

**CITY OF HAMILTON, TEXAS
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

**CITY OF HAMILTON, TEXAS
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YEAR ENDED SEPTEMBER 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and members
of the City Council
City of Hamilton, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City of Hamilton, Texas as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, the discretely presented component unit, and each major fund of the City of Hamilton, Texas, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System pension schedules, Texas Municipal Retirement System OPEB schedules, and budgetary comparison information on pages 4 through 10, 50 through 51, 52 and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied 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.

Boucher, Morgan & Young

Stephenville, Texas
March 9, 2021

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

**CITY OF HAMILTON, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Hamilton (the City), we offer the readers of the City's financial statements this narrative overview, management discussion and analysis (MD&A) of our financial activities for the year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

Hamilton is located in the center of Hamilton County (both were named after South Carolina Governor James Hamilton), situated in the Pecan Creek Valley in Central Texas, at the intersection of U.S. Highway 281 and State Highway 36. Although Hamilton is located in a sparsely populated region of the state, it is near three metropolitan areas: 70 miles west of Waco, 100 miles West-southwest of Fort Worth, and 115 miles northwest of Austin. Hamilton was designated as the county seat when it was founded in 1858. Unlike many communities that were established solely as railroad stops, Hamilton did not receive rail service until 1908, by which time it boasted a population of over 1,400. Hamilton grew through the early 20th Century and at one time supported five cotton gins. By 1950 Hamilton's population reached 3,000. A population decline throughout the 1950's and 1960's can be attributed to the termination of rail service, a flood in the 1950's, and changing farm patterns. There was significant growth in the 1970's, and the population of Hamilton reached 3,189. The economic downturn of the next decade led to another decline in population. By 1990 Hamilton reported 2,937 residents. The most recent census, 2010, documented a population increase of 158 people. Residents cite continuing growth as families and retirees move into the area from larger cities and metropolitan areas.

The City of Hamilton was incorporated in 1909, and is a General Law Type A municipality. Policymaking and legislative authorities are vested in a governing body consisting of a mayor and five council members. The council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the city's administrator. The administrator is responsible for carrying out policies and ordinances of the governing body, for overseeing the day-to-day operations of the city, and for appointment of all other employees. The mayor and all of the council members are elected at large and do not represent any one district.

The annual budget serves as the foundation for the City of Hamilton's financial planning and control. All departments of the City of Hamilton are required to submit request for appropriation to the City Administrator. The Administrator uses these requests as the starting point for developing a proposed budget. The Mayor presents this budget to the Council for review in July. The budget is modified by Council and is adopted by no later than September 30, the close of the fiscal year. No purchase over the appropriated amount budgeted may be made without approval of the Council. Budget-to-actual comparisons are provided for Council review each month.

The City of Hamilton provides a full range of services including streets, sanitation, police protection, fire protection, recreational facilities, and other infrastructure within the city. Water and wastewater services are provided as a department of the City of Hamilton and therefore have been included as an integral part of the financial statements. The City of Hamilton is also financially accountable for a legally separate economic development corporation, which is reported discretely within the financial statements.

Waste Connections provides sanitation services to the City of Hamilton. The sanitation contract is for five years which expires December 31, 2024. The City renewed the contract with Waste Connections for five years beginning January 1, 2020.

The availability of adequate water supply and delivery is vital to any community's life and growth. The average citizen expects water to be available, good quality and in the quantity desired. Response to these demands requires considerable planning, effort, and investment in infrastructure. The City presently utilizes surface water from Lake Proctor which is treated by the Upper Leon River Municipal Water District to provide potable water for approximately 1,500 services within the City and 600 gallons per minute (gpm) to the Multi-County Water Supply Corporation (MCWSC). The City has one (1) ground storage reservoir, two (2) elevated tanks, and one (1) standpipe. The City's water system is divided in two (2) pressure planes with the upper plane being served by one (1) in-line booster station and the standpipe at Fair Park.

The City of Hamilton operates and maintains its entire wastewater system. A wastewater system must provide for the collection of waste from the residential and commercial sections of the city. The existing wastewater collection system that serves the City of Hamilton has been in service for many years and has been extended as necessary. The system consists mainly of vitrified clay tile (V.C.T.) sewer pipe with newer lines being PVC. Pipe sizes range in diameter from 6" up to 16," but consist mainly of 6" and 8" lines. Depth of the collection system ranges from 1' to approximately 16' depth with a medium depth of 5' to 7' in a majority of the lines. The 16" trunk sewer extends from the wastewater plant toward the City southward along Pecan Creek to Whitney Street. The majority of lines in the collection system have sufficient grades to maintain self-cleaning velocities. These lines are in "relatively" good condition. The City's wastewater collection system contains three (3) lift stations. All three (3) stations are with submersible pumps and have been constructed within the last 20 years. They are located at Jones and Elm Streets in the southeast corner of the City, at the north end of Navajo Trail in Indian Oaks and at the Wastewater Plant site. These stations are in relatively good condition and therefore no improvements to them are suggested. The manholes in the system and old clay pipe take in a large amount of water during periods of high rainfall. The existing Hamilton WWTP consists of an influent screening unit, and influent flow measurement (Parshall Flume), a grit basin, a raw water lift station, an oxidation ditch (aeration basin), two (2) final clarifiers, beltpress and sludge drying beds. The existing facility was constructed in 1990 and expanded in 2009. The facility does not treat any industrial waste, and therefore does not have any special treatment facilities. The WWTP is permitted for 620,000 gallons per day.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. There are two government-wide statements: the statement of net position and the statement of activities.

The statement of net position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between them presented as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., arbitrage rebate owed but not due until a future year and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, airport, sanitation, cultural and recreation and library. The business-type activities of the City include water and wastewater.

The government-wide financial statements include not only the City of Hamilton (the primary government) but also the legally separate Hamilton Economic Development Corporation (HEDC) (the component unit). Financial information for HEDC is reported separately from the financial information reported for the City of Hamilton. The government-wide financial statements can be found on pages 12-13 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are considered to be major funds.

The City adopts an annual legally appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 14-17 of this report.

Proprietary funds. The City maintains one proprietary fund, the Water and Sewer Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses its enterprise fund to account for its water and sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 18-22 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-47 of this report.

Financial Highlights

The City's assets exceeded its liabilities at the close of September 30, 2020 by \$6.5 million of which \$4.8 million is invested in the capital assets, net of related debt. The governmental activities comprised \$3.3 million and the business-type activities comprised \$3.2 million of the total net position.

Unrestricted cash and investments as of September 30, 2020 were \$1.3 million in the governmental activities and \$1.2 million in the business-type activities.

The overall decrease in the City's net position for the year ended September 30, 2020 was \$44 thousand.

City's Financial Analysis

Comparative information between the current year and the prior year is presented below.

CITY OF HAMILTON'S NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 1,783,740	\$ 1,606,617	\$ 1,584,814	\$ 1,475,011	\$ 3,368,554	\$ 3,081,628
Capital Assets	2,443,079	2,653,976	5,262,383	5,567,623	7,705,462	8,221,599
Total Assets	4,226,819	4,260,593	6,847,197	7,042,634	11,074,016	11,303,227
Deferred Outflows	113,537	237,112	85,211	144,549	198,748	381,661
Total Assets and Deferred Outflows	4,340,356	4,497,705	6,932,408	7,187,183	11,272,764	11,684,888
Current Liabilities	230,634	211,308	577,207	535,941	807,841	747,249
Non-Current Liabilities	669,525	902,274	3,100,885	3,396,829	3,770,410	4,299,103
Total Liabilities	900,159	1,113,582	3,678,092	3,932,770	4,578,251	5,046,352
Deferred Inflows	134,018	64,581	58,179	28,035	192,197	92,616
Total Liabilities and Deferred Inflows	1,034,177	1,178,163	3,736,271	3,960,805	4,770,448	5,138,968
Net Position:						
Net Investment in Capital Assets	2,189,971	2,391,972	2,605,864	2,777,623	4,795,835	5,169,595
Restricted:						
Court Technology	28,449	26,755	-	-	28,449	26,755
Airport Maintenance	3,874	14,603	-	-	3,874	14,603
Cemetery Maintenance	138,074	127,880	-	-	138,074	127,880
Capital Improvement	1,679	1,668	-	-	1,679	1,668
Unrestricted	944,132	756,664	590,273	448,755	1,534,405	1,205,419
Total Net Position	\$ 3,306,179	\$ 3,319,542	\$ 3,196,137	\$ 3,226,378	\$ 6,502,316	\$ 6,545,920

CITY OF HAMILTON'S CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Fines, Fees, and Charges for Services	\$ 886,745	\$ 1,098,010	\$ 2,670,997	\$ 2,534,273	\$ 3,557,742	\$ 3,632,283
Operating Grants and Contributions	91,434	244,736	-	-	91,434	244,736
Capital Grants and Contributions	-	-	426,316	336,053	426,316	336,053
General Revenue:						
Property Taxes	834,106	770,381	-	-	834,106	770,381
Sales Tax	694,882	685,799	-	-	694,882	685,799
Franchise Taxes	154,279	157,838	-	-	154,279	157,838
Other Taxes	25,106	20,692	-	-	25,106	20,692
Investment Earnings	12,819	17,999	7,309	19,315	20,128	37,314
Miscellaneous	161,015	125,946	20,595	-	181,610	125,946
Total Revenues	2,860,386	3,121,401	3,125,217	2,889,641	5,985,603	6,011,042
Expenses:						
General Government	442,386	458,843	-	-	442,386	458,843
Public Safety	825,404	700,365	-	-	825,404	700,365
Highways and Streets	397,501	473,655	-	-	397,501	473,655
Airport	251,208	361,421	-	-	251,208	361,421
Sanitation	463,817	408,138	-	-	463,817	408,138
Culture and Recreation	234,167	249,411	-	-	234,167	249,411
Library	20,000	20,000	-	-	20,000	20,000
Economic Development	231,450	226,141	-	-	231,450	226,141
Interest on Debt	7,816	5,371	-	-	7,816	5,371
Water and Sewer	-	-	3,155,458	2,981,515	3,155,458	2,981,515
Total Expenses	2,873,749	2,903,345	3,155,458	2,981,515	6,029,207	5,884,860
Change in Net Position Before Transfers	(13,363)	218,056	(30,241)	(91,874)	(43,604)	126,182
Transfers	-	20,164	-	(20,648)	-	(484)
Change in Net Position	(13,363)	238,220	(30,241)	(112,522)	(43,604)	125,698
Net Position, Beginning	3,319,542	3,081,322	3,226,378	3,338,900	6,545,920	6,420,222
Net Position, Ending	\$ 3,306,179	\$ 3,319,542	\$ 3,196,137	\$ 3,226,378	\$ 6,502,316	\$ 6,545,920

The government's net position decreased by \$44 thousand during the fiscal year, compared to the prior year increase of \$126 thousand. Governmental activities had a decrease in net position of \$13,363 compared to the prior year increase of \$238,220. Business-type activities decreased the City's net position by \$30,241 compared to a decrease in the prior year of \$112,522.

General Fund Budgetary Highlights

The City's General Fund operated with an original revenue budget of \$2,698,380 and a final budget of \$2,894,530. The total expenses and other uses of the General Fund were \$145,647 less than final budgeted expenditures for the year and actual revenues were \$58,598 more than final budgeted revenues for the year. The General Fund experienced an increase in fund balance totaling \$274,142 for the year. The City Council made one revision to the budget approved for fiscal year 2020. This revision included the General, Water & Sewer and Airport Funds. The General Fund showed an increase of \$168,650 due to

increases in property tax, sales tax and miscellaneous income. The increase was offset by higher cost for Appraisal District services, Economic Development services, asphalt and caliche, park salaries, swimming pool expenses, playground maintenance, mowing equipment, contingency items, code enforcement personnel, building permits, police vehicle repair, and the original payments for police body camera equipment reimbursed through a Central Texas Council of Governments grant. The Water & Sewer Fund was amended to correctly show a bond payment transfer out account. The budgeted amount remained the same; however, the amount had to be transferred within the same department from one line item to another. A noteworthy expenditure in the Water and Sewer Fund was the absorption of approximately one half of an unbudgeted amount for a sewage overflow which unexpectedly added \$29,906 to the FY2020 expenses. The Airport Fund was increased due to CARES Act funding for loss of revenue. The increase was used for airport maintenance of unbudgeted items on required upgrades to the fuel system and the weather station. The budgeted amount for the P-631 surface treatment was \$2,500 shy of the \$48,900 that was ultimately required by the final TXDOT estimate. An especially notable highlight for FY2020 is the Refunding of two bonds. The bonds include the City's loan, for the Upper Leon pipeline, and the loan for the Wastewater Treatment Plant remodel in 2006. The rates were 3.58% and 4.50% respectively. In this bond refunding, the City has retained the term of the loan agreement, as we are scheduled to pay off the 2013series (Upper Leon Pipeline) in 9 years, and the City will increase the principal on the 2006 after year 9. The indicator and signal to move forward with refunding is to meet the industry standard of a Present Value Savings Percentage of 3% or greater. The summary of refunding results shows a Present Value savings of 7.606%. The City refinanced the 2013series(Upper Leon Pipeline) and the 2006 series(wastewater plant improvements) bonds, both will be paid back at the lower rate of 1.91% and 3.00% respectively. Refunding lowered the debt service on both loans and allow a \$20,451 average yearly savings while retaining the 2013 series payoff date and accelerating the 2006 payoff date. Saving over the next 12 years will be \$579,003 prior to factoring inflation.

In the 2019-2020 Budget city property taxes were increased by 3.89%, with the rollback tax rate of .5852, in order to employ a fulltime code officer along with other improvements. \$182,098 has been retained by diverting five dollars per connection to a discretionary fund in a TXPOOL investment. The fund was created as a Road Maintenance Fee and then changed to a discretionary fund for maintenance on roads and equipment due to water and sewer line repairs. In FY2020 the work on three Community Development Block Grants continued. The replacement of 1601 feet of sewer line from HWY36 to Pecan Creek Park Sports Complex was completed July 2019, but the final payment was made in November 2019, pushing the closeout into FY2020. The other two Community Development Block Grants were both active in FY2020. Both of these CDBGs were delayed due to the COVID-19 virus causing businesses to be regulated in the way they were allowed to operate and due to social distancing measures. The first of the two was a CDBG Community Enhancement Fund and was originally designated to build an ophthalmology clinic for the Hospital District but was later changed to the purchase of three ambulances and associated equipment. This change of project scope was a reaction by the Hamilton Hospital Board to the COVID-19 virus. This was a \$500,000 grant with a local match of \$622,145 which has been paid by the Hamilton Hospital District. The second CDBG underway in FY2020 was \$275,000 worth of wastewater treatment plant improvements. The local match of \$41,250 will be expensed in FY2021.

The City also worked on a grant for the Municipal Airport through TXDOT Aviation. The grant, planned in FY2019, was updated in FY 2020 to a \$489,000 runway and taxiway improvements grant with a local match of \$48,900. The local match for the runway and taxiway grant was expensed in FY2020 but the work will be completed in FY2021.

Economic Factors and Next Year's Budget and Rates

In the 2020-2021 budget, General Fund revenues and transfers in are budgeted to increase by \$119,910 from the 2019-2020 revised budget. Certified assessed valuations increased by 2.61% from the preceding year. During the 2020-2021 budget year, the City will make the final local match payment to complete the wastewater plant Community Development Block Grant. Also, the Hospital District will wrap-up the purchase of three ambulances and associated equipment through the CDBG CEF which the City is managing. The City should begin and complete a \$489,000 runway and taxiway improvements grant project at the Hamilton Municipal Airport in FY2021. The City ordered an Asphalt Zipper in FY2020 and will take delivery in January of 2021. The addition of equipment and the change in process is of utmost importance when consideration is made to future budgets. The process for road repair will command a larger portion of the budget. The City will begin working in earnest on street improvements and future consideration should be made to increasing the number of employees in the street department. As reported in the previous year, insurance claim money for the airport in the amount of \$155,958 has been invested and increased to \$156,611. This fund is earmarked to build new T-hangars and a jet pod. This money resulted from an insurance claim on property destroyed in a windstorm on June 9, 2019. The City's TXDOT Aviation Planner has begun to work with the City of Hamilton to lay out the design of new hangars. The current TXDOT estimate is a 65/35 split for project cost share between TXDOT and the City respectively. The local cost share estimate for FY2022 for the engineering and design is \$11,000. In FY2023, local share is estimated to be \$500,500. The final \$30,279 for the airport fuel system loan will be paid in February 2022, freeing money to be used for debt service on hangars.

Capital Asset and Debt Administration

Over many years, the City has invested \$24.8 million in capital assets, which, net of accumulated depreciation has a book value of \$7.7 million in a broad range of capital assets, including a fire truck and early warning system, buildings, airport facilities, park facilities, roads, bridges and water and sewer lines. Some of the current year additions included the following:

- Airport Credit Card Reader (\$13,745)
- Sewer Line Camera (\$9,863)
- 2 Riding Mowers (\$16,960)
- 2 Police vehicles (\$55,000)
- iworq code software (\$3,000)
- Auger and Rock Bit Attachment (\$3,199)
- Trencher Attachment (\$6,565)

The governmental activities debt increased from a total of \$287 thousand to \$288 thousand. Business-type activity debt, of which \$3 million represents bonded debt backed by the full faith and credit of the City, decreased from a total of \$3.4 million to \$3.2 million during the year.

Contacting the City's Financial Management

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the city. Credit also goes to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Hamilton's finances. This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or request for additional information should be addressed to the City Administrator, 200 E. Main, Hamilton, TX 76531, or by telephone 254-386-8116.

BASIC FINANCIAL STATEMENTS

CITY OF HAMILTON, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS:				
Cash and Investments	\$ 1,328,359	\$ 1,180,100	\$ 2,508,459	\$ 687,105
Receivables, Net of Allowance of \$325,766 Governmental Activities and \$113,422 Business-Type Activities	144,448	327,993	472,441	-
Taxes Receivable, Net of Allowance of \$18,820	25,814	-	25,814	-
Intergovernmental Receivable	117,217	-	117,217	39,060
Other Assets	949	2,545	3,494	-
Restricted Assets:				
Cash and Investments	166,953	74,176	241,129	-
Notes Receivable	-	-	-	165,000
Capital Assets (Net of Accumulated Depreciation):				
Land and Improvements	274,875	17,578	292,453	99,000
Buildings	-	13,600	13,600	42,698
Airport	1,048,986	-	1,048,986	-
Park Improvements	322,110	-	322,110	-
Equipment	130,605	27,315	157,920	-
Equipment Under Capital Lease	116,768	-	116,768	-
Motor Vehicles	-	20,784	20,784	-
Infrastructure	549,735	5,183,106	5,732,841	-
Total Assets	<u>4,226,819</u>	<u>6,847,197</u>	<u>11,074,016</u>	<u>1,032,863</u>
DEFERRED OUTFLOWS:				
Deferred Loss on Refunding	-	35,926	35,926	-
Related to the TMRS pension	103,456	44,909	148,365	-
Related to the TMRS OPEB	10,081	4,376	14,457	-
	<u>113,537</u>	<u>85,211</u>	<u>198,748</u>	<u>-</u>
 Total Assets and Deferred Outflows	<u>4,340,356</u>	<u>6,932,408</u>	<u>11,272,764</u>	<u>1,032,863</u>
LIABILITIES:				
Accounts Payable and Other Current Liabilities	134,353	185,684	320,037	-
Accrued Interest Payable	6,229	16,877	23,106	-
Other Liability	1	871	872	-
Customer Deposits	-	74,176	74,176	-
Noncurrent Liabilities:				
Due Within One Year	90,051	299,599	389,650	-
Due in More than One Year	163,057	2,883,334	3,046,391	-
Accrued Compensated Absences	34,848	12,826	47,674	-
Net OPEB Liability	74,102	32,168	106,270	-
Net Pension Liability	397,518	172,557	570,075	-
Total Liabilities	<u>900,159</u>	<u>3,678,092</u>	<u>4,578,251</u>	<u>-</u>
DEFERRED INFLOWS:				
Related to the TMRS pension	134,018	58,179	192,197	-
 Total Liabilities and Deferred Inflows	<u>1,034,177</u>	<u>3,736,271</u>	<u>4,770,448</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	2,189,971	2,605,864	4,795,835	-
Restricted For:				
Court Technology	28,449	-	28,449	-
Airport Maintenance	3,874	-	3,874	-
Cemetery Maintenance	138,074	-	138,074	-
Capital Improvement	1,679	-	1,679	-
Economic Development	-	-	-	1,032,863
Unrestricted	944,132	590,273	1,534,405	-
Total Net Position	<u>\$ 3,306,179</u>	<u>\$ 3,196,137</u>	<u>\$ 6,502,316</u>	<u>\$ 1,032,863</u>

The accompanying notes are an integral part of this statement.

CITY OF HAMILTON, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fines, Fees, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	\$ 442,386	\$ 14,274	\$ -	\$ -	\$ (428,112)	\$ -	\$ (428,112)	\$ -
Public Safety	825,404	61,069	-	-	(764,335)	-	(764,335)	-
Highways and Streets	397,501	-	-	-	(397,501)	-	(397,501)	-
Airport	251,208	89,365	91,434	-	(70,409)	-	(70,409)	-
Sanitation	463,817	619,988	-	-	156,171	-	156,171	-
Culture and Recreation	234,167	6,336	-	-	(227,831)	-	(227,831)	-
Library	20,000	-	-	-	(20,000)	-	(20,000)	-
Economic Development and Assistance	231,450	95,713	-	-	(135,737)	-	(135,737)	-
Interest on Long-Term Debt	7,816	-	-	-	(7,816)	-	(7,816)	-
Total Governmental Activities	<u>2,873,749</u>	<u>886,745</u>	<u>91,434</u>	<u>-</u>	<u>(1,895,570)</u>	<u>-</u>	<u>(1,895,570)</u>	<u>-</u>
Business-type Activities:								
Water and Sewer	3,155,458	2,670,997	-	426,316	-	(58,145)	(58,145)	-
Total Business-Type Activities	<u>3,155,458</u>	<u>2,670,997</u>	<u>-</u>	<u>426,316</u>	<u>-</u>	<u>(58,145)</u>	<u>(58,145)</u>	<u>-</u>
Total Primary Government	<u>\$ 6,029,207</u>	<u>\$ 3,557,742</u>	<u>\$ 91,434</u>	<u>\$ 426,316</u>	<u>(1,895,570)</u>	<u>(58,145)</u>	<u>(1,953,715)</u>	<u>-</u>
COMPONENT UNIT:								
Economic Development Corporation	<u>\$ 212,546</u>	<u>\$ -</u>	<u>\$ 231,781</u>	<u>\$ -</u>				<u>19,235</u>
Taxes:								
Property					834,106	-	834,106	-
Sales					694,882	-	694,882	-
Franchise					154,279	-	154,279	-
Other					25,106	-	25,106	-
Investment Earnings					12,819	7,309	20,128	6,062
Miscellaneous					161,015	-	161,015	-
Gain on Sale of Equipment					-	20,595	20,595	-
Transfers					-	-	-	-
Total General Revenues and Transfers					<u>1,882,207</u>	<u>27,904</u>	<u>1,910,111</u>	<u>6,062</u>
Change in Net Position					<u>(13,363)</u>	<u>(30,241)</u>	<u>(43,604)</u>	<u>25,297</u>
Net Position - Beginning, as Previously Reported					<u>3,319,542</u>	<u>2,995,772</u>	<u>6,315,314</u>	<u>1,007,566</u>
Prior Period Adjustment					<u>-</u>	<u>230,606</u>	<u>230,606</u>	<u>-</u>
Net Position - Beginning, as Adjusted					<u>3,319,542</u>	<u>3,226,378</u>	<u>6,545,920</u>	
Net Position - Ending					<u>\$ 3,306,179</u>	<u>\$ 3,196,137</u>	<u>\$ 6,502,316</u>	<u>\$ 1,032,863</u>

The accompanying notes are an integral part of this statement.

CITY OF HAMILTON, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Capital Improvements Fund	Total Governmental Funds
ASSETS			
Assets:			
Cash and Investments	\$ 1,326,680	\$ 1,679	\$ 1,328,359
Receivables, Net of Allowance of \$1,747	105,845	-	105,845
Taxes Receivable, Net of Allowance of \$18,820	25,814	-	25,814
Due from Other Governments	117,217	-	117,217
Due from Other Funds	949	-	949
Restricted Assets:			
Cash and Investments	166,953	-	166,953
Total Assets and Other Debits	\$ 1,743,458	\$ 1,679	\$ 1,745,137
 LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 53,352	\$ -	\$ 53,352
State Sales Tax Payable	39,060	-	39,060
Contract Amounts Payable	5,811	-	5,811
Accrued Liabilities Payable	36,130	-	36,130
Total Liabilities	134,353	-	134,353
 Deferred Inflows:			
Deferred Property Taxes	25,814	-	25,814
 Fund Balances:			
Restricted For:			
Court Technology	28,449	-	28,449
Airport Maintenance	3,874	-	3,874
Cemetery Maintenance	138,074	-	138,074
Capital Improvement	-	1,679	1,679
Unassigned	1,412,894	-	1,412,894
Total Fund Balance	1,583,291	1,679	1,584,970
 Total Liabilities, Deferred Inflows, and Fund Balance			
	\$ 1,743,458	\$ 1,679	\$ 1,745,137

CITY OF HAMILTON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Total fund balances - governmental funds balance sheet	\$ 1,584,970
Amounts reported for governmental activities in the statement of net position ("SNP") are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	2,443,079
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	64,416
Long-term liabilities, including capital leases and notes payable and the related interest payable are not due and payable in the current period and therefore are not reported in the fund financial statements	(294,185)
Included in noncurrent liabilities is the recognition of the City's net pension liability in the amount of \$ 397,518, a deferred resource outflow related to related to TMRS of \$ 103,456, and a deferred resource inflow related to TMRS of \$134,018.	(428,080)
Included in noncurrent liabilities is the recognition of the City's net OPEB liability in the amount of \$ 74,102, a deferred resource outflow related to the OPEB of \$ 10,081, and a deferred resource inflow related to the OPEB of \$ 0.	(64,021)
Net position of governmental activities	<u>\$ 3,306,179</u>

CITY OF HAMILTON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>General Fund</u>	<u>Capital Improvements Fund</u>	<u>Total Governmental Funds</u>
REVENUE			
Taxes:			
General Property	\$ 837,306	\$ -	\$ 837,306
General Sales and Use	694,882	-	694,882
Franchise	154,279	-	154,279
Other Taxes	25,106	-	25,106
License and Permits	23,581	-	23,581
Intergovernmental	91,434	-	91,434
Charges for Services	637,319	-	637,319
Component Unit Leased Employee Income	95,713	-	95,713
Fines	128,620	-	128,620
Investment Earnings	12,808	11	12,819
Rental Income	42,118	-	42,118
Other Revenues	<u>209,962</u>	<u>-</u>	<u>209,962</u>
Total revenues	<u>2,953,128</u>	<u>11</u>	<u>2,953,139</u>
EXPENDITURES			
Current:			
General Government	445,609	-	445,609
Public Safety	830,577	-	830,577
Highways and Streets	338,122	-	338,122
Airport	100,094	-	100,094
Sanitation	463,817	-	463,817
Culture and Recreation	187,325	-	187,325
Library	20,000	-	20,000
Economic Development and Assistance	231,450	-	231,450
Debt Service:			
Principal	67,052	-	67,052
Interest and Fiscal Charges	7,222	-	7,222
Capital Outlay	<u>57,615</u>	<u>-</u>	<u>57,615</u>
Total Expenditures	<u>2,748,883</u>	<u>-</u>	<u>2,748,883</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>204,245</u>	<u>11</u>	<u>204,256</u>
Other Financing Sources (Uses):			
Proceeds From Debt	<u>69,897</u>	<u>-</u>	<u>69,897</u>
Total Other Financing Sources (Uses)	<u>69,897</u>	<u>-</u>	<u>69,897</u>
Net Change in Fund Balances	274,142	11	274,153
Fund Balances - Beginning	1,309,149	1,668	1,310,817
Fund Balances - Ending	<u>\$ 1,583,291</u>	<u>\$ 1,679</u>	<u>\$ 1,584,970</u>

CITY OF HAMILTON, 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, 2020

Net change in fund balances - total governmental funds \$ 274,153

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period. (210,897)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (92,753)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. (2,845)

Net pension and OPEB liabilities as well as the related deferred inflows and outflows of resources generated from those liabilities are not payable from current resources and therefore, are not reported in the governmental funds. These balances increased (decreased) by this amount. 17,677

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. The net effect of these reclassifications and recognitions is to decrease net position. 1,302

Change in net position of governmental activities \$ (13,363)

CITY OF HAMILTON, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2020

	Enterprise Fund
	Water and Sewer Fund
ASSETS:	
Current Assets:	
Cash and Investments	\$ 1,180,100
Receivables, Net of Allowance of \$113,422	327,993
Other Assets	2,545
Total Current Assets	1,510,638
Noncurrent Assets:	
Restricted Cash and Investments:	
Customer Deposits	74,176
Capital Assets:	
Land	17,578
Building	25,500
Infrastructure	13,644,580
Machinery and Equipment	1,374,829
Less Accumulated Depreciation	(9,800,104)
Total Noncurrent Assets	5,336,559
Total Assets	6,847,197
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Loss on Refunding	35,926
Related to the TMRS pension	44,909
Related to the TMRS OPEB	4,376
Total Deferred Outflows of Resources	85,211
Total Assets and Deferred Outflows of Resources	6,932,408

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 SEPTEMBER 30, 2020

	Enterprise Fund
	Water and Sewer Fund
LIABILITIES:	
Current Liabilities:	
Accounts Payable	169,479
Other Current Liabilities	16,205
Due To Other Fund	871
Accrued Interest Payable	16,877
Equipment Loan Payable - Current	71,006
General Obligation Payable - Current	228,593
	503,031
Total Current Liabilities	
Current Liabilities Payable from Restricted Assets:	
Customer Deposits	74,176
	74,176
Total Current Liabilities Payable from Restricted Assets	
Noncurrent Liabilities:	
Equipment Loan Payable - Net of Current	226,815
General Obligation Payable - Net of Current	2,656,519
Net Pension Liability	172,557
Net OPEB liability	32,168
Accrued Compensated Absences	12,826
	3,100,885
Total Noncurrent Liabilities	
Total Liabilities	3,678,092
DEFERRED INFLOWS OF RESOURCES:	
Related to TMRS pension	58,179
	3,736,271
Total Liabilities and Deferred Inflows of Resources	
NET POSITION:	
Net Investment in Capital Assets	2,605,864
Unrestricted	590,273
	3,196,137
Total Net Position	\$ 3,196,137

CITY OF HAMILTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Enterprise Fund
	Water and Sewer Fund
OPERATING REVENUES:	
Charges for Sales and Services:	
Water Sales	\$ 2,020,801
Sewer Sales	586,977
Tap Fees	10,070
Other Services	53,149
Total Operating Revenues	2,670,997
OPERATING EXPENSES:	
Personnel Services - Salaries, Wages and Benefits	400,328
Other Purchased Services	572,924
Water and Chemicals Costs	1,280,787
Repairs and maintenance	169,788
Depreciation	321,891
Utilities	76,933
Small tools and supplies	102,322
Bad Debt Expense	24,740
Total Operating Expenses	2,949,713
Operating Income (Loss)	(278,716)
Non-operating Revenues (Expenses)	
Grant Revenue	426,316
Gain on Sale of Equipment	20,595
Interest Revenue	7,309
Interest Expense	(205,745)
Total Non-operating Revenues (Expenses)	248,475
Change in Net Position	(30,241)
Net position - Beginning, as Previously Reported	2,995,772
Prior Period Adjustment	230,606
Net position - Beginning, as Adjusted	3,226,378
Net position - Ending	\$ 3,196,137

CITY OF HAMILTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020

	Enterprise Fund
	Water and Sewer
	Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 2,706,730
Cash Payments to Other Suppliers for Goods and Services	(2,282,770)
Cash Payments to Employees for Services	(344,893)
Net Cash Provided by Operating Activities	79,067
Cash Flows from Capital and Related Financing Activities:	
Principal Repayment on Debt	(3,047,834)
Proceeds from Issuance of Debt	2,885,112
Interest and Fiscal Charges on Debt	(220,412)
Proceeds from sale of equipment	20,595
Acquisition or Construction of Capital Assets	(16,430)
Proceeds from Capital Improvement Grant	426,106
Net Cash Provided by Capital and Related Financing Activities	47,137
Cash Flows from Investing Activities:	
Interest on Investments	7,309
Net Cash Provided by Investing Activities	7,309
Net Increase in Cash and Cash Equivalents	133,513
Cash and Cash Equivalents at Beginning of Year	1,120,763
Cash and Cash Equivalents at End of Year	\$ 1,254,276

CITY OF HAMILTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2020

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities:

Operating Income (Loss)	\$ (278,716)
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Depreciation and Amortization	321,891
Change in Assets, Liabilities, Deferred Inflows, and Deferred Outflows:	
Decrease (Increase) in Receivables	23,709
Decrease (Increase) in Due From Other Funds	871
Decrease (Increase) in Deferred Outflows TMRS	57,127
Decrease (Increase) in Deferred Outflows OPEB	(3,488)
Increase (Decrease) in Accounts Payable	(3,265)
Increase (Decrease) in Accrued Expenses	10,227
Increase (Decrease) in Customer Deposits	12,024
Increase (Decrease) in Net Pension Liability	(98,189)
Increase (Decrease) in Deferred Inflows TMRS	30,401
Increase (Decrease) in Deferred Inflows OPEB	(257)
Increase (Decrease) in Net OPEB Liability	6,732
Total Adjustments	357,783
Net Cash Provided by Operating Activities	\$ 79,067
Cash and investments	1,180,100
Restricted cash and investments	74,176
Total Cash	1,254,276

NOTES TO FINANCIAL STATEMENTS

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies

The City of Hamilton, Texas was incorporated in 1909, under the provisions of the State of Texas. The City operates under a mayor-council form of government and provides the following services as authorized under general law: public safety (police and fire), highways and streets, sanitation, health, social services, culture and recreation and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. General accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. The more significant accounting policies of the City are described below:

A. The Reporting Entity

The City's combined financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No 14, "The Financial Reporting Entity," as amended by GASB Statements No. 39 and 61, include whether:

- the organization is legally separate
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on these criteria, the City of Hamilton has one component unit, the Hamilton Economic Development Corporation. The City of Hamilton is not a component unit of any other reporting entity as defined by the GASB Statement.

Included as part of the reporting entity:

The Hamilton Economic Development Corporation (the "Corporation") is a component unit of the City of Hamilton. The Corporation was organized exclusively for the purpose of benefiting and accomplishing public purposes of the City. The Board of Directors is appointed by the City Council. The City Council may at its sole discretion change the structure, organization, programs or activities of the Corporation and may terminate or dissolve the Corporation. Separate financial statements may be obtained by contacting the Corporation.

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies (continued)

A. The Reporting Entity (continued)

Excluded from the reporting entity:

Tax appraisal services are provided for the City of Hamilton by contract with the Hamilton County Appraisal District, and the Upper Leon River Municipal Water District provides water on a contracted basis. The City budgets and provides a limited amount of support for the Hamilton Volunteer Fire Department, the Chamber of Commerce, and for the Hamilton Public Library. Education services are provided to citizens by the Hamilton Independent School District. The City of Hamilton appoints a voting majority of the governing body of the Housing Authority of the City of Hamilton but is not able to impose its will on the governing body.

The County Appraisal District, Municipal Water District, Volunteer Fire Department, Library, Chamber of Commerce and Independent School District are separate organizations with boards of directors not appointed by the City of Hamilton. None of the organizations are able to provide specific financial benefits to, or impose specific financial burdens on, the City of Hamilton. All of the organizations are fiscally independent of the City of Hamilton. The listed agencies are not component units of the City of Hamilton.

B. Basis of Presentation

Government -wide Statements:

The statement of net position and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund Financial Statements:

The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. There were no other funds to be aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major Governmental funds:

- The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The ***Capital Improvements Fund*** accounts for major capital expenditures not financed by the Enterprise Fund.

The City reports the following major Enterprise fund:

- The ***Water and Sewer Enterprise Fund*** accounts for the operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City's governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes, interest revenue, charges for services and sales tax revenues are susceptible to accrual. Franchise taxes, fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. Budgetary Control

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

1. Prior to October 1, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an Ordinance.
4. Any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Enterprise Fund. A budget is legally adopted for the General Fund and Enterprise Fund.

Budgets for the General Fund and Enterprise Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies (continued)

D. Budgetary Control (continued)

The General Fund Budgetary Comparison Schedule presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

All appropriations lapse on September 30 of the fiscal year.

Budget amounts are as originally adopted or as amended by the City Council.

E. Cash and Investments

Cash and Cash Equivalents - Cash includes amounts in demand deposits and savings accounts, as well as short-term investments with a maturity date within three months of the date acquired by the City. Restricted cash assets are not included as cash equivalents.

Investments - Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. As of September 30, 2020, the City did not have any investments with a maturity greater than one year when purchased.

F. Capital Assets

Capital assets purchased or constructed are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. 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. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other capital assets.

Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Water and sewer systems	40 years
Buildings and other improvements	20 - 40 years
Machinery and equipment	5 - 10 years
Motor vehicles	5 years

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies (continued)

G. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. An example is a deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition to liabilities, the statement of net 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 position 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 several items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred outflows of resources and deferred inflows of resources related to pensions and pension expense have resulted in deferred inflows of \$192,197 and deferred outflows of \$148,365. Deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have resulted in deferred outflows of \$14,457.

H. Accrued Compensated Absences

Full-time city employees are eligible to earn paid time off (PTO). The amount of PTO that can be accrued each year is based on the length of service and accrues accordingly to an accrual schedule established by the city manager. Employees may carry forward earned PTO past the anniversary date based upon PTO allowed, according to the number of years of continuous employment with the city. Any PTO hours earned over the allowed amount that are not used by the anniversary date, will not be carried forward nor will any pay be given for those hours. In accordance with accounting principles generally accepted in the United States of America, the City recognizes liabilities for future employee vacations for which payments is probable and can be estimated reasonably. Earned, unused medical leave time is not paid upon termination of employment for any reason. An employee becomes ineligible for medical leave benefits upon giving notice of resignation. Due to this policy, no accrued liability for sick leave has been recorded

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies (continued)

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms.

J. Fund Balance and Net Position

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Non-spendable: This classification includes amounts that cannot be spent because they are either (a) not in the spendable form or (b) are legally or contractually required to be maintained intact. Non spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the City Council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be extended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Summary of Significant Accounting Policies (continued)

J. Fund Balance and Net Position (continued)

Net position represents the difference between assets and liabilities. Net investment in capital assets, 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. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. In circumstances where an expense is to be made for a purpose for which amounts are available in multiple net position classifications, restricted position will be fully utilized first followed by unrestricted as necessary.

K. Use of Estimates

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

L. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the City's actuary report. For this purpose, OPEB expense recognized each fiscal year is equal to the change in the net OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Information regarding the City's net OPEB liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

**CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

II. Deposits and Short-Term Investments

Cash and investments as of September 30, 2020 consist of the following:

	Cash Deposits Carrying Amount	TexPool
Government activities:		
General fund	\$ 365,862	\$ 1,127,771
Capital projects fund	1,679	-
Business-type activity:		
Water and sewer fund	620,831	633,445
Total	\$ 988,372	\$ 1,761,216

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 30 days thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric. As of September 30, 2020, the City had investments in TexPool totaling \$1,761,216 which had a weighted average maturity of 38 days. As of September 30, 2020, the City was not invested in any securities which are highly sensitive to interest rate fluctuation.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, is AAA. The actual rating for TexPool as of September 30, 2020 was AAAM.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2020, other than external investment pools, the City did not have 5% or more of its investments with one issuer.

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

II. Deposits and Short-Term Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

At September 30, 2020, the bank balance of the City's cash and deposits was \$1,023,116. \$250,000 of the bank balance at two different financial institutions was covered by depository insurance under the FDIC, with and the remaining balance was secured with securities held by pledging financial institutions.

Investment in State Investment Pools

The City is a voluntary participant in the TexPool external investment pool. The State Comptroller of Public Accounts exercises 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 in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. The financial statements of TexPool can be obtained from the Texas Trust Safekeeping Trust Company at www.ttstc.org. There are no limitations or restrictions on withdrawals.

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

III. Property Taxes

Taxes assessed on valuations as of January 1 each year are levied during the subsequent fiscal year beginning October 1. Property taxes attach as an enforceable lien on property at the time levied. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and when they are expected to be collected during a 60-day period after the close of the fiscal year. The City has its property taxes collected by the Hamilton County Appraisal District. Property taxes that are deemed uncollectible are presented as a reserve against revenues and property taxes receivable.

The allowance for uncollectible property taxes receivable as of September 30, 2020 was \$18,420 for the general fund.

IV. Capital Assets

Capital assets activity for the year ended September 30, 2020, is as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 274,875	\$ -	\$ -	\$ 274,875
Construction in progress	11,741	7,455	19,196	-
Total assets not being depreciated	<u>286,616</u>	<u>7,455</u>	<u>19,196</u>	<u>274,875</u>
Capital assets, being depreciated:				
Buildings	135,515	-	-	135,515
Airport	4,668,804	32,941	-	4,701,745
Park improvements	1,029,547	6,120	-	1,035,667
Equipment	755,681	82,180	5,000	832,861
Equipment under capital lease	773,646	1	-	773,647
Infrastructure	1,965,822	-	-	1,965,822
Total capital assets being depreciated	<u>9,329,015</u>	<u>121,242</u>	<u>5,000</u>	<u>9,445,257</u>
Accumulated depreciation:				
Buildings	135,515	-	-	135,515
Airport	3,548,322	104,437	-	3,652,759
Park improvements	661,978	51,579	-	713,557
Equipment	638,221	69,035	5,000	702,256
Equipment under capital lease	615,700	41,179	-	656,879
Streets and bridges	1,361,921	54,166	-	1,416,087
Total accumulated depreciation	<u>6,961,657</u>	<u>320,396</u>	<u>5,000</u>	<u>7,277,053</u>
Total capital assets being depreciated, net	<u>2,367,358</u>	<u>(199,154)</u>	<u>-</u>	<u>2,168,204</u>
Governmental activities capital assets, net	<u>\$ 2,653,974</u>	<u>\$ (191,699)</u>	<u>\$ 19,196</u>	<u>\$ 2,443,079</u>

**CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

IV. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 17,578	\$ -	\$ -	\$ 17,578
Total assets not being depreciated	<u>17,578</u>	<u>-</u>	<u>-</u>	<u>17,578</u>
Capital assets, being depreciated:				
Building	25,500	-	-	25,500
Infrastructure	13,644,580	-	-	13,644,580
Equipment	1,336,888	16,430	75,300	1,278,018
Motor vehicles	96,811	-	-	96,811
Total capital assets being depreciated	<u>15,103,779</u>	<u>16,430</u>	<u>75,300</u>	<u>15,044,909</u>
Accumulated depreciation:				
Building	11,262	638	-	11,900
Infrastructure	8,148,115	313,359	-	8,461,474
Equipment	1,321,057	5,169	75,523	1,250,703
Motor vehicles	73,302	2,725	-	76,027
Total accumulated depreciation	<u>9,553,736</u>	<u>321,891</u>	<u>75,523</u>	<u>9,800,104</u>
Total capital assets being depreciated, net	<u>5,550,043</u>	<u>(305,461)</u>	<u>(223)</u>	<u>5,244,805</u>
Business-type activities capital assets, net	<u>\$ 5,567,621</u>	<u>\$ (305,461)</u>	<u>\$ (223)</u>	<u>\$ 5,262,383</u>

Depreciation was charged to functions/programs of the government as follows:

Governmental Activities:	
General government	\$ 711
Public safety	37,727
Highways and streets	67,544
Culture and recreation	47,100
Airport	167,314
Total depreciation expense - governmental activities	<u>\$ 320,396</u>
Business-type Activities:	
Water and sewer system	\$ 321,891
Total depreciation expense - business-type activities	<u>\$ 321,891</u>

**CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

V. Long-term Debt

At September 30, 2020, the City's bonds and notes payable consisted of the following:

	<u>Governmental</u>	<u>Business-Type</u>
Note payable to a financial institution in annual installments of \$80,450 through 2024 including interest at a rate of 3.170%, secured by property financed	-	297,821
Note payable to a financial institution in annual installments of \$23,000 through 2023 including interest at a rate of 3.49%, secured by vehicles financed	69,897	-
2020 General Obligation Refunding Bonds, dated August 17, 2020, due in annual installments through January 1, 2029 bearing interest rate of 3.58%	-	1,804,000
2020 General Obligation Refunding Bonds, dated September 1, 2020, due in annual installments through September 30, 2032 bearing interest rate of 3%.	-	1,081,112
Note payable to a financial institution in annual installments of \$30,279 through 2022 including interest at a rate of 4.058%, secured by property financed	57,062	-
	\$ 126,959	\$ 3,182,933

The following is a summary of all long-term debt transactions of the City for the year ended September 30, 2020:

Description	Beginning Balance 9/30/2019	Increases	Decreases	Ending Balance 9/30/2020	Due within one year
Governmental activities:					
Capital leases	\$ 166,328	\$ -	\$ 40,179	\$ 126,149	\$ 41,100
Notes payable	83,935	69,897	26,873	126,959	48,951
Accrued compensated absences	36,754	-	1,906	34,848	-
Governmental activities long-term liabilities	\$ 287,017	\$ 69,897	\$ 68,958	\$ 287,956	\$ 90,051
Business-type activities					
Revenue bonds	\$ 1,946,000	\$ -	\$ 1,946,000	\$ -	\$ -
Certificate of obligation payable	1,033,000	-	1,033,000	-	-
General obligation bonds	-	2,794,000	-	2,794,000	221,000
Premium on bond	-	91,112	-	91,112	7,593
Notes payable - equipment	366,645	-	68,824	297,821	71,006
Accrued compensated absences	9,636	3,190	-	12,826	-
Business-type activities long-term liabilities	\$ 3,355,281	\$ 2,888,302	\$ 3,047,824	\$ 3,195,759	\$ 299,599

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

V. Long-term Debt (continued)

The annual requirements to amortize all bonds and notes payable outstanding as of September 30, 2020 are as follows:

General Obligation Bonds Due Fiscal Year Ending September 30	Business-Type Principal	Activities Interest	Total Requirements
2021	221,000	55,004	276,004
2022	221,000	57,334	278,334
2023	221,000	52,786	273,786
2024	225,000	48,199	273,199
2025	235,000	43,451	278,451
2026-2030	1,201,000	141,646	1,342,646
2031-2035	470,000	14,250	484,250
Total	<u>\$ 2,794,000</u>	<u>\$ 412,670</u>	<u>\$ 3,206,670</u>

Note Payable - Equipment Due Fiscal Year Ending September 30	Business-Type Principal	Activities Interest	Total Requirements
2021	71,006	11,626	82,632
2022	73,257	9,444	82,701
2023	75,580	7,192	82,772
2024	77,978	4,869	82,847
Total	<u>\$ 297,821</u>	<u>\$ 33,131</u>	<u>\$ 330,952</u>

Notes Payable Due Fiscal Year Ending September 30	Governmental Principal	Activities Interest	Total Requirements
2021	48,951	4,628	53,579
2022	50,829	2,749	53,578
2023	27,179	798	27,977
2024	-	986	986
Total	<u>\$ 126,959</u>	<u>\$ 9,161</u>	<u>\$ 136,120</u>

**CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

VI. Capital Leases

The City has entered into a capital lease agreement. The leased property under capital lease is classified as equipment with a total capitalized cost of \$389,224 and amortized value of approximately \$116,767 at September 30, 2020. Amortization expense has been included in depreciation expense for the year ended September 30, 2020.

The following is a schedule of future minimum payments under the capital leases together with the present value of the minimum lease payments as of September 30, 2020:

Year Ending September 30	
2021	43,993
2022	43,993
2023	43,993
Total payments	131,979
Less amount representing interest	5,830
Present value of net minimum lease payments	\$ 126,149

VII. Retirement Plan

Plan Description

The City of Hamilton participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

**CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

VII. Retirement Plan (continued)

Benefits Provided (continued)

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefits in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the City were as follows:

	<u>Plan Year 2019</u>	<u>Plan Year 2018</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	70% of CPI repeating	70% of CPI repeating
Retirement eligibility (Age/Service)	60/5, 0/20	60/5, 0/20
Supplemental Death Benefit to Active Employees	Yes	Yes
Supplemental Death Benefit to Retirees	Yes	Yes

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>2019</u>
Inactive employees of beneficiaries currently receiving benefits	23
Inactive employees entitled to but not yet receiving benefits	30
Active employees	<u>28</u>
	<u><u>81</u></u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

VII. Retirement Plan (continued)

Employees for the City of Hamilton were required to contribute 7% of the annual gross earnings during the fiscal year. The contribution rates for the City of Hamilton were 18.14% and 15.37% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020 were \$174,4733, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) is used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2019 actual valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 11.50%
Investment rate of return	6.75%

Salary increases were based on a service related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the system adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

**CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

VII. Retirement Plan (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

VII. Retirement Plan (continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2018	\$ 4,397,884	\$ 3,503,423	\$ 894,461
Changes for the year:			
Service cost	189,154	-	189,154
Interest	294,557	-	294,557
Change of benefit terms	-	-	-
Difference between expected and actual experience	(14,444)	-	(14,444)
Changes of assumptions	24,490	-	24,490
Contributions - employer	-	201,044	(201,044)
Contributions - employee	-	78,580	(78,580)
Net investment income	-	541,670	(541,670)
Benefit payment, including refunds of employee contributions	(257,303)	(257,303)	-
Administrative expense	-	(3,060)	3,060
Other changes	-	(91)	91
Net changes	236,454	560,840	(324,386)
Balance at 12/31/2019	\$ 4,634,338	\$ 4,064,263	\$ 570,075

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 1,196,428	\$ 570,075	\$ 57,049

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

VII. Retirement Plan (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized pension expense of \$147,445.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 69,209
Changes in actuarial assumptions	16,813	-
Difference between projected and actual investment earnings	-	122,988
Contributions subsequent to the measurement date	131,552	-
Total	\$ 148,365	\$ 192,197

\$131,552 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	\$ (78,146)
2021	(46,933)
2022	10,732
2023	(61,037)
2024	-
Thereafter	-

**CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

VIII. Postemployment Benefits Other Than Pensions

The City participates in a single employer, defined benefit group-term life insurance plan known as Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan.

The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death).

Employees Covered By Benefit Terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit (OPEB) and is a fixed amount of \$7,500.

	2019
Inactive employees of beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	3
Active employees	30
	47

Net OPEB Liability

The City's net OPEB liability of \$ 106,270 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

VIII. Postemployment Benefits Other Than Pensions (continued)

Actuarial Assumptions

The net OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Overall payroll growth	3.5% to 11.5% including inflation
Discount Rate	2.75%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103% and due to the size of the City, rates are multiplied by an additional factor for 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rate multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

	<u>Net OPEB Liability</u>
Balance at December 31, 2018	84,031
Changes for the year:	
Service cost	4,041
Interest	3,170
Changes of benefit terms	-
Difference between expected and actual experience	994
Changes of assumptions or other inputs	15,269
Benefit payments	<u>(1,235)</u>
Net changes	<u>22,239</u>
Balance at December 31, 2019	<u><u>106,270</u></u>

Discount Rate

The discount rate used to measure the net OPEB liability was 3.71%. The discount rate was based on Fidelity Index's "20 – Year Municipal GO AA Index" rate as of the measurement date.

**CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

VIII. Postemployment Benefits Other Than Pensions (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (1.75%) or 1- percentage-point higher (3.75%) than the current rate:

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
Total OPEB liability	\$ 124,732	\$ 106,270	\$ 91,443

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of \$ 9,870.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	3,059	-
Difference between projected and actual investment earnings	11,398	-
Contributions subsequent to the measurement date	-	-
Total	\$ 14,457	\$ -

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2020	\$ 3,894
2021	3,894
2022	3,253
2023	3,097
2024	319
Thereafter	-

CITY OF HAMILTON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

IX. Commitments

The City entered into a 40-year contract with the Upper Leon River Municipal Water District (ULRMWD) which allows purchase of up to 300 million gallons per year, not to exceed 2.31 million gallons per day during peak usage periods. The City may request additional water if the need arises with 60-days notification by the District that they are in agreement with revised terms. These provisions leave room for growth of the City's water system.

The City is required to continue maintenance of the federally subsidized airport in future years. All revenues generated by the airport are required to be utilized for maintenance and operations of the airport. The airport maintenance expenditures for the year ended September 30, 2020 totaled \$100,094. The revenues generated by the airport property and services for the year totaled \$89,365. As a result, there is an accumulated restricted fund balance of \$3,874 for airport operations as of September 30, 2020.

X. Tax Abatements

There were no tax abatements authorized by the City during 2020.

XI. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City insures its buildings and contents, law enforcement liability, public officials' liability, general liability and auto liability under a renewable one-year policy with the Texas Municipal League. The City insures its workers compensation risk by participating in the Texas Municipal League Intergovernmental Risk Pool which is a self-insurance policy mechanism for political subdivisions in Texas. Rates are set by the State Insurance Board. Each participant's contribution to the pool is adjusted based on its workers' compensation history. The City is responsible only to the extent of premiums paid and contributions made to Texas Municipal League and the Intergovernmental Risk Pool. There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in each of the past three fiscal years.

XII. Prior Period Adjustment

The City determined that the accounts receivable in the Water and Sewer fund were understated as of September 30, 2019. The error was due to a combination of a change in personnel and a non routine mass write off of old uncollectible customer accounts in fiscal year 2019 that also incorrectly wrote off a portion of good accounts receivable. As a result of the restatement, the City's beginning net position increased \$230,606.

XIII. COVID – 19

City officials are currently evaluating the COVID-19 virus and its impact on the City and has concluded that while it is reasonably possible that the virus has had a negative effect on the City and results of operations, the specific impact is not readily determinable as of the date of these financial statements. The City is currently working with multiple federal, state and local entities on the COVID-19 virus impact. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HAMILTON, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with (Negative)</u>
REVENUE				
Taxes:				
General Property	\$ 786,000	\$ 830,250	\$ 837,306	\$ 7,056
General Sales and Use	614,000	692,400	694,882	2,482
Franchise	157,100	157,100	154,279	(2,821)
Other	19,300	19,300	25,106	5,806
License and Permits	12,000	12,000	23,581	11,581
Intergovernmental	43,200	70,700	91,434	20,734
Charges for Services	573,810	573,810	637,319	63,509
Component Unit Leased Employee Income	83,000	83,000	95,713	12,713
Fines	125,800	125,800	128,620	2,820
Investment Earnings	4,000	4,000	12,808	8,808
Rental Income	45,645	45,645	42,118	(3,527)
Other Revenues	<u>234,525</u>	<u>280,525</u>	<u>209,962</u>	<u>(70,563)</u>
Total Revenues	<u>2,698,380</u>	<u>2,894,530</u>	<u>2,953,128</u>	<u>58,598</u>
EXPENDITURES				
Current:				
General Government	438,581	459,008	445,609	13,399
Public Safety	742,465	790,615	830,577	(39,962)
Highways and Streets	438,869	485,950	338,122	147,828
Airport	89,640	114,640	100,094	14,546
Sanitation	420,000	420,000	463,817	(43,817)
Culture and Recreation	168,634	192,314	187,325	4,989
Library	20,000	20,000	20,000	-
Economic Development	199,000	230,812	231,450	(638)
Debt Service:				
Principal	84,580	84,580	67,052	17,528
Interest and Fiscal Charges	6,215	6,215	7,222	(1,007)
Capital Outlay	<u>90,396</u>	<u>90,396</u>	<u>57,615</u>	<u>32,781</u>
Total Expenditures	<u>2,698,380</u>	<u>2,894,530</u>	<u>2,748,883</u>	<u>145,647</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>204,245</u>	<u>204,245</u>
Other Financing Sources (Uses):				
Transfers In from Other Funds	-	-	-	-
Transfers Out to Other Funds	-	-	-	-
Proceeds From Debt	<u>-</u>	<u>-</u>	<u>69,897</u>	<u>69,897</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>69,897</u>	<u>69,897</u>
Net Change in Fund Balances	-	-	274,142	274,142
Fund Balances - Beginning	1,309,149	1,309,149	1,309,149	-
Fund Balances - Ending	<u>\$ 1,309,149</u>	<u>\$ 1,309,149</u>	<u>\$ 1,583,291</u>	<u>\$ 274,142</u>

CITY OF HAMILTON
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
Last 10 Years (will ultimately be displayed)

Total Pension Liability	2015	2016	2017	2018	2019	2020
Service Cost	\$ 96,732	\$ 150,925	\$ 163,026	\$ 161,419	\$ 178,774	\$ 189,154
Interest (on the Total Pension Liability)	254,762	265,324	265,822	280,675	287,368	294,557
Changes of Benefit Terms	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(37,538)	(78,109)	55,343	(77,038)	(93,707)	(14,444)
Change of Assumptions	-	21,802	-	-	-	24,490
Benefit Payments, Including Refunds of Employee Contributions	(206,356)	(173,972)	(262,486)	(264,204)	(284,949)	(257,303)
Net Change in Total Pension Liability	107,600	185,970	221,705	100,852	87,486	236,454
Total Pension Liability - Beginning	3,694,271	3,801,871	3,987,841	4,209,546	4,310,398	4,397,884
Total Pension Liability - Ending (a)	\$ 3,801,871	\$ 3,987,841	\$ 4,209,546	\$ 4,310,398	\$ 4,397,884	\$ 4,634,338
Plan Fiduciary Net Position						
Contributions - Employer	\$ 141,764	\$ 178,065	\$ 182,273	\$ 163,428	\$ 180,879	\$ 201,044
Contributions - Employee	45,038	57,921	61,519	61,144	67,791	78,580
Net Investment Income	163,193	4,419	206,718	449,669	(109,388)	541,670
Benefit Payments, Including Refunds of Employee Contributions	(206,356)	(173,972)	(262,486)	(264,204)	(284,949)	(257,303)
Administrative Expense	(1,704)	(2,691)	(2,334)	(2,330)	(2,114)	(3,060)
Other	(140)	(133)	(126)	(118)	(110)	(91)
Net Change in Plan Fiduciary Net Position	141,795	63,609	185,564	407,589	(147,891)	560,840
Plan Fiduciary Net Position - Beginning	2,852,758	2,994,553	3,058,162	3,243,726	3,651,315	3,503,423
Plan Fiduciary Net Position - Ending (b)	\$ 2,994,553	\$ 3,058,162	\$ 3,243,726	\$ 3,651,315	\$ 3,503,424	\$ 4,064,263
Net Pension Liability - Ending (a) - (b)	\$ 807,318	\$ 929,679	\$ 965,820	\$ 659,083	\$ 894,460	\$ 570,075
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.77%	76.69%	77.06%	84.71%	79.66%	87.70%
Covered Employee Payroll	\$ 643,400	\$ 827,441	\$ 878,844	\$ 873,479	\$ 968,441	\$ 1,122,577
Net Pension Liability as a Percentage of Covered Employee Payroll	125.48%	112.36%	109.90%	75.45%	92.36%	50.78%

Note: Only six years of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

CITY OF HAMILTON
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years (will ultimately be displayed)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 174,798	\$ 192,056	\$ 166,745	\$ 163,549	\$ 180,879	199,908
Contributions in Relation to the Actuarially Determined Contribution	174,798	192,056	166,745	163,549	180,879	199,908
Contribution Deficiency (Excess)	-	-	-	-	-	-
Covered Employee Payroll	643,400	827,441	878,844	873,479	968,441	1,122,577
Contributions as a Percentage of Covered Employee Payroll	27.17%	23.21%	18.97%	18.72%	18.68%	17.81%

Note: Only six years of data is presented in accordance with GASB 68, Paragraph 138. “The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement.”

CITY OF HAMILTON
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
Last 10 Years (will ultimately be displayed)

Total OPEB Liability	2018	2019	2020
Service Cost	\$ 2,882	\$ 3,680	\$ 4,041
Interest on total OPEB liability	2,690	2,697	3,170
Changes of Benefit Terms including TMRS plan participation	-	-	-
Difference between expected and actual experience	-	3,611	994
Change in assumption or other inputs	5,209	(5,053)	15,269
Benefit payments	(699)	(1,065)	(1,235)
Net Change in Total OPEB Liability	10,082	3,870	22,239
Total OPEB Liability - Beginning	70,079	80,161	84,031
Total OPEB Liability - Ending (a)	\$ 80,161	\$ 84,031	\$ 106,270
Covered Employee Payroll	\$ 873,479	\$ 968,441	\$ 1,122,577
Net OPEB Liability as a Percentage of Covered Employee Payroll	9.18%	8.68%	9.47%

CITY OF HAMILTON, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no benefit changes during the year.