

CALDWELL COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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CALDWELL COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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Financial Section

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RUTLEDGE CRAIN & COMPANY,PC
CERTIFIED PUBLIC ACCOUNTANTS
2401 Garden Park Court, Suite B
Arlington, Texas 76013

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and Commissioners Comprising the
Commissioners' Court of Caldwell County

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caldwell County, Texas, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise Caldwell County, Texas' 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of Texas *Uniform Grant Management Standards* (UGMS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, each major fund, and the aggregate remaining fund information of Caldwell County, Texas, as of September 30, 2017, and the respective changes in financial position, for the year then ended in accordance 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, budgetary comparison information, and pension disclosure schedules on pages 5-11, and 44-46, and page 47-48, 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.

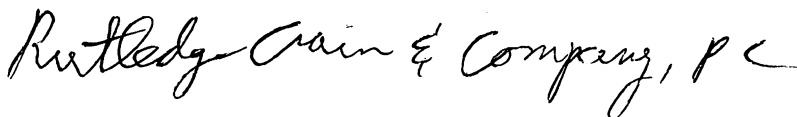
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Caldwell County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements, and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2018, on our consideration of Caldwell County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Caldwell County, Texas' internal control over financial reporting and compliance.



June 15, 2018

Management's Discussion and Analysis

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CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2017

As management of Caldwell County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented herein along with the County's financial statements, which follow this section.

Financial Highlights

The net position of the County increased by \$1,414,747 for fiscal year ended September 30, 2017. The assets and deferred outflow of resources of the County exceeded its liabilities and deferred inflow of resources at the close of the fiscal year ended September 30, 2017 by \$26,890,620 (net position). Of this amount, \$13,114,482 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The County's governmental funds reported combined ending fund balances of \$10,139,357, an increase of \$1,778,138 in comparison to the previous year, in part due to the sale of capital assets and timing of revenues received versus work performed with the SH130 project. In addition, increased revenues in the general fund, primarily from taxes, in association with decreases in general fund expenditures, primarily from lapses in staffing and the resulting savings in personnel costs, also contributed to the positive change in fund balance.

The unassigned portion of the General Fund, fund balance at the end of the year was \$7,689,572, or 51.75% of total General Fund expenditures for fiscal year 2017.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Caldwell County's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The Statement of Net Position presents information on all of the County's assets, deferred outflow of resources, liabilities, and deferred inflow of resources, with the difference between these elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County 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., uncollected taxes and earned but unused vacation leave).

In addition, the statement of activities highlights government activities supported by taxes and intergovernmental revenues, along with program revenues classified to the corresponding government activity.

Fund Financial Statements. The County, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2017

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 County maintains 16 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, Grant Fund and Unit Road Fund, which are considered to be major funds. Data from the other 13 funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds. Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others.

Notes to Financial Statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide, fund financial statements and fiduciary fund statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information following the notes to the financial statements. The other supplementary information includes combining and individual statements and schedules.

Government-wide Financial Analysis

At the end of fiscal year 2017, the County's net position (assets exceeding liabilities) totaled \$26,890,620. This analysis focuses on the net position (Table 1) and changes in net position (Table 2). This is an increase of \$1,414,747 in net position for fiscal year 2017.

Net Position. The largest portion of the County's net position, \$12,611,185 or 46.9%, reflects its investment in capital assets (land, buildings, infrastructure, machinery and equipment, construction in progress), less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position of \$896,313 or 3.3%, in the debt service fund, are restricted for future debt service payments.

Net position of \$268,640, or 1.1%, in the Capital Projects Fund, are restricted to payments for capital projects authorized by the Series 2014 Limited Tax Refunding Bonds.

The remaining balance of unrestricted net assets, \$13,114,482 or 48.7%, may be used to meet the government's ongoing obligations to citizens and creditors.

CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2017

Table 1
 Condensed Statement of Net Position

	9/30/17	9/30/16
ASSETS		
Current and other assets	\$20,124,878	\$19,393,591
Capital assets	24,365,814	25,064,393
Total assets	<u>44,490,692</u>	<u>44,457,984</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred charge on refunding	78,524	78,522
Deferred pension expense	1,360,376	1,634,108
Total deferred outflow of resources	<u>1,438,900</u>	<u>1,712,630</u>
LIABILITIES		
Long-term liabilities	12,783,788	13,356,167
Other liabilities	6,195,233	7,162,843
Total liabilities	<u>18,979,021</u>	<u>20,519,010</u>
DEFERRED INFLOW OF RESOURCES		
Unearned Revenue	282,417	
Deferred pension inflow	247,534	175,731
Total deferred inflow of resources	<u>529,951</u>	<u>175,731</u>
NET POSITION		
Net investment in capital assets	12,611,185	12,074,542
Restricted	1,164,953	1,044,715
Unrestricted	13,114,482	12,356,616
	<u>\$26,890,620</u>	<u>\$25,475,873</u>

Changes in Net Position. The net position of the County increased by \$1,414,747 for the fiscal year ended September 30, 2017. Table 2 itemizes the changes from fiscal year 2016 to fiscal year 2017. Increases in revenues over the prior fiscal year primarily resulted from county services, capital grants, and taxes. The overall decrease in expenditures from the prior fiscal year is primarily tied to lapses in staffing, and the related personnel costs, throughout fiscal year 2017.

CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2017

Table 2
 Changes in Net Position

	9/30/17	9/30/16
Program Revenues:		
Charges for services	\$5,177,191	\$4,156,486
Operating grants and contributions	481,399	355,799
Capital grants and contributions	5,932,592	2,427,182
General Revenues		
Taxes	15,475,662	15,599,591
Unrestricted investment earnings	102,539	60,361
Miscellaneous	104,776	194,144
Gain (Loss) on Disposal of Capital Assets	63,012	408,338
Special Item Inflow	577,093	
Total Revenues	<u>27,914,264</u>	<u>23,201,901</u>
Expenses:		
General administration	3,728,873	3,266,395
Judicial	2,229,987	2,119,790
Legal	915,739	877,133
Financial administration	1,219,377	1,160,448
Public facilities	609,908	588,019
Public safety	7,484,768	6,792,721
Public transportation	9,076,723	4,603,007
Environmental protection	67,384	57,422
Health and welfare	646,784	777,114
Conservation & agriculture	101,709	84,093
Interest on long-term debt	418,265	456,946
Total Expenses	<u>26,499,517</u>	<u>20,783,088</u>
Increase (decrease) in net position	1,414,747	2,418,813
Net Position – October 1	25,475,873	23,057,060
Prior Period Adjustment	0	0
Net Position – September 30	<u>\$26,890,620</u>	<u>\$25,475,873</u>

Financial Analysis of the Government's Funds

Government funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$10,139,357.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, fund balance was \$8,015,090. This is an increase of \$1,723,664 from last year.

General Fund Budgetary Highlights. Each year the County performs periodic reviews of the budget. Budget amendments are approved throughout the year transferring amounts from one line item to another budgeted item.

CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2017

Discussion of revenue variances follows:

Tax revenues include a decrease of \$46,366 below budget projections due to a decline in sales tax collections by 3% in comparison to the estimated revenue.

License and permit fees collected were \$87,712 less than budgeted due to a decline in motor vehicle registrations; however, a large portion of that decline was absorbed by a substantial increase in collections of boat registration fees, subdivision fees and sanitation permits.

Intergovernmental revenues resulted in a \$200,238 decrease in comparison to this overall categorical budget due to the intergovernmental jail revenue, commissary reimbursement, county judge supplement and TDEM performance Grant revenues decline in the revenues.

Fees of office revenue have exceeded the estimated revenue by \$100,533. This is attributed to the increased collections on the behalf of the county attorney fees, JP#2 fees, JP#3 fees, Constable-PCT. 2, 3, & 4 Fees, Traffic Fees and Birth Record Fees.

Fines came in slightly higher than the overall budget by \$4,874 due to the collections within the Justice of the Peace offices and Bond Forfeitures being the largest revenue contributor.

Miscellaneous revenue was \$705,170 more than budgeted. Income consists primarily of miscellaneous items, reimbursed items, rental revenues and insurance proceeds; these items are difficult to budget.

Overall, the estimated revenues of \$19,299,952 were amended totaling \$19,205,380, \$94,572 or .5% less than the original budget. The actual revenues at the end of the fiscal year totaled \$545,333 or 2.84% higher than the amended budgeted.

Discussion on expenditures follows:

The General Administration consists of decreasing total appropriation with budget adjustment(s) totaling \$76,226 and the actual expenditures \$145,899 below budget.

Judicial budget contains budget amendment(s) increasing the budget totaling \$10,503 and the actual expenditures were below final budget by \$87,376 as a result of lower costs in the county and district courts.

Legal managed actual expenditures of \$10,455 below the final appropriation.

The Financial Administration budget was not amended and the actual expenditures of \$31,146 came in below the final budget.

The Public Facilities realized \$35,868 less in expenditures than budgeted.

Public Safety's budget was increased with budget amendment(s) totaling \$109,720, ending with a positive variance to the final budget(s) combined of \$577,413 due to turnover in staff and other related issues.

Environmental protection actual costs were below budget by \$14,274.

The Health and Welfare budget amendment increased the budget by \$13,916 with the actual costs of \$373,665 below the final budget.

Conservation-Agriculture came in \$4,658 under budget due to the failure to maintain full staffing reducing personnel and related costs.

CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2017

Overall, the original budget was \$16,081,819 and was amended to \$16,139,732, increasing it by \$57,913 or .36 % of appropriations. The actual expenditures at the end of the fiscal year totaled \$14,858,978, \$1,280,754 or 7.94% less than the amended budget.

Grant Fund Budgetary Highlights.

Total estimated revenues for the Grant fund were \$7,050,472 with actual revenues totaling \$5,669,520 or \$1,380,952 less than the final budget.

Total appropriations for the Grant fund were \$7,122,472 with actual expenditures totaling \$5,923,284 or \$1,199,188 less than final budget.

These differences relate to the SH130 and CETRZ projects. The projects were budgeted, but not all of the work was performed during the fiscal year thus the difference in revenues received and expenditures incurred.

Unit Road Fund Budgetary Highlights.

Unit Road actual revenues were \$679,143 with \$2,840,188 of transfers making up the majority of the financing source of this fund. The transfer in was to match the revenue with the actual expenditures which were performed in the Unit Road fund. The actual expenditures included \$3,404,031.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets as of September 30, 2017, amounts to \$24,365,814 (net of accumulated depreciation). The investment in capital assets includes land, buildings, machinery and equipment, and infrastructure.

Table 3
 Capital Assets at Year End
 Net of Accumulated Depreciation

	9/30/17	9/30/16
Land	\$553,432	\$553,432
Buildings & improvements	21,566,855	22,153,223
Machinery and equipment	1,331,992	1,252,776
Infrastructure	913,535	1,104,962
Total Capital Assets (Net)	<u>\$24,365,814</u>	<u>\$25,064,393</u>

Additional information on the County's capital assets can be found in the notes to the financial statements at page 32.

CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2017

Debt Administration. At the end of the current fiscal year, Caldwell County had total debt outstanding of \$12,270,000. Of this amount, \$4,325,000 is comprised of Certificates of Obligation, with principal due annually through 2029 with interest due semiannually. All debt is backed by the full faith and credit of Caldwell County.

Table 4
 Outstanding Debt at Year End

Type of Debt	9/30/17	9/30/16
Certificates of obligation	\$4,325,000	\$4,690,000
Limited tax refunding bonds	7,945,000	8,375,000
Premium on bonds issued	3,154	3,373
Compensated absences	449,433	238,323
Net Pension (Asset) Liability	61,201	49,471
Total Debt	\$12,783,788	\$13,356,167

Additional information on the County's long-term debt can be found in the notes to the financial statements beginning at page 33.

The County's total outstanding debt decreased overall by \$572,379, predominately due to the retirement of \$795,219 in debt.

Economic Factors and Next Year's Budgets and Rates

With several major developments planned for the area Caldwell County is poised for a significant growth in the tax base over the next several years. Investments in infrastructure will be required as well as a cohesive strategy for managing this growth.

Some key factors to look for in future budgets:

With anticipated growth in the rural areas of Caldwell County there will be a significant increase in the Unit Road Department budget for county road maintenance and improvement.

Increase in health insurance due to rising health care costs of County employees.

A funding mechanism needs to be put in place to for a systematic retention and replacement of all county vehicles and equipment. This could be done by an apportioning of ad valorem taxes, bond issuance for major equipment prior to increased interest rates or some other revenue source.

Requests for Information

This financial report is designed to provide a general overview of Caldwell County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 110 S. Main St, Room 303, Lockhart, Texas, 78644.

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Basic Financial Statements

CALDWELL COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Governmental Activities
ASSETS:	
<i>Cash and cash equivalents</i>	\$ 8,557,262
<i>Receivables (net of allowances for uncollectibles):</i>	
<i>Taxes</i>	1,584,597
<i>Fines</i>	6,976,278
<i>Accounts</i>	102,779
<i>Intergovernmental</i>	3,161,742
<i>Due from agency funds</i>	70,444
<i>Inventories</i>	29,179
<i>Prepaid items</i>	107,532
<i>Capital assets (net of accumulated depreciation):</i>	
<i>Land</i>	553,432
<i>Buildings and improvements</i>	21,566,855
<i>Machinery and equipment</i>	1,331,992
<i>Infrastructure</i>	913,535
<i>Net pension asset</i>	5,065
Total Assets	44,960,692
DEFERRED OUTFLOW OF RESOURCES	
<i>Deferred charge on refunding</i>	78,524
<i>Deferred pension expense</i>	1,360,376
Total Deferred Outflow of Resources	1,438,900
LIABILITIES:	
<i>Accounts payable</i>	852,681
<i>Accrued liabilities and other payables</i>	167,963
<i>Due to other governments</i>	4,038,841
<i>Due to others</i>	1,135,748
Noncurrent Liabilities-	
<i>Due within one year</i>	927,577
<i>Due in more than one year</i>	11,856,211
Total Liabilities	18,979,021
DEFERRED INFLOWS OF RESOURCES	
<i>Unearned revenue</i>	282,417
<i>Deferred pension inflow</i>	247,534
Total deferred inflow of resources	529,951
NET POSITION:	
<i>Net Investment in Capital Assets</i>	12,611,185
Restricted For:	
<i>Debt Service</i>	896,313
<i>Capital Projects</i>	268,640
<i>Unrestricted</i>	13,114,482
Total Net Position	\$ 26,890,620

The accompanying notes are an integral part of this statement.

CALDWELL COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
PRIMARY GOVERNMENT:					
Governmental Activities:					
General administration	\$ 3,728,873	\$ 462,534	\$ 83,146	\$ 9,173	\$ (3,174,020)
Judicial	2,229,987	1,221,614	155,995	--	(852,378)
Legal	915,739	40,247	--	66,389	(809,103)
Financial administration	1,219,377	454,720	--	--	(764,657)
Public facilities	609,908	--	--	--	(609,908)
Public safety	7,484,768	979,685	242,258	--	(6,262,825)
Public transportation	9,076,723	66,404	--	5,850,048	(3,160,271)
Environmental protection	67,384	1,951,987	--	6,982	1,891,585
Health and welfare	646,784	--	--	--	(646,784)
Conservation - agriculture	101,709	--	--	--	(101,709)
Interest on long-term debt	418,265	--	--	--	(418,265)
Total Governmental Activities	<u>26,499,517</u>	<u>5,177,191</u>	<u>481,399</u>	<u>5,932,592</u>	<u>(14,908,335)</u>
Total Primary Government	<u>\$ 26,499,517</u>	<u>\$ 5,177,191</u>	<u>\$ 481,399</u>	<u>\$ 5,932,592</u>	<u>(14,908,335)</u>
General Revenues:					
Ad valorem taxes					15,125,812
Automobile taxes					339,608
Alcoholic beverage taxes					10,242
Miscellaneous					104,776
Unrestricted investment earnings					102,539
Gain (loss) on disposal of capital assets					63,012
Special and Extraordinary Items:					
Special Item Inflow					<u>577,093</u>
Total General Revenues					<u>16,323,082</u>
Change in Net Position					<u>1,414,747</u>
Net Position - Beginning					<u>25,475,873</u>
Net Position - Ending					<u>\$ 26,890,620</u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Grant
ASSETS		
Assets:		
<i>Cash and cash equivalents</i>	\$ 7,074,868	\$ --
<i>Receivables (net of allowances for uncollectibles):</i>		
Taxes	1,423,719	--
Fines	6,976,278	--
Accounts	102,779	--
Intergovernmental	511,178	2,431,945
<i>Due from other funds</i>	1,376,383	--
<i>Inventories</i>	1,486	--
<i>Prepaid items</i>	107,532	--
Total Assets	<u>\$ 17,574,223</u>	<u>\$ 2,431,945</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
<i>Accounts Payable</i>	\$ 396,901	\$ 119,199
<i>Accrued liabilities and other payables</i>	99,450	--
<i>Due to Other Funds</i>	--	2,833,400
<i>Due to other governments</i>	4,038,841	--
<i>Due to others</i>	1,135,748	--
Total Liabilities	<u>5,670,940</u>	<u>2,952,599</u>
Deferred Inflows of Resources		
<i>Deferred tax revenue</i>	1,332,464	--
<i>Deferred fine revenue</i>	2,546,374	--
<i>Deferred grant revenue</i>	9,355	--
Total deferred inflows of resources	<u>3,888,193</u>	<u>--</u>
Fund Balances (deficits):		
<i>Nonspendable</i>	109,018	--
<i>Restricted</i>	--	--
<i>Committed</i>	216,500	--
<i>Assigned</i>	--	--
<i>Unassigned</i>	7,689,572	(520,654)
Total Fund Balance (deficit)	<u>8,015,090</u>	<u>(520,654)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficits)	<u>\$ 17,574,223</u>	<u>\$ 2,431,945</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

Unit Road Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 1,482,394	\$ 8,557,262
38	160,840	1,584,597
--	--	6,976,278
--	--	102,779
218,619	--	3,161,742
1,594,326	--	2,970,709
27,693	--	29,179
--	--	107,532
<u>\$ 1,840,676</u>	<u>\$ 1,643,234</u>	<u>\$ 23,490,078</u>
\$ 311,830	\$ 24,751	\$ 852,681
5,033	5,956	110,439
--	66,865	2,900,265
--	--	4,038,841
--	--	1,135,748
<u>316,863</u>	<u>97,572</u>	<u>9,037,974</u>
22	151,470	1,483,956
--	--	2,546,374
273,062	--	282,417
<u>273,084</u>	<u>151,470</u>	<u>4,312,747</u>
27,693	--	136,711
--	1,375,023	1,375,023
--	73,919	290,419
1,223,036	5,153	1,228,189
--	(59,903)	7,109,015
<u>1,250,729</u>	<u>1,394,192</u>	<u>10,139,357</u>
<u>\$ 1,840,676</u>	<u>\$ 1,643,234</u>	<u>\$ 23,490,078</u>

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CALDWELL COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2017

Total fund balances - governmental funds balance sheet	\$ 10,139,357
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	24,365,814
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,483,956
Payables for bond principal which are not due in the current period are not reported in the funds.	(12,273,153)
Payables for bond interest which are not due in the current period are not reported in the funds.	(57,524)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(449,433)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	78,522
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	2,546,374
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(56,135)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(247,534)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	<u>1,360,376</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 26,890,620</u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	General Fund	Grant
Revenue:		
<i>Taxes</i>	\$ 15,439,386	\$ --
<i>Licenses and permits</i>	585,288	--
<i>Intergovernmental</i>	1,222,512	5,669,520
<i>Fees of office</i>	902,983	--
<i>Fines</i>	778,874	--
<i>Miscellaneous</i>	726,598	--
<i>Investment earnings</i>	95,072	--
Total revenues	<u>19,750,713</u>	<u>5,669,520</u>
Expenditures:		
Current:		
<i>General administration</i>	2,693,595	216,622
<i>Judicial</i>	1,810,260	74,320
<i>Legal</i>	857,035	--
<i>Financial administration</i>	1,186,702	--
<i>Public facilities</i>	592,657	--
<i>Public safety</i>	6,912,638	54,081
<i>Public transportation</i>	--	5,578,261
<i>Environmental protection</i>	63,488	--
<i>Health and welfare</i>	642,553	--
<i>Conservation - agriculture</i>	100,050	--
Debt Service:		
<i>Principal</i>	--	--
<i>Interest and fiscal charges</i>	--	--
<i>Fiscal agent's fees</i>	--	--
Total Expenditures	<u>14,858,978</u>	<u>5,923,284</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,891,735</u>	<u>(253,764)</u>
Other Financing Sources (Uses):		
<i>Transfers in</i>	7,024	20,000
<i>Transfers out</i>	(3,275,683)	--
<i>Sale of capital assets</i>	100,588	--
Total Other Financing Sources (Uses)	<u>(3,168,071)</u>	<u>20,000</u>
Net Change in Fund Balances	1,723,664	(233,764)
Fund Balances - Beginning	6,291,426	(93,747)
Prior Period Adjustment	--	(193,143)
Fund Balances - Ending	<u>\$ 8,015,090</u>	<u>\$ (520,654)</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

Unit Road Fund	Other Governmental Funds	Total Governmental Funds
\$ 341,756	\$ 1,328,754	\$ 17,109,896
66,404	--	651,692
256,090	--	7,148,122
--	250,941	1,153,924
--	8,477	787,351
14,893	577	742,068
--	6,890	101,962
<u>679,143</u>	<u>1,595,639</u>	<u>27,695,015</u>
--	529,042	3,439,259
--	58,473	1,943,053
--	12,725	869,760
--	--	1,186,702
--	--	592,657
--	8,898	6,975,617
3,404,031	--	8,982,292
--	--	63,488
--	--	642,553
--	--	100,050
--	795,000	795,000
--	425,784	425,784
--	1,250	1,250
<u>3,404,031</u>	<u>1,831,172</u>	<u>26,017,465</u>
<u>(2,724,888)</u>	<u>(235,533)</u>	<u>1,677,550</u>
2,840,188	415,495	3,282,707
--	(7,024)	(3,282,707)
--	--	100,588
<u>2,840,188</u>	<u>408,471</u>	<u>100,588</u>
115,300	172,938	1,778,138
942,286	1,221,254	8,361,219
193,143	--	--
<u>\$ 1,250,729</u>	<u>\$ 1,394,192</u>	<u>\$ 10,139,357</u>

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CALDWELL COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Net change in fund balances - total governmental funds	\$ 1,778,138
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	372,525
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,080,651)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(10,112)
Donations of capital assets increase net position in the SOA but not in the funds.	19,649
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	71,488
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	795,000
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	5,066
(Increase) decrease in accrued interest from beginning of period to end of period.	3,703
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(211,109)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	28,315
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	<u>(357,265)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 1,414,747</u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2017

	Agency Funds
ASSETS:	
<i>Cash and cash equivalents</i>	\$ 2,791,938
<i>Other receivables</i>	3,051
Total Assets	<u>\$ 2,794,989</u>
LIABILITIES:	
<i>Accounts payable</i>	\$ 29,034
<i>Due to other funds</i>	70,444
<i>Due to other governments</i>	325,366
<i>Due to others</i>	2,370,145
Total Liabilities	<u>\$ 2,794,989</u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County, a political subdivision of the State of Texas is governed by an elected judge and four county commissioners which comprise the commissioners' court. The county's operational activities include general administrative services, judicial, legal, financial administration, public facilities, public safety, public transportation, environmental protection, health and welfare assistance, conservation - agriculture services.

The accounting policies of Caldwell County, Texas, conform to generally accepted accounting principals issued by the Governmental Accounting Standards Board which is the recognized financial accounting standard setting body for governmental entities. The notes to the financial statements are an integral part of the County's basic financial statements.

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the County (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the County's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the County.

There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the basic financial statements present the County only.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of position) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes, charges for services, and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus and the accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

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 County 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.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Fines and permits, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The County reports the following major governmental funds:

The *General Fund* is the County'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 *Grant Fund* accounts for certain major grants received from the federal and state governments and expenditures related to specific purposes of the grants.

The *Unit Road Fund* accounts for certain revenues and expenditures related to the construction and maintenance of roads and bridges within the County. Primary revenues of this fund are ad valorem taxes, licenses and permits, and transfers from the General Fund.

Additionally, the County reports the following fund types:

The Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes (not including private purpose trusts or major capital projects).

The *Debt Service Fund* accounts for the accumulation of resources to be used for the payment of principal and interest.

The *Building Construction Capital Projects Fund* accounts for residual amounts from the proceeds of the 2010 Certificates of Obligation, the 2012 Short Term Tax Notes, and the 2013 Short Term Tax Notes issued to construct and remodel County buildings.

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other agency funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) - (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the County, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

Fines receivables are shown net of an allowance for uncollectibles. The allowance for uncollectibles is an estimate based upon experience.

Property taxes are levied on October 1 by the County based on the January 1 property values as appraised by the County Central Appraisal District. Taxes are due without penalty until January 31, of the next calendar year. After January 31 the County has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the County.

3. Inventories and prepaid items

Inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings	50 years
Building improvements	20 years
Infrastructure	30 years
Machinery and Equipment	5 - 10 years

5. Compensated absences

Employees accumulate earned but unused vacation and compensatory time. All vacation and compensatory pay is accrued when incurred in the government-wide funds. A liability is reported for these amounts in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. Long-term obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as bond insurance costs, are deferred and amortized over the life of the bonds using the straight line method which approximate the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance and insurance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Insurance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Fund equity

Nonspendable Fund Balance Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by the Commissioner's Court through legislation, resolution or Court order, unless the Commissioner's Court removes or changes the specified use by taking the same type of action used to commit the amounts.

Assigned Fund Balance - Amounts that are constrained by the Commissioner's Court, or by another County official or the finance division to which the Court has delegated authority, that are to be used for specific purposes but are neither restricted nor committed.

Unassigned Fund Balance - Amounts that are available for any purpose; these amounts can be reported only in the County's General Fund.

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. When the County incurs an expenditure and both restricted and unrestricted amounts are available, the County considers restricted amounts to have been spent. When the County incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

	General		Unit	Other	
	Fund	Grant	Road	Funds	Total
Fund Balances					
Nonspendable for:					
Inventory	\$1,486	\$ --	\$27,693	\$ --	\$29,179
Prepaid items	107,532	--	--	--	107,532
	<u>109,018</u>	<u>--</u>	<u>27,693</u>	<u>--</u>	<u>136,711</u>
Restricted for:					
Debt service	--	--	--	744,843	744,843
Justice administration	--	--	--	68,309	68,309
Preservation	--	--	--	25,782	25,782
Construction	--	--	--	268,640	268,640
Other	--	--	--	267,449	267,449
	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,375,023</u>	<u>1,375,023</u>
Committed to:					
Courthouse maintenance	148,500	--	--	--	148,500
Disaster reaction	68,000	--	--	--	68,000
Hot check	--	--	--	64,191	64,191
Other	--	--	--	9,728	9,728
	<u>216,500</u>	<u>--</u>	<u>--</u>	<u>73,919</u>	<u>290,419</u>
Assigned	--	--	1,223,036	5,153	1,228,189
Unassigned	7,689,572	(520,654)	--	(59,903)	7,109,015
	<u>\$8,015,090</u>	<u>(\$520,654)</u>	<u>\$1,250,729</u>	<u>\$1,394,192</u>	<u>\$10,139,357</u>

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

II. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$4,616,505, including \$2,791,938 in agency funds. All of the bank balance of \$5,051,883, was covered by federal deposit insurance and collateralized by the pledging financial institution with marketable securities held by an agent in the bank's name. At year end the County's financial institution could not confirm that the pledged securities meet the criteria of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as a valid security agreement against the FDIC.

Investments

As of September 30, 2017, the County had the following investments:

Investment type	Credit Rating*	Fair Value	Days to Maturity
Government sponsored investment pool (LOGIC)	AAAm	\$3,562,749	<60
Government sponsored investment pool (TexPool)	AAAm	2,226,721	<60
Government sponsored investment pool (MBIA)	AAAm	943,225	<60
Total Fair Value		\$6,732,695	

* Standard and Poors

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its portfolio to less than three years.

Credit Risk. State law limits investments as described previously in Note I D.1.

Concentration of Credit Risk. The County's investment policy does not allow for an investment in any one issuer (other than investment pools) that is in excess of five percent of the fair value of the County's total investments.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the County's depository in the County's name and held by the depository's agent.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

LOGIC, TexPool, and Texas Class are external investment pools and are not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investment Act provide for creation of public funds investments pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The fair value of investments in the pools are independently reviewed monthly. At September 30, 2017 the fair value of the position in these pools approximates the fair value of the shares.

Cash	\$4,616,505
Investments	<u>6,732,695</u>
Total	<u>\$11,349,200</u>

Reported in the financial statements as:

Unrestricted cash and cash equivalents	\$8,557,262
Agency Funds	<u>2,791,938</u>
Total	<u>\$11,349,200</u>

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Grant	Unit Road	NonMajor and Other	Total
Taxes receivable	\$1,552,668	\$ --	\$547	\$176,862	\$1,730,077
Allowance	(128,949)	--	(509)	(16,022)	(145,480)
Net taxes receivable	<u>\$1,423,719</u>	<u>\$ --</u>	<u>\$38</u>	<u>\$160,840</u>	<u>\$1,584,597</u>
Fines receivable	\$13,775,020	\$ --	\$ --	\$ --	\$13,775,020
Allowance	(6,798,741)	--	--	--	(6,798,741)
Net fines receivable	<u>\$6,976,279</u>	<u>--</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$6,976,279</u>
Accounts receivable	<u>\$511,178</u>	<u>\$2,431,945</u>	<u>\$218,619</u>	<u>\$ --</u>	<u>\$3,161,742</u>
Intergovernmental	<u>\$511,178</u>	<u>\$2,431,945</u>	<u>\$218,619</u>	<u>\$ --</u>	<u>\$3,161,742</u>

Governmental funds report *deferred resource inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred resource inflows* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Deferred tax revenue (General Fund)	\$1,332,464	\$ --	\$1,332,464
Deferred fines revenue (General Fund)	2,546,374	--	2,546,374
Deferred grant revenue (General Fund)	--	9,355	9,355
Deferred tax revenue (Unit Road)	22	--	22
Deferred grant revenue (Unit Road)	--	273,062	273,062
Deferred tax revenue (Debt Service Fund)	151,470	--	151,470
Total deferred/unearned revenue for governmental funds	<u>\$4,030,330</u>	<u>\$282,417</u>	<u>\$4,312,747</u>

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

C. Capital assets

Capital asset activity for the year ended September 30, 2016:

	Balance 9/30/15	Additions	Retirements	Transfers	Balance 9/30/16
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$553,432	\$ --	\$ --	\$ --	\$553,432
Construction in progress	--	--	--	--	--
Total capital assets not being depreciated	553,432	--	--	--	553,432
Capital assets, being depreciated:					
Buildings	28,693,593	--	--	--	28,693,593
Machinery and equipment	7,686,211	401,505	(42,103)	--	8,045,613
Infrastructure	14,357,002	--	--	--	14,357,002
Total capital assets being depreciated	50,736,806	401,505	(42,103)	--	51,096,208
Less accumulated depreciation for:					
Buildings	(6,540,370)	(586,369)	--	--	(7,126,739)
Machinery and equipment	(6,433,435)	(312,176)	31,991	--	(6,713,620)
Infrastructure	(13,252,040)	(191,427)	--	--	(13,443,467)
Total accumulated depreciation	(26,225,845)	(1,089,972)	31,991	--	(27,283,826)
Total capital assets being depreciated, net	24,510,961	(688,467)	(10,112)	--	23,812,382
Governmental activities capital assets, net	<u>\$25,064,393</u>	<u>(\$688,467)</u>	<u>(\$10,112)</u>	<u>\$ --</u>	<u>\$24,365,814</u>

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

Governmental activities:

General administration	\$233,791
Judicial	233,072
Financial administration	388
Public facilities	9,321
Public safety	332,274
Public transportation	281,126
Total depreciation expense - governmental activities	<u>\$1,089,972</u>

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2017, is as follows:

Fund	Receivable	Payable
Major Funds		
General Fund	\$1,376,383	\$ --
Grant Fund	--	2,833,400
Unit Road Fund	1,594,326	--
Total Major Funds	2,970,709	2,833,400
Nonmajor Funds		
Debt Service	--	7,245
Law Library	--	55,901
Narcotics Task Force	--	3,719
Total Nonmajor Funds	--	66,865
Total Governmental Funds	2,970,709	2,900,265
Agency Funds		
Unclaimed Money	--	172
Juvenile Probation	--	70,272
Total Funds	\$2,970,709	\$2,970,709

Interfund receivables are primarily the result of overdrafts in pooled cash.

E. Interfund Transfers

Fund	Transfer In	Transfer Out
Major Funds		
General Fund	\$7,024	\$3,275,683
Grant Fund	20,000	--
Unit Road Fund	2,840,188	--
Total Major Funds	2,867,212	3,275,683
Non Major Governmental Funds		
Records Preservation Fund	18,349	--
Law Library	--	7,024
Records Management	13,868	--
Courthouse Security	383,278	--
Total Non Major Funds	415,495	7,024
Totals	\$3,282,707	\$3,282,707

The transfer from the General Fund to the Unit Road Fund and the Grant Fund were made to provide funding for those funds. The transfer to the Courthouse Security Fund was to provide additional funds for security in the new Justice Center. The transfer from the Grant Fund to the Unit Road Fund was made to match the grant revenue with the expenditures.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

F. Long-term debt

The County issues general obligation bonds, certificates of obligation bonds, notes payable and capital lease obligations to provide funds for the acquisition and construction of major capital facilities. These issues are direct obligations and pledge the full faith and credit of the County.

General Debt Currently Outstanding:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/16
General Long-Term Debt Issues					
General Obligation Bonds:					
Certificates of Obligation, 2007	5,605,000	8/16/07	2/1/27	4.34%	\$3,485,000
Certificates of Obligation, 2010	1,200,000	12/15/10	8/01/29	3.0% - 4.0%	840,000
Limited tax refund bonds, 2014	8,555,000	3/24/14	2/01/32	1.69%	7,945,000
Total General Long-Term Debt					\$12,270,000

Annual debt service requirements to maturity for general debt:

Year	General Obligation Bonds		Total
	Principal	Interest	
2018	\$815,000	\$402,823	\$1,217,823
2019	840,000	378,061	1,218,061
2020	865,000	352,495	1,217,495
2021	890,000	325,832	1,215,832
2022	925,000	297,461	1,222,461
2023-2027	4,700,000	984,961	5,684,961
2028-2032	3,235,000	298,542	3,533,542
Total	\$12,270,000	\$3,040,175	\$15,310,175

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2017, was as follows:

	Balance 09/30/16	Additions	Retirements	Balance 09/30/17	Due Within One Year
Governmental activities:					
Certificates of obligation	\$4,690,000	--	(\$365,000)	\$4,325,000	\$375,000
Tax notes	8,375,000	--	(430,000)	7,945,000	440,000
Bond premium	3,373	--	(219)	3,154	219
	<u>13,068,373</u>	<u>--</u>	<u>(408,219)</u>	<u>12,273,154</u>	<u>815,219</u>
Compensated absences	238,323	270,691	(59,581)	449,433	112,358
Net pension (asset) liability	49,471	2,130,642	(2,118,912)	61,201	--
Governmental activity Long-Term Liabilities	<u><u>\$13,356,167</u></u>	<u><u>\$2,416,326</u></u>	<u><u>(\$2,586,712)</u></u>	<u><u>\$12,783,788</u></u>	<u><u>\$927,577</u></u>

For the governmental activities, claims and judgements and compensated absences are generally liquidated by the general fund.

Authorized and Unissued Debt

The County had no authorized but unissued debt at 9/30/17.

III. OTHER INFORMATION

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Contingent Liabilities and Commitments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County, periodically, is defendant in various lawsuits. As of September 30, 2017, after consultation with the County's attorney, the County is not aware of any pending or threatened litigation which would have a material effect on the financial statements.

The District Clerk has invested trust funds at various financial institutions in accordance with court orders. The County has a fiduciary responsibility over these funds until their final disposition.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

C. Change in Generally Accepted Accounting Policy

The County has implemented new accounting guidance from Government Accounting Standards Board Statement 77, *Tax Abatement Disclosures*.

D. Retirement Commitments

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768-20343.

The plan provisions are adopted by the County commissioners' court, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the County commissioners' court within the constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contribution and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Benefits

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

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees (or their beneficiaries) currently receiving benefits	100
Inactive employees entitled to but not yet receiving benefits	245
Active employees	227
	<u>572</u>

3. Contributions

The contribution rates for employees in TCDRS is 5% of employee gross earnings, and the County percentages is 4.0%, both as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for each County 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.

The County's contributions to TCDRS for the year ended September 30, 2017, were \$353,533 and were equal to the required contributions.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

4. Net Pension Liability

The County's Net Pension Asset (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. These assumptions were first used in the December 31, 2014 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. In the 2016 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a projecting scale (110% of the MP-14 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. 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 TCDRS.

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

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	13.50%	4.70%
Private Equity	16.00%	7.70%
Global Equities	1.50%	5.00%
International Equities - Developed	10.00%	4.70%
International Equities - Emerging	7.00%	5.70%
Investment - Grade Bonds	3.00%	0.60%
High-Yield Bonds	3.00%	3.70%
Opportunistic Credit	2.00%	3.83%
Direct Lending	10.00%	8.15%
Distressed Debt	3.00%	6.70%
REIT Equities	2.00%	3.85%
Master Limited Partnerships (MLPs)	3.00%	5.60%
Private Real Estate Partnerships	6.00%	7.20%
Hedge Funds	20.00%	3.85%
	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) was 8.1%. 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 (Asset).

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

Changes in the net pension liability

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability(Asset)
	[a]	[b]	[a] - (b)
Balance at 12/31/15	\$15,910,174	\$15,860,702	\$49,471
Changes for the year:			
Service cost	735,926	0	735,926
Interest on total pension liability	1,295,217	0	1,295,217
Effect of plan changes	0	0	0
Effect of economic/demographic gains or losses	(173,840)	0	(173,840)
Effect of of assumptions changes or inputs	0	0	0
Refund of contributions	(66,810)	(66,810)	0
Benefit payments	(505,601)	(505,601)	0
Administrative expenses	0	(12,768)	12,768
Member contributions	0	421,365	(421,365)
Net investment income	0	1,174,886	(1,174,886)
Employer contributions	0	337,091	(337,091)
Other	0	(75,001)	75,001
Net changes	1,284,892	1,273,162	11,730
Balance at 12/31/16	<u>\$17,195,066</u>	<u>\$17,133,864</u>	<u>\$61,201</u>

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

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.1%) or 1 percentage point higher (9.1%) than the current rate:

	1%	Current	1%
	Decrease	Discount Rate	Increase
	7.1%	8.1%	9.1%
Total pension liability	\$19,597,591	\$17,195,066	\$15,223,071
Fiduciary net position	17,133,864	17,133,864	17,133,864
Net Pension Liability (Asset)	<u>\$2,463,727</u>	<u>\$61,202</u>	<u>(\$1,910,793)</u>

Pension Plan Fiduciary Net Position

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

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

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

For the year ended September 30, 2017, the County recognized pension expense of \$696,010. At September 30, 2016, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 12/31/16 Expense	Balance of Deferred Inflows 12/31/16	Balance of Deferred Outflows 12/31/2016
Investment (gains) or losses	\$113,734	12/31/2016	5.0	\$22,747	\$ --	\$90,987
	1,386,998	12/31/2015	5.0	277,400	--	832,199
	211,931	12/31/2014	5.0	42,386	--	84,772
Economic/demographic gains or losses	(173,840)	12/31/2015	4.0	(43,460)	130,380	--
	(234,308)	12/31/2015	4.0	(58,577)	117,154	--
	14,581	12/31/2014	4.0	3,645	--	3,645
Assumption changes or inputs	--	12/31/2016	4.0	--	--	--
	171,772	12/31/2015	4.0	42,943	--	85,886
	--	12/31/2014	4.0	--	--	--
Employer contributions made subsequent to measurement date				--	--	262,887
				<u>\$287,084</u>	<u>\$247,534</u>	<u>\$1,360,376</u>

\$262,887 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, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Inflows/outflows to Be Recognized in Future Years

Year ended December 31,	
2017	\$287,084
2017	283,438
2018	256,686
2019	22,747
2020	--
	<u>\$849,955</u>

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2017

F. Concentrations of Credit Risk

Taxes receivable are due from citizens and businesses within the County's boundaries. Risk of loss is immaterial due to wide dispersion of receivables and because of policies which address procedures for filing property tax liens. Fines receivable are due from citizens primarily within the County's boundaries. Risk of loss is reduced by an allowance for uncollectibles and collection policies.

E. Restatement of prior year

In the year ended September 30, 2016 the County accrued grants receivable in the amount of \$193,143 in the Grant fund in error. This amount should have been accrued in the Unit Road Fund, accordingly the receivable and corresponding revenue have been moved to the Unit Road Fund. Additionally, a grant for \$235,348 should have been accrued. The effect on the financial statements at the fund level was as follows:

	As Reported		As Restated
	9/30/16	Restatement	9/30/16
Grant Fund			
Intergovernmental receivables	\$1,374,856	(\$193,143)	\$1,181,713
Fund deficit	(93,747)	(193,143)	(286,890)
Intergovernmental revenue	2,238,249	(193,143)	2,045,106
Unit Road Fund			
Intergovernmental receivables	\$ --	\$428,491	\$428,491
Deferred revenue -	74	235,348	235,422
Fund balances	942,286	193,143	1,135,429
Intergovernmental revenue	23,494	193,143	216,637

There was no effect on the full accrual basis.

E. Special Items

The State audited remittances by the County of certain fees collected by the County on behalf of the State for a period of several years. Based upon this audit, the State estimated an amount due the State; however, after a review by the County Auditor's office, a negotiated settlement was agreed to by the State. The excess liability accrued by the County was recognized as a Special Item Inflow on the Statement of Activities, and as Miscellaneous revenue on the Statement of Revenue, Expenditures, and Changes in Fund Balances.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

CALDWELL COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Taxes</i>	\$ 15,485,752	\$ 15,485,752	\$ 15,439,386	\$ (46,366)
<i>Licenses and permits</i>	673,000	673,000	585,288	(87,712)
<i>Intergovernmental</i>	1,422,750	1,422,750	1,222,512	(200,238)
<i>Fees of office</i>	802,450	802,450	902,983	100,533
<i>Fines</i>	774,000	774,000	778,874	4,874
<i>Miscellaneous</i>	116,000	21,428	726,598	705,170
<i>Investment earnings</i>	26,000	26,000	95,072	69,072
Total revenues	<u>19,299,952</u>	<u>19,205,380</u>	<u>19,750,713</u>	<u>545,333</u>
Expenditures:				
Current:				
<i>General administration</i>	2,915,720	2,839,494	2,693,595	145,899
<i>Judicial</i>	1,887,133	1,897,636	1,810,260	87,376
<i>Legal</i>	867,490	867,490	857,035	10,455
<i>Financial administration</i>	1,217,848	1,217,848	1,186,702	31,146
<i>Public facilities</i>	628,525	628,525	592,657	35,868
<i>Public safety</i>	7,380,331	7,490,051	6,912,638	577,413
<i>Environmental protection</i>	77,762	77,762	63,488	14,274
<i>Health and welfare</i>	1,002,302	1,016,218	642,553	373,665
<i>Conservation - agriculture</i>	104,708	104,708	100,050	4,658
Total Expenditures	<u>16,081,819</u>	<u>16,139,732</u>	<u>14,858,978</u>	<u>1,280,754</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,218,133</u>	<u>3,065,648</u>	<u>4,891,735</u>	<u>1,826,087</u>
Other Financing Sources (Uses):				
<i>Transfers in</i>	7,024	7,024	7,024	--
<i>Transfers out</i>	(3,225,156)	(3,261,815)	(3,275,683)	(13,868)
<i>Sale of capital assets</i>	--	--	100,588	100,588
Total Other Financing Sources (Uses)	<u>(3,218,132)</u>	<u>(3,254,791)</u>	<u>(3,168,071)</u>	<u>86,720</u>
Net Change in Fund Balances	1	(189,143)	1,723,664	1,912,807
Fund Balances - Beginning	6,291,426	6,291,426	6,291,426	--
Fund Balances - Ending	<u>\$ 6,291,427</u>	<u>\$ 6,102,283</u>	<u>\$ 8,015,090</u>	<u>\$ 1,912,807</u>

CALDWELL COUNTY, TEXAS
GRANT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Intergovernmental</i>	\$ 7,050,472	\$ 7,050,472	\$ 5,669,520	\$ (1,380,952)
Total revenues	<u>7,050,472</u>	<u>7,050,472</u>	<u>5,669,520</u>	<u>(1,380,952)</u>
Expenditures:				
Current:				
<i>General administration</i>	17,500	17,500	216,622	(199,122)
<i>Judicial</i>	180,000	180,000	74,320	105,680
<i>Public safety</i>	--	--	54,081	(54,081)
<i>Public transportation</i>	6,924,972	6,924,972	5,578,261	1,346,711
Total Expenditures	<u>7,122,472</u>	<u>7,122,472</u>	<u>5,923,284</u>	<u>1,199,188</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(72,000)</u>	<u>(72,000)</u>	<u>(253,764)</u>	<u>(181,764)</u>
Other Financing Sources (Uses):				
<i>Transfers in</i>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>--</u>
Net Change in Fund Balances	<u>(52,000)</u>	<u>(52,000)</u>	<u>(233,764)</u>	<u>(181,764)</u>
Fund Balances Deficit) - Beginning	(93,747)	(93,747)	(93,747)	--
Prior Period Adjustment	--	--	(193,143)	(193,143)
Fund Balances (Deficit) - Ending	<u>\$ (145,747)</u>	<u>\$ (145,747)</u>	<u>\$ (520,654)</u>	<u>\$ (374,907)</u>

CALDWELL COUNTY, TEXAS
UNIT ROAD FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Taxes</i>	\$ 320,157	\$ 320,157	\$ 341,756	\$ 21,599
<i>Licenses and permits</i>	44,400	44,400	66,404	22,004
<i>Intergovernmental</i>	24,500	(455,500)	256,090	711,590
<i>Miscellaneous</i>	3,000	3,000	14,893	11,893
Total revenues	<u>392,057</u>	<u>(87,943)</u>	<u>679,143</u>	<u>767,086</u>
Expenditures:				
Current:				
<i>Public transportation</i>	3,213,935	3,404,371	3,404,031	340
Total Expenditures	<u>3,213,935</u>	<u>3,404,371</u>	<u>3,404,031</u>	<u>340</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,821,878)</u>	<u>(3,492,314)</u>	<u>(2,724,888)</u>	<u>767,426</u>
Other Financing Sources (Uses):				
<i>Transfers in</i>	2,821,878	2,840,188	2,840,188	--
Total Other Financing Sources (Uses)	<u>2,821,878</u>	<u>2,840,188</u>	<u>2,840,188</u>	<u>--</u>
Net Change in Fund Balances	--	(652,126)	115,300	767,426
Fund Balances - Beginning	942,286	942,286	942,286	--
Prior Period Adjustment	--	--	193,143	193,143
Fund Balances - Ending	<u>\$ 942,286</u>	<u>\$ 290,160</u>	<u>\$ 1,250,729</u>	<u>\$ 960,569</u>

CALDWELL COUNTY, TEXAS
**SCHEDULE OF CHANGES IN THE COUNTY'S
 NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 CALDWELL COUNTY PENSION PLAN
 LAST TEN CALENDAR YEARS**

	December 31,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total pension liability:										
Service cost	\$ 735,926	\$ 699,158	\$ 661,894	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Interest	1,295,217	1,204,758	1,104,107	--	--	--	--	--	--	--
Changes of benefit terms	--	(123,589)	--	--	--	--	--	--	--	--
Differences between expected and actual experience	(173,840)	(234,308)	14,581	--	--	--	--	--	--	--
Changes of assumptions	--	171,772	--	--	--	--	--	--	--	--
Benefit payments, including refunds of employee contributions	(572,411)	(617,525)	(543,659)	--	--	--	--	--	--	--
Net change in total pension liability	1,284,892	1,100,266	1,236,923	--	--	--	--	--	--	--
Total pension liability - beginning	15,910,174	14,809,908	13,572,985	--	--	--	--	--	--	--
Total pension liability - ending (a)	<u>\$ 17,195,066</u>	<u>\$ 15,910,174</u>	<u>\$ 14,809,908</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Plan fiduciary net position:										
Contributions - employer	\$ 337,091	\$ 333,197	\$ 326,662	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions - employee	421,365	416,496	408,329	--	--	--	--	--	--	--
Net investment income	1,174,886	(90,925)	990,419	--	--	--	--	--	--	--
Benefit payments, including refunds of employee contributions	(572,411)	(617,525)	(543,659)	--	--	--	--	--	--	--
Administrative expense	(12,768)	(11,390)	(11,711)	--	--	--	--	--	--	--
Other	(75,001)	58,418	(17,254)	--	--	--	--	--	--	--
Net change in plan fiduciary net position	1,273,162	88,271	1,152,786	--	--	--	--	--	--	--
Plan fiduciary net position - beginning	15,860,702	15,772,431	14,619,645	--	--	--	--	--	--	--
Plan fiduciary net position - ending (b)	<u>\$ 17,133,864</u>	<u>\$ 15,860,702</u>	<u>\$ 15,772,431</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
County's net pension liability - ending (a) - (b)	<u>\$ 61,202</u>	<u>\$ 49,472</u>	<u>\$ (962,523)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Plan fiduciary net position as a percentage of the total pension asset	99.64%	99.69%	106.50%	--	--	--	--	--	--	--
Covered-employee payroll	\$ 8,427,292	\$ 8,329,910	\$ 8,166,575	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
County's net pension liability (asset) as a percentage of covered-employee payroll	0.73%	0.59%	-11.79%	--	--	--	--	--	--	--

Notes to Schedule:

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

CALDWELL COUNTY, TEXAS
 SCHEDULE OF COUNTY CONTRIBUTIONS
 CALDWELL COUNTY PENSION PLAN
 LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 353,533	\$ 337,091	\$ 326,662	\$ 358,350	\$ 315,796	\$ 268,818	\$ 258,547	\$ 203,705	\$ 188,863	\$ 196,506
Contributions in relation to the actuarially determined contribution	(353,533)	(337,091)	(326,662)	(358,350)	(1,055,796)	(268,818)	(258,547)	(203,705)	(188,863)	(196,506)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ (740,000)	\$ --	\$ --	\$ --	\$ --	\$ --
Covered-employee payroll	\$ 8,835,056	\$ 8,292,576	\$ 8,301,131	\$ 7,673,455	\$ 7,112,512	\$ 6,370,094	\$ 6,126,705	\$ 5,820,145	\$ 5,305,128	\$ 4,804,557
Contributions as a percentage of covered-employee payroll	4.00%	4.06%	3.94%	4.67%	4.44%	4.22%	4.22%	3.50%	3.56%	4.09%

Valuation date: 12/31/2016

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	4.7 years
Asset valuation method	5-year smoothed market
Inflation	3.0%
Salary increases	Varies by age and service. 4.9% average over career.
Investment rate of return	8.00%, net of pension plan investment expense, including inflation
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average at retirement is 61.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a projecting scale (110% of the MP 2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.

CALDWELL COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended September 30, 2016

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on the GAAP basis of accounting for the general fund, certain special revenue funds, and the debt service fund. All annual appropriations lapse at fiscal year end.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available fund balance.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. Thus, the legal level of budgetary control is at the fund level. Several supplemental appropriations were required during the year.

B. The following funds had deficit fund balances at September 30, 2016:

Special Revenue Funds:	
Grant Fund	\$520,654
Law Library	56,293
Narcotics Task Force	3,610

C. The following funds had expenditures in excess of appropriations at September 30, 2016:

Special Revenue Funds:	
Unit Road	\$42,060
Records Preservation	19,117

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*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

CALDWELL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund <u>Building Construction</u>	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
Assets:				
<i>Cash and cash equivalents</i>	\$ 471,036	\$ 742,718	\$ 268,640	\$ 1,482,394
<i>Receivables (net of allowances for uncollectibles):</i>				
Taxes	--	160,840	--	160,840
Total Assets	<u>\$ 471,036</u>	<u>\$ 903,558</u>	<u>\$ 268,640</u>	<u>\$ 1,643,234</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts Payable</i>	\$ 24,751	\$ --	\$ --	\$ 24,751
<i>Accrued liabilities and other payables</i>	5,956	--	--	5,956
<i>Due to Other Funds</i>	59,620	7,245	--	66,865
Total Liabilities	<u>90,327</u>	<u>7,245</u>	<u>--</u>	<u>97,572</u>
Deferred Inflows of Resources				
<i>Deferred tax revenue</i>	--	151,470	--	151,470
Total deferred inflows of resources	<u>--</u>	<u>151,470</u>	<u>--</u>	<u>151,470</u>
Fund Balances:				
<i>Restricted</i>	361,540	744,843	268,640	1,375,023
<i>Committed</i>	73,919	--	--	73,919
<i>Assigned</i>	5,153	--	--	5,153
<i>Unassigned</i>	(59,903)	--	--	(59,903)
Total Fund Balance	<u>380,709</u>	<u>744,843</u>	<u>268,640</u>	<u>1,394,192</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 471,036</u>	<u>\$ 903,558</u>	<u>\$ 268,640</u>	<u>\$ 1,643,234</u>

CALDWELL COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund Building Construction	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
<i>Taxes</i>	\$ --	\$ 1,328,754	\$ --	\$ 1,328,754
<i>Fees of office</i>	250,942	--	--	250,942
<i>Fines</i>	8,477	--	--	8,477
<i>Miscellaneous</i>	577	--	--	577
<i>Investment earnings</i>	803	6,087	--	6,890
Total revenues	<u>260,799</u>	<u>1,334,841</u>	<u>--</u>	<u>1,595,640</u>
Expenditures:				
Current:				
<i>General administration</i>	529,042	--	--	529,042
<i>Judicial</i>	58,473	--	--	58,473
<i>Legal</i>	12,725	--	--	12,725
<i>Public safety</i>	8,898	--	--	8,898
Debt Service:				
<i>Principal</i>	--	795,000	--	795,000
<i>Interest and fiscal charges</i>	--	425,784	--	425,784
<i>Fiscal agent's fees</i>	--	1,250	--	1,250
Total Expenditures	<u>609,138</u>	<u>1,222,034</u>	<u>--</u>	<u>1,831,172</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(348,339)</u>	<u>112,807</u>	<u>--</u>	<u>(235,532)</u>
Other Financing Sources (Uses):				
<i>Transfers in</i>	415,495	--	--	415,495
<i>Transfers out</i>	(7,024)	--	--	(7,024)
Total Other Financing Sources (Uses)	<u>408,471</u>	<u>--</u>	<u>--</u>	<u>408,471</u>
Net Change in Fund Balances	60,132	112,807	--	172,939
Fund Balances - Beginning	320,577	632,036	268,640	1,221,253
Fund Balances - Ending	<u>\$ 380,709</u>	<u>\$ 744,843</u>	<u>\$ 268,640</u>	<u>\$ 1,394,192</u>

CALDWELL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017

	<u>911</u>	<u>Special Road & Bridge</u>	<u>Justice Court Technology</u>	<u>DRC Program</u>
ASSETS				
Assets:				
<i>Cash and cash equivalents</i>	\$ 9,728	\$ 5,153	\$ 20,679	\$ 3,819
Total Assets	<u>\$ 9,728</u>	<u>\$ 5,153</u>	<u>\$ 20,679</u>	<u>\$ 3,819</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts Payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Accrued liabilities and other payables</i>	--	--	--	--
<i>Due to Other Funds</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances (deficits):				
<i>Restricted</i>	--	--	20,679	3,819
<i>Committed</i>	9,728	--	--	--
<i>Assigned</i>	--	5,153	--	--
<i>Unassigned</i>	--	--	--	--
Total Fund Balance (deficit)	<u>9,728</u>	<u>5,153</u>	<u>20,679</u>	<u>3,819</u>
Total Liabilities and Fund Balances	<u>\$ 9,728</u>	<u>\$ 5,153</u>	<u>\$ 20,679</u>	<u>\$ 3,819</u>

Records Preservation Fund	Law Library	Sheriff's Forfeiture	Hot Check	DA Forfeiture Fund
\$ 49,799	\$ --	\$ 33,643	\$ 64,336	\$ 47,630
<u>\$ 49,799</u>	<u>\$ --</u>	<u>\$ 33,643</u>	<u>\$ 64,336</u>	<u>\$ 47,630</u>
\$ 24,017	\$ 392	\$ --	\$ 145	\$ --
--	--	--	--	--
--	55,901	--	--	--
<u>24,017</u>	<u>56,293</u>	<u>--</u>	<u>145</u>	<u>--</u>
25,782	--	33,643	--	47,630
--	--	--	64,191	--
--	--	--	--	--
--	(56,293)	--	--	--
<u>25,782</u>	<u>(56,293)</u>	<u>33,643</u>	<u>64,191</u>	<u>47,630</u>
<u>\$ 49,799</u>	<u>\$ --</u>	<u>\$ 33,643</u>	<u>\$ 64,336</u>	<u>\$ 47,630</u>

CALDWELL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2017

	Narcotics Task Force	Records Management	Courthouse Security	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS				
Assets:				
<i>Cash and cash equivalents</i>	\$ 6,238	\$ 39,349	\$ 190,662	\$ 471,036
Total Assets	<u>\$ 6,238</u>	<u>\$ 39,349</u>	<u>\$ 190,662</u>	<u>\$ 471,036</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts Payable</i>	\$ 173	\$ 23	\$ 1	\$ 24,751
<i>Accrued liabilities and other payables</i>	5,956	--	--	5,956
<i>Due to Other Funds</i>	3,719	--	--	59,620
Total Liabilities	<u>9,848</u>	<u>23</u>	<u>1</u>	<u>90,327</u>
Fund Balances (deficits):				
<i>Restricted</i>	--	39,326	190,661	361,540
<i>Committed</i>	--	--	--	73,919
<i>Assigned</i>	--	--	--	5,153
<i>Unassigned</i>	(3,610)	--	--	(59,903)
Total Fund Balance (deficit)	<u>(3,610)</u>	<u>39,326</u>	<u>190,661</u>	<u>380,709</u>
Total Liabilities and Fund Balances	<u>\$ 6,238</u>	<u>\$ 39,349</u>	<u>\$ 190,662</u>	<u>\$ 471,036</u>

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CALDWELL COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	911	Special Road & Bridge	Justice Court Technology	DRC Program
Revenue:				
<i>Fees of office</i>	\$ --	\$ --	\$ 23,151	\$ 3,819
<i>Fines</i>	--	--	--	--
<i>Miscellaneous</i>	--	--	--	--
<i>Investment earnings</i>	--	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>23,151</u>	<u>3,819</u>
Expenditures:				
Current:				
<i>General administration</i>	--	--	--	--
<i>Judicial</i>	--	--	32,271	--
<i>Legal</i>	--	--	--	--
<i>Public safety</i>	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>32,271</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>--</u>	<u>(9,120)</u>	<u>3,819</u>
Other Financing Sources (Uses):				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	--	--	(9,120)	3,819
Fund Balances (deficits) - Beginning	9,728	5,153	29,799	--
Fund Balances (deficits) - Ending	<u>\$ 9,728</u>	<u>\$ 5,153</u>	<u>\$ 20,679</u>	<u>\$ 3,819</u>

Records Preservation Fund	Law Library	Sheriff's Forfeiture	Hot Check	DA Forfeiture Fund
\$ 156,796	\$ 13,790	\$ --	\$ 4,434	\$ --
--	--	895	--	7,582
--	--	--	577	--
--	--	332	--	471
<u>156,796</u>	<u>13,790</u>	<u>1,227</u>	<u>5,011</u>	<u>8,053</u>
206,433	4,616	--	3,171	--
--	--	--	--	--
--	--	--	--	12,725
--	--	8,898	--	--
<u>206,433</u>	<u>4,616</u>	<u>8,898</u>	<u>3,171</u>	<u>12,725</u>
(49,637)	9,174	(7,671)	1,840	(4,672)
18,349	--	--	--	--
--	(7,024)	--	--	--
<u>18,349</u>	<u>(7,024)</u>	<u>--</u>	<u>--</u>	<u>--</u>
(31,288)	2,150	(7,671)	1,840	(4,672)
57,070	(58,443)	41,314	62,351	52,302
<u>\$ 25,782</u>	<u>\$ (56,293)</u>	<u>\$ 33,643</u>	<u>\$ 64,191</u>	<u>\$ 47,630</u>

CALDWELL COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Narcotics Task Force	Records Management	Courthouse Security	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenue:				
<i>Fees of office</i>	\$ --	\$ 14,487	\$ 34,464	\$ 250,941
<i>Fines</i>	--	--	--	8,477
<i>Miscellaneous</i>	--	--	--	577
<i>Investment earnings</i>	--	--	--	803
Total revenues	<u>--</u>	<u>14,487</u>	<u>34,464</u>	<u>260,798</u>
Expenditures:				
Current:				
<i>General administration</i>	--	--	314,822	529,042
<i>Judicial</i>	--	26,202	--	58,473
<i>Legal</i>	--	--	--	12,725
<i>Public safety</i>	--	--	--	8,898
Total Expenditures	<u>--</u>	<u>26,202</u>	<u>314,822</u>	<u>609,138</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>(11,715)</u>	<u>(280,358)</u>	<u>(348,340)</u>
Other Financing Sources (Uses):				
<i>Transfers in</i>	--	13,868	383,278	415,495
<i>Transfers out</i>	--	--	--	(7,024)
Total Other Financing Sources (Uses)	<u>--</u>	<u>13,868</u>	<u>383,278</u>	<u>408,471</u>
Net Change in Fund Balances	<u>--</u>	<u>2,153</u>	<u>102,920</u>	<u>60,131</u>
Fund Balances (deficits) - Beginning	<u>(3,610)</u>	<u>37,173</u>	<u>87,741</u>	<u>320,578</u>
Fund Balances (deficits) - Ending	<u><u>\$(3,610)</u></u>	<u><u>\$ 39,326</u></u>	<u><u>\$ 190,661</u></u>	<u><u>\$ 380,709</u></u>

CALDWELL COUNTY, TEXAS
JUSTICE COURT TECHNOLOGY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Fees of office</i>	\$ 19,750	\$ 23,151	\$ 3,401
Total revenues	<u>19,750</u>	<u>23,151</u>	<u>3,401</u>
Expenditures:			
Current:			
<i>Judicial</i>	32,524	32,271	253
Total Expenditures	<u>32,524</u>	<u>32,271</u>	<u>253</u>
Net Change in Fund Balances	(12,774)	(9,120)	3,654
Fund Balances - Beginning	29,799	29,799	--
Fund Balances - Ending	<u>\$ 17,025</u>	<u>\$ 20,679</u>	<u>\$ 3,654</u>

CALDWELL COUNTY, TEXAS
RECORDS PRESERVATION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-6

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenue:			
<i>Fees of office</i>	\$ 146,500	\$ 156,796	\$ 10,296
Total revenues	<u>146,500</u>	<u>156,796</u>	<u>10,296</u>
Expenditures:			
Current:			
<i>General administration</i>	187,316	206,433	(19,117)
Total Expenditures	<u>187,316</u>	<u>206,433</u>	<u>(19,117)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,816)</u>	<u>(49,637)</u>	<u>(8,821)</u>
Other Financing Sources (Uses):			
<i>Transfers in</i>	18,349	18,349	--
Total Other Financing Sources (Uses)	<u>18,349</u>	<u>18,349</u>	<u>--</u>
Net Change in Fund Balances	(22,467)	(31,288)	(8,821)
Fund Balances - Beginning	57,070	57,070	--
Fund Balances - Ending	<u>\$ 34,603</u>	<u>\$ 25,782</u>	<u>\$ (8,821)</u>

CALDWELL COUNTY, TEXAS
LAW LIBRARY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-7

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Fees of office</i>	\$ 11,500	\$ 13,790	\$ 2,290
Total revenues	<u>11,500</u>	<u>13,790</u>	<u>2,290</u>
Expenditures:			
Current:			
<i>General administration</i>	4,476	4,616	(140)
Total Expenditures	<u>4,476</u>	<u>4,616</u>	<u>(140)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,024</u>	<u>9,174</u>	<u>2,150</u>
Other Financing Sources (Uses):			
<i>Transfers out</i>	(7,024)	(7,024)	--
Total Other Financing Sources (Uses)	<u>(7,024)</u>	<u>(7,024)</u>	<u>--</u>
Net Change in Fund Balances	--	2,150	2,150
Fund Balances - Beginning	(58,443)	(58,443)	--
Fund Balances - Ending	<u>\$ (58,443)</u>	<u>\$ (56,293)</u>	<u>\$ 2,150</u>

CALDWELL COUNTY, TEXAS
HOT CHECK
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-8

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Fees of office</i>	\$ 4,500	\$ 4,434	\$ (66)
<i>Miscellaneous</i>	38	577	539
Total revenues	<u>4,538</u>	<u>5,011</u>	<u>473</u>
Expenditures:			
Current:			
<i>General administration</i>	4,500	3,171	1,329
Total Expenditures	<u>4,500</u>	<u>3,171</u>	<u>1,329</u>
Net Change in Fund Balances	38	1,840	1,802
Fund Balances - Beginning	62,351	62,351	--
Fund Balances - Ending	<u>\$ 62,389</u>	<u>\$ 64,191</u>	<u>\$ 1,802</u>

CALDWELL COUNTY, TEXAS
RECORDS MANAGEMENT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-9

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Fees of office</i>	\$ 19,000	\$ 14,487	\$ (4,513)
Total revenues	<u>19,000</u>	<u>14,487</u>	<u>(4,513)</u>
Expenditures:			
Current:			
<i>Judicial</i>	32,868	26,202	6,666
Total Expenditures	<u>32,868</u>	<u>26,202</u>	<u>6,666</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,868)</u>	<u>(11,715)</u>	<u>2,153</u>
Other Financing Sources (Uses):			
<i>Transfers in</i>	13,868	13,868	--
Total Other Financing Sources (Uses)	<u>13,868</u>	<u>13,868</u>	<u>--</u>
Net Change in Fund Balances	--	2,153	2,153
Fund Balances - Beginning	37,173	37,173	--
Fund Balances - Ending	<u>\$ 37,173</u>	<u>\$ 39,326</u>	<u>\$ 2,153</u>

CALDWELL COUNTY, TEXAS
COURTHOUSE SECURITY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-10

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Fees of office</i>	\$ 27,700	\$ 34,464	\$ 6,764
Total revenues	<u>27,700</u>	<u>34,464</u>	<u>6,764</u>
Expenditures:			
Current:			
<i>General administration</i>	410,978	314,822	96,156
Total Expenditures	<u>410,978</u>	<u>314,822</u>	<u>96,156</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(383,278)</u>	<u>(280,358)</u>	<u>102,920</u>
Other Financing Sources (Uses):			
<i>Transfers in</i>	383,278	383,278	--
Total Other Financing Sources (Uses)	<u>383,278</u>	<u>383,278</u>	<u>--</u>
Net Change in Fund Balances	--	102,920	102,920
Fund Balances - Beginning	87,741	87,741	--
Fund Balances - Ending	<u>\$ 87,741</u>	<u>\$ 190,661</u>	<u>\$ 102,920</u>

CALDWELL COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-11

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Taxes</i>	\$ 1,223,845	\$ 1,328,754	\$ (104,909)
<i>Investment earnings</i>	--	6,087	6,087
Total revenues	<u>1,223,845</u>	<u>1,334,841</u>	<u>110,996</u>
Expenditures:			
Current:			
Debt Service:			
<i>Principal</i>	795,000	795,000	--
<i>Interest and fiscal charges</i>	426,845	425,784	1,061
<i>Fiscal agent's fees</i>	2,000	1,250	750
Total Expenditures	<u>1,223,845</u>	<u>1,222,034</u>	<u>1,811</u>
Net Change in Fund Balances	--	112,807	112,807
Fund Balances - Beginning	632,036	632,036	--
Fund Balances - Ending	<u>\$ 632,036</u>	<u>\$ 744,843</u>	<u>\$ 112,807</u>

CALDWELL COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2017

	<u>District Attorney</u>	<u>District Clerk</u>	<u>County Clerk</u>
ASSETS:			
<i>Cash and cash equivalents</i>	\$ 17,777	\$ 976,877	\$ 1,170,850
<i>Other receivables</i>	--	--	--
Total Assets	<u>\$ 17,777</u>	<u>\$ 976,877</u>	<u>\$ 1,170,850</u>
LIABILITIES:			
<i>Accounts payable</i>	\$ --	\$ --	\$ --
<i>Due to other funds</i>	--	--	--
<i>Due to other governments</i>	--	--	--
<i>Due to others</i>	17,777	976,877	1,170,850
Total Liabilities	<u>\$ 17,777</u>	<u>\$ 976,877</u>	<u>\$ 1,170,850</u>

<u>County Sheriff</u>	<u>Elections</u>	<u>Unclaimed Moneys</u>	<u>Juvenile Probation Fund</u>	<u>Total Agency Funds (See Exhibit A-7)</u>
\$ 198,771	\$ 5,352	\$ 690	\$ 421,621	\$ 2,791,938
--	--	--	3,051	3,051
<u>\$ 198,771</u>	<u>\$ 5,352</u>	<u>\$ 690</u>	<u>\$ 424,672</u>	<u>\$ 2,794,989</u>
\$ --	\$ --	\$ --	\$ 29,034	\$ 29,034
--	--	172	70,272	70,444
--	--	--	325,366	325,366
198,771	5,352	518	--	2,370,145
<u>\$ 198,771</u>	<u>\$ 5,352</u>	<u>\$ 690</u>	<u>\$ 424,672</u>	<u>\$ 2,794,989</u>

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