miscellaneous				
<b>Total Revenues</b>	<u>1,985</u>	<u>835</u>	<u>930</u>	<u>1,080</u>
<b>Expenditures</b>				
Current:				
General administration				
Administration of justice	1,811			
Highways and streets				
Capital Outlay				
<b>Debt Service:</b>				
Principal				
Interest and fiscal charges				
<b>Total Expenditures</b>	<u>1,811</u>			
Net change in fund balances	174	835	930	1,080
<b>Fund balances - beginning of year</b>	<u>9,164</u>	<u>6,906</u>	<u>7,534</u>	<u>3,320</u>
<b>Fund balances - end of year</b>	<u>\$ 9,338</u>	<u>\$ 7,741</u>	<u>\$ 8,464</u>	<u>\$ 4,400</u>

**Special Revenue Funds**

<b>Sheriff Trust</b>	<b>VIT Escrow</b>	<b>County Attorney CK Coll</b>	<b>Debt Service Fund</b>	<b>Tax Note Series 2008</b>	<b>TOTALS</b>
\$	\$	\$	\$ 120,427	\$	\$ 529,240
		4,967			303,896
	16		95	213	133,018
1,375					1,196
<u>1,375</u>	<u>16</u>	<u>4,967</u>	<u>120,522</u>	<u>213</u>	<u>84,267</u>
					1,051,617
					39,290
5,052		6,680			18,591
				119,910	950,657
			104,000		152,410
			34,423		154,320
<u>5,052</u>	<u></u>	<u>6,680</u>	<u>138,423</u>	<u>119,910</u>	<u>39,402</u>
(3,677)	16	(1,713)	(17,901)	(119,697)	1,354,670
11,692	177	2,086	49,010	286,702	(303,053)
<u>\$ 8,015</u>	<u>\$ 193</u>	<u>\$ 373</u>	<u>\$ 31,109</u>	<u>\$ 167,005</u>	<u>\$ 891,094</u>
					588,041

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
*For the Year Ended September 30, 2011*

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 124,813	\$ 120,427	\$ (4,386)
Earnings on investments	80	95	15
<b>Total Revenues</b>	<u>124,893</u>	<u>120,522</u>	<u>(4,371)</u>
<b>Expenditures</b>			
<b>Debt Service:</b>			
Principal and interest	104,000	104,000	
Interest and fiscal charges	40,136	34,423	5,713
<b>Total Expenditures</b>	<u>144,136</u>	<u>138,423</u>	<u>5,713</u>
Net Changes in Fund Balances	(19,243)	(17,901)	1,342
<b>Fund Balances - Beginning of Year</b>	<u>49,010</u>	<u>49,010</u>	
<b>Fund Balances - End of Year</b>	<u>\$ 29,767</u>	<u>\$ 31,109</u>	<u>\$ 1,342</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE PCT 1**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 142,600	\$ 136,271	\$ (6,329)
Fees and Fines	5,052	5,032	(20)
Intergovernmental	120,547	119,920	(627)
Earnings on investments	500	220	(280)
Miscellaneous	25,500	22,544	(2,956)
<b>Total Revenues</b>	<b>294,199</b>	<b>283,987</b>	<b>(10,212)</b>
<b>Expenditures</b>			
Current:			
Highway and streets	293,305	258,372	34,933
<b>Debt Service:</b>			
Principal and interest	30,365	30,364	1
Interest and fiscal charges	1,967	1,965	2
<b>Total Expenditures</b>	<b>325,637</b>	<b>290,701</b>	<b>34,933</b>
Net Changes in Fund Balances	(31,438)	(6,714)	24,721
<b>Fund Balances - Beginning of Year</b>	<b>41,016</b>	<b>41,016</b>	
<b>Fund Balances - End of Year</b>	<b>\$ 9,578</b>	<b>\$ 34,302</b>	<b>\$ 24,721</b>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE PCT 2**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 142,600	\$ 136,271	\$ (6,329)
Fees and Fines	120,547	119,920	(627)
Intergovernmental	5,052	5,032	(20)
Earnings on investments	600	347	(253)
Miscellaneous	0	58,387	58,387
<b>Total Revenues</b>	<b>268,799</b>	<b>319,957</b>	<b>51,158</b>
<b>Expenditures</b>			
Current:			
Highway and streets	377,542	371,650	5,892
<b>Debt Service:</b>			
Principal and interest	1	-	1
Interest and fiscal charges	1	-	1
<b>Total Expenditures</b>	<b>377,544</b>	<b>371,650</b>	<b>5,892</b>
Net Changes in Fund Balances	(108,745)	(51,693)	57,050
<b>Fund Balances - Beginning of Year</b>	<b>63,960</b>	<b>63,960</b>	
<b>Fund Balances - End of Year</b>	<b>\$ (44,785)</b>	<b>\$ 12,267</b>	<b>\$ 57,050</b>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE PCT 4**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Property taxes	\$ 142,600	\$ 136,271	\$ (6,329)
Fees and Fines	120,535	119,920	(615)
Intergovernmental	5,052	5,032	(20)
Earnings on investments	350	305	(45)
Miscellaneous		1,961	1,961
<b>Total Revenues</b>	<b>268,537</b>	<b>263,489</b>	<b>(5,048)</b>
<b>Expenditures</b>			
Current:			
Highway and streets	326,618	313,593	13,025
<b>Debt Service:</b>			
Principal and interest	19,957	19,956	1
Interest and fiscal charges	3,014	3,014	
<b>Total Expenditures</b>	<b>349,589</b>	<b>336,563</b>	<b>13,025</b>
Net Changes in Fund Balances	(81,052)	(73,074)	7,977
<b>Fund Balances - Beginning of Year</b>	<b>177,217</b>	<b>177,217</b>	
<b>Fund Balances - End of Year</b>	<b>\$ 96,165</b>	<b>\$ 104,143</b>	<b>\$ 7,977</b>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**VITAL STATISTICS**  
*For the Year Ended September 30, 2011*

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 804	\$ 651	\$ (153)
<b>Total Revenues</b>	<u>804</u>	<u>651</u>	<u>(153)</u>
<b>Expenditures</b>			
Current:			
General administration	9,500		9,500
<b>Total Expenditures</b>	<u>9,500</u>		<u>9,500</u>
Net change in fund balances	(8,696)	651	9,347
<b>Fund balances - beginning of year</b>	<u>8,921</u>	<u>8,921</u>	
<b>Fund balances - end of year</b>	<u>\$ 225</u>	<u>\$ 9,572</u>	<u>\$ 9,347</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**CC RECORDS MANAGEMENT**  
*For the Year Ended September 30, 2011*

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 12,400	\$ 17,782	\$ 5,382
<b>Total Revenues</b>	<u>12,400</u>	<u>17,782</u>	<u>5,382</u>
<b>Expenditures</b>			
Current:			
General administration	56,000		56,000
<b>Total Expenditures</b>	<u>56,000</u>		<u>56,000</u>
Net change in fund balances	(43,600)	17,782	61,382
<b>Fund balances - beginning of year</b>	<u>32,428</u>	<u>32,428</u>	
<b>Fund balances - end of year</b>	<u>\$ (11,172)</u>	<u>\$ 50,210</u>	<u>\$ 61,382</u>



**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**VITAL STATISTICS DISTRICT COURT**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 75	\$ 85	\$ 10
<b>Total Revenues</b>	<u>75</u>	<u>85</u>	<u>10</u>
<b>Expenditures</b>			
Current:			
General administration	288		288
<b>Total Expenditures</b>	<u>288</u>		<u>288</u>
Net change in fund balances	(213)	85	298
<b>Fund balances - beginning of year</b>	<u>311</u>	<u>311</u>	
<b>Fund balances - end of year</b>	<u>\$ 98</u>	<u>\$ 396</u>	<u>\$ 298</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY CLERK RECORD ARCHIVE**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 8,600	\$ 8,365	\$ (235)
<b>Total Revenues</b>	<u>8,600</u>	<u>8,365</u>	<u>(235)</u>
<b>Expenditures</b>			
Current:			
General administration	42,000	30,439	11,561
<b>Total Expenditures</b>	<u>42,000</u>	<u>30,439</u>	<u>11,561</u>
Net change in fund balances	(33,400)	(22,074)	11,326
<b>Fund balances - beginning of year</b>	<u>40,411</u>	<u>40,411</u>	
<b>Fund balances - end of year</b>	<u>\$ 7,011</u>	<u>\$ 18,337</u>	<u>\$ 11,326</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**JUSTICE COURT TECH PCT 3**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 800	\$ 400	\$ (400)
<b>Total Revenues</b>	<u>800</u>	<u>400</u>	<u>(400)</u>
<b>Expenditures</b>			
Current:			
Administration of justice	5,600		5,600
<b>Total Expenditures</b>	<u>5,600</u>		<u>5,600</u>
Net change in fund balances	(4,800)	400	5,200
<b>Fund balances - beginning of year</b>	<u>5,001</u>	<u>5,001</u>	
<b>Fund balances - end of year</b>	<u>\$ 201</u>	<u>\$ 5,401</u>	<u>\$ 5,200</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURT REPORTER**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 1,500	\$ 1,590	\$ 90
<b>Total Revenues</b>	<u>1,500</u>	<u>1,590</u>	<u>90</u>
<b>Expenditures</b>			
Current:			
Administration of justice	10,400	5,890	4,510
<b>Total Expenditures</b>	<u>10,400</u>	<u>5,890</u>	<u>4,510</u>
Net change in fund balances	(8,900)	(4,300)	4,600
<b>Fund balances - beginning of year</b>	<u>12,204</u>	<u>12,204</u>	
<b>Fund balances - end of year</b>	<u>\$ 3,304</u>	<u>\$ 7,904</u>	<u>\$ 4,600</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**JUSTICE COURT TECHNOLOGY**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 4,400	\$ 3,427	\$ (973)
<b>Total Revenues</b>	<u>4,400</u>	<u>3,427</u>	<u>(973)</u>
<b>Expenditures</b>			
Current:			
Administration of justice	4,851	3,204	1,647
<b>Total Expenditures</b>	<u>4,851</u>	<u>3,204</u>	<u>1,647</u>
Net change in fund balances	(451)	223	674
<b>Fund balances - beginning of year</b>	<u>3,439</u>	<u>3,439</u>	
<b>Fund balances - end of year</b>	<u>\$ 2,988</u>	<u>\$ 3,662</u>	<u>\$ 674</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY CLERK PROBATE FUND**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 300	\$ 270	\$ (30)
<b>Total Revenues</b>	<u>300</u>	<u>270</u>	<u>(30)</u>
<b>Expenditures</b>			
Current:			
General administration	600		600
<b>Total Expenditures</b>	<u>600</u>		<u>600</u>
Net change in fund balances	(300)	270	570
<b>Fund balances - beginning of year</b>	<u>708</u>	<u>708</u>	
<b>Fund balances - end of year</b>	<u>\$ 408</u>	<u>\$ 978</u>	<u>\$ 570</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**ELECTION CONTRACTING**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 100	\$ 875	\$ 775
<b>Total Revenues</b>	<u>100</u>	<u>875</u>	<u>775</u>
<b>Expenditures</b>			
Current:			
General administration	700		700
<b>Total Expenditures</b>	<u>700</u>		<u>700</u>
Net change in fund balances	(600)	875	1,475
<b>Fund balances - beginning of year</b>	<u>4,098</u>	<u>4,098</u>	
<b>Fund balances - end of year</b>	<u>\$ 3,498</u>	<u>\$ 4,973</u>	<u>\$ 1,475</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**TRANSACTION FEE JP 1/SO**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 2,500	\$ 2,141	\$ (359)
<b>Total Revenues</b>	<u>2,500</u>	<u>2,141</u>	<u>(359)</u>
<b>Expenditures</b>			
Current:			
Administration of justice	12,000	1,006	10,994
<b>Total Expenditures</b>	<u>12,000</u>	<u>1,006</u>	<u>10,994</u>
Net change in fund balances	(9,500)	1,135	10,635
<b>Fund balances - beginning of year</b>	<u>10,097</u>	<u>10,097</u>	
<b>Fund balances - end of year</b>	<u>\$ 597</u>	<u>\$ 11,232</u>	<u>\$ 10,635</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY COURT TECHNOLOGY**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 1,000	\$ 176	\$ (824)
<b>Total Revenues</b>	<u>1,000</u>	<u>176</u>	<u>(824)</u>
<b>Expenditures</b>			
Current:			
General administration	2,000		2,000
<b>Total Expenditures</b>	<u>2,000</u>		<u>2,000</u>
Net change in fund balances	(1,000)	176	1,176
<b>Fund balances - beginning of year</b>	<u>16</u>	<u>16</u>	
<b>Fund balances - end of year</b>	<u>\$ (984)</u>	<u>\$ 192</u>	<u>\$ 1,176</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DISTRICT COURT TECHNOLOGY**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 500	\$ 817	\$ 317
<b>Total Revenues</b>	<u>500</u>	<u>817</u>	<u>317</u>
<b>Expenditures</b>			
Current:			
General administration	1,000		1,000
<b>Total Expenditures</b>	<u>1,000</u>		<u>1,000</u>
Net change in fund balances	(500)	817	1,317
<b>Fund balances - beginning of year</b>	<u>523</u>	<u>523</u>	
<b>Fund balances - end of year</b>	<u>\$ 23</u>	<u>\$ 1,340</u>	<u>\$ 1,317</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**LEOSE- SHERIFF'S OFFICE**  
**For the Year Ended September 30, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental	\$ 2,409	\$ 2,199	\$ (210)
<b>Total Revenues</b>	<u>2,409</u>	<u>2,199</u>	<u>(210)</u>
<b>Expenditures</b>			
Current:			
Highways and streets	2,000	1,879	121
<b>Total Expenditures</b>	<u>2,000</u>	<u>1,879</u>	<u>121</u>
Net change in fund balances	409	320	(89)
<b>Fund balances - beginning of year</b>	<u>853</u>	<u>853</u>	
<b>Fund balances - end of year</b>	<u>\$ 1,262</u>	<u>\$ 1,173</u>	<u>\$ (89)</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**LEOSE- CONSTABLE PRECINCT #3**  
**For the Year Ended September 30, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
<b>Revenues</b>			
Fees and fines	\$ 660	\$ 663	\$ 3
<b>Total Revenues</b>	<u>660</u>	<u>663</u>	<u>3</u>
<b>Expenditures</b>			
Current:			
Highways and streets	660	111	549
<b>Total Expenditures</b>	<u>660</u>	<u>111</u>	<u>549</u>
Net change in fund balances		552	552
<b>Fund balances - beginning of year</b>			
<b>Fund balances - end of year</b>	<u>\$</u>	<u>\$ 552</u>	<u>\$ 552</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, 2011*

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 6,000	\$ 5,880	\$ (120)
<b>Total Revenues</b>	<u>6,000</u>	<u>5,880</u>	<u>(120)</u>
<b>Expenditures</b>			
Current:			
General administration	34,000	4,771	29,229
<b>Total Expenditures</b>	<u>34,000</u>	<u>4,771</u>	<u>29,229</u>
Net change in fund balances	(28,000)	1,109	29,109
<b>Fund balances - beginning of year</b>	<u>26,722</u>	<u>26,722</u>	
<b>Fund balances - end of year</b>	<u><u>\$ (1,278)</u></u>	<u><u>\$ 27,831</u></u>	<u><u>\$ 29,109</u></u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**RECORDS MGMT PRESERVATION**  
*For the Year Ended September 30, 2011*

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 600	\$ 650	\$ 50
<b>Total Revenues</b>	<u>600</u>	<u>650</u>	<u>50</u>
Net change in fund balances	(10,400)	650	11,050
<b>Fund balances - beginning of year</b>	<u>10,591</u>	<u>10,591</u>	
<b>Fund balances - end of year</b>	<u><u>\$ 191</u></u>	<u><u>\$ 11,241</u></u>	<u><u>\$ 11,050</u></u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURTHOUSE SECURITY**  
*For the Year Ended September 30, 2011*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
<b>Revenues</b>			
Fees and fines	\$ 9,000	\$ 6,290	\$ (2,710)
<b>Total Revenues</b>	<u>9,000</u>	<u>6,290</u>	<u>(2,710)</u>
<b>Expenditures</b>			
Current:			
General administration	85,000	4,080	80,920
<b>Total Expenditures</b>	<u>85,000</u>	<u>4,080</u>	<u>80,920</u>
Net change in fund balances	(76,000)	2,210	78,210
<b>Fund balances - beginning of year</b>	<u>75,987</u>	<u>75,987</u>	
<b>Fund balances - end of year</b>	<u>\$ (13)</u>	<u>\$ 78,197</u>	<u>\$ 78,210</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DISTRICT CLERK RECORDS PRESERVATION**  
*For the Year Ended September 30, 2011*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
<b>Revenues</b>			
Fees and fines	\$ 2,400	\$ 1,985	\$ (415)
<b>Total Revenues</b>	<u>2,400</u>	<u>1,985</u>	<u>(415)</u>
<b>Expenditures</b>			
Current:			
Administration of justice	11,000	1,811	9,189
<b>Total Expenditures</b>	<u>11,000</u>	<u>1,811</u>	<u>9,189</u>
Net change in fund balances	(8,600)	174	8,774
<b>Fund balances - beginning of year</b>	<u>9,164</u>	<u>9,164</u>	
<b>Fund balances - end of year</b>	<u>\$ 564</u>	<u>\$ 9,338</u>	<u>\$ 8,774</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, 2011*

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Intergovernmental	\$ 1,600	\$ 835	\$ (765)
<b>Total Revenues</b>	<u>1,600</u>	<u>835</u>	<u>(765)</u>
Net change in fund balances	1,600	835	(765)
<b>Fund balances - beginning of year</b>	<u>6,906</u>	<u>6,906</u>	
<b>Fund balances - end of year</b>	<u><u>\$ 8,506</u></u>	<u><u>\$ 7,741</u></u>	<u><u>\$ (765)</u></u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
*IN FUND BALANCE - BUDGET AND ACTUAL*  
**JUSTICE COURT BLDG SECURITY**  
*For the Year Ended September 30, 2011*

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 1,300	\$ 930	\$ (370)
<b>Total Revenues</b>	<u>1,300</u>	<u>930</u>	<u>(370)</u>
<b>Expenditures</b>			
Current:			
Highways and streets	8,700		8,700
<b>Total Expenditures</b>	<u>8,700</u>		<u>8,700</u>
Net change in fund balances	(7,400)	930	8,330
<b>Fund balances - beginning of year</b>	<u>7,534</u>	<u>7,534</u>	
<b>Fund balances - end of year</b>	<u><u>\$ 134</u></u>	<u><u>\$ 8,464</u></u>	<u><u>\$ 8,330</u></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, 2011*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
<b>Revenues</b>			
Fees and fines	\$ 1,100	\$ 1,080	\$ (20)
<b>Total Revenues</b>	<u>1,100</u>	<u>1,080</u>	<u>(20)</u>
<b>Expenditures</b>			
Current:			
General administration	4,100		4,100
<b>Total Expenditures</b>	<u>4,100</u>		<u>4,100</u>
Net change in fund balances	(3,000)	1,080	4,080
<b>Fund balances - beginning of year</b>	<u>3,320</u>	<u>3,320</u>	
<b>Fund balances - end of year</b>	<u>\$ 320</u>	<u>\$ 4,400</u>	<u>\$ 4,080</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**SHERIFF TRUST**  
*For the Year Ended September 30, 2011*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Amended Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous	\$	\$ 1,375	\$ 1,375
<b>Total Revenues</b>		<u>1,375</u>	<u>1,375</u>
<b>Expenditures</b>			
Current:			
Highways and streets	8,645	5,052	3,593
<b>Total Expenditures</b>	<u>8,645</u>	<u>5,052</u>	<u>3,593</u>
Net change in fund balances	(8,645)	(3,677)	4,968
<b>Fund balances - beginning of year</b>	<u>11,692</u>	<u>11,692</u>	
<b>Fund balances - end of year</b>	<u>\$ 3,047</u>	<u>\$ 8,015</u>	<u>\$ 4,968</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**VIT ESCROW**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Earnings on Investments	\$ 76	\$ 16	\$ (60)
<b>Total Revenues</b>	<u>76</u>	<u>16</u>	<u>(60)</u>
<b>Expenditures</b>			
Current:			
General administration	200		200
<b>Total Expenditures</b>	<u>200</u>		<u>200</u>
Net change in fund balances	(124)	16	140
<b>Fund balances - beginning of year</b>	<u>177</u>	<u>177</u>	
<b>Fund balances - end of year</b>	<u>\$ 53</u>	<u>\$ 193</u>	<u>\$ 140</u>

**HAMILTON COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY ATTORNEY CK COLL**  
**For the Year Ended September 30, 2011**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Amended Positive (Negative)</b>
<b>Revenues</b>			
Fees and fines	\$ 7,808	\$ 4,967	\$ (2,841)
<b>Total Revenues</b>	<u>7,808</u>	<u>4,967</u>	<u>(2,841)</u>
<b>Expenditures</b>			
Current:			
Administration of justice	9,000	6,680	2,320
<b>Total Expenditures</b>	<u>9,000</u>	<u>6,680</u>	<u>2,320</u>
Net change in fund balances	(1,192)	(1,713)	(521)
<b>Fund balances - beginning of year</b>	<u>2,086</u>	<u>2,086</u>	
<b>Fund balances - end of year</b>	<u>\$ 894</u>	<u>\$ 373</u>	<u>\$ (521)</u>