

**HARTLEY COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR YEAR ENDED  
SEPTEMBER 30, 2025**

**HARTLEY COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR YEAR ENDED SEPTEMBER 30, 2025**

**TABLE OF CONTENTS**

	Page
INDEPENDENT AUDITORS' REPORT .....	1
BASIC FINANCIAL STATEMENTS	
<u>Government-wide Financial Statements</u>	
Statement of Net Position .....	4
Statement of Activities .....	5
<u>Fund Financial Statements</u>	
Balance Sheet – Governmental Funds .....	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	7
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds .....	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	9
Statement of Net Position – Internal Service Fund.....	10
Statement of Revenues, Expenditures and Changes in Net Position - Internal Service Fund .....	11
Statement of Cash Flows – Internal Service Fund .....	12
Statement of Fiduciary Net Position .....	13
Statement of Changes in Fiduciary Net Position .....	14
<u>Notes to Basic Financial Statements</u> .....	15
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	40

**HARTLEY COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR YEAR ENDED SEPTEMBER 30, 2025**

**TABLE OF CONTENTS**

	Page
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Road and Bridge Fund .....	42
Schedule of Changes in Net Pension Liability and Related Ratios.....	43
Schedule of Employer Contributions .....	44
 <b>OTHER SUPPLEMENTARY INFORMATION</b>	
Combining Balance Sheet – Non-major Governmental Funds.....	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds .....	48

To The Honorable County Judge and  
Commissioners Comprising the  
Commissioners' Court of  
Hartley County, Texas

## INDEPENDENT AUDITORS' REPORT

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hartley County, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Hartley County, Texas's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hartley County, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hartley County, Texas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hartley County, Texas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if

there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hartley County, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hartley County, Texas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, the schedule of changes in net pension liability and related ratios, and the schedule of employer contributions on pages 40 – 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The County has omitted the Management's Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. The MD&A, 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. The independent auditors' opinion is not affected by the omission of the MD&A.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hartley County, Texas's financial statements as a whole. The combining non-major fund financial statements listed under other supplementary information in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining non-major fund financial statements listed under other supplementary information in the accompanying table of contents 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 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.

*DOSHIER, PICKENS & FRANCIS, L.L.C.*

DOSHIER, PICKENS & FRANCIS, LLC  
Amarillo, Texas  
December 3, 2025

## **BASIC FINANCIAL STATEMENTS**

**HARTLEY COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2025**

	<b>Governmental Activities</b>
<hr/>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,026,916
Investments	255,393
Accounts receivable, net	171,373
Delinquent taxes receivable, net	25,983
Prepaid expenses	42,148
Net pension asset	208,952
Capital assets, net of accumulated depreciation	4,428,845
	<hr/>
Total assets	10,159,610
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension contributions	177,142
Pension economic/demographic losses	77,089
	<hr/>
Total deferred outflows of resources	254,231
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	137,799
Due to other governmental entities	179,419
Deferred revenues	135,000
Accrued expenses	97,614
Deposits held in trust	75,105
Noncurrent liabilities:	
Due within one year	111,960
Due in more than one year	24,706
	<hr/>
Total liabilities	761,603
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension excess earnings	96,904
	<hr/>
Total deferred inflows of resources	96,904
	<hr/>
<b>NET POSITION</b>	
Net investment in capital assets	4,390,104
Restricted by enabling legislation for:	
Special projects	167,074
Unrestricted	4,998,156
	<hr/>
Total net position	\$ 9,555,334
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.



**HARTLEY COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
					Primary
					Governmental
					Activities
<b>Primary government</b>					
Governmental Activities:					
Administrative	\$ 1,163,665	\$ 205,786	\$ 40,820	\$ -	\$ (917,059)
Judicial	628,895	202,900	128,000	-	(297,995)
Public facilities	236,257	-	-	-	(236,257)
Public safety	1,737,221	27,375	252,092	-	(1,457,754)
Road and bridge	857,488	369,335	14,433	-	(473,720)
Public service	179,693	-	-	-	(179,693)
Interest on long-term debt	1,796	-	-	-	(1,796)
Total	<u>\$ 4,805,015</u>	<u>\$ 805,396</u>	<u>\$ 435,345</u>	<u>\$ -</u>	<u>(3,564,274)</u>
<b>General revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					3,993,998
Mixed beverage taxes					13,253
Investment earnings					250,345
Miscellaneous					107,002
Gain from disposal of asset					38,311
Total general revenues					<u>4,402,909</u>
Change in net position					838,635
Net position - beginning of year, as previously presented					8,747,196
Restatements					<u>(30,497)</u>
Net position - beginning of year, as restated					<u>8,716,699</u>
Net position - end of year					<u>\$ 9,555,334</u>

The notes to the financial statements are an integral part of this statement.

**HARTLEY COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2025**

	<b>General</b>	<b>Road and Bridge</b>	<b>Capital Projects</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,344,865	\$ -	\$ 358,800
Investments	255,393	-	-
Accounts receivable, net	171,373	-	-
Taxes receivable, net	25,983	-	-
Due from other funds	204,404	217,472	-
Prepaid expenditures	42,148	-	-
	<u>\$ 5,044,166</u>	<u>\$ 217,472</u>	<u>\$ 358,800</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 137,799	\$ -	\$ -
Due to other funds	375,340	-	174,910
Due to other governmental entities	179,419	-	-
Deferred revenue	135,000	-	-
Accrued expenses	97,614	-	-
Deposits held in trust	75,105	-	-
	<u>1,000,277</u>	<u>-</u>	<u>174,910</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	14,858	-	-
Unavailable revenue - other receivables	158,001	-	-
	<u>172,859</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Unspendable:			
Prepaid expenditures	42,148	-	-
Restricted:			
By enabling legislation for special projects	-	-	-
Committed for:			
Capital projects	-	-	183,890
Special revenues	-	217,472	-
Unassigned	3,828,882	-	-
	<u>3,871,030</u>	<u>217,472</u>	<u>183,890</u>
Total fund balances	<u>\$ 5,044,166</u>	<u>\$ 217,472</u>	<u>\$ 358,800</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,044,166</u>	<u>\$ 217,472</u>	<u>\$ 358,800</u>

<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
\$ 41,156	\$ 4,744,821
-	255,393
-	171,373
-	25,983
155,412	577,288
-	42,148
<u>\$ 196,568</u>	<u>\$ 5,817,006</u>
\$ -	\$ 137,799
29,494	579,744
-	179,419
-	135,000
-	97,614
-	75,105
<u>29,494</u>	<u>1,204,681</u>
-	14,858
-	158,001
<u>-</u>	<u>172,859</u>
-	42,148
167,074	167,074
-	183,890
-	217,472
-	3,828,882
<u>167,074</u>	<u>4,439,466</u>
<u>\$ 196,568</u>	<u>\$ 5,817,006</u>

The notes to the financial statements are an integral part of this statement.

This page left blank intentionally

**HARTLEY COUNTY, TEXAS**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2025**

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

Total fund balances - governmental funds	\$ 4,439,466
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 Position.	4,428,845
Long-term assets are not available to pay for current-period expenditures and, therefore, are shown as unavailable revenue in the fund financial statements.	172,859
Pension losses, deficient earnings, and changes in assumptions are shown as deferred outflows of resources in the government-wide financial statements.	
Pension economic/demographic losses	77,089
Pension contributions paid after the measurement date, December 31, 2024, and before September 30, 2025, are expensed in the governmental funds and shown as deferred outflows of resources in the government-wide financial statements.	177,142
The internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	284,551
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements:	
Leases and subscription payable	(38,741)
Compensated absences	(97,925)
	<hr/>
Net position - governmental activities	<u><u>\$ 9,555,334</u></u>

The notes to the financial statements are an integral part of this statement.

**HARTLEY COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>General</u>	<u>Road and Bridge</u>	<u>Capital Projects</u>
<b>REVENUES</b>			
Property taxes	\$ 3,996,881	\$ -	\$ -
Other taxes	13,253	-	-
Licenses and fees	167,060	369,335	-
Fines and forfeitures	235,413	-	-
Intergovernmental	70,912	14,433	-
Investment earnings	128,988	82,377	15,444
Miscellaneous	107,002	-	-
	<u>4,719,509</u>	<u>466,145</u>	<u>15,444</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Administrative	1,155,306	-	-
Judicial	511,875	-	-
Public facilities	236,041	-	-
Public safety	1,440,891	-	-
Road and bridge	-	702,270	-
Public service	180,784	-	-
Debt service:			
Principal	17,641	-	-
Interest	1,796	-	-
Capital outlay	188,323	208,723	196,154
	<u>3,732,657</u>	<u>910,993</u>	<u>196,154</u>
Total expenditures			
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>986,852</u>	<u>(444,848)</u>	<u>(180,710)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from disposition of assets	50,000	-	-
Transfers in	100,452	493,723	50,000
Transfers out	(620,000)	-	-
	<u>(469,548)</u>	<u>493,723</u>	<u>50,000</u>
Total other financing sources (uses)			
<b>NET CHANGE IN FUND BALANCES</b>	517,304	48,875	(130,710)
<b>FUND BALANCES - BEGINNING, as previously presented</b>	<u>3,353,726</u>	<u>168,597</u>	<u>-</u>
Changes within financial reporting entity (major to nonmajor fund)	<u>-</u>	<u>-</u>	<u>314,600</u>
<b>FUND BALANCES - BEGINNING, as restated</b>	<u>3,353,726</u>	<u>168,597</u>	<u>314,600</u>
<b>FUND BALANCES - ENDING</b>	<u><u>\$ 3,871,030</u></u>	<u><u>\$ 217,472</u></u>	<u><u>\$ 183,890</u></u>

<b>SB22 Sheriff</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 3,996,881
-	-	13,253
-	33,776	570,171
-	13,046	248,459
-	350,000	435,345
-	10,042	236,851
-	-	107,002
-	406,864	5,607,962
-	14,542	1,169,848
-	125,562	637,437
-	-	236,041
-	113,643	1,554,534
-	-	702,270
-	-	180,784
-	-	17,641
-	-	1,796
-	155,732	748,932
-	409,479	5,249,283
-	(2,615)	358,679
-	-	50,000
-	-	644,175
-	-	(620,000)
-	-	74,175
-	(2,615)	432,854
-	484,289	4,006,612
-	(314,600)	-
-	169,689	4,006,612
<u>\$ -</u>	<u>\$ 167,074</u>	<u>\$ 4,439,466</u>

The notes to the financial statements are an integral part of this statement.

**HARTLEY COUNTY, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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

Net change in fund balances - total governmental funds:	\$ 432,854
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.	
This is the amount by which capital outlays, \$748,932, exceeded depreciation, \$470,246, in the current period.	278,686
In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental fund, the proceeds from the sale increase financial resources. Thus, the change in net assets differed from the change in fund balance by the net book value of the capital assets sold.	(176,689)
The Statement of Activities reports gains arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.	165,000
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. This amount represents the change in unavailable revenue.	(16,117)
In the Statement of Net Position, incurring debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayments of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.	
Principal repayments:	
Leases payable	8,503
Subscription liability	9,138
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Compensated absences, net change	(7,817)
Deferred outflows of resources related to pensions, net change	25,120
Deferred inflows of resources related to pensions, net change	(96,904)
Net pension asset / liability, net change	227,542
The internal service fund is used by management to charge the costs of health insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.	(10,681)
Change in net position - governmental activities	\$ 838,635

The notes to the financial statements are an integral part of this statement.



**HARTLEY COUNTY, TEXAS  
STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUND  
SEPTEMBER 30, 2025**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 282,095
Due from other funds	<u>2,456</u>

Total current assets	<u>284,551</u>
----------------------	----------------

Total assets	<u><u>\$ 284,551</u></u>
--------------	--------------------------

**NET POSITION**

Unrestricted	<u>\$ 284,551</u>
--------------	-------------------

Total net position	<u><u>\$ 284,551</u></u>
--------------------	--------------------------

The notes to the financial statements are an integral part of this statement.

**HARTLEY COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

<b>NONCAPITAL SUBSIDIES</b>	
Transfers in	\$ 285,000
Transfers out	<u>(309,175)</u>
Total noncapital subsidies	<u>(24,175)</u>
<b>OPERATING INCOME (LOSS) AND NONCAPITAL SUBSIDIES</b>	<u>(24,175)</u>
<b>OTHER NONOPERATING REVENUES (EXPENSES)</b>	
Investment earnings	<u>13,494</u>
Total other nonoperating revenue (expenses)	<u>13,494</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	(10,681)
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>295,232</u>
<b>NET POSITION AT END OF YEAR</b>	<u><u>\$ 284,551</u></u>

The notes to the financial statements are an integral part of this statement.

**HARTLEY COUNTY, TEXAS  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Net transfers from other funds	\$ (24,175)
Increase in due to other funds	<u>(28,456)</u>

Net cash used by noncapital financing activities	<u>(52,631)</u>
--	-----------------

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest from cash deposits	<u>13,494</u>
-----------------------------	---------------

Net cash provided by investing activities	<u>13,494</u>
---	---------------

<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(39,137)
--	----------

<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>321,232</u>
---	----------------

<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 282,095</u></u>
---	--------------------------

The notes to the financial statements are an integral part of this statement.

**HARTLEY COUNTY, TEXAS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2025**

		<u>County and District Clerk</u>
	<b>ASSETS</b>	
Cash and cash equivalents		\$ 67,702
Total assets		<u>\$ 67,702</u>
	<b>NET ASSETS</b>	
Restricted for:		
Individuals		\$ 67,702
Total net position		<u>\$ 67,702</u>

The notes to the financial statements are an integral part of this statement.

**HARTLEY COUNTY, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>County and District Clerk</b>
<b>Additions</b>	
Trust/Escrow contributions	\$ 3,276
Investment earnings	<u>645</u>
<b>Total additions</b>	<u>3,921</u>
<b>NET CHANGE IN NET POSITION</b>	3,921
<b>NET POSITION - BEGINNING</b>	<u>63,781</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 67,702</u></u>

The notes to the financial statements are an integral part of this statement.

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Hartley County, Texas (County), have been prepared in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles) (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

**A. Financial Reporting Entity**

The County, incorporated in 1891, is a public corporation and political subdivision of the State of Texas. The County is governed by the Commissioners' Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County provides a variety of services to advance the welfare, morale, comfort, safety and convenience of the County and its citizens.

The definition of the reporting entity is based primarily on the notion of financial accountability. The elected officials governing the County are accountable to their constituents for their public policy decisions, regardless of whether those decisions are carried out directly through the operations of the County or by their appointees through the operations of a separate entity. Therefore, the County is not only financially accountable for the organizations that make up its legal entity, but also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and, either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the County.

**B. Financial Statement Presentation, Measurement Focus and Basis of Accounting**

Government-Wide Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-like activities*, which rely to a significant extent on fees and charges for support.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Fines and forfeitures are recognized when they have been assessed and adjudicated and earned. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**B. Financial Statement Presentation, Measurement Focus and Basis of Accounting – Continuation**

Government-Wide Statements – Continuation

The Statement of Activities demonstrates the degree to which the direct expenses of the County's programs are offset by those programs' revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the program and 2) grants and contributions that are restricted to meeting the operational and/or capital requirements of a particular program. Taxes and other items not included among program revenue are reported instead as *general revenue*.

Fiduciary funds are excluded in the government-wide presentation of the financial statements.

Fund-Level Statements

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. The County considers property taxes and other revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on governmental long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Grant and entitlement revenues are also susceptible to accrual. These funds are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Any fiduciary funds, including custodial funds, are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using an economic resources measurement focus.

The accounts of the County are organized and operated 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/expenses. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**B. Financial Statement Presentation, Measurement Focus and Basis of Accounting – Continuation**

Fund-Level Statements – Continuation

The County reports the following major governmental funds:

The **General Fund** is the general operating fund of the County. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for administrative, judicial, public facilities, public safety, public services, capital acquisition, and debt service.

The **Road and Bridge Fund** is a special revenue fund used to account for the revenues derived from property taxes and license fees levied for purposes of road and bridge expenditures and debt service.

The **Capital Projects Fund** is a capital projects fund that accounts for resources accumulated to fund future capital acquisitions or construction. The fund also accounts for property taxes levied for debt service requirements of the note used to finance the Dallam-Hartley Counties Jail Facility.

Additionally, the County reports the following fund types:

**Internal Service Fund** – The *Fleet Maintenance Fund* is used to pay for fleet capital expenditures of the County.

**Special Revenue Funds** – *Special Revenue Funds* account for the proceeds of specific revenue sources (other than fiduciary funds) that are legally restricted to expenditures for specified purposes.

**Custodial Funds** – *Custodial Funds* account for assets received by the governmental unit in its capacity as trustee or agent for the County, other governmental entities, or individuals. The receipts and disbursements of such funds are governed by the terms of the statutes, ordinances, regulations or other authority.

**C. Use of Restricted Assets**

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity**

**1. Deposits and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and deposits within public fund investment pools as well as investments in certificates of deposits with an original maturity of 90 days or less. Statutes authorize the County to keep funds in demand deposits, time deposits, or securities of the United States. The County's custodial banks are required to pledge for the purpose of securing County funds, securities of the following kind, in an amount equal to the amount of such County funds: bonds and notes of the United States, securities of indebtedness of the United States, bonds of the State of Texas, or of any county, city, or independent school district, and various other bonds as described in Texas Statutes. TexPool and Texas LOGIC are duly chartered and administered by the Texas Treasury Safekeeping Trust Company and the portfolio normally consists of U.S. T-Bills or T-Notes, collateralized certificates of deposit, and repurchase agreements. The carrying value (cost) and market value are equal for these deposits.

Continued



**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**1. Deposits and Investments – Continuation**

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

The Act requires an annual audit of investment policies. Audit procedures in this area, conducted as a part of the audit of the basic financial statements, disclosed that in areas of investment practices, management has reported and established appropriate policies. The County adheres to the requirements of the Act. Additionally, investment practices of the County are in accordance with local policies.

**2. Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the noncurrent portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

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

Reimbursement for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Receivables are shown net of an allowance for uncollectible accounts of \$2,976,090.

Revenues received in advance of the costs being incurred are recorded as unavailable revenue in the fund statements.

Payables consist of vendor obligations for goods and services as well as funds payable to others when the criteria for their release have been met.

**3. Property Tax Calendar and Revenues**

Property taxes are based on taxable value at January 1 and become due October 1 and past due after January 31 of the following year, unless the half payment option is elected in which one-half the tax is due November 30, and the balance the following June 30. Tax collections after February 1 are treated as late payments and are subject to penalty and interest. Uncollected taxes from the current tax roll become delinquent on July 1 and are subject to additional penalties and interest. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior years’ levies are shown net of an allowance for uncollectible accounts of \$34,443.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**4. Restricted Assets/Funds**

The following accounts reflect restricted status by third-party or statutory obligations for specific purposes:

- Other Non-Major Governmental fund balances (amounts restricted for other specific purposes such as management, preservation, and archiving of public records, enhancement of law enforcement operations with seized funds, personnel and security for the courthouse, technology requirements for the justice court, administration of pre-trial diversion programs, and enhancement of the county attorney operations with fees from processing dishonored and forged checks). All restrictions are enacted according to Texas statutes.

**5. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The County uses the consumption method to record its prepaid items, which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed. In the fund financial statements, they are offset by a designation of nonspendable fund balance which indicates they do not represent “available spendable resources”.

**6. Capital Assets**

Capital assets, which include land, buildings and improvements, infrastructure, and equipment, are reported in the government-wide financial statements. The County has opted to not retroactively report infrastructure assets. According to the County’s capitalization policy, capital assets, such as equipment, are defined as individual assets (or systems of assets) having a cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated lives:

Buildings and improvements	25-40 years
Infrastructure	40 years
Equipment	3-10 years

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has multiple items that qualify for reporting in this category. They are the contributions and other items related to the County’s pension plan reported in the government-wide statement of net position.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**7. Deferred Outflows/Inflows of Resources – Continuation**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has multiple items that qualify for reporting in this category. One item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are related to the County's pension plan and are reported in the government-wide statement of net position.

**8. Compensated Absences**

Hartley County, Texas recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – *vacation* and *sick leave*. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

Hartley County, Texas's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. Vacation hours cannot be accumulated beyond one calendar year.

Sick Leave

Hartley County, Texas's policy permits employees to accumulate earned but unused sick leave with a maximum cap of 480 hours. All sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

**9. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**10. Pensions**

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

**11. Fund Balances**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

**Non-spendable Fund Balance** – includes amounts that are (a) not in spendable forms, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash (for example: inventories, prepaid amounts, and long-term notes receivable).

**Restricted Fund Balance** – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

**Committed Fund Balance** – includes amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, the Commissioners' Court. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution or ordinance).

**Assigned Fund Balance** – includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (a) Commissioners' Court or (b) a body (budget, finance committee, or County Official) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as non-spendable, restricted or committed.

**Unassigned Fund Balance** – this classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**12. Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in three categories.

**Net Investment in Capital Assets** – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation**

**D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position or Equity – Continuation**

**12. Net Position – Continuation**

**Restricted Net Position** – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, constitutional provisions.

**Unrestricted Net Position** – This amount includes all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

**13. Fund Balance Policies**

When the County incurs an expenditure for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first, then unrestricted funds. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Committed fund balance amounts may be used for other purposes with appropriate action by the Commissioners’ Court to either modify or rescind a fund balance commitment. Commitments are typically done through adoption and amendment of the budget.

The County’s highest level of decision-making authority is the Commissioners’ Court. The Court has not yet delegated the authority to assign fund balance amounts to a specific individual, nor does it have a policy to authorize the assignment of fund balances outside the Court.

**14. Use of Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the proposed budget is submitted to the Commissioners' Court.
2. The Commissioners' Court provides for a public hearing on the County budget subsequent to August 15, and prior to the levy of taxes by the Commissioners' Court.
3. Prior to October 1, the budget is legally adopted by order of the Commissioners' Court for the General Fund, the Road and Bridge Special Revenue Fund, and all other funds of the County.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continuation**

**A. Budgetary Information – Continuation**

4. The budget is prepared by fund and department with the legal level of control at the department level. Administrative control is maintained through the establishment of more detailed account or object class budgets within the departments. Emergency expenditures to meet unusual and unforeseen conditions which could not, by reasonable diligent thought and attention, have been included in the original budget, whereby total expenditures of a department have been increased must be authorized by the Court as emergency amendments to the original budget. Management may not amend the budget at any level without approval of the Commissioners' Court. The Court has the authority to make such changes in the budget, in its judgment of facts, the law warrant, and the interest of the taxpayers demand, provided the amounts budgeted for the current expenditures from the various funds for the County do not exceed appropriations, including fund balances from the prior fiscal periods. Amounts shown in the financial statements represent the original budget amounts and all supplemental appropriations. Supplemental appropriations to the original adopted budget are in the Final Budget Amounts column of the Budgetary Comparison Schedule for the General Fund, the Road and Bridge Special Revenue Fund, and the SB22 Sheriff Special Revenue Fund.
5. Budgets for the General Fund, Road and Bridge Special Revenue Fund, and other funds are adopted on a basis consistent with GAAP on the modified accrual basis of accounting on an annual basis.
6. Formal budgetary integration on an annual basis is employed as a management control device during the year for the General Fund, the Road and Bridge Special Revenue Fund, and other funds of the County.
7. All appropriations, except those in grant funds, lapse at the end of the County's fiscal year and may be re-budgeted the next year.

**B. Excess of Disbursements Over Appropriations**

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

Violation

Expenditures exceeded the budget in various departments of the General and Road and Bridge Funds.

Action Taken

A combination of underspending in other departments and transfers from the Internal Service Fund have covered such overspendings.

**NOTE 3 – PROPERTY TAX**

The State of Texas Constitutional tax rate limit for both operations and debt service is \$.80 on each \$100 of assessed valuation. The tax rate on the 2024 tax roll was \$.384495 per \$100, which means that the County has a tax margin of \$.415505 per \$100, and could raise up to \$4,314,458 in additional revenue from the 2024 assessed valuation of \$1,038,364,801 before the limit is reached.

Real and personal property values are assessed for the period January 1 to December 31. As of January 1, property taxes attach as an enforceable lien on property. Taxes are levied by October 1 of the current year and are collected from October 1 to June 30 of the following year. Payments received after February 1 are considered late and are subject to penalty and interest. Taxes become delinquent on July 1 of the following year.

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 4 – DEPOSITS AND INVESTMENTS**

Following is a reconciliation of the County's cash and deposit balances as of September 30, 2025:

Cash and deposit balances consist of:

Petty cash funds	\$ 1,200
Bank deposits	3,198,935
Texas LOGIC	961,341
TexPool	933,142
	<hr/>
Total	\$ 5,094,618
	<hr/> <hr/>

Cash and deposit balances are reported in the basic financial statements as follows:

Government-wide Statement of Net Position:

Unrestricted	\$ 5,026,916
--------------	--------------

Statement of Fiduciary Net Position: Agency Funds	67,702
	<hr/>

Total	\$ 5,094,618
	<hr/> <hr/>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Governmental activities		
Certificates of deposit (interest rate - 3.91%)	\$ 255,393	
	<hr/>	
Total fair value	\$ 255,393	
	<hr/> <hr/>	
Portfolio weighted average maturity		185
		<hr/> <hr/>

***Custodial credit risk – deposits.*** As of September 30, 2025, the carrying amount of the County's deposits with financial institutions was \$3,454,328 and the bank's balance was \$3,529,657. Of the bank balance, \$581,671 was insured through the Federal Depository Insurance Corporation (FDIC) and the remaining 2,947,986 was collateralized with securities held by the pledging institution's agent in the County's name.

As of September 30, 2025, the County had \$961,341 and \$933,142, respectively invested with the Texas LOGIC and Texas Treasury Safekeeping Trust Company (TexPool). The Interlocal Cooperation Act, chapter 791 of the Texas Government Code, and the Public Funds Investment Act, chapter 2256 of the Texas Government Code, provide for the creation of public funds investment pools, such as TexPool and Texas LOGIC, through which political subdivisions and other entities may invest public funds. The State Comptroller of Public Accounts exercises oversight responsibility over both funds. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally the State Comptroller has established an advisory board composed of both participants of the pools and other persons who do not have a business relationship with either pool. The advisory board members review the investment policy and management fee structure.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 4 – DEPOSITS AND INVESTMENTS – Continuation**

Both investment pools use amortized cost to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. TexPool and Texas LOGIC do not place any limitations or restrictions, such as notice periods or maximum transaction amounts, on withdrawals. TexPool and Texas LOGIC have a credit rating of AAA from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principle. TexPool and Texas LOGIC invest in a quality portfolio of debt securities investments that are legally permissible for local governments in the state.

***Interest rate risk*** is the risk that adverse changes in interest rates will result in an adverse effect on the fair value of an investment. The County manages its exposure to interest rate risk by maintaining its cash in interest-bearing demand accounts, or in certificates of deposit with weighted average maturities of one year or less.

***Credit risk*** is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law and County policy limit investments in local government pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

***Concentration of credit risk*** is the risk of loss attributed to the magnitude of a government's investment in a single insurer. As of September 30, 2025, 35.41% of the County's carrying value of cash was invested in pooled investment accounts. All other cash was deposited with the County's depository bank and was adequately secured as described above.



**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 5 – CAPITAL ASSETS**

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB Statement No. 34, depreciation policies were adopted to include useful lives and classification by function. As stated earlier, the County has not opted to report its infrastructure retroactively.

Capital asset activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land and land improvements	\$ 22,129	\$ -	\$ -	\$ -	\$ 22,129
Construction in progress	313,384	140,233	-	(453,617)	-
Total capital assets, not being depreciated	335,513	140,233	-	(453,617)	22,129
Capital assets, being depreciated:					
Buildings and improvements	2,801,604	61,201	-	453,617	3,316,422
Infrastructure	731,808	-	-	-	731,808
Equipment	3,408,232	712,498	(379,820)	-	3,740,910
Leased equipment	40,242	-	-	-	40,242
Subscription asset	93,634	-	-	-	93,634
Total capital assets, being depreciated	7,075,520	773,699	(379,820)	453,617	7,923,016
Less accumulated depreciation for:					
Buildings and improvements	(1,240,476)	(62,978)	-	-	(1,303,454)
Infrastructure	(133,916)	(18,295)	-	-	(152,211)
Equipment	(1,842,324)	(362,198)	203,131	-	(2,001,391)
Leased equipment	(23,106)	(8,048)	-	-	(31,154)
Subscription asset	(9,363)	(18,727)	-	-	(28,090)
Total accumulated depreciation	(3,249,185)	(470,246)	203,131	-	(3,516,300)
Total capital assets, being depreciated, net	3,826,335	303,453	(176,689)	453,617	4,406,716
Governmental activities capital assets, net	\$ 4,161,848	\$ 443,686	\$ (176,689)	\$ -	\$ 4,428,845

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 5 – CAPITAL ASSETS – Continuation**

Depreciation expense for the year ended September 30, 2025 was charged to the functions/programs of the primary government as follows:

Governmental activities	
Administrative	\$ 31,325
Judicial	20,047
Public facilities	1,993
Public safety	230,784
Road and bridge	<u>186,097</u>
 Total Depreciation Expense	 <u><u>\$ 470,246</u></u>

**NOTE 6 – RETIREMENT PLAN**

**Plan Description:** Hartley County provides retirement and death benefits for all of its employees, except temporary 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 several nontraditional, defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 and is available at [www.tcdrs.org](http://www.tcdrs.org).

**Benefits Provided:** The plan provisions are adopted by the governing body of the County (employer), within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 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 the County.

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 County 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.

**Employees Covered by Benefit Terms:** At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	35
Active employees	34

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN – Continuation**

**Contributions:** The County 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 County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually.

The County contributed using the actuarially determined rate of 14.34% for the months of the accounting year in 2024 and 14.49% for the months of the accounting year in 2025. The contribution rate payable by the employee members is 7.0% for fiscal year 2025, as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

**Net Pension Liability:** The County's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability, or asset, was determined by an actuarial valuation as of that date.

**Actuarial Assumptions:** The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

The demographic assumptions were developed from an actuarial experience investigation of TCDRS over the years 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in December of 2021. All economic assumptions were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2024. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

**TCDRS system-wide economic assumptions:**

Real rate of return	5.00%
Inflation	2.50%
Long-term investment return	7.50%

The assumed long-term investment return of 7.5% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 7.5% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.00% (made up of 2.50% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.7% per year for a career employee.

**Employer-specific economic assumptions:**

Growth in membership	0.00%
Payroll growth for funding calculations	2.00%

The payroll growth assumption is for the aggregate covered payroll of an employer.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN – Continuation**

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2025 information for a 10-year time horizon.

Note that the valuation assumption for the long-term expected return is re-assessed in detail at a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting. The assumption for the long-term expected return is reviewed annually for continued compliance with the relevant actuarial standards of practice. Milliman relies on the expertise of Cliffwater in this assessment.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN – Continuation**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation (1)</u>	<u>Geometric Real Rate of Return (Expected Minus Inflation) (2)</u>
US Equities	Dow Jones U.S. Total Stock Market Index	13.00%	5.35%
Global Equities	MSCI World (net) Index	4.00%	5.15%
International Equities - Developed Markets	MSCI World Ex USA (net) Index	6.00%	4.75%
International Equities - Emerging Markets	MSCI Emerging Markets (net) Index	0.00%	4.75%
Investment-Grade Bonds	Bloomberg U.S. Aggregate Bond Index	3.00%	2.55%
Strategic Credit	FTSE High-Yield Cash-Pay Index	9.00%	3.70%
Direct Lending	Morningstar LSTA US Leveraged Loan TR USD Index	16.00%	6.85%
Distressed Debt	Cambridge Associates Distressed Securities Index (3)	4.00%	6.80%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	3.95%
Master Limited Partnerships	Alerian MLP Index	2.00%	4.95%
Commodities	Bloomberg Commodities Index	2.00%	1.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.00%	5.75%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (5)	25.00%	8.15%
Hedge Funds	HFR, Inc. Fund of Funds Composite Index	6.00%	3.60%
Cash Equivalents	90-Day U.S. Treasury	2.00%	1.10%

(1) Target asset allocation adopted at the March 2025 TCDRS Board Meeting.

(2) Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.35%, per Cliffwater's 2025 capital market assumptions.

(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN – Continuation**

**Discount Rate:** The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments.

The funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act are such that a depletion is not projected to occur.

Since the fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. For GASB 68 this long-term assumed rate of return is net of investment expenses, but gross of administrative expenses. Therefore, we have used a discount rate of 7.60% which reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN – Continuation**

**Changes in the Net Pension Liability / (Asset):**

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2023	\$ 9,303,660	\$ 9,285,072	\$ 18,588
Changes for the year:			
Service cost	237,816	-	237,816
Interest on total pension liability (1)	709,412	-	709,412
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	97,531	-	97,531
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(17,349)	(17,349)	-
Benefit payments	(404,606)	(404,606)	-
Administrative expenses	-	(5,517)	5,517
Member contributions	-	109,962	(109,962)
Net investment income	-	944,615	(944,615)
Employer contributions	-	225,264	(225,264)
Other (3)	-	(2,025)	2,025
Balances as of December 31, 2024	<u>\$ 9,926,464</u>	<u>\$ 10,135,416</u>	<u>\$ (208,952)</u>

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

(2) No plan changes valued.

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

**Sensitivity of the net pension liability / (asset) to changes in the discount rate:** The following presents the net pension liability of the County, calculated using the discount rate of 7.60%, as well as what the County's net pension liability / (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 10,999,137	\$ 9,926,464	\$ 8,998,888
Fiduciary net position	<u>10,135,416</u>	<u>10,135,416</u>	<u>10,135,416</u>
Net pension liability / (asset)	<u>\$ 863,721</u>	<u>\$ (208,952)</u>	<u>\$ (1,136,528)</u>

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN – Continuation**

**Pension plan fiduciary net position:** Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

**Pension Expense / (Income):**

	January 1, 2024 to December 31, 2024
	<hr/>
Service cost	\$ 237,816
Interest on total pension liability (1)	709,412
Effect of plan changes	-
Administrative expenses	5,517
Member contributions	(109,962)
Expected investment return net of investment expenses	(702,149)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	50,434
Recognition of assumption changes or inputs	-
Recognition of investment gains or losses	(107,936)
Other (2)	<hr/> 2,025
Pension expense / (income)	<hr/> <hr/> \$ 85,157

(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 Inflows / Outflows of Resources:** As of September 30, 2025, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$ -	\$ 77,089
Changes of assumptions	-	-
Net difference between projected and actual earnings	96,904	-
Contributions made subsequent to measurement date	N/A	177,142

Continued



**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN – Continuation**

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:

Year ended December 31:	
2025	\$ (32,583)
2026	164,673
2027	(103,411)
2028	(48,494)
2029	-
Thereafter	-

Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period.

**NOTE 7 – POSTEMPLOYMENT DEFINED BENEFIT GROUP TERM LIFE INSURANCE PLAN**

*Plan Description*

Hartley County, Texas participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County & District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees.

The GTLF is a separate trust administered by the TCDRS board of trustees. TCDRS issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for the GTLF. This report is available at [www.tcds.org](http://www.tcds.org). TCDRS' ACFR may also be obtained by writing to the Texas County & District System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800-823-7782.

*Funding Policy*

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. Hartley County, Texas contributions to the GTLF for the year ended September 30, 2025, 2024 and 2023, were \$4,157, \$3,300, and 3,397, respectively, which equaled the contractually required contributions each year.

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 8 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Individual Fund Inter-fund Receivables and Payables**

Fund	Inter-fund Receivables	Inter-fund Payables
General Fund	\$ 204,404	\$ 375,340
Special Revenue Funds:		
Road and Bridge	217,472	-
Records Management/Preservation	19,420	-
Records Archive	15,901	-
Seized Property	36,659	-
Courthouse Security	24,071	-
Justice Court Technology	22,437	-
Justice Building Security	3,496	-
District Clerk Technology	730	-
Truancy Prevention and Diversion	8,067	-
County Specialty Court	5,988	-
County Law Library	15,537	-
County Jury	3,106	-
SB22 Sheriff	-	34
SB22 County Prosecutor	-	29,460
Capital Project Fund	-	174,910
Internal Service Fund:		
Fleet maintenance	2,456	-
	<u>\$ 579,744</u>	<u>\$ 579,744</u>

The primary purpose of inter-fund receivables and payables is the reimbursement of the Special Revenue funds for day to day operations, as all County funds are pooled in the General Fund.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 8 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS – Continuation**

**Individual Inter-fund Transfers**

Fund	Inter-fund Transfers In	Inter-fund Transfers Out
General Fund	\$ 100,452	\$ 620,000
Special Revenue Funds:		
Road and Bridge	493,723	-
Capital Project Fund	50,000	-
Internal Service Fund:		
Fleet maintenance	285,000	309,175
	<u>\$ 929,175</u>	<u>\$ 929,175</u>

The primary purpose for inter-fund transfers was for the General Fund to supplement the Road and Bridge and Fleet Maintenance funds in the current year.

**NOTE 9 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The County has entered into a subscription-based information technology arrangement (SBITA) for use in the Sheriff's Department. For the year ended September 30, 2024, liability payments amounted to \$55,000. The SBITA has an interest rate of 3.705% with a maturity date of March 31, 2029.

**NOTE 10 – LONG-TERM LIABILITIES**

The County has entered into multiple leases for copiers and other equipment. One copier lease has a maturity date of November 20, 2028 and an interest rate of 3.76%, while the remaining four leases all mature during the fiscal year ending September 30, 2026 and have interest rates between .632% and .940%.

Changes in long-term obligations for the year ended September 30, 2025, are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Leases	\$ 17,748	\$ -	\$ (8,503)	\$ 9,245	\$ 4,558
Subscription liability	38,634	-	(9,138)	29,496	9,477
Compensated absences *	90,108	7,817	-	97,925	97,925
	<u>146,490</u>	<u>7,817</u>	<u>(17,641)</u>	<u>136,666</u>	<u>111,960</u>
Governmental activity long-term liabilities	<u>\$ 146,490</u>	<u>\$ 7,817</u>	<u>\$ (17,641)</u>	<u>\$ 136,666</u>	<u>\$ 111,960</u>

\* – The change in compensated absences above is a net change for the year.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 10 – LONG-TERM LIABILITIES** - Continuation

Debt service requirements at September 30, 2025, are as follows:

Fiscal Year	Total	Leases		Subscription liability	
		Interest	Principal	Interest	Principal
2026	\$ 15,332	\$ 204	\$ 4,558	\$ 1,093	\$ 9,477
2027	12,826	140	2,116	742	9,828
2028	12,826	59	2,197	379	10,191
2029	376	2	374	-	-
	<u>\$ 41,360</u>	<u>\$ 405</u>	<u>\$ 9,245</u>	<u>\$ 2,214</u>	<u>\$ 29,496</u>

The County incurred interest expense of \$1,796 during the year ended September 30, 2025.

**NOTE 11 – CONCENTRATION OF TAXPAYERS**

As of September 30, 2025, the following taxpayers accounted for a significant portion of the County's total tax levy.

Taxpayer	Industry	Tax Amount	Percent of Total Levy
Taxpayer A	Agriculture/Energy	\$ 357,953	8.97 %
Taxpayer B	Agriculture	274,698	6.88
Taxpayer C	Railroad	205,527	5.15
Taxpayer D	Agriculture	203,841	5.11

**NOTE 12 – RISK MANAGEMENT**

The County's major areas of risk management are: public officials, law enforcement, automobile liability, general comprehensive liability and property damage, workers' compensation, and employee health insurance. The County has obtained insurance with an insurance company and a public entity risk pool in which all risk is transferred to those entities for all the above areas. The County pays a deductible per incident, except on the employee health insurance, in which the deductible is the responsibility of the employee. There have been no significant reductions in insurance coverage from the prior year and settlements have not exceeded insurance coverage for the current year.

**NOTE 13 – PROBATION DEPARTMENTS**

***Juvenile Probation Department***

The Dallam, Hartley and Sherman Counties Juvenile Probation Department (Department) is a joint venture between the Counties. Each County makes a contribution to the Department based on a predetermined percentage of budgeted expenditures. The Department is governed by the Juvenile Probation Board whose members are the District Judge, the three County Judges and one citizen member appointed by the Board.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 13 – PROBATION DEPARMENTS – Continuation**

The Department operates on a fiscal year ending August 31 and issues a statement of revenues, expenditures and changes in fund balance – budget and actual. This financial statement is issued on a regulatory basis of accounting as mandated by the Texas Juvenile Justice Division. This report is solely the TJJD special revenue grant funds and not the Department as a whole.

Summarized information of the Dallam, Hartley and Sherman Counties Juvenile Probation Department for the year ended August 31, 2025, is as follows:

Department revenues:	
TJJD grant revenues - audited	\$ 205,723
Local funding - unaudited	103,000
Other revenues - unaudited	<u>11,241</u>
Total revenues	<u>319,964</u>
Department expenditures:	
Grant expenditures - audited	205,723
Local expenditures - unaudited	<u>106,807</u>
Total expenditures	<u>312,530</u>
Excess of Revenues over / (under) Expenditures	<u><u>\$ 7,434</u></u>
Total assets - unaudited	<u><u>\$ 108,038</u></u>
Fund balance - unaudited	<u><u>\$ 108,038</u></u>

***Community Supervision and Corrections (Adult Probation)***

The 69<sup>th</sup> District CSCD is a joint venture between Dallam, Hartley, Sherman and Moore Counties. The County’s local funding to this department for the year ended September 30, 2025, was \$4,381. This funding was not audited after it was sent to the CSCD by the County.

**NOTE 14 – ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES**

The prior period net position for the Governmental Activities was increased due to an error in the prior year of failing to properly capitalize purchased equipment under the provisions of GASB Statement 34, *Basic Financial Statements-And Management’s Discussion and Analysis-For State and Local Governments*. The effect of the error correction is summarized in the “Restatement – GASB 34 error correction” column in the following table.

Continued

**HARTLEY COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 14 – ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES**

During the current year, Hartley County, Texas implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, Hartley County, Texas now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized in the “Restatement - GASB 101 implementation” column in the following table.

Due to the increased amount of expenditures, Hartley County, Texas decided that the Capital Projects Fund should be reported as a major governmental fund now that it meets the quantitative threshold that would require it to be reported as such. The Capital Projects Fund was previously reported as a nonmajor governmental fund. The effect of the change within the financial reporting entity is summarized below in the “Adjustment – Capital Projects Fund as major fund” column in the following table.

	Net position / Fund Balance 9/30/2024 as previously reported	Restatement - GASB 34 error correction	Restatement - GASB 101 implementation	Adjustment - Capital Projects Fund as major fund	Net position / Fund Balance 9/30/2024 as restated/ adjusted
<b>Government-wide</b>					
Governmental activities	\$ 8,747,196	\$ 33,680	\$ (64,177)	\$ -	\$ 8,716,699
<b>Total government-wide</b>	<u>\$ 8,747,196</u>	<u>\$ 33,680</u>	<u>\$ (64,177)</u>	<u>\$ -</u>	<u>\$ 8,716,699</u>
<b>Governmental funds</b>					
Major funds:					
General Fund	\$ 3,353,726	\$ -	\$ -	\$ -	\$ 3,353,726
Road & Bridge Fund	168,597	-	-	-	168,597
Capital Projects	-	-	-	314,600	314,600
Nonmajor funds	484,289	-	-	(314,600)	169,689
<b>Total governmental funds</b>	<u>\$ 4,006,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,006,612</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**HARTLEY COUNTY, TEXAS**  
**GENERAL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Budgeted Amounts</b>		<b>Variance with Original Budget Over (Under) Final Budget</b>	<b>Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes	\$ 4,005,461	\$ 4,005,461	\$ -	\$ 3,996,881
Other taxes	10,000	10,000	-	13,253
Licenses and fees	176,875	176,875	-	167,060
Fines and forfeitures	252,500	252,500	-	235,413
Intergovernmental	183,252	183,252	-	70,912
Investment earnings	80,000	80,000	-	128,988
Miscellaneous	25,000	75,000	50,000	107,002
Total revenues	4,733,088	4,783,088	50,000	4,719,509
<b>EXPENDITURES</b>				
Current:				
Administrative				
County Judge	150,968	150,968	-	143,994
County Treasurer	196,827	196,827	-	204,578
District and County Clerk	322,352	322,352	-	297,368
Administrative	175,900	175,900	-	130,495
Tax Collector	394,461	394,461	-	378,871
Total administrative	1,240,508	1,240,508	-	1,155,306
Judicial				
County Attorney	121,928	125,428	3,500	144,978
Justice of the Peace	222,782	222,782	-	177,099
District Judge	50,290	50,290	-	47,551
District Attorney	85,600	90,100	4,500	87,112
Judicial	123,372	123,372	-	55,135
Total judicial	603,972	611,972	8,000	511,875
Public facilities				
Building operations	127,836	127,836	-	108,075
Rita Blanca Lake	35,000	35,000	-	35,000
Bi-County Library	96,500	96,500	-	92,966
Total public facilities	259,336	259,336	-	236,041



**Variance with  
Final Budget  
Over (Under)  
Actual Amounts**

\$	(8,580)
	3,253
	(9,815)
	(17,087)
	(112,340)
	48,988
	<u>32,002</u>
	<u>(63,579)</u>

	6,974
	(7,751)
	24,984
	45,405
	<u>15,590</u>
	<u>85,202</u>

	(19,550)
	45,683
	2,739
	2,988
	<u>68,237</u>
	<u>100,097</u>

	19,761
	-
	<u>3,534</u>
	<u>23,295</u>

Continued

**HARTLEY COUNTY, TEXAS**  
**GENERAL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Continuation	Budgeted Amounts		Variance with	Actual
	Original	Final	Original Budget Over (Under) Final Budget	
<b>EXPENDITURES</b>				
Current:				
Public safety				
Sheriff's department	\$ 856,864	\$ 856,864	\$ -	\$ 668,010
Fire protection	182,282	182,282	-	179,495
Ambulance service	80,400	80,400	-	80,400
Probation	38,542	38,542	-	37,341
Dallam/Hartley County Jail	548,500	548,500	-	379,102
Emergency Management				
Coordinator	96,938	96,938	-	96,543
Total public safety	1,803,526	1,803,526	-	1,440,891
Public service				
Public service	29,500	29,500	-	21,000
Extension service	142,000	146,000	4,000	145,536
Veteran's service	14,883	14,883	-	14,248
Total public service	186,383	190,383	4,000	180,784
Debt service:				
Principal	-	-	-	17,641
Interest	-	-	-	1,796
Total debt service	-	-	-	19,437
Capital outlay	-	-	-	188,323
Total expenditures	4,093,725	4,105,725	12,000	3,732,657
<b>EXCESS OF REVENUES</b>				
<b>OVER EXPENDITURES</b>	639,363	677,363	62,000	986,852
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposition of assets	-	-	-	50,000
Transfers in	-	-	-	100,453
Transfers out	(620,000)	(620,000)	-	(620,000)
Total other financing				
sources (uses)	(620,000)	(620,000)	-	(469,547)
<b>NET CHANGE IN FUND BALANCE</b>	19,363	57,363	62,000	517,305
<b>FUND BALANCE - BEGINNING</b>	3,353,726	3,353,726	-	3,353,726
<b>FUND BALANCE - ENDING</b>	\$ 3,373,089	\$ 3,411,089	\$ 62,000	\$ 3,871,031

**Variance with  
Final Budget  
Over (Under)  
Actual Amounts**

\$	188,854
	2,787
	-
	1,201
	169,398
	<u>395</u>
	<u>362,635</u>
	8,500
	464
	<u>635</u>
	<u>9,599</u>
	(17,641)
	<u>(1,796)</u>
	<u>(19,437)</u>
	<u>(188,323)</u>
	<u>373,068</u>
	<u>309,489</u>
	50,000
	100,453
	<u>-</u>
	<u>150,453</u>
	459,942
	<u>-</u>
\$	<u><u>459,942</u></u>

**HARTLEY COUNTY, TEXAS**  
**ROAD AND BRIDGE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Budgeted Amounts</b>		<b>Variance with Original Budget Over (Under) Final Budget</b>	<b>Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Licenses and fees	\$ 360,000	\$ 360,000	\$ -	\$ 369,335
Intergovernmental	15,000	15,000	-	14,433
Investment earnings	65,000	65,000	-	82,377
Miscellaneous	4,000	4,000	-	-
Total revenues	444,000	444,000	-	466,145
<b>EXPENDITURES</b>				
Current:				
Road and bridge				
Precinct 1	194,909	194,909	-	170,796
Precinct 2	178,083	178,083	-	145,878
Precinct 3	191,360	191,360	-	154,732
Precinct 4	194,586	194,586	-	149,841
County Wide	160,000	160,000	-	81,024
Total road and bridge	918,938	918,938	-	702,271
Capital outlay	-	-	-	208,723
Total expenditures	918,938	918,938	-	910,994
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(474,938)</b>	<b>(474,938)</b>	<b>-</b>	<b>(444,849)</b>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from disposition of assets	18,000	18,000	-	-
Transfers in	285,000	285,000	-	493,723
Total other financing sources	303,000	303,000	-	493,723
<b>NET CHANGE IN FUND BALANCE</b>	<b>(171,938)</b>	<b>(171,938)</b>	<b>-</b>	<b>48,874</b>
<b>FUND BALANCE - BEGINNING</b>	<b>168,597</b>	<b>168,597</b>	<b>-</b>	<b>168,597</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ (3,341)</b>	<b>\$ (3,341)</b>	<b>\$ -</b>	<b>\$ 217,471</b>

**Variance with  
Final Budget  
Over (Under)  
Actual Amounts**

\$	9,335
	(567)
	17,377
	<u>(4,000)</u>
	<u>22,145</u>

	24,113
	32,205
	36,628
	44,745
	<u>78,976</u>

	<u>216,667</u>
--	----------------

	<u>(208,723)</u>
--	------------------

	<u>7,944</u>
--	--------------

	<u>30,089</u>
--	---------------

	(18,000)
	<u>208,723</u>

	<u>190,723</u>
--	----------------

	220,812
--	---------

	<u>-</u>
--	----------

\$	<u><u>220,812</u></u>
----	-----------------------

**HARTLEY COUNTY, TEXAS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**Last Ten Years**

	Year Ended December 31,			
	2024	2023	# 2022	# 2021
<b>Total Pension Liability:</b>				
Service cost	\$ 237,816	\$ 219,197	\$ 212,533	\$ 206,655
Interest on total pension liability	709,412	634,361	599,071	579,861
Effect of plan changes	-	476,342	-	-
Effect of assumption changes or inputs	-	-	-	(47,454)
Effect of economic/demographic (gains) or losses	97,531	36,206	17,565	(114,215)
Benefit payments/refunds of contributions	(421,956)	(373,370)	(369,673)	(385,969)
Net change in total pension liability	622,803	992,736	459,496	238,878
Total pension liability, beginning	9,303,660	8,310,924	7,851,428	7,612,550
Total pension liability, ending (a)	<u>\$ 9,926,463</u>	<u>\$ 9,303,660</u>	<u>\$ 8,310,924</u>	<u>\$ 7,851,428</u>
<b>Fiduciary Net Position:</b>				
Employer contributions	\$ 225,264	\$ 418,229	\$ 191,312	\$ 172,456
Member contributions	109,962	103,208	99,939	93,005
Investment income net of investment expenses	944,615	905,475	(510,537)	1,600,439
Benefit payments/refunds of contributions	(421,956)	(373,370)	(369,673)	(385,969)
Administrative expenses	(5,517)	(4,848)	(4,820)	(4,773)
Other	(2,025)	10,713	(3,671)	(1,388)
Net change in fiduciary net position	850,343	1,059,407	(597,450)	1,473,770
Fiduciary net position, beginning	9,285,072	8,225,665	8,823,115	7,349,345
Fiduciary net position, ending (b)	<u>\$ 10,135,415</u>	<u>\$ 9,285,072</u>	<u>\$ 8,225,665</u>	<u>\$ 8,823,115</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ (208,952)</u>	<u>\$ 18,588</u>	<u>\$ 85,259</u>	<u>\$ (971,687)</u>
Fiduciary net position as a % of total pension liability	102.10%	99.80%	98.97%	112.38%
Pensionable covered payroll	\$ 1,570,886	\$ 1,474,406	\$ 1,427,701	\$ 1,328,637
Net pension liability as a % of covered payroll	-13.30%	1.26%	5.97%	-73.13%

Year Ended December 31,											
#	2020	#	2019	#	2018	#	2017	#	2016	#	2015
\$	195,013	\$	187,723	\$	184,608	\$	173,241	\$	178,859	\$	169,108
	559,495		526,265		494,060		473,244		436,667		414,343
	-		-		-		-		-		(11,623)
	355,979		-		-		52,073		-		55,658
	(35,325)		35,454		35,687		(158,674)		44,181		(59,939)
	(343,202)		(349,651)		(291,235)		(297,169)		(290,355)		(260,504)
	731,960		399,791		423,120		242,715		369,352		307,043
	6,880,590		6,480,799		6,057,679		5,814,964		5,445,612		5,138,569
\$	7,612,550		6,880,590	\$	6,480,799	\$	6,057,679	\$	5,814,964	\$	5,445,612
\$	167,001		148,787		158,658	\$	147,463	\$	140,902	\$	135,823
	92,485		89,477		86,160		83,111		78,528		76,000
	696,503		968,183		(113,421)		780,100		370,431		(10,034)
	(343,202)		(349,651)		(291,235)		(297,169)		(290,355)		(260,504)
	(5,378)		(5,139)		(4,735)		(4,030)		(4,021)		(3,607)
	(1,809)		(2,874)		(774)		(930)		54,547		38,439
	605,600		848,783		(165,347)		708,545		350,032		(23,883)
	6,743,745		5,894,962		6,060,309		5,351,764		5,001,732		5,025,615
\$	7,349,345		6,743,745	\$	5,894,962	\$	6,060,309	\$	5,351,764	\$	5,001,732
\$	263,205		136,845	\$	585,837	\$	(2,630)	\$	463,200	\$	443,880
	96.54%		98.01%		90.96%		100.04%		92.03%		91.85%
\$	1,321,210		1,278,240		1,230,857	\$	1,187,304	\$	1,121,830	\$	1,085,717
	19.92%		10.71%		47.60%		-0.22%		41.29%		40.88%

**HARTLEY COUNTY, TEXAS**  
**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**Last Ten Fiscal Years**

<b>Year Ending September 30:</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2016	139,935	139,935	-	1,115,280	12.5%
2017	141,926	141,926	-	1,139,404	12.5%
2018	157,349	157,349	-	1,233,118	12.8%
2019	152,392	152,392	-	1,272,891	12.0%
2020	162,016	162,016	-	1,308,953	12.4%
2021	169,409	169,409	-	1,314,478	12.9%
2022	187,571	187,571	-	1,411,383	13.3%
2023	175,444	175,444	-	1,470,072	11.9%
2024	206,186	456,186	(250,000)	1,517,872	30.1%
2025	240,915	240,915	-	1,667,235	14.4%



**HARTLEY COUNTY, TEXAS  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
Last Ten Fiscal Years**

**Notes to Schedule:**

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

Methods and assumptions used to determine contribution rates (Dec. 31, 2022 valuation for 2024 contributions):

Actuarial Cost Method	Entry Age (level percentage of pay)
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	15.8 years (based on contribution rate calculated in 12/31/2024 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation.
Investment rate of return	7.5%, net of administrative and investment expenses, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the PUB-2010 General Retirees Table for males and 120% of the PUB-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions *	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions *	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule. 2023: No changes in plan provisions were reflected in the Schedule. 2024: Employer contributions reflect that the current service matching rate was increased to 225%.

\* Only changes that affect the benefit amount and that are effective 2015 and later are shown in the notes to Schedule.

This page left blank intentionally

## **OTHER SUPPLEMENTARY INFORMATION**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific sources that are legally restricted to expenditures for specified purposes.

**Records Management/Preservation** – The Records Management/Preservation Fund accounts for revenue from fees collected by the County and District Clerk on court cases. The fees are dedicated by law to be used for specific records management and preservation projects of the office.

**Records Archives** – The Records Archives Fund accounts for revenue from fees collected by the County and District Clerk on court cases. The fees are dedicated by law to be used for specific records archiving projects of the office.

**Seized Property** – The Seized Property Fund accounts for proceeds from asset forfeitures and seizures collected by the County Sheriff to statutorily supplement the cost of the Sheriff's office.

**Courthouse Security** – The Courthouse Security Fund accounts for statutory filing fees collected by the District and County Clerks which are dedicated by law to maintain the security of the courthouse.

**Justice Court Technology** – The Justice Court Technology Fund accounts for money charged to a defendant convicted of a misdemeanor in a justice court. It is designated for the purpose of financing the purchase of technological enhancements for a justice court.

**Hot Check** – The Hot Check Fund is used to account for revenues derived from the fees assessed on the collection and processing of dishonored and forged checks. The funds are designated to be used at the discretion of the County Attorney to defray the salaries and expenses of the prosecutor's office.

**Justice Building Security** – The Justice Building Security Fund accounts for statutory filing fees collected by the District and County Clerks which are dedicated by law to maintain the security of a justice court.

**District Clerk Technology** – The District Clerk Technology Fund accounts for money charged to a defendant convicted of a misdemeanor in a justice court. It is designated for the purpose of financing the purchase of technological enhancements for the district clerk's office.

**Pretrial Diversion** – The Pretrial Diversion Fund accounts for fees charged to any defendant willing to participate in a pretrial intervention program. The fees are dedicated by law to be used to administer and maintain the pretrial diversion programs.

**Truancy Prevention and Diversion** – The Truancy Prevention and Diversion Fund accounts for the fees collected upon convictions of nonjailable misdemeanors. They are dedicated by law to finance the salary, benefits, training, travel expenses, office supplies, and other necessary expenses relating to the position of a juvenile case manager.

**County Specialty Court** – The County Specialty Court Fund accounts for the fees collected upon convictions of a felony, or a Class A or B misdemeanor. They are dedicated by law to fund specialty court programs established under Subtitle K, Title 2, Government Code.

**County Law Library** – The County Law Library Fund accounts for the statutory fees collected in civil cases filed in County and District Courts. These fees are dedicated by law to provide and maintain a County Law Library.

**County Jury** – The County Jury Fund accounts for revenues and expenditures for juries at a County Court.

**SB22 Sheriff** – The SB22 Sheriff Fund is a special revenue fund used to account for the grant revenues derived from Texas Senate Bill 22. The grant funds are restricted to enhancing salaries and certain capital purchases within the Sheriff's Department.

**SB22 County Prosecutor** – The SB22 County Prosecutor Fund accounts for the grant revenues derived from Texas Senate Bill 22. The grant funds are restricted to enhancing salaries and certain capital purchases within the County Attorney's office.

**HARTLEY COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2025**

		<u>Special Revenue Funds</u>		
		<u>Records Management/ Preservation</u>	<u>Records Archives</u>	<u>Seized Property</u>
<b>ASSETS</b>				
Cash and cash equivalents		\$ -	\$ -	\$ -
Due from other funds		<u>19,420</u>	<u>15,901</u>	<u>36,659</u>
Total assets		<u><u>\$ 19,420</u></u>	<u><u>\$ 15,901</u></u>	<u><u>\$ 36,659</u></u>
<b>LIABILITIES</b>				
Due to other funds		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities		<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted:				
By enabling legislation for special projects		<u>\$ 19,420</u>	<u>\$ 15,901</u>	<u>\$ 36,659</u>
Total fund balances		<u>19,420</u>	<u>15,901</u>	<u>36,659</u>
Total liabilities and fund balances		<u><u>\$ 19,420</u></u>	<u><u>\$ 15,901</u></u>	<u><u>\$ 36,659</u></u>

**Special Revenue Funds**

<b>Courthouse Security</b>	<b>Justice Court Technology</b>	<b>Hot Check</b>	<b>Justice Building Security</b>	<b>District Clerk Technology</b>	<b>Pretrial Diversion</b>
\$ - 24,071	\$ - 22,437	\$ 3,644 -	\$ - 3,496	\$ - 730	\$ 8,018 -
<u>\$ 24,071</u>	<u>\$ 22,437</u>	<u>\$ 3,644</u>	<u>\$ 3,496</u>	<u>\$ 730</u>	<u>\$ 8,018</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
\$ 24,071	\$ 22,437	\$ 3,644	\$ 3,496	\$ 730	\$ 8,018
24,071	22,437	3,644	3,496	730	8,018
<u>\$ 24,071</u>	<u>\$ 22,437</u>	<u>\$ 3,644</u>	<u>\$ 3,496</u>	<u>\$ 730</u>	<u>\$ 8,018</u>
Continued					

**HARTLEY COUNTY, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2025**

Continuation

	<b>Special Revenue Funds</b>		
	<b>Truancy Prevention and Diversion</b>	<b>County Specialty Court</b>	<b>County Law Library</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from other funds	<u>8,067</u>	<u>5,988</u>	<u>15,537</u>
Total assets	<u><u>\$ 8,067</u></u>	<u><u>\$ 5,988</u></u>	<u><u>\$ 15,537</u></u>
<b>LIABILITIES</b>			
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted:			
By enabling legislation for special projects	<u>\$ 8,067</u>	<u>\$ 5,988</u>	<u>\$ 15,537</u>
Total fund balances	<u>8,067</u>	<u>5,988</u>	<u>15,537</u>
Total liabilities and fund balances	<u><u>\$ 8,067</u></u>	<u><u>\$ 5,988</u></u>	<u><u>\$ 15,537</u></u>



**Special Revenue Funds**

<b>County Jury</b>	<b>SB22 Sheriff</b>	<b>SB22 County Prosecutor</b>	<b>Total Special Revenue Funds</b>	<b>Total Nonmajor Funds</b>
\$ - 3,106	\$ 34 -	\$ 29,460 -	\$ 41,156 155,412	\$ 41,156 155,412
<u>\$ 3,106</u>	<u>\$ 34</u>	<u>\$ 29,460</u>	<u>\$ 196,568</u>	<u>\$ 196,568</u>
 \$ -	 \$ 34	 \$ 29,460	 \$ 29,494	 \$ 29,494
 -	 34	 29,460	 29,494	 29,494
 \$ 3,106	 \$ -	 \$ -	 \$ 167,074	 \$ 167,074
 3,106	 -	 -	 167,074	 167,074
<u>\$ 3,106</u>	<u>\$ 34</u>	<u>\$ 29,460</u>	<u>\$ 196,568</u>	<u>\$ 196,568</u>

**HARTLEY COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Special Revenue Funds</b>		
	<b>Records Management/ Preservation</b>	<b>Records Archives</b>	<b>Seized Property</b>
<b>REVENUES</b>			
Licenses and fees	12,620	9,735	-
Fines and forfeitures	-	-	-
Intergovernmental	-	-	-
Investment earnings	-	-	2,048
Total revenues	12,620	9,735	2,048
<b>EXPENDITURES</b>			
Current:			
Administrative	9,652	4,890	-
Judicial	-	-	-
Public safety	-	-	10,399
Capital outlay	-	-	5,280
Total expenditures	9,652	4,890	15,679
<b>NET CHANGE IN FUND BALANCES</b>	2,968	4,845	(13,631)
<b>FUND BALANCES - BEGINNING, as previously presented</b>	16,452	11,056	50,290
<b>Changes within financial reporting entity (major to nonmajor fund)</b>	-	-	-
<b>FUND BALANCES - BEGINNING, as restated</b>	16,452	11,056	50,290
<b>FUND BALANCES - ENDING</b>	<u>\$ 19,420</u>	<u>\$ 15,901</u>	<u>\$ 36,659</u>

**Special Revenue Funds**

<b>Courthouse Security</b>	<b>Justice Court Technology</b>	<b>Hot Check</b>	<b>Justice Building Security</b>	<b>District Clerk Technology</b>	<b>Pretrial Diversion</b>
6,496	3,944	185	61	235	500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,496</u>	<u>3,944</u>	<u>185</u>	<u>61</u>	<u>235</u>	<u>500</u>
-	-	-	-	-	-
2,797	4,471	-	-	-	9,493
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,797</u>	<u>4,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,493</u>
3,699	(527)	185	61	235	(8,993)
<u>20,372</u>	<u>22,964</u>	<u>3,459</u>	<u>3,435</u>	<u>495</u>	<u>17,011</u>
-	-	-	-	-	-
<u>20,372</u>	<u>22,964</u>	<u>3,459</u>	<u>3,435</u>	<u>495</u>	<u>17,011</u>
<u>\$ 24,071</u>	<u>\$ 22,437</u>	<u>\$ 3,644</u>	<u>\$ 3,496</u>	<u>\$ 730</u>	<u>\$ 8,018</u>
					Continued

**HARTLEY COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Continuation

	<b>Special Revenue Funds</b>		
	<b>Truancy Prevention and Diversion</b>	<b>County Specialty Court</b>	<b>County Law Library</b>
<b>REVENUES</b>			
Licenses and fees	-	-	-
Fines and forfeitures	4,707	247	2,760
Intergovernmental	-	-	-
Investment earnings	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,707</u>	<u>247</u>	<u>2,760</u>
<b>EXPENDITURES</b>			
Current:			
Administrative	-	-	-
Judicial	-	-	224
Public safety	-	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>224</u>
<b>NET CHANGE IN FUND BALANCES</b>	4,707	247	2,536
<b>FUND BALANCES - BEGINNING, as previously presented</b>	<u>3,360</u>	<u>5,741</u>	<u>13,001</u>
<b>Changes within financial reporting entity (major to nonmajor fund)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - BEGINNING, as restated</b>	<u>3,360</u>	<u>5,741</u>	<u>13,001</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 8,067</u>	<u>\$ 5,988</u>	<u>\$ 15,537</u>

<u>County Jury</u>	<u>SB22 Sheriff</u>	<u>SB22 County Prosecutor</u>	<u>Total Special Revenue Funds</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>
-	-	-	33,776	-	33,776
5,332	-	-	13,046	-	13,046
-	250,000	100,000	350,000	-	350,000
-	3,696	4,298	10,042	-	10,042
<u>5,332</u>	<u>253,696</u>	<u>104,298</u>	<u>406,864</u>	<u>-</u>	<u>406,864</u>
-	-	-	14,542	-	14,542
4,279	-	104,298	125,562	-	125,562
-	103,244	-	113,643	-	113,643
-	150,452	-	155,732	-	155,732
<u>4,279</u>	<u>253,696</u>	<u>104,298</u>	<u>409,479</u>	<u>-</u>	<u>409,479</u>
1,053	-	-	(2,615)	-	(2,615)
<u>2,053</u>	<u>-</u>	<u>-</u>	<u>169,689</u>	<u>314,600</u>	<u>484,289</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(314,600)</u>	<u>(314,600)</u>
<u>2,053</u>	<u>-</u>	<u>-</u>	<u>169,689</u>	<u>-</u>	<u>169,689</u>
<u>\$ 3,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,074</u>	<u>\$ -</u>	<u>\$ 167,074</u>