HUTCHINSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR YEAR ENDED
SEPTEMBER 30, 2025

HUTCHINSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2025

TABLE OF CONTENTS

TABLE OF CONTENTS

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PART I

FINANCIAL SECTION

DOSHIER, PICKENS & FRANCIS, LLC
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To The Honorable County Judge and
Commissioners Comprising the
Commissioners' Court of
Hutchinson County, Texas

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

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 Hutchinson County, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Hutchinson 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 Hutchinson 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Hutchinson 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 Hutchinson 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 auditors' 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 and *Government 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 and *Government 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 Hutchinson 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 Hutchinson 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 information, the schedule of changes in net pension liability and related ratios, the schedule of employer contributions, and the schedule of changes in total OPEB liability and related ratios on pages on pages 42 – 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods 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 Hutchinson County, Texas's basic financial statements. The accompanying combining nonmajor governmental and custodial fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental and custodial fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2026, on our consideration of Hutchinson County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hutchinson County, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hutchinson County, Texas's internal control over financial reporting and compliance.

Doshier, Pickens & Francis, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC
Amarillo, Texas
August 28, 2026

BASIC FINANCIAL STATEMENTS

HUTCHINSON COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 21,023,598	$ 367,775	$ 21,391,373
Accounts receivable, net	284,470	30,075	314,545
Taxes receivable, net	307,234	-	307,234
Internal balances	124,427	(124,427)	-
Due from other governmental entities	104,045	20,081	124,126
Inventories	12,642	19,177	31,819
Prepaid items	317,930	-	317,930
Net pension asset	4,521,905	102,365	4,624,270
Capital assets net of of accumulated depreciation	9,274,438	1,137,962	10,412,400
Total assets	35,970,689	1,553,008	37,523,697
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions	706,733	15,999	722,732
Other postemployment benefit contributions	11,611	263	11,874
Other postemployment benefit economic loss	2,248	51	2,299
Other postemployment benefit assumption changes	19,314	437	19,751
Total deferred outflows of resources	739,906	16,750	756,656
LIABILITIES			
Accounts payable	475,368	8,265	483,633
Due to other governmental agencies	650,513	-	650,513
Accrued interest	7,575	-	7,575
Noncurrent liabilities:			
Due within one year	1,275,440	6,000	1,281,440
Total other postemployment benefit liability	16,026	363	16,389
Due in more than one year	227,667	1,130	228,797
Total other postemployment benefit liability	422,827	9,572	432,399
Total liabilities	3,080,416	25,330	3,105,746
DEFERRED INFLOWS OF RESOURCES			
Pension economic/demographic gains	160,243	3,627	163,870
Pension excess earnings	642,645	14,548	657,193
Other postemployment benefit economic/demographic gains	13,864	314	14,178
Other postemployment benefit assumption changes	97,770	2,213	99,983
Total deferred inflows of resources	914,522	20,702	935,224
NET POSITION			
Net investment in capital assets	8,959,400	1,137,962	10,097,362
Restricted:			
By enabling legislation	1,446,937	-	1,446,937
Special projects	27,259	-	27,259
Unrestricted	22,282,061	385,764	22,667,825
Total net position	$ 32,715,657	$ 1,523,726	$ 34,239,383

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

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
			Operating	Capital			
		Charges for	Grants and	Grants and	Governmental	Business-type	
Functions/Programs	**Expenses**	**Services**	**Contributions**	**Contributions**	**Activities**	**Activities**	**Total**
Primary government:							
Governmental activities:							
Administrative	$ 4,340,526	$ 458,432	$ 671,705	$ -	$ (3,210,389)	$	$ (3,210,389)
Judicial	2,617,778	360,540	187,215	-	(2,070,023)		(2,070,023)
Public facilities	1,795,467	15,042	8,282	-	(1,772,143)		(1,772,143)
Public safety	4,852,203	101,740	348,303	-	(4,402,160)		(4,402,160)
Road and bridge	1,904,064	506,433	15,995	-	(1,381,636)		(1,381,636)
Public service	1,409,392	156,494	557,568	-	(695,330)		(695,330)
Interest on long-term debt	13,904	-	-	-	(13,904)		(13,904)
Total governmental activities	16,933,334	1,598,681	1,789,068	-	(13,545,585)		(13,545,585)
Business-type activities:							
Airport	739,074	498,067	36,736	-	-	(204,271)	(204,271)
Total business-type activities	739,074	498,067	36,736	-	-	(204,271)	(204,271)
Total primary government	$ 17,672,408	$ 2,096,748	$ 1,825,804	$ -	(13,545,585)	(204,271)	(13,749,856)
General revenues:							
Taxes:							
Property taxes					15,099,564	-	15,099,564
Payments in lieu of taxes					35,232	-	35,232
Mixed beverage taxes					31,905	-	31,905
Investment earnings					1,133,528	-	1,133,528
Miscellaneous					288,251	54,714	342,965
Gain on disposal of assets					16,061	-	16,061
Transfers					(186,424)	186,424	-
Total general revenues and transfers					16,418,117	241,138	16,659,255
Change in net position					2,872,532	36,867	2,909,399
Net position - beginning					29,843,125	1,486,859	31,329,984
Net position - ending					$ 32,715,657	$ 1,523,726	$ 34,239,383

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

HUTCHINSON COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General	Road & Bridge	County Attorney Rural Law Enforcement Grant
ASSETS			
Cash and cash equivalents	$ 18,425,633	$ 426,379	$ 307,443
Accounts receivable, net	254,980	15,525	-
Taxes receivable, net	307,234	-	-
Due from other funds	428,058	-	-
Due from other governmental entities	29,744	-	-
Inventories	-	12,642	-
Prepaid items	317,930	-	-
Total assets	$ 19,763,579	$ 454,546	$ 307,443
LIABILITIES			
Accounts payable	$ 384,095	$ 29,707	$ -
Due to other funds	6,763	190,514	795
Due to other governmental entities	25,160	-	306,648
Unearned revenue	5,000	-	-
Total liabilities	421,018	220,221	307,443
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	263,942	-	-
Unavailable revenue - other receivables	177,598	-	-
Total deferred inflows of resources	441,540	-	-
FUND BALANCES			
Non-spendable:			
Inventories	-	12,642	-
Prepaid items	317,930	-	-
Restricted:			
By enabling legislation	-	-	-
Committed for:			
Special projects	-	-	-
Unassigned (deficit)	18,583,091	221,683	-
Total fund balances	18,901,021	234,325	-
Total liabilities, deferred inflows of resources, and fund balances	$ 19,763,579	$ 454,546	$ 307,443

DA Rural Law Enforcement Grant	Non-Major Governmental Funds	Total Governmental Funds
$ 251,529	$ 1,612,614	$ 21,023,598
-	13,965	284,470
-	-	307,234
-	9,750	437,808
-	74,301	104,045
-	-	12,642
-	-	317,930
$ 251,529	$ 1,710,630	$ 22,487,727
$ -	$ 61,566	$ 475,368
3,623	111,686	313,381
247,906	70,799	650,513
-	-	5,000
251,529	244,051	1,444,262
-	-	263,942
-	-	177,598
-	-	441,540
-	-	12,642
-	-	317,930
-	1,446,937	1,446,937
-	27,259	27,259
-	(7,617)	18,797,157
-	1,466,579	20,601,925
$ 251,529	$ 1,710,630	$ 22,487,727

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

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HUTCHINSON 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 balance - governmental funds	$	20,601,925
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.		9,274,438
Certain accounts receivable are not available to pay for current-period expenditures, and therefore are shown as unavailable revenues in the fund financial statements.		441,540
The net pension asset is not a current financial resource, and therefore is not reported in the fund financial statement, but is reported in the governmental activities of the Statement of Net Position.		4,521,905
Pension and other postemployment benefit 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.		
Pension contributions		706,733
Other postemployment benefit contributions		11,611
Pension and other postemployment benefit losses and deficient earnings are shown as deferred outflows of resources in the government-wide financial statements.		
Other postemployment benefit economic/demographic losses		2,248
Other postemployment benefit assumption changes		19,314
Pension and other postemployment benefit gains and excess earnings are shown as deferred inflows of resources in the government-wide financial statements.		
Pension economic/demographic gains		(160,243)
Pension excess earnings		(642,645)
Other postemployment benefit economic/demographic gains		(13,864)
Other postemployment benefit assumption changes		(97,770)
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the fund financial statements:		
Accrued interest payable		(7,575)
Leases and subscription liabilities		(315,035)
Accrued compensated absences		(1,188,072)
Other postemployment benefit liability		(438,853)
Net position - governmental activities	$	32,715,657

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

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

	General	Road & Bridge	County Attorney Rural Law Enforcement Grant
REVENUES			
Property taxes	$ 15,039,886	$ -	$ -
Payments in lieu of taxes	35,232	-	-
Mixed beverage taxes	31,905	-	-
Licenses and fees	777,525	506,433	-
Fines and forfeitures	7,219	-	-
Intergovernmental	51,037	-	27,451
Interest	1,042,384	-	13,208
Miscellaneous	234,148	53,814	-
Total revenues	17,219,336	560,247	40,659
EXPENDITURES			
Current:			
Administrative	3,461,339	-	-
Judicial	2,635,253	-	40,659
Public facilities	1,437,647	-	-
Public safety	4,455,565	-	-
Road and bridge	-	1,546,521	-
Public service	763,403	-	-
Debt service:			
Principal	205,089	-	-
Interest	11,179	-	-
Capital outlay	260,048	114,681	-
Total expenditures	13,229,523	1,661,202	40,659
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,989,813	(1,100,955)	-
OTHER FINANCING SOURCES (USES)			
Initiation of leases and SBITAs	45,872	-	-
Proceeds from sale of assets	120,470	57,300	-
Transfers in	355,600	1,043,655	-
Transfers out	(1,491,788)	-	-
Total other financing sources (uses)	(969,846)	1,100,955	-
NET CHANGE IN FUND BALANCES	3,019,967	-	-
FUND BALANCES - BEGINNING, as previously presented	15,881,054	234,325	-
Changes within financial reporting entity (major to nonmajor fund)	-	-	-
FUND BALANCES - BEGINNING, as restated	15,881,054	234,325	-
FUND BALANCES - ENDING	$ 18,901,021	$ 234,325	$ -

DA Rural Law Enforcement Grant	ARPA Grant	Non-Major Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 15,039,886
-	-	-	35,232
-	-	-	31,905
-	-	322,224	1,606,182
-	-	-	7,219
61,353	-	1,640,942	1,780,783
11,386	-	66,553	1,133,531
-	-	8,574	296,536
72,739	-	2,038,293	19,931,274
-	-	148,905	3,610,244
72,739	-	148,664	2,897,315
-	-	226,738	1,664,385
-	-	273,421	4,728,986
-	-	24,978	1,571,499
-	-	753,154	1,516,557
-	-	7,662	212,751
-	-	1,083	12,262
-	-	673,969	1,048,698
72,739	-	2,258,574	17,262,697
-	-	(220,281)	2,668,577
-	-	-	45,872
-	-	-	177,770
-	-	326,795	1,726,050
-	-	(416,420)	(1,908,208)
-	-	(89,625)	41,484
-	-	(309,906)	2,710,061
-	85,755	1,690,730	17,891,864
-	(85,755)	85,755	-
-	-	1,776,485	17,891,864
$ -	$ -	$ 1,466,579	$ 20,601,925

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

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HUTCHINSON 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:	$	2,710,061
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, $1,048,698, exceeded depreciation, $1,518,148, in the current period.		(469,450)
In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the disposition, if any, increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital asset sold.		(163,709)
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.		2,000
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.		40,689
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.		
Debt issued or incurred:		
Leases		(23,126)
Subscription liabilities		(22,746)
Principal repayments:		
Leases		36,687
Subscription liabilities		176,064
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:		
Accrued interest on debt, net change		(1,640)
Compensated absences, net change		(836,520)
Deferred outflows of resources - pension		(16,937)
Deferred outflows of resources - OPEB		(8,979)
Deferred inflows of resources - pension		(629,345)
Deferred inflows of resources - OPEB		(28,107)
Net pension asset, net change		2,048,658
Total other postemployment benefit liability, net change		58,932
Change in net position - governmental activities	$	2,872,532

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

HUTCHINSON COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
AIRPORT
SEPTEMBER 30, 2025

ASSETS	
Current assets:	
Cash and cash equivalents	$ 367,775
Receivables, net	30,075
Due from other governmental entities	20,081
Inventories	19,177
Total current assets	437,108
Non-current assets:	
Net pension asset	102,365
Capital assets:	
Land	404,524
Buildings and improvements	1,580,683
Infrastructure	7,292,698
Machinery and equipment	411,080
Less accumulated depreciation	(8,551,023)
Total non-current assets	1,240,327
Total assets	1,677,435
DEFERRED OUTFLOWS OF RESOURCES	
Pension contributions	15,999
Other postemployment benefit contributions	263
Other postemployment benefit economic loss	51
Other postemployment benefit assumption changes	437
Total deferred outflows of resources	16,750

Continued

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

HUTCHINSON COUNTY, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUND
AIRPORT
SEPTEMBER 30, 2025

Continuation

LIABILITIES	
Current liabilities:	
Accounts payable	$ 8,265
Due to other funds	124,427
Compensated absences	6,000
Other postemployment benefit liability	363
Total current liabilities	139,055
Non-current liabilities:	
Compensated absences	1,130
Other postemployment benefit liability	9,572
Total non-current liabilities	10,702
Total liabilities	149,757
DEFERRED INFLOWS OF RESOURCES	
Pension economic/demographic gains	3,627
Pension excess earnings	14,548
Other postemployment benefit economic/demographic gains	314
Other postemployment benefit assumption changes	2,213
Total deferred inflows of resources	20,702
NET POSITION	
Net investment in capital assets	1,137,962
Unrestricted	385,764
Total net position	$ 1,523,726

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

HUTCHINSON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
AIRPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

OPERATING REVENUES:	
Charges for services	$ 495,667
Rents	2,400
Miscellaneous revenue	54,714
Total operating revenues	552,781
OPERATING EXPENSES:	
Salaries and employee benefits	237,380
Fuel and materials for resale	316,998
Other operating expenses	46,333
Supplies	2,378
Insurance	7,023
Postage and freight	598
Repairs and maintenance	33,864
Utilities	17,724
Depreciation	76,776
Total operating expenses	739,074
Operating income (loss)	(186,293)
NONCAPITAL SUBSIDIES:	
Intergovernmental	36,736
Transfers in	186,424
Total noncapital subsidies	223,160
Operating income (loss) and noncapital subsidies	36,867
INCREASE (DECREASE) IN NET POSITION	36,867
TOTAL NET POSITION - BEGINNING OF YEAR	1,486,859
TOTAL NET POSITION - END OF YEAR	$ 1,523,726

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

HUTCHINSON COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
AIRPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	555,729
Payments to suppliers and service providers		(399,294)
Payments to employees for salaries and benefits		(268,565)
Net cash used by operating activities		(112,130)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants		36,736
Changes in interfund receivables/payables		(122,009)
Transfers from other funds		182,158
Net cash provided by noncapital financing activities		96,885
NET DECREASE IN CASH AND CASH EQUIVALENTS		(15,245)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		383,020
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	367,775
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	$	(186,293)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense		76,776
(Increase) decrease in operating assets		
Accounts receivable		(7,321)
Inventories		20,503
Due from other governmental entities		10,269
Deferred outflows of resources - pension		278
Net pension asset		(46,736)
Deferred outflows of resources - OPEB		197
Increase (decrease) in operating liabilities		
Accounts payable		5,121
Compensated absences		1,416
Deferred inflows of resources - pension		14,272
Deferred inflows of resources - OPEB		649
Total OPEB liability		(1,261)
Net cash used by operating activities	$	(112,130)

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

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

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 914,850
Accounts receivable	2,341
Total assets	917,191
LIABILITIES	
Accounts payable	68,412
Due to other governments	276,022
Total liabilities	344,434
NET POSITION	
Restricted for:	
Individuals	572,757
Total net position	$ 572,757

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

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

	Custodial Funds
Additions	
Tax collections	$ 63,358,048
Trust/Escrow contributions	1,016,024
Investment earnings	3,864
Total additions	64,377,936
Deductions	
Payments to local governments	63,360,119
Trust/Escrow disbursements	818,043
Inmate accounts	76,290
Total deductions	64,254,452
NET CHANGE IN NET POSITION	123,484
NET POSITION - BEGINNING	449,273
NET POSITION - ENDING	$ 572,757

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Hutchinson 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 1901, 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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*. In miscellaneous general revenues are non-program specific contributions, including capital assets contributions.

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. 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 proprietary and fiduciary 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.

The County reports the following major governmental funds:

General Fund – 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 general government, judicial, public facilities, public safety, public service, and capital acquisition.

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund-Level Statements – Continuation

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

Rural Law Enforcement Grant Funds – The Rural Law Enforcement Grant Funds account for funds received from the State of Texas. The grants are to be used to increase salaries of law enforcement and prosecutor positions as well as funding the purchase of equipment for the benefit of the offices.

The County reports the following major proprietary fund:

The **Airport Fund** accounts for funds received from outside parties for the benefit and use of the Hutchinson County Airport.

Additionally, the County reports the following fund types:

Special Revenue Funds – The ***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 are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Custodial funds do not involve a formal trust agreement.

C. 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.

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, short-term investments with original maturities of one year or less, and deposits within public fund investment pools. 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.

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, 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.

Continued

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 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 the area of investment practices, management has established and reported 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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

Charges for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unavailable revenue in the fund statements. Receivables are shown net of an allowance for uncollectible accounts of $8,236,024.

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 $716,880.

Continued

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 defraying the costs of collecting the vehicle inventory tax within the County, technology requirements for the justice court, management and preservation of public records, personnel and security for the courthouse, defraying the County's voter registration expenses, maintenance of the County's law library, enhancement of the county and district attorneys' operations with fees from processing dishonored and forged checks, enhancement of law enforcement operations with seized funds, maintenance of the commissary in the Sheriff's Department, and maintenance of a drug court). All restrictions are enacted according to Texas statutes.

- In addition to the statutory restrictions, the County has also received grant awards from various State agencies. These awards are all restricted for the stated purposes of the grant.

5. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories in the governmental funds are recorded as expenditures when consumed rather than purchased. At September 30, 2025, inventories consisted of fuel in the road and bridge department.

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 non-spendable fund balance, which indicates they do not represent "available spendable resources".

6. Capital Assets

Capital assets, which include land, infrastructure, buildings and improvements, 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 two years. 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	10 - 30 years
Infrastructure	5 - 20 years
Equipment	4 - 18 years

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

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

7. Compensated Absences

Hutchinson 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, three types of leave qualify for liability recognition for compensated absences – *vacation, comp time,* 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 and Comp Time

Hutchinson 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. Regular, full-time employees are entitled to vacation of up to four weeks per year as earned, depending on years of service. Vacation time earned but not taken, is paid upon termination. Compensation time is accrued at one and one-half the employee's regular rate for each hour worked over forty hours in a work week, except for law enforcement, which is calculated according to the rules promulgated by United States Code Section 29, Chapter 207, paragraph k.

Sick Leave

Hutchinson County, Texas's policy permits employees to accumulate earned but unused sick leave at a rate of 1.75 days per month, with a maximum accumulation of 105 days. 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.

8. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

9. 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 County has multiple items that qualify for reporting in this category. They are the contributions and other items related to the County's pension plan and other postemployment benefit plan reported in the government-wide statement of net position.

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

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

9. 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 two 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 fines and fees. 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 other postemployment benefit plan reported in the government-wide statement of net position.

10. Pensions and Other Post-Employment Benefits

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.

For purposes of measuring the other post-employment benefit (OPEB) asset or liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Texas County and District Retirement System Supplemental Death 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 form, 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).

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

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

11. Fund Balances – Continuation

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) the 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.

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

Unrestricted Net Position – This amount includes all net position amounts that do 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.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

Continued

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continuation

A. Budgetary Information – Continuation

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 and the Road and Bridge Special Revenue Fund.

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 Rural Law Enforcement Grant Special Revenue Funds.

5. Budgets for the General and Road and Bridge Special Revenue 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 the Rural Law Enforcement Grant Special Revenue Funds.

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 Expenditures 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	Action Taken
Expenditures exceeded the budget in various functional areas in the General Fund and Road & Bridge Special Revenue Fund.	A combination of underspending in other functional categories and excess revenues over budget, as well as the County planning to use fund balance carryovers, have covered such overspendings.

NOTE 3 – 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	$	815
Bank deposits		1,106,135
Temporary investments - TexPool		21,199,273
Total	$	22,306,223

Cash and deposit balances are reported in the basic financial statements as follows:		
Government-wide Statement of Net Position:		
Unrestricted	$	21,023,598
Business-type activities:		
Unrestricted		367,775
Fiduciary Funds Statement of Net Position		914,850
Total	$	22,306,223

Custodial credit risk – deposits. As of September 30, 2025, the carrying amount of the County's deposits with financial institutions was $1,106,135, and the banks' balance was $1,467,813. Of the bank balance, $994,443 was insured through the Federal Depository Insurance Corporation (FDIC), and $473,370 was collateralized with securities held by the pledging institution's agent in the County's name.

As of September 30, 2025, the County had $21,199,273 invested with the Texas Treasury Safekeeping Trust Company (TexPool). The Inter-local 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, through which political subdivisions and other entities may invest public funds.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. 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 in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure.

TexPool uses amortized cost to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. TexPool does not place any limitations or restrictions, such as notice periods or maximum transaction amounts, on withdrawals. TexPool has a credit rating of AAAm 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 invests 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.

Continued

NOTE 3 – DEPOSITS AND INVESTMENTS – Continuation

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, 95% 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.

NOTE 4 – 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 $.53 per $100, which means that the County has a tax margin of $.27 per $100 and could raise up to $7,943,584 additional revenue from the 2024 assessed valuation of $2,941,970,445 before the limit is reached.

Real and personal property values are assessed for the period January 1 to December 31, as of January 1, at which date 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.

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/ Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 136,594	$ -	$ -	$ -	$ 136,594
Construction in process	5,000	5,600	-	(10,600)	-
Total capital assets, not being depreciated	141,594	5,600	-	(10,600)	136,594
Capital assets, being depreciated:					
Buildings and improvements	9,426,478	536,300	(51,093)	10,600	9,922,285
Infrastructure	3,974,626	92,000	(7,400)	-	4,059,226
Equipment	11,616,918	370,926	(1,905,051)	(80,577)	10,002,216
Leased equipment	171,592	23,126	-	-	194,718
Subscription assets	595,719	22,746	-	-	618,465
Total capital assets, being depreciated	25,785,333	1,045,098	(1,963,544)	(69,977)	24,796,910
Less accumulated depreciation for:					
Buildings and improvements	(5,152,022)	(337,637)	46,462	-	(5,443,197)
Infrastructure	(2,003,194)	(202,196)	7,400	-	(2,197,990)
Equipment	(8,596,166)	(772,050)	1,745,973	76,311	(7,545,932)
Leased equipment	(44,748)	(38,304)	-	-	(83,052)
Subscription assets	(220,934)	(167,961)	-	-	(388,895)
Total accumulated depreciation	(16,017,064)	(1,518,148)	1,799,835	76,311	(15,659,066)
Total capital assets, being depreciated, net	9,768,269	(473,050)	(163,709)	6,334	9,137,844
Governmental activities capital assets, net	$ 9,909,863	$ (467,450)	$ (163,709)	$ (4,266)	$ 9,274,438

Continued

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	$ 129,319
Judicial	133,810
Public facilities	221,092
Public safety	528,432
Road and bridge	462,083
Public service	43,411
Total Depreciation Expense	$ 1,518,147

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 404,524	$ -	$ -	$ -	$ 404,524
Total capital assets, not being depreciated	404,524	-	-	-	404,524
Capital assets, being depreciated:					
Buildings and improvements	1,580,683	-	-	-	1,580,683
Land improvements	7,292,698	-	-	-	7,292,698
Equipment	354,005	-	(23,502)	80,577	411,080
Total capital assets, being depreciated	9,227,386	-	(23,502)	80,577	9,284,461
Less accumulated depreciation for:					
Buildings and improvements	(864,649)	(41,947)	-	-	(906,596)
Land improvements	(7,256,441)	(19,004)	-	-	(7,275,445)
Equipment	(300,348)	(15,825)	23,502	(76,311)	(368,982)
Total accumulated depreciation	(8,421,438)	(76,776)	23,502	(76,311)	(8,551,023)
Total capital assets, being depreciated, net	805,948	(76,776)	-	4,266	733,438
Business-type activities capital assets, net	$ 1,210,472	$ (76,776)	$ -	$ 4,266	$ 1,137,962

NOTE 6 – RETIREMENT PLAN

Plan Description: Hutchinson 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.

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	126
Inactive employees entitled to but not yet receiving benefits	127
Active employees	134

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 9.51%, with a supplemental rate of 2.04%, for the months of the accounting year in 2024, and contributed using the actuarially determined rate of 9.51%, with a supplemental rate of 2.04%, 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.

Continued

NOTE 6 – RETIREMENT PLAN – Continuation

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	2.75%

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

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 2024 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

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:

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
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

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

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	$ 52,798,091	$ 55,326,967	$ (2,528,876)
Changes for the year:			
Service cost	1,059,181	-	1,059,181
Interest on total pension liability (1)	3,961,690	-	3,961,690
Effect of plan changes (2)	-	-	-
Effect of economic/demographic gains or losses	(172,561)	-	(172,561)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(139,621)	(139,621)	-
Benefit payments	(3,384,459)	(3,384,459)	-
Administrative expenses	-	(31,979)	31,979
Member contributions	-	556,907	(556,907)
Net investment income	-	5,596,232	(5,596,232)
Employer contributions	-	918,897	(918,897)
Other (3)	-	(96,353)	96,353
Balances as of December 31, 2024	$ 54,122,321	$ 58,746,591	$ (4,624,270)

(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	$ 59,906,876	$ 54,122,321	$ 49,138,947
Fiduciary net position	58,746,591	58,746,591	58,746,591
Net pension liability / (asset)	$ 1,160,285	$ (4,624,270)	$ (9,607,644)

Continued

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
Service cost	$ 1,059,181
Interest on total pension liability (1)	3,961,690
Effect of plan changes	-
Administrative expenses	31,979
Member contributions	(556,907)
Expected investment return net of investment expenses	(4,123,653)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(186,137)
Recognition of assumption changes or inputs	-
Recognition of investment gains or losses	(751,665)
Other (2)	96,353
Pension expense / (income)	$ (469,159)

(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
Differences between expected and actual experience	$ 163,870	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings	657,193	-
Contributions made subsequent to measurement date	N/A	722,732

Continued

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	$	(644,361)
2026		778,633
2027		(660,820)
2028		(294,515)
2029		-
Thereafter		-

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

NOTE 7 – POSTEMPLOYMENT DEFINED BENEFIT GROUP TERM LIFE INSURANCE PLAN

Plan Description: Hutchinson County, Texas, participates in the retiree Group Term Life program (GTL) for the Texas County & District Retirement System (TCDRS), which is a statewide, multiple-employer, public employee retirement system. TCDRS issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for the GTL. This report is available at www.tcdrs.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.

Benefits Provided: All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the other postemployment benefit plan (OPEB). The plan provides a $5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the GTL program. Contributions made to the retiree GTL Program are held in the GTL Fund. The GTL Fund does not meet the requirements of a trust under paragraph 4b of GASB Statement 75, as the assets of the GTL Fund can be used to pay active GTL benefits which are not part of the OPEB plan. Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional, and the employer may elect to opt out of (or opt into) coverage as of January 1 each year. The County's contribution rate for the retiree GTL program is calculated annually, on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to $5,000.

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	108
Inactive employees entitled to but not yet receiving benefits	30
Active employees	134

Total OPEB Liability: The County's total OPEB liability was measured as of December 31, 2024, and was determined by an actuarial valuation as of that date.

Continued

NOTE 7 – POST-EMPLOYMENT DEFINED BENEFIT GROUP TERM LIFE INSURANCE PLAN – Continuation

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

All actuarial assumptions that determined the total OPEB liability as of December 31, 2024, were based on the results of an actuarial experience study for the period January 1, 2017 – December 31, 2020, except where required to be different by GASB 75.

Discount Rate: The TCDRS GTL program is treated as an unfunded OPEB plan because the GTL trust covers both actives and retirees, and the assets are not segregated for these groups. Under GASB Statement 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year, tax-exempt, AA or higher Municipal Bonds. Therefore, a discount rate of 4.08%, based on the 20 Year Bond GO index published by bondbuyer.com, is used as of the measurement date of December 31, 2024.

Changes in the Total OPEB Liability:

	Changes in Total OPEB Liability
Balances as of December 31, 2023	$ 508,981
Changes for the year:	
Service cost	11,744
Interest on total OPEB liability (1)	16,731
Changes of benefit terms (2)	-
Effect of economic/demographic experience	(17,076)
Effect of assumptions changes or inputs (3)	(56,476)
Benefit payments	(15,116)
Other	-
Balances as of December 31, 2024	$ 448,788

(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) Reflects change in discount rate.

Continued

NOTE 7 – POST-EMPLOYMENT DEFINED BENEFIT GROUP TERM LIFE INSURANCE PLAN – Continuation

Sensitivity of the total OPEB liability / (asset) to changes in the discount rate: The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 4.08%, as well as the what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) or 1 percentage point higher (5.08%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease 3.08%	Current Discount Rate 4.08%	1% Increase 5.08%
Total OPEB liability	$ 519,102	$ 448,788	$ 392,143

OPEB Expense / (Income):

	January 1, 2024 to December 31, 2024
Service cost	$ 11,744
Interest on total OPEB liability (1)	16,731
Effect of plan changes	-
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(5,334)
Recognition of assumption changes or inputs	(29,537)
Other	-
OPEB expense / (income)	$ (6,396)

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

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
Differences between expected and actual experience	$ 14,178	$ 2,299
Changes of assumptions	99,983	19,751
Contributions made subsequent to measurement date	N/A	11,874

Continued

NOTE 7 – POST-EMPLOYMENT DEFINED BENEFIT GROUP TERM LIFE INSURANCE 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	$	(35,019)
2026		(35,020)
2027		(7,360)
2028		(14,712)
2029		-
Thereafter		-

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

NOTE 8 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual Fund Inter-fund Receivables and Payables

Fund		Inter-fund Receivables		Inter-fund Payables
General Fund	$	428,058	$	6,763
Special Revenue:				
Road and Bridge		-		190,514
County Attorney Rural Law Enforcement Grant		-		795
DA Rural Law Enforcement Grant		-		3,623
Juvenile Probation - State		5,931		2,987
Court Report Service		-		349
Juvenile Probation Special		2,987		-
County Attorney Check Fees		-		1,382
District Attorney Check Fees		-		298
County Attorney State Supplement		832		4,548
Museum		-		22,077
Drug Court Fund		-		26,032
SCAAP Grant		-		442
Sheriff Rural Law Enforcement Grant		-		21,479
Hutchinson Co Relief Fund		-		14,506
ARPA Grant		-		17,586
Proprietary Fund:				
Airport		-		124,427
	$	437,808	$	437,808

The primary purpose of inter-fund receivables and payables is the loaning of funds from the General Fund to Special Revenue Funds for the purpose of meeting current year expenditures.

Continued

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

Individual Inter-fund Transfers

Fund	Inter-fund Transfers In	Inter-fund Transfers Out
General Fund	$ 355,600	$ 1,491,788
Special Revenue:		
Road and Bridge	1,043,655	-
Adult Probation - State	-	54,433
Community Corrections Programs	54,433	-
Juvenile Probation - State	-	2,987
Juvenile Probation Special	2,987	-
District Clerk Records Management	832	-
Museum Fund	234,935	-
Drug Court Fund	33,608	-
Hutchinson Co Relief Fund	-	359,000
Proprietary Fund:		
Airport	182,158	-
	$ 1,908,208	$ 1,908,208

Transfers are primarily utilized to use unrestricted revenues from the General Fund to finance various programs accounted for in other funds, in accordance with budgetary authorizations. Additionally, the special revenue funds will use transfers to reimburse the General Fund for current year expenditures.

NOTE 9 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County has entered into subscription-based information technology arrangements (SBITAs) for accounting and operational software for use across the County. For the year ended September 30, 2025, liability payments amounted to $176,064. The SBITAs have interest rates between 3.334% and 3.847% and maturity dates ranging through the fiscal year end September 30, 2029.

NOTE 10 – LONG-TERM LIABILITIES

The County has entered into multiple lease arrangements for copiers and other equipment. The leases all have various maturity dates, ranging through the fiscal year ending September 30, 2029, and have interest rates between 3.452% and 3.737%.

Continued

NOTE 10 – LONG-TERM LIABILITIES – Continuation

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences *	$ 351,552	$ 836,520	$ -	$ 1,188,072	$ 1,188,069
Leases	131,822	23,126	(36,687)	118,261	50,229
Subscription liabilities	350,092	22,746	(176,064)	196,774	37,142
	$ 833,466	$ 882,392	$ (212,751)	$ 1,503,107	$ 1,275,440
Business-type activities:					
Compensated absences *	$ 5,714	$ 1,416	$ -	$ 7,130	$ 6,000
	$ 5,714	$ 1,416	$ -	$ 7,130	$ 6,000

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

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

		Leases		Subscription Liabilities	
Fiscal Year	Total	Interest	Principal	Interest	Principal
2026	$ 98,439	$ 3,617	$ 37,142	$ 7,451	$ 50,229
2027	98,438	2,302	38,457	5,562	52,117
2028	92,290	948	37,875	3,602	49,865
2029	51,235	176	4,787	1,709	44,563
	$ 340,402	$ 7,043	$ 118,261	$ 18,324	$ 196,774

The County incurred interest expense of $13,904 during the year ended September 30, 2025.

NOTE 11 – RISK MANAGEMENT

The County's major areas of risk management are: public officials', law enforcement and 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 or the previous three years.

NOTE 12 – ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES

Due to the decreased amount of liabilities, Hutchinson County, Texas, decided that the ARPA Grant Fund should be reported as a nonmajor governmental fund, now that it no longer meets the quantitative threshold that would require it to be reported as major. The fund was previously reported as a major governmental fund. The effect of the change within the financial reporting entity is summarized below in the "Adjustment – ARPA Grant Fund as nonmajor fund" column in the following table.

	Net position / Fund Balance 9/30/2024 as previously reported	Adjustment - ARPA Grant as nonmajor fund	Net position / Fund Balance 9/30/2024 as restated/ adjusted
Government-wide			
Governmental activities	$ 29,843,125	$ -	$ 29,843,125
Business-type activities	1,486,859	-	1,486,859
Total government-wide	$ 31,329,984	$ -	$ 31,329,984
Governmental funds			
Major funds:			
General Fund	$ 15,881,054	$ -	$ 15,881,054
Road & Bridge	234,325	-	234,325
County Attorney Rural Law Enforcement Grant	-	-	-
DA Rural Law Enforcement Grant	-	-	-
ARPA Grant	85,755	(85,755)	-
Nonmajor funds	1,690,730	85,755	1,776,485
Total governmental funds	$ 17,891,864	$ -	$ 17,891,864

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REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

	Budget		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
REVENUES					
Property taxes	$ 15,455,594	$ 15,455,594	$ -	$ 15,039,886	$ (415,708)
Payments in lieu of taxes	30,000	30,000	-	35,232	5,232
Mixed beverage taxes	34,000	34,000	-	31,905	(2,095)
Licenses and fees	804,400	804,400	-	777,525	(26,875)
Fines and forfeitures	7,000	7,000	-	7,219	219
Intergovernmental	49,200	49,200	-	51,037	1,837
Investment earnings	605,800	605,800	-	1,042,384	436,584
Miscellaneous	120,000	429,762	309,762	234,148	(195,614)
Total revenues	17,105,994	17,415,756	309,762	17,219,336	(196,420)
EXPENDITURES					
Current:					
Administrative					
County Judge	352,856	352,856	-	328,595	24,261
County Auditor	265,074	265,074	-	261,775	3,299
County Clerk	409,722	409,722	-	396,124	13,598
County Tax Assessor/ Collector	1,125,593	1,125,593	-	1,061,899	63,694
County Treasurer	216,298	216,298	-	224,432	(8,134)
Elections	119,468	119,468	-	73,173	46,295
Non-departmental	1,248,338	1,030,308	(218,030)	643,283	387,025
Data processing	549,885	610,586	60,701	472,058	138,528
Total administrative	4,287,234	4,129,905	(157,329)	3,461,339	668,566
Judicial					
316th District Court	741,622	741,622	-	583,338	158,284
84th District Court	516,491	516,491	-	361,387	155,104
Justice of the Peace, #1	226,615	234,615	8,000	225,906	8,709
Justice of the Peace, #2	211,084	216,084	5,000	206,066	10,018
District Attorney	488,939	488,939	-	449,935	39,004
County Attorney	382,979	382,979	-	383,001	(22)
District Clerk	437,228	437,228	-	425,620	11,608
Total judicial	3,004,958	3,017,958	13,000	2,635,253	382,705
Public facilities					
Plant maintenance & operations	1,130,647	1,417,847	287,200	795,662	622,185
County library	672,441	680,141	7,700	641,985	38,156
Total public facilities	1,803,088	2,097,988	294,900	1,437,647	660,341

Continued

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

Continuation	Budget Original	Budget Final	Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget Over (Under) Actual
EXPENDITURES					
Current:					
Public safety					
Sheriff's department	$ 2,180,330	$ 2,343,721	$ 163,391	$ 2,000,694	$ 343,027
Jail	2,171,915	2,171,915	-	1,967,267	204,648
Constable, #1	75,448	75,448	-	69,514	5,934
Constable, #2	93,205	93,205	-	81,763	11,442
Emergency operations center	154,520	154,520	-	122,485	32,035
Fire protection	223,500	223,500	-	213,842	9,658
Total public safety	4,898,918	5,062,309	163,391	4,455,565	606,744
Public service					
Adult probation department	23,855	23,855	-	19,837	4,018
Juvenile probation department	650,876	650,876	-	557,434	93,442
County welfare	60,925	60,925	-	55,667	5,258
Child welfare	11,500	11,500	-	11,500	-
County extension	171,713	171,713	-	118,965	52,748
Total public service	918,869	918,869	-	763,403	155,466
Debt service:					
Principal	-	-	-	205,089	(205,089)
Interest	-	-	-	11,179	(11,179)
Total debt service	-	-	-	216,268	(216,268)
Capital outlay	20,500	16,300	(4,200)	260,048	(243,748)
Total expenditures	14,933,567	15,243,329	309,762	13,229,523	2,013,806
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,172,427	2,172,427	-	3,989,813	1,817,386
OTHER FINANCING SOURCES (USES)					
Initiation of leases and SBITAs	-	-	-	45,872	45,872
Proceeds from sale of assets	-	-	-	120,470	120,470
Transfers in	25,000	384,000	359,000	355,600	(28,400)
Transfers out	(1,770,963)	(1,770,963)	-	(1,491,788)	279,175
Total other financing sources / (uses)	(1,745,963)	(1,386,963)	359,000	(969,846)	417,117
NET CHANGE IN FUND BALANCE	426,464	785,464	359,000	3,019,967	2,234,503
FUND BALANCE - BEGINNING	15,881,054	15,881,054	-	15,881,054	-
FUND BALANCE - ENDING	$ 16,307,518	$ 16,666,518	$ 359,000	$ 18,901,021	$ 2,234,503

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

	Budget		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
REVENUES					
Licenses and fees	$ 505,000	$ 505,000	$ -	$ 506,433	$ 1,433
Investment earnings	36,400	36,400	-	-	(36,400)
Miscellaneous	50,000	54,372	4,372	53,814	(558)
Total revenues	591,400	595,772	4,372	560,247	(35,525)
EXPENDITURES					
Current:					
Road and bridge	1,775,637	1,780,009	4,372	1,546,521	233,488
Capital outlay	-	-	-	114,681	(114,681)
Total expenditures	1,775,637	1,780,009	4,372	1,661,202	118,807
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,184,237)	(1,184,237)	-	(1,100,955)	83,282
OTHER FINANCING SOURCES					
Proceeds from sale of assets	-	-	-	57,300	57,300
Transfers in	1,184,237	1,184,237	-	1,043,655	(140,582)
Total other financing sources / (uses)	1,184,237	1,184,237	-	1,100,955	(83,282)
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING	234,325	234,325	-	234,325	-
FUND BALANCE - ENDING	$ 234,325	$ 234,325	$ -	$ 234,325	$ -

HUTCHINSON COUNTY, TEXAS
COUNTY ATTORNEY RURAL LAW ENFORCEMENT GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
REVENUES					
Intergovernmental	$ 175,000	$ 175,000	$ -	$ 27,451	$ (147,549)
Investment earnings	1,900	1,900	-	13,208	11,308
Total revenues	176,900	176,900	-	40,659	(136,241)
EXPENDITURES					
Current:					
Judicial	27,286	40,662	13,376	40,659	3
Total expenditures	27,286	40,662	13,376	40,659	3
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	149,614	136,238	(13,376)	-	(136,238)
OTHER FINANCING SOURCES					
Transfers out	(149,614)	(149,614)	-	-	149,614
Total other financing sources / (uses)	(149,614)	(149,614)	-	-	149,614
NET CHANGE IN FUND BALANCE	-	(13,376)	(13,376)	-	13,376
FUND BALANCE - BEGINNING	-	-	-	-	-
FUND BALANCE - ENDING	$ -	$ (13,376)	$ (13,376)	$ -	$ 13,376

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HUTCHINSON COUNTY, TEXAS
DA RURAL LAW ENFORCEMENT GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget		Variance with Original Budget Over (Under)		Variance with Final Budget Over (Under)
	Original	Final	Final Budget	Actual	Actual
REVENUES					
Intergovernmental	$ 175,000	$ 175,000	$ -	$ 61,353	$ (113,647)
Investment earnings	1,900	1,900	-	11,386	9,486
Total revenues	176,900	176,900	-	72,739	(104,161)
EXPENDITURES					
Current:					
Judicial	60,169	72,748	12,579	72,739	9
Total expenditures	60,169	72,748	12,579	72,739	9
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	116,731	104,152	(12,579)	-	(104,152)
OTHER FINANCING SOURCES					
Transfers out	(116,731)	(116,731)	-	-	116,731
Total other financing sources / (uses)	(116,731)	(116,731)	-	-	116,731
NET CHANGE IN FUND BALANCE	-	(12,579)	(12,579)	-	12,579
FUND BALANCE - BEGINNING	-	-	-	-	-
FUND BALANCE - ENDING	$ -	$ (12,579)	$ (12,579)	$ -	$ 12,579

HUTCHINSON COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Years

	Year Ended December 31,			
	2024	2023	2022	2021
Total Pension Liability:				
Service cost	$ 1,059,181	$ 1,036,465	$ 959,966	$ 910,658
Interest on total pension liability (1)	3,961,690	3,872,296	3,789,314	3,698,279
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	-	-	-	(348,280)
Effect of economic/demographic (gains) or losses	(172,561)	(146,487)	(239,366)	89,563
Benefit payments/refunds of contributions	(3,524,080)	(3,690,396)	(3,305,720)	(3,101,432)
Net change in total pension liability	1,324,230	1,071,878	1,204,194	1,248,788
Total pension liability, beginning	52,798,090	51,726,212	50,522,018	49,273,230
Total pension liability, ending (a)	$ 54,122,320	$ 52,798,090	$ 51,726,212	$ 50,522,018
Fiduciary Net Position:				
Employer contributions	$ 918,897	$ 873,299	$ 855,271	$ 809,922
Member contributions	556,907	529,272	518,346	499,512
Investment income net of investment expenses	5,596,232	5,696,685	(3,201,814)	10,508,760
Benefit payments/refunds of contributions	(3,524,080)	(3,690,396)	(3,305,720)	(3,101,432)
Administrative expenses	(31,979)	(28,890)	(30,497)	(31,070)
Other	(96,353)	(93,658)	(224,032)	(37,334)
Net change in fiduciary net position	3,419,624	3,286,312	(5,388,446)	8,648,358
Fiduciary net position, beginning	55,326,966	52,040,654	57,429,100	48,780,742
Fiduciary net position, ending (b)	$ 58,746,590	$ 55,326,966	$ 52,040,654	$ 57,429,100
Net pension liability / (asset), ending = (a) - (b)	$ (4,624,270)	$ (2,528,876)	$ (314,442)	$ (6,907,082)
Fiduciary net position as a % of total pension liability	108.54%	104.79%	100.61%	113.67%
Pensionable covered payroll	$ 7,955,816	$ 7,561,026	$ 7,404,937	$ 7,135,879
Net pension liability/(asset) as a % of covered payroll	-58.12%	-33.45%	-4.25%	-96.79%

Year Ended December 31,					
2020	2019	2018	2017	2016	2015
$ 930,426	$ 888,103	$ 905,753	$ 887,974	$ 930,573	$ 864,694
3,627,588	3,480,779	3,338,622	3,213,457	3,053,448	2,920,751
-	-	-	-	-	(76,777)
2,398,130	-	-	279,513	-	414,360
(201,972)	41,640	88,161	(467,968)	(255,274)	(378,215)
(2,620,103)	(2,659,884)	(2,463,659)	(2,310,353)	(2,064,567)	(1,885,657)
4,134,069	1,750,638	1,868,877	1,602,623	1,664,180	1,859,156
45,139,161	43,388,523	41,519,646	39,917,023	38,252,843	36,393,687
$ 49,273,230	$ 45,139,161	$ 43,388,523	$ 41,519,646	$ 39,917,023	$ 38,252,843
$ 790,219	$ 790,347	$ 781,921	$ 761,421	$ 734,260	$ 721,928
487,360	487,439	482,241	469,596	452,848	445,241
4,697,380	6,624,416	(803,240)	5,528,862	2,666,600	(145,957)
(2,620,103)	(2,659,884)	(2,463,659)	(2,310,353)	(2,064,567)	(1,885,657)
(35,694)	(34,670)	(32,393)	(28,195)	(29,077)	(26,367)
(35,204)	(40,996)	(31,479)	(22,325)	54,591	(59,673)
3,283,958	5,166,652	(2,066,609)	4,399,006	1,814,655	(950,485)
45,496,784	40,330,132	42,396,741	37,997,735	36,183,080	37,133,565
$ 48,780,742	$ 45,496,784	$ 40,330,132	$ 42,396,741	$ 37,997,735	$ 36,183,080
$ 492,488	$ (357,623)	$ 3,058,391	$ (877,095)	$ 1,919,288	$ 2,069,763
99.00%	100.79%	92.95%	102.11%	95.19%	94.59%
$ 6,962,286	$ 6,963,414	$ 6,889,152	$ 6,708,512	$ 6,469,256	$ 6,360,586
7.07%	-5.14%	44.39%	-13.07%	29.67%	32.54%

HUTCHINSON COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 Fiscal Years

Year Ending September 30:	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	$ 628,425	$ 731,552	$ (103,127)	$ 6,445,390	11.4%
2017	646,262	750,580	(104,318)	6,613,042	11.3%
2018	676,211	783,566	(107,355)	6,903,668	11.3%
2019	647,229	787,642	(140,413)	6,939,577	11.4%
2020	674,059	789,814	(115,755)	6,958,712	11.4%
2021	686,535	805,664	(119,129)	7,098,361	11.4%
2022	785,370	816,540	(31,170)	7,100,627	11.5%
2023	793,404	893,189	(99,785)	7,733,241	11.5%
2024	744,901	898,383	(153,482)	7,778,206	11.6%
2025	794,123	964,471	(170,348)	8,350,398	11.6%

HUTCHINSON COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last 10 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	2.7 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	7.50%, 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 Tables 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: No changes in plan provisions were reflected in the Schedule.

* Only changes that effect the benefit amount and that are effective 2015 and later are shown in the Notes to the Schedule.

HUTCHINSON COUNTY, TEXAS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
Last 10 Years

	Year Ended December 31,			
	2024	2023	2022	2021
Total OPEB Liability:				
Service cost	$ 11,744	$ 9,120	$ 14,667	$ 14,228
Interest on total OPEB liability	16,731	17,197	12,292	12,456
Effect of plan changes	-	-	-	-
Effect of assumption changes or inputs	(56,476)	32,917	(137,002)	10,306
Effect of economic/demographic (gains) or losses	(17,076)	3,833	(1,294)	(9,708)
Benefit payments	(15,116)	(14,366)	(20,734)	(16,413)
Net change in total OPEB liability	(60,193)	48,701	(132,071)	10,869
Total OPEB liability, beginning	508,981	460,280	592,351	581,482
Total OPEB liability, ending	$ 448,788	$ 508,981	$ 460,280	$ 592,351
Covered employee payroll	$ 7,955,816	$ 7,561,026	$ 7,404,937	$ 7,135,879
Total OPEB liability as a % of covered employee payroll	5.64%	6.73%	6.22%	8.30%

Notes to Schedule:

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Level Percent of Salary
Amortization Method	Straight-Line amortization over Expected Working Life
Asset Valuation Method	Does not apply
Inflation	Does not apply
Investment rate of return	4.08% (20 Year Bond GO Index published by bondbuyer.com as of December 28, 2024)

Year Ended December 31,					
2020	2019	2018	2017	2016	2015
$ 14,719	$ 10,420	$ 12,949	$ 11,140	$ N/A	$ N/A
14,010	16,430	15,043	15,849	N/A	N/A
-	-	-	-	N/A	N/A
57,241	95,476	(42,001)	16,872	N/A	N/A
6,637	336	(2,033)	(9,615)	N/A	N/A
(15,317)	(17,409)	(18,601)	(17,442)	N/A	N/A
77,290	105,253	(34,643)	16,804	N/A	N/A
504,192	398,939	433,582	416,778	N/A	N/A
$ 581,482	$ 504,192	$ 398,939	$ 433,582	$ N/A	$ N/A
$ 6,962,286	$ 6,963,414	$ 6,889,152	$ 6,708,512	$ N/A	$ N/A
8.35%	7.24%	5.79%	N/A	N/A	N/A

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OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR 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.

Motor Vehicle Inventory Tax – The Motor Vehicle Inventory Tax Fund accounts for the interest income earned by the Tax Assessor Collector holding the escrow payments received from automobile dealerships during the year. The amounts are to be used to statutorily supplement the costs of the Tax Assessor's office.

Court Technology Fees – The Court Technology Fees Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to be expended only for the costs of continuing education for county and district judges and clerks, regarding technological enhancements for justice courts and the costs of those enhancements.

Courthouse Security – The Courthouse Security Fund accounts for fees collected by the County and District Clerks from all defendants convicted of an offense. The fees are dedicated by law to be used to fund and support security systems and personnel within the District, County or Justice Courts.

Registration of Voters – The Registration of Voters Fund accounts for state allocated funds issued to voter registrars in Texas. The funds are dedicated by law to be used to help defray the County's voter registration expenses.

Law Library – The Law Library Fund accounts for 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.

Adult Probation – State – The Adult Probation – State Fund accounts for grants received from the Texas Department of Criminal Justice – Community Justice Assistance Division, as well as local funds. The funds are dedicated by law to provide adult probation services.

Community Corrections Programs – The Community Corrections Programs Fund accounts for grants received from the Texas Department of Criminal Justice – Community Justice Assistance Division. The grant funds are dedicated by law to provide adult probation services.

Juvenile Probation – State – The Juvenile Probation – State Fund accounts for grants received from the Texas Juvenile Justice Department. The grant funds are dedicated by law to provide juvenile probation services.

Court Report Service – The Court Report Service Fund accounts for statutory fees collected by the County and District Clerks on each civil case filed. The fees are dedicated by law to maintain a court reporter that is available for assignment in the court.

Juvenile Probation Special – The Juvenile Probation Special Fund accounts for local funds received from juvenile offenders within the county. The funds are dedicated by law to assist in the provision of juvenile probation services.

Records Archive County Clerk – The Records Archive County Clerk Fund accounts for fees collected by the County Clerk for the recording or filing of public documents. The fees are dedicated by law to be expended only for the preservation and restoration of the County Clerk's records archive.

County/District Attorney Check Fees – The County/District Attorney Check Fees Funds account for fees collected by the County and District Attorneys for every hot check processed through their respective offices. The fees are dedicated by law to be used at the sole discretion of the Attorneys to defray the salaries and expenses of the prosecutors' offices.

District Attorney Forfeiture – The District Attorney Forfeiture Fund accounts for the assets and proceeds from the disposition of assets used in the commission of criminal activity and subsequently seized by law enforcement officers. The funds are dedicated by law to be used to supplement the District Attorney's office.

Sheriff Forfeitures & Seizures – The Sheriff Forfeitures & Seizures Fund accounts for the assets and proceeds from the disposition of assets used in the commission of criminal activity and subsequently seized by law enforcement officers. The funds are dedicated by law to be used to supplement the costs of the Sheriff's office.

County Attorney State Supplement – The County Attorney State Supplement Fund accounts for the salary supplement received from the State of Texas. The funds are restricted to supplement the County Attorney salary amount.

District Attorney – The District Attorney Fund accounts for the supplemental income received from the State of Texas on behalf of the District Attorney. The income is dedicated by law to be used as supplemental salaries within the District Attorney's office.

Lateral Road – The Lateral Road Fund accounts for lateral road fees received from the State of Texas. The fees are dedicated by law to maintain and improve county roads.

County/District Clerk Records Preservation – The County/District Clerk Records Preservation Funds account for revenue from fees collected by the County and District Clerks on court cases. The fees are dedicated by law to be used for specific records preservation projects of the offices.

Museum – The Museum Fund accounts for the proceeds from the admittance fees and gift shop sales of the Hutchinson County Historical Museum. The funds are committed by the Commissioners' Court to maintain that facility.

Jail Commissary – The Jail Commissary Fund accounts for the proceeds received by the Sheriff's office from incarcerated persons on the sale of commissary items. The funds are restricted by law to be used to maintain the commissary and for the benefit of the Sheriff's Department.

Drug Court – The Drug Court Fund accounts for fees collected by the County and District Clerks on court cases. The fees are dedicated by law to be used to fund a drug court within the County.

Judicial Education and Support – The Judicial Education and Support Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to pay the continuing education of the judge and staff of the probate court or pay the county's contribution to fund the compensation for the presiding judge of the statutory probate court.

Court Facility – The Court Facility Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to be expended only to fund the construction, renovation, or improvement of facilities that house the courts or pay the principal of, interest on, and costs of issuance of bonds, including refunding bonds, issued for the construction, renovation, or improvement of the facilities.

SCAAP Grant – The SCAAP Grant Fund accounts for state grant funds awarded to Hutchinson County. The funds are to be used to pay for correctional officer salary costs for incarcerating undocumented criminal aliens.

LEOSE – The Sheriff and Constable LEOSE Funds account for funds received from the State of Texas on behalf of the Sheriff and Constable. The funds are dedicated by law for the use of continuing education of law enforcement personnel.

Language Access – The Language Access Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to provide language access services for individuals appearing before the court or receiving court services.

County Jury – The County Jury Fund accounts for fees collected by all defendants convicted in the County or District Court. The fees are dedicated by law to fund juror reimbursements and other otherwise finance jury services.

Rural Law Enforcement Grants – The Rural Law Enforcement Grant Funds account for funds received from the State of Texas. The grants are to be used to increase salaries of law enforcement and prosecutor positions, as well as funding the purchase of equipment for the benefit of the offices.

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Hutchinson Co Relief Fund – The Hutchinson County Relief Fund accounts for donations received and other funds committed by the County for relief efforts related to natural disasters within the County.

ARPA Grant Fund – The ARPA Grant Fund is used to account for funds received through various federal agencies passed through the State of Texas. The pass-through grant is to be used to reimburse the County for qualified incurred costs and lost revenue related to the COVID-19 pandemic.

HUTCHINSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Motor Vehicle Inventory Tax	Court Technology Fees	Courthouse Security	Registration of Voters
ASSETS				
Cash and cash equivalents	$ 2,647	$ 84,900	$ 66,326	$ 7,717
Accounts receivable, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governmental entities	-	-	-	-
Total assets	$ 2,647	$ 84,900	$ 66,326	$ 7,717
LIABILITIES				
Accounts payable	$ -	$ 906	$ 1,050	$ -
Due to other funds	-	-	-	-
Due to other governmental entities	-	-	-	-
Total liabilities	-	906	1,050	-
FUND BALANCES				
Restricted:				
By enabling legislation	2,647	83,994	65,276	7,717
Committed for:				
Special projects	-	-	-	-
Unassigned (deficit)	-	-	-	
Total fund balances	2,647	83,994	65,276	7,717
Total liabilities and fund balances	$ 2,647	$ 84,900	$ 66,326	$ 7,717

Law Library	Adult Probation - State	Community Corrections Programs	Juvenile Probation - State	Court Report Service	Juvenile Probation Special
$ 47,131	$ 131,819	$ 40,727	$ 5,930	$ 35,823	$ 39,740
-	13,915	-	-	-	-
-	-	-	5,931	-	2,987
-	-	-	74,301	-	-
$ 47,131	$ 145,734	$ 40,727	$ 86,162	$ 35,823	$ 42,727
$ -	$ 6,289	$ -	$ 16,572	$ -	$ 329
-	-	-	2,987	349	-
-	-	-	2,120	-	-
-	6,289	-	21,679	349	329
47,131	139,445	40,727	64,483	35,474	42,398
-	-	-	-	-	-
-	-	-	-	-	-
47,131	139,445	40,727	64,483	35,474	42,398
$ 47,131	$ 145,734	$ 40,727	$ 86,162	$ 35,823	$ 42,727

Continued

HUTCHINSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

Continuation

	Records Archive - County Clerk	County Attorney Check Fees	District Attorney Check Fees	District Attorney Forfeitures
ASSETS				
Cash and cash equivalents	$ 232,025	$ 31,168	$ 6,708	$ 656
Accounts receivable, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governmental entities	-	-	-	-
Total assets	$ 232,025	$ 31,168	$ 6,708	$ 656
LIABILITIES				
Accounts payable	$ 21,407	$ -	$ -	$ -
Due to other funds	-	1,382	298	-
Due to other governmental entities	-	-	-	-
Total liabilities	21,407	1,382	298	-
FUND BALANCES				
Restricted:				
By enabling legislation	210,618	29,786	6,410	656
Committed for:				
Special projects	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	210,618	29,786	6,410	656
Total liabilities and fund balances	$ 232,025	$ 31,168	$ 6,708	$ 656

Sheriff Forfeitures & Seizures		County Attorney State Supplement		District Attorney		Lateral Road		County Clerk Records Preservation		District Clerk Records Preservation	
$	2,429	$	28,473	$	8,413	$	33,261	$	251,723	$	156,380
	-		-		-		-		-		-
	-		832		-		-		-		-
	-		-		-		-		-		-
$	2,429	$	29,305	$	8,413	$	33,261	$	251,723	$	156,380
$	-	$	-	$	1,035	$	-	$	902	$	-
	-		4,548		-		-		-		-
	-		-		-		-		-		-
	-		4,548		1,035		-		902		-
	2,429		24,757		7,378		33,261		250,821		156,380
	-		-		-		-		-		-
	-		-		-		-		-		-
	2,429		24,757		7,378		33,261		250,821		156,380
$	2,429	$	29,305	$	8,413	$	33,261	$	251,723	$	156,380

Continued

HUTCHINSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

Continuation

	Museum	Jail Commissary	Drug Court Fund	Judicial Education & Support
ASSETS				
Cash and cash equivalents	$ 33,858	$ 24,049	$ 29,495	$ 1,995
Accounts receivable, net	50	-	-	-
Due from other funds	-	-	-	-
Due from other governmental entities	-	-	-	-
Total assets	$ 33,908	$ 24,049	$ 29,495	$ 1,995
LIABILITIES				
Accounts payable	$ 2,944	$ -	$ 3,278	$ -
Due to other funds	22,077	-	26,032	-
Due to other governmental entities	-	-	185	-
Total liabilities	25,021	-	29,495	-
FUND BALANCES				
Restricted:				
By enabling legislation	-	24,049	-	1,995
Committed for:				
Special projects	8,887	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	8,887	24,049	-	1,995
Total liabilities and fund balances	$ 33,908	$ 24,049	$ 29,495	$ 1,995

Court Facility Fund	SCAAP Grant	Sheriff LEOSE	Constable, Precinct #2 LEOSE	Constable, Precinct #1 LEOSE	Language Access Fund
$ 29,487	$ 5,650	$ 9,821	$ 3,524	$ 1,254	$ 9,699
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 29,487	$ 5,650	$ 9,821	$ 3,524	$ 1,254	$ 9,699
$ -	$ -	$ -	$ 229	$ -	$ -
-	442	-	-	-	-
-	-	-	-	-	-
-	442	-	229	-	-
29,487	5,208	9,821	3,295	1,254	9,699
-	-	-	-	-	-
-	-	-	-	-	-
29,487	5,208	9,821	3,295	1,254	9,699
$ 29,487	$ 5,650	$ 9,821	$ 3,524	$ 1,254	$ 9,699

Continued

HUTCHINSON COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

Continuation

	County Jury Fund	Sheriff Rural Law Enforcement Grant	Hutchinson Co Relief Fund	ARPA Grant
ASSETS				
Cash and cash equivalents	$ 13,759	$ 130,833	$ 32,878	$ 72,316
Accounts receivable, net	-	-	-	-
Due from other funds	-	-	-	-
Due from other governmental entities	-	-	-	-
Total assets	$ 13,759	$ 130,833	$ 32,878	$ 72,316
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ 6,625
Due to other funds	-	21,479	14,506	17,586
Due to other governmental entities	-	12,772	-	55,722
Total liabilities	-	34,251	14,506	79,933
FUND BALANCES				
Restricted:				
By enabling legislation	13,759	96,582	-	-
Committed for:				
Special projects	-	-	18,372	-
Unassigned (deficit)	-	-	-	(7,617)
Total fund balances	13,759	96,582	18,372	(7,617)
Total liabilities and fund balances	$ 13,759	$ 130,833	$ 32,878	$ 72,316

Total Non-Major Governmental Funds
$ 1,612,614
13,965
9,750
74,301
$ 1,710,630
$ 61,566
111,686
70,799
244,051
1,446,937
27,259
(7,617)
1,466,579
$ 1,710,630

HUTCHINSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Motor Vehicle Inventory Tax	Court Technology Fees	Courthouse Security	Registration of Voters
REVENUES				
Licenses and fees	$ -	$ 3,058	$ 11,716	$ -
Intergovernmental	-	-	-	-
Interest	141	3,648	2,626	323
Miscellaneous	-	-	-	2,707
Total revenues	141	6,706	14,342	3,030
EXPENDITURES				
Current:				
Administrative	-	-	-	2,657
Judicial	-	2,779	2,248	-
Public facilities	-	-	-	-
Public safety	-	-	-	-
Road and bridge	-	-	-	-
Public service	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	2,779	2,248	2,657
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	141	3,927	12,094	373
OTHER FINANCING SOURCES / (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES / (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	141	3,927	12,094	373
FUND BALANCES - BEGINNING, as previously reported	2,506	80,067	53,182	7,344
Changes within financial reporting entity (major to nonmajor fund)	-	-	-	-
FUND BALANCES - BEGINNING, as restated	2,506	80,067	53,182	7,344
FUND BALANCES - ENDING (deficit)	$ 2,647	$ 83,994	$ 65,276	$ 7,717

Law Library	Adult Probation - State	Community Corrections Programs	Juvenile Probation - State	Court Report Service	Juvenile Probation Special
$ 13,051	$ 156,494	$ -	$ -	$ 9,477	$ -
-	189,090	56,095	303,933	-	-
1,831	8,304	-	2,880	1,392	1,725
-	3,314	-	-	-	-
14,882	357,202	56,095	306,813	10,869	1,725
-	-	-	-	-	-
5,530	-	-	-	4,185	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	355,002	78,557	318,621	-	974
-	-	-	-	-	-
-	-	-	-	-	-
-	32,982	-	-	-	-
5,530	387,984	78,557	318,621	4,185	974
9,352	(30,782)	(22,462)	(11,808)	6,684	751
-	-	54,433	-	-	2,987
-	(54,433)	-	(2,987)	-	-
-	(54,433)	54,433	(2,987)	-	2,987
9,352	(85,215)	31,971	(14,795)	6,684	3,738
37,779	224,660	8,756	79,278	28,790	38,660
-	-	-	-	-	-
37,779	224,660	8,756	79,278	28,790	38,660
$ 47,131	$ 139,445	$ 40,727	$ 64,483	$ 35,474	$ 42,398

Continued

HUTCHINSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Continuation

	Records Archive - County Clerk	County Attorney Check Fees	District Attorney Check Fees	District Attorney Forfeitures
REVENUES				
Licenses and fees	$ 33,607	$ 30	$ -	$ -
Intergovernmental	-	-	-	-
Interest	9,272	-	-	60
Miscellaneous	-	-	-	-
Total revenues	42,879	30	-	60
EXPENDITURES				
Current:				
Administrative	-	-	-	-
Judicial	22,100	-	-	1,324
Public facilities	-	-	-	-
Public safety	-	-	-	-
Road and bridge	-	-	-	-
Public service	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	22,100	-	-	1,324
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	20,779	30	-	(1,264)
OTHER FINANCING SOURCES / (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES / (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	20,779	30	-	(1,264)
FUND BALANCES - BEGINNING, as previously reported	189,839	29,756	6,410	1,920
Changes within financial reporting entity (major to nonmajor fund)	-	-	-	-
FUND BALANCES - BEGINNING, as restated	189,839	29,756	6,410	1,920
FUND BALANCES - ENDING (deficit)	$ 210,618	$ 29,786	$ 6,410	$ 656

Sheriff Forfeitures & Seizures	County Attorney State Supplement	District Attorney	Lateral Road	County Clerk Records Preservation	District Clerk Records Preservation
$ -	$ -	$ -	$ -	$ 36,205	$ 10,956
-	35,000	27,500	15,995	-	-
105	1,351	6	2,297	10,670	6,484
-	-	-	-	-	-
105	36,351	27,506	18,292	46,875	17,440
-	-	-	-	32,467	-
-	24,180	27,499	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	24,978	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	24,180	27,499	24,978	32,467	-
105	12,171	7	(6,686)	14,408	17,440
-	832	-	-	-	-
-	-	-	-	-	-
-	832	-	-	-	-
105	13,003	7	(6,686)	14,408	17,440
2,324	11,754	7,371	39,947	236,413	138,940
-	-	-	-	-	-
2,324	11,754	7,371	39,947	236,413	138,940
$ 2,429	$ 24,757	$ 7,378	$ 33,261	$ 250,821	$ 156,380

Continued

HUTCHINSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Continuation

	Museum	Jail Commissary	Drug Court Fund	Judicial Education & Support
REVENUES				
Licenses and fees	$ -	$ 30,063	$ 1,848	$ 430
Intergovernmental	-	-	22,235	-
Interest	-	11	-	72
Miscellaneous	2,553	-	-	-
Total revenues	2,553	30,074	24,083	502
EXPENDITURES				
Current:				
Administrative	-	-	-	-
Judicial	-	-	57,691	-
Public facilities	226,738	-	-	-
Public safety	-	26,927	-	-
Road and bridge	-	-	-	-
Public service	-	-	-	-
Debt service:				
Principal	998	-	-	-
Interest	130	-	-	-
Capital outlay	9,622	-	-	-
Total expenditures	237,488	26,927	57,691	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(234,935)	3,147	(33,608)	502
OTHER FINANCING SOURCES / (USES)				
Transfers in	234,935	-	33,608	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES / (USES)	234,935	-	33,608	-
NET CHANGE IN FUND BALANCES	-	3,147	-	502
FUND BALANCES - BEGINNING, as previously reported	8,887	20,902	-	1,493
Changes within financial reporting entity (major to nonmajor fund)	-	-	-	-
FUND BALANCES - BEGINNING, as restated	8,887	20,902	-	1,493
FUND BALANCES - ENDING (deficit)	$ 8,887	$ 24,049	$ -	$ 1,995

Court Facility Fund	SCAAP Grant	Sheriff LEOSE	Constable, Precinct #2 LEOSE	Constable, Precinct #1 LEOSE	Language Access Fund
$ 7,824	$ -	$ -	$ -	$ -	$ 3,072
-	5,112	4,502	1,462	-	-
1,088	-	335	135	55	357
-	-	-	-	-	-
8,912	5,112	4,837	1,597	55	3,429
-	-	-	-	-	-
-	-	-	-	-	950
-	-	-	-	-	-
-	10,175	643	735	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	10,175	643	735	-	950
8,912	(5,063)	4,194	862	55	2,479
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,912	(5,063)	4,194	862	55	2,479
20,575	10,271	5,627	2,433	1,199	7,220
-	-	-	-	-	-
20,575	10,271	5,627	2,433	1,199	7,220
$ 29,487	$ 5,208	$ 9,821	$ 3,295	$ 1,254	$ 9,699

Continued

HUTCHINSON COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Continuation

	County Jury Fund	Sheriff Rural Law Enforcement Grant	Hutchinson Co Relief Fund	ARPA Grant
REVENUES				
Licenses and fees	$ 4,393	$ -	$ -	$ -
Intergovernmental	-	337,227	-	642,791
Interest	489	10,896	-	-
Miscellaneous	-	-	-	-
Total revenues	4,882	348,123	-	642,791
EXPENDITURES				
Current:				
Administrative	-	-	-	113,781
Judicial	178	-	-	-
Public facilities	-	-	-	-
Public safety	-	234,941	-	-
Road and bridge	-	-	-	-
Public service	-	-	-	-
Debt service:				
Principal	-	-	-	6,664
Interest	-	-	-	953
Capital outlay	-	16,600	-	614,765
Total expenditures	178	251,541	-	736,163
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,704	96,582	-	(93,372)
OTHER FINANCING SOURCES / (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(359,000)	-
TOTAL OTHER FINANCING SOURCES / (USES)	-	-	(359,000)	-
NET CHANGE IN FUND BALANCES	4,704	96,582	(359,000)	(93,372)
FUND BALANCES - BEGINNING, as previously reported	9,055	-	377,372	-
Changes within financial reporting entity (major to nonmajor fund)	-	-	-	85,755
FUND BALANCES - BEGINNING, as restated	9,055	-	377,372	85,755
FUND BALANCES - ENDING (deficit)	$ 13,759	$ 96,582	$ 18,372	$ (7,617)

Total Non-Major Governmental Funds
$ 322,224
1,640,942
66,553
8,574
2,038,293
148,905
148,664
226,738
273,421
24,978
753,154
7,662
1,083
673,969
2,258,574
(220,281)
326,795
(416,420)
(89,625)
(309,906)
1,690,730
85,755
1,776,485
$ 1,466,579

FIDUCIARY FUNDS

CUSTODIAL FUNDS

The Custodial Funds account for assets received in the capacity of trustee or agent for the County, other governmental entity or individual.

District Attorney Seizure – The District Attorney Seizure Fund accounts for seized assets collected by the District Attorney.

Tax Assessor Collector – The Tax Assessor Collector Fund accounts for money collected by the Tax Assessor Collector and remitted to various taxing jurisdictions.

Inmate Trust – The Sheriff's Inmate Trust Fund accounts for the money of inmates held in the Hutchinson County Jail.

County Registry – The County Registry Fund accounts for registry funds held by the County and District Clerks, as well as money received from cash bonds.

County Restitution – The County Restitution Fund accounts for money collected and held as restitution to victims of crimes by both the County and District Attorneys.

HUTCHINSON COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2025

	District Attorney Seizure	Tax Assessor Collector	Inmate Trust	County Registry	County Restitution	Total
ASSETS						
Cash and cash equivalents	$ 25,957	$ 414,973	$ 1,970	$ 438,259	$ 33,691	$ 914,850
Accounts receivable	-	2,341	-	-	-	2,341
Total assets	25,957	417,314	1,970	438,259	33,691	917,191
LIABILITIES						
Accounts payable	-	68,412	-	-	-	68,412
Due to other governments	-	276,022	-	-	-	276,022
Total liabilities	-	344,434	-	-	-	344,434
NET POSITION						
Restricted for:						
Individuals	25,957	72,880	1,970	438,259	33,691	572,757
Total net position	$ 25,957	$ 72,880	$ 1,970	$ 438,259	$ 33,691	$ 572,757

HUTCHINSON COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	District Attorney Seizure	Tax Assessor Collector	Inmate Trust	County Registry	County Restitution	Total
Additions						
Tax collections	$ -	$ 63,358,048	$ -	$ -	$ -	$ 63,358,048
Trust/Escrow contributions	-	-	72,846	907,490	35,688	1,016,024
Investment earnings	26	621	-	3,216	1	3,864
Total additions	26	63,358,669	72,846	910,706	35,689	64,377,936
Deductions						
Payments to local governments	-	63,360,119	-	-	-	63,360,119
Trust/Escrow disbursements	-	-	-	783,541	34,502	818,043
Inmate accounts	-	-	76,290	-	-	76,290
Total deductions	-	63,360,119	76,290	783,541	34,502	64,254,452
NET CHANGE IN NET POSITION	26	(1,450)	(3,444)	127,165	1,187	123,484
NET POSITION - BEGINNING	25,931	74,330	5,414	311,094	32,504	449,273
NET POSITION - ENDING	$ 25,957	$ 72,880	$ 1,970	$ 438,259	$ 33,691	$ 572,757

PART II

COMPLIANCE

DOSHIER, PICKENS & FRANCIS, LLC
CERTIFIED PUBLIC ACCOUNTANTS
301 S. Polk, Suite 800 P.O. Box 9938
Amarillo, TX 79105-5938 806.373.3011
Fax: 806.376.8126 www.dpfcpa.com

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hutchinson County, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Hutchinson County, Texas's basic financial statements, and have issued our report thereon dated August 28, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Doshier, Pickens & Francis, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC
Amarillo, Texas
August 28, 2026