

The Honorable County Judge and
Members of the Commissioners' Court of
Hardin County, Texas

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with Hardin County, Texas (the "County") for further information on the responsibilities of management and of Crowe LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM THE COUNTY

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to the County under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have the following relationships with the County that do not impair our independence but which, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

Relationship	Safeguards
<p>Non-Audit Services: We were engaged to perform the following non-audit services during your last fiscal year:</p> <ul style="list-style-type: none"> • Assistance with preparation of your financial statements and related disclosures • Assistance with preparation of the SEFA, SESA, and notes to the SEFA and SESA • Assistance with capital assets and adjustments • Assistance with Pension/Other Postemployment Benefits calculations and adjustments • Assistance with GASB 87/96 entries • Preparation of the data collection form 	<p>We believe your management is capable of evaluating and taking responsibility for their management decisions regarding our services, and we did not assume the role of an employee or of management of the County in performing and reporting on our services.</p>

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters will be discussed during our meeting with you.

- How we addressed the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- The nature and extent of specialized skills or knowledge used to plan and evaluate the results of the audit, including the use of an auditor's expert.
- Our approach to address the implications for the individual statements and the disclosures of any significant changes within the applicable financial reporting framework or in the County's environment, financial condition, or activities.
- Your views and knowledge about matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The County's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications between the County and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. There were no such accounting changes or significant policies requiring communication.

Accounting Standard	Impact of Adoption
Significant Unusual Transactions	No such matters noted.
Significant Accounting Policies in Controversial or Emerging Areas	No such matters noted.

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in the County's year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Useful Lives of Capital Assets	Management has determined the economic useful lives of capital assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the County.	We tested the propriety of information underlying management's estimates.
Pension and Postretirement Obligations	Amounts reported for pension and postretirement obligations require management to use estimates that may be subject to significant change in the near term. These estimates are based on projection of the weighted average discount rate, rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.
Compensated Absences	Amounts reported for compensated absences liabilities require management to use estimates that may be subject to significant change in the near term. These estimates are based on allowable time earned or used, wage rates, and tenure with the County.	We reviewed the reasonableness of these estimates and assumptions.
GASB 87, <i>Leases</i>	Amounts reported for GASB 87 lease assets/liabilities require management to use estimates that may be subject to significant change in the near term. These estimates include the incremental borrowing rate and other lease terms.	We reviewed the reasonableness of these estimates and assumptions.
GASB 96, <i>SBITAs</i>	Amounts reported for GASB 96 subscription assets/liabilities require management to use estimates that may be subject to significant change in the near term. These estimates include the incremental borrowing rate and other lease terms.	We reviewed the reasonableness of these estimates and assumptions.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to the County's accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the County, considering the need to balance the cost of providing information with the likely benefit to users of the County's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the County's basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

See the attached schedule.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying the uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if it was concluded that the uncorrected misstatements are immaterial to the financial statements under audit. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information Included in an Annual Report Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We read the other information and noted no material inconsistencies or misstatement of facts based on our reading thereof.</p>
<p>Significant Difficulties Encountered During the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>Disagreements with Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the County's financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p>Difficulties or Contentious Matters We are required to discuss with Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.</p>	<p>During the audit, there were no such issues for which we consulted outside the engagement team.</p>
<p>Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.</p>	<p>There are no such circumstances that affect the form and content of the auditor's report.</p>
<p>Consultations with Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>
<p>Representations the Auditor Is Requesting from Management We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>

Communication Item	Results
Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.	There were no such significant issues discussed, or subject to correspondence, with management.
Significant Related Party Findings or Issues We are to communicate to you significant findings or issues arising during the audit in connection with the County's related parties.	There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.
Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.	We direct your attention to a copy of the management letter for deficiencies provided separately. There were no other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.

We are pleased to serve your County as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the governing body and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.


Crowe LLP

Houston, Texas
August 25, 2025

HARDIN COUNTY, TEXAS
SCHEDULE OF CORRECTED MISSTATEMENTS
For the year ended September 30, 2024

Number	Date	Name	Account No	Debit	Credit
1	9/30/2024	TAXES RECEIVABLE	010-107-000 010	418,086.00	
1	9/30/2024	ALLOWANCE FOR UNCOLLEC	010-108-000 010		(20,904.00)
1	9/30/2024	DEFERRED REVENUES-TAXE	010-222-000 010		(397,182.00)
1	9/30/2024	TAXES RECEIVABLE	017-107-000 017	84,300.00	
1	9/30/2024	ALLOWANCE FOR UNCOLLEC	017-108-000 017		(1,686.00)
1	9/30/2024	DEFERRED REVENUE - TAX	017-222-000 017		(82,614.00)
1	9/30/2024	TAXES RECEIVABLE	053-105-101 053	22,582.00	
1	9/30/2024	ALLOWANCE FOR UNCOLLEC	053-105-109 053		(452.00)
1	9/30/2024	DEFERRED REVENUE - TAX	053-222-101 053		(22,130.00)
1	9/30/2024	TAXES RECEIVABLE	067-107-000 067	3,368.00	
1	9/30/2024	ALLOWANCE FOR UNCOLLEC	067-108-000 067		(168.00)
1	9/30/2024	DEFERRED REVENUE-TAXES	067-222-000 067		(3,200.00)
Entry to adjust property tax allowances, receivables, and deferrals.					
2	9/30/2024	DEFERRED REVENUE	422-223-000 422	891,990.00	
2	9/30/2024	INTEREST	422-360-100 422		(891,990.00)
To reclass interest revenue from unearned.					
3	9/30/2024	DEFERRED REVENUE	441-223-000 441		(135,107.00)
3	9/30/2024	DEFERRED REVENUE	441-223-000 441		(378,772.00)
3	9/30/2024	FEDERAL PAYMENTS	441-338-100 441	259,186.00	
3	9/30/2024	FEDERAL PAYMENTS	441-338-100 441	119,586.00	
3	9/30/2024	FEDERAL PAYMENTS	441-339-100 441	66,632.00	
3	9/30/2024	FEDERAL PAYMENTS	441-339-100 441	68,475.00	
Reclassified revenue recieved over two months after fiscal year-end to deferred.					
4	9/30/2024	ACCOUNTS PAYABLE	034-201-000 034	73,582.00	
4	9/30/2024	DEFERRED REVENUE-SHERI	034-223-103 034		(73,582.00)
4	9/30/2024	STATE PAYMENTS-SHERIFF	034-333-300 034	73,582.00	
4	9/30/2024	DUES & SUBSCRIPTIONS	034-560-390 034		(300.00)
4	9/30/2024	AUTO PURCHASE	034-560-574 034		(73,282.00)
Entry to remove FY25 expenditure.					
5	9/30/2024	LEASE ISSUANCE	522-300-700 522		(50,386.00)
5	9/30/2024	AUTO PURCHASE/LEASE	522-500-574 522		(18,197.00)
5	9/30/2024	LEASE PRINCIPAL	522-500-635 522	18,197.00	
5	9/30/2024	CAPITAL OUTLAY - LEASE	522-500-700 522	50,386.00	
To record issuance of a new lease					

(Continued)

HARDIN COUNTY, TEXAS
SCHEDULE OF CORRECTED MISSTATEMENTS
For the year ended September 30, 2024

Number	Date	Name	Account No	Debit	Credit
6	9/30/2024	LEASE RECEIVABLE	010-120-110 010		(1,493.00)
6	9/30/2024	DEFERRED INFLOWS LEASE	010-224-100 010	1,482.00	
6	9/30/2024	LEASE INTEREST	010-360-101 010	66.00	
6	9/30/2024	LAND LEASE	010-370-201 010		(55.00)
6	9/30/2024	PRINCIPAL SUBSCRIPT SO	010-475-632 010		(952.00)
6	9/30/2024	SOFTWARE INTEREST	010-475-673 010	952.00	
6	9/30/2024	PRINCIPAL SUBSCRIPT SO	010-476-632 010		(952.00)
6	9/30/2024	SOFTWARE INTEREST	010-476-673 010	952.00	
6	9/30/2024	PRINCIPAL SUBSCRIPT SO	010-499-632 010		(1,912.00)
6	9/30/2024	LEASE INTEREST	010-499-672 010	1,912.00	
6	9/30/2024	SOFTWARE LICENSE/SUPPO	184-504-594 184		(659.00)
6	9/30/2024	PRINCIPAL SUBSCRIPT-SO	184-504-632 184	659.00	
6	9/30/2024	SOFTWARE LICENSE/SUPPO	521-501-594 521		(610.00)
6	9/30/2024	PRINCIPAL SUBSCRIPT-SO	521-501-632 521	610.00	
6	9/30/2024	OFFICE EQUIPMENT RENTA	905-502-462 905		(2.00)
6	9/30/2024	PRINCIPAL LEASE-EQUIPM	905-502-631 905	2.00	
To remove non GASB 87 lease and adjust principal for reporting.					
7	9/30/2024	LEASE PROCEEDS-SUBSCRI	023-300-701 023	40,000.00	
7	9/30/2024	CAPITAL OUTLAY SUBSCRI	023-461-701 023		(40,000.00)
To adjust subscription proceeds for reporting.					
8	9/30/2024	DUE TO STATE	034-221-100 034		(10,147.00)
8	9/30/2024	STATE PAYMENTS-DA OFFI	034-333-200 034	10,147.00	
Entry provided by client to reclass revenue for unallowable grant expenditures.					