

HARDEMAN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

	1% Decrease <u>7.10%</u>	Current Discount Rate <u>8.10%</u>	1% Increase <u>9.10%</u>
Net pension liability (asset)	<u>\$252,247</u>	<u>(\$491,017)</u>	<u>(\$1,136,268)</u>

Pension Expense

	<u>January 1, 2019 to December 31, 2019</u>
Service cost	\$207,688
Interest on total pension liability ⁽¹⁾	602,645
Effect of plan changes	-
Administrative expenses	6,318
Member contributions	(135,967)
Expected investment return net of investment expenses	(586,879)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	8,747
Recognition of assumption changes or inputs	18,223
Recognition of investment gains or losses	52,620
Other ⁽²⁾	<u>9,798</u>
Pension expense	<u>\$183,194</u>

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

⁽²⁾ Relates to allocation of system-wide items.

Deferred Outflows / Inflows of Resources

As of September 30, 2020, the deferred outflows and inflows of resources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 65,977	\$ -
Changes of assumptions	18,222	-
Net difference between projected and actual earnings	-	219,718
Contributions made subsequent to measurement date	<u>108,107</u>	<u>-</u>
Total	<u>\$192,306</u>	<u>\$219,718</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

HARDEMAN COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2020

<u>Year Ended December 31:</u>	
2020	(\$10,680)
2021	(41,571)
2022	42,799
2023	(126,067)

For the year ended December 31, 2019, there were no changes to the Plan relative to assumptions and benefit terms.

L. PRIOR PERIOD ADJUSTMENTS

During the year ended September 30, 2020, the County discovered errors related to various previously-reported liabilities. Consequently, prior period adjustments were required as follows:

	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Governmental Activities</u>
Fund balance/net position, beginning of year, as originally stated	\$1,110,643	\$44,306	\$8,291,388
Prior period adjustments	(20,603)	(7,429)	(28,032)
Fund balance/net position, beginning of year, as restated	<u>\$1,090,040</u>	<u>\$36,877</u>	<u>\$8,263,356</u>

M. TAX ABATEMENT AGREEMENT

The County has an approved tax abatement agreement with Blue Summit Wind LLC dated October 18, 2018. The agreement is a ten-year abatement of taxable real and personal property for 100% all years, with payments in lieu of taxes of \$95,000 due in years 1 through 5 and \$118,750 due in years 6 through 10. This is the first year of the agreement and the total value loss was \$44,868,780. The reduction in M&O taxes was \$267,508.

N. COVID-19 PANDEMIC

Beginning in December 2019, a novel coronavirus, now designated SAR-CoV2 which causes the disease COVID-19 was declared a global pandemic by the World Health Organization. The symptoms of COVID-19 can range from severe illness and can cause complications including death. On March 13, 2020, the Governor of the State of Texas issued a proclamation certifying that COVID-19 poses an imminent threat of disaster in Texas and declared a state of disaster for all counties in Texas. A state of disaster requires that certain emergency protective measures be taken pursuant to the Texas Disaster Act of 1975 relating to Emergency Management and Public Health, pursuant to Chapter 418 of the Texas Government Code.

State and local governments placed restrictions on the operations of businesses and public gatherings to promote health and slow the spread of the virus. The federal government passed several appropriations to address the negative economic impact caused by these restrictions. The impact of the COVID-19 pandemic on the national, state, and local economies and, ultimately, the County's finances is not known at this time.

REQUIRED SUPPLEMENTARY INFORMATION

HARDEMAN COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 2,483,851	\$ 2,483,851	\$ 2,591,658	\$ 107,807
Sales taxes	199,000	199,000	242,872	43,872
Fees and commissions	477,370	486,395	519,109	32,714
Ambulance revenues	221,400	242,000	268,020	26,020
Law enforcement revenues	232,800	232,800	232,800	-
Intergovernmental	35,500	146,372	167,316	20,944
Payments in lieu of taxes	95,000	95,000	97,316	2,316
Interest	25,000	25,000	26,565	1,565
Other	11,200	143,993	141,306	(2,687)
Total revenues	<u>3,781,121</u>	<u>4,054,411</u>	<u>4,286,962</u>	<u>232,551</u>
Expenditures				
County Judge	115,564	115,564	117,164	(1,600)
Commissioners' Court	102,150	108,602	98,084	10,518
County & District Clerk	161,086	161,086	155,403	5,683
Non-departmental	35,900	87,200	104,291	(17,091)
Appraisal district	71,000	71,000	65,337	5,663
Justice of the Peace	163,972	174,022	154,944	19,078
County Attorney	111,340	116,007	111,186	4,821
Elections	6,825	8,825	8,545	280
Treasurer	81,522	81,522	83,450	(1,928)
Tax Assessor/Collector	170,832	170,832	170,061	771
Courthouse maintenance	93,950	108,950	107,666	1,284
Jail	374,910	387,410	386,563	847
Ambulance	825,181	912,321	927,736	(15,415)
Emergency management	24,228	31,073	36,178	(5,105)
Fire	29,900	86,400	141,646	(55,246)
Constable	28,353	28,353	28,757	(404)
Sheriff	742,453	843,313	719,439	123,874
Juvenile probation	5,000	5,000	13,319	(8,319)
Public health and welfare	70,070	76,620	77,666	(1,046)
Agricultural extension service	62,047	71,859	67,870	3,989
Total expenditures	<u>3,276,283</u>	<u>3,645,959</u>	<u>3,575,305</u>	<u>70,654</u>
Excess of revenues over expenditures	<u>504,838</u>	<u>408,452</u>	<u>711,657</u>	<u>303,205</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	1,000	14,500	-	(14,500)
Transfers out	(479,592)	(813,592)	(813,592)	-
Total other financing sources (uses)	<u>(478,592)</u>	<u>(799,092)</u>	<u>(813,592)</u>	<u>(14,500)</u>
Change in fund balances	<u>26,246</u>	<u>(390,640)</u>	<u>(101,935)</u>	<u>288,705</u>
Fund balances, beginning of year, as originally stated	1,110,643	1,110,643	1,110,643	-
Prior period adjustment	<u>(20,603)</u>	<u>(20,603)</u>	<u>(20,603)</u>	-
Fund balances, beginning of year, as restated	<u>1,090,040</u>	<u>1,090,040</u>	<u>1,090,040</u>	-
Fund balances, end of year	<u>\$ 1,116,286</u>	<u>\$ 699,400</u>	<u>\$ 988,105</u>	<u>\$ 288,705</u>

HARDEMAN COUNTY, TEXAS
ROAD AND BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Highway taxes	\$ 291,500	\$ 291,500	\$ 271,312	\$ (20,188)
Fees and commissions	15,000	15,000	14,193	(807)
Other	-	-	10,546	10,546
Total revenues	<u>306,500</u>	<u>306,500</u>	<u>296,051</u>	<u>(10,449)</u>
Expenditures:				
Road and bridge:				
Road and bridge general	42,000	22,000	24,769	(2,769)
Precinct 1	182,384	182,384	761,547	(579,163)
Precinct 2	188,195	309,171	793,792	(484,621)
Precinct 3	185,221	187,221	787,385	(600,164)
Precinct 4	190,792	364,034	923,156	(559,122)
Debt service	-	9,877	2,029,237	(2,019,360)
Total expenditures	<u>788,592</u>	<u>1,074,687</u>	<u>5,319,886</u>	<u>(4,245,199)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(482,092)</u>	<u>(768,187)</u>	<u>(5,023,835)</u>	<u>(4,255,648)</u>
Other financing sources:				
Proceeds from sale of capital assets	1,000	1,000	1,691,385	1,690,385
Proceeds from capital lease obligations	5,400	5,400	2,629,380	2,623,980
Transfers in	361,817	691,817	691,817	-
Total other financing sources	<u>368,217</u>	<u>698,217</u>	<u>5,012,582</u>	<u>4,314,365</u>
Net change in fund balances	<u>(113,875)</u>	<u>(69,970)</u>	<u>(11,253)</u>	<u>58,717</u>
Fund balances, beginning of year, as originally stated	44,306	44,306	44,306	-
Prior period adjustment	<u>(7,429)</u>	<u>(7,429)</u>	<u>(7,429)</u>	-
Fund balances, beginning of year, as restated	<u>36,877</u>	<u>36,877</u>	<u>36,877</u>	-
Fund balances - ending	<u>\$ (76,998)</u>	<u>\$ (33,093)</u>	<u>\$ 25,624</u>	<u>\$ 58,717</u>