

CALDWELL COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

CALDWELL COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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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
Lockhart, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caldwell County, Texas as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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. 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 auditors' 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, 2014, 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 and budgetary comparison information on pages 5–11 and 41–43 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 the Caldwell County, Texas, 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Arthur D. Crain & Company, PC

Arlington, Texas
January 30, 2015

Management's Discussion and Analysis

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CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

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, 2014. We encourage readers to consider the information presented herein with the County's financial statements, which follow this section.

Financial Highlights

The assets of the County exceeded its liabilities at the close of the fiscal year ended September 30, 2014 by \$21,550,842 (net position). Of this amount, \$5,335,822 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

The total net position of the County increased by \$425,993. The majority this increase is attributable to General Fund expenditures being less than anticipated.

The County's governmental funds reported combined ending fund balances of \$7,119,314, a decrease of \$7,159,657 in comparison to the previous year, mainly due expenditures related to the renovations of the new Justice Center.

The unassigned portion of the General Fund, fund balance at the end of the year was \$3,634,251, or 26.0% of total General Fund expenditures for fiscal year 2014.

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 Assets 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 and liabilities with the difference between the two 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.

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 15 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, Debt Service Fund, and Building Construction Fund, which are considered to be major funds. Data from the other 12 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 2014, the County's net position (assets exceeding liabilities) totaled \$21,550,842. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2). This is an increase of \$425,993, mainly due to General Fund expenditures being less than anticipated.

Net Position. The largest portion of the County's net position, \$13,190,215 or 61.2%, 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 assets of \$719,000 or 3.3%, in the debt service fund, are restricted for future debt service payments.

Net assets of \$2,305,805, or 10.7%, in the Capital Projects Fund, are restricted to payments for capital projects authorized by the Series 2014 Limited Tax Refunding Bonds.

CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

The remaining balance of unrestricted net assets, \$5,335,822 or 24.8%, may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1
 Condensed Statement of Net Position

	<u>9/30/14</u>	<u>9/30/13</u>
ASSETS		
Current and other assets	\$17,810,888	\$23,453,114
Capital assets	25,568,221	19,416,016
Total assets	<u>43,379,109</u>	<u>42,869,130</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred charge on refunding	88,654	0
Total deferred outflow of resources	<u>88,654</u>	<u>0</u>
LIABILITIES		
Long-term liabilities	14,868,105	16,026,966
Other liabilities	7,048,816	5,717,315
Total liabilities	<u>21,916,921</u>	<u>21,744,281</u>
NET POSITION		
Invested in capital assets net of related debt	13,190,215	10,288,772
Restricted	3,024,805	1,210,569
Unrestricted	5,335,822	9,625,508
	<u>\$21,550,842</u>	<u>\$21,124,849</u>

CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 September 30, 2014

Changes in Net Position. The net position of the County increased by \$425,993 for the fiscal year ended September 30, 2014. This increase was attributable to General Fund expenditures being \$405,003 less than budget.

Table 2
 Changes in Net Position

	9/30/14	9/30/13
Program Revenues:		
Charges for services	\$3,582,216	\$3,662,751
Operating grants and contributions	361,022	372,832
Capital grants and contributions	184,505	492,018
General Revenues		
Taxes	14,814,675	13,749,520
Unrestricted investment earnings	43,694	52,206
Miscellaneous	184,667	150,470
Total Revenues	<u>19,170,779</u>	<u>18,479,797</u>
Expenses:		
General administration	3,074,155	3,709,654
Judicial	1,741,792	1,860,805
Legal	823,700	796,816
Financial administration	1,102,150	950,140
Public facilities	494,778	485,562
Public safety	7,016,290	6,752,649
Public transportation	3,023,529	2,943,092
Environmental protection	58,242	58,940
Health and welfare	760,239	929,612
Conservation & agriculture	98,744	99,515
Interest on long-term debt	551,167	447,973
Total Expenses	<u>18,744,786</u>	<u>19,034,758</u>
Increase (decrease) in net position	425,993	(554,961)
Net Position – October 1	<u>21,124,849</u>	<u>21,679,810</u>
Net Position – September 30	<u>\$21,550,842</u>	<u>\$21,124,849</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 \$7,119,314.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, unassigned fund balance was \$3,634,251. This is a decrease of \$2,079,769 from last year due the transfer of \$2,707,242 to the New Justice Center project.

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. Unbudgeted revenues were recognized with the final budget amendments.

CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

Discussion of revenue variances follows:

Taxes were more than the final budget by \$39,978 due to an increase in collections of sales tax.

Licenses & permits were above budget by \$106 due to the higher collection of motor vehicle registration fees.

Intergovernmental revenue was greater than budget by \$147,176 due to higher grant revenue in the current year.

Fees of office revenue is over budget by \$103,179 mainly due to additional fees for the County Clerk.

Fines were less than budget by \$52,724 as a result of adjustments in fine revenue previously recorded.

Miscellaneous revenue was \$11,942 under budget mainly due to a reduction of reimbursed revenues in the current year.

Discussion on expenditures follows:

Overall, expenditures were less than the final budget by \$405,003.

The General administration costs were \$42,715 under budget due to lower than anticipated costs being incurred.

The overall Public safety budget increased by \$93,178 and ended with a positive variance to the final budget of \$21,717 due to the failure to maintain full staffing reducing personnel and related costs. This represents a 0.3% variance.

The Health and welfare actual costs were \$97,471 less than the final budget primarily due to lower than anticipated indigent health care costs and ambulance services related to 1115 Waiver agreements on both operations.

Judicial expenditures were below final budget by \$52,812 as a result of lower cost of in the District Clerk and Justice of the Peace Courts.

Financial administration costs were under the final budget by \$99,902 primarily due to lower spending in the Tax Assessor/Collector's office.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets as of September 30, 2014, amounts to \$25,568,221 (net of accumulated depreciation). The investment in capital assets includes land, buildings, machinery and equipment, and infrastructure.

CALDWELL COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2014

Table 3
 Capital Assets at Year End
 Net of Accumulated Depreciation

	9/30/14	9/30/13
Land	\$171,752	\$171,752
Buildings & improvements	13,455,343	13,250,207
Machinery and equipment	1,534,573	1,832,199
Infrastructure	1,487,815	1,679,242
Construction in progress	8,918,738	2,482,616
Total Capital Assets (Net)	<u>\$25,568,221</u>	<u>19,416,016</u>

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

Debt administration. At the end of the current fiscal year, Caldwell County had total debt outstanding of \$14,680,000. Of this amount, \$5,350,000 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	9/30/14	9/30/13
Certificates of obligation	\$5,350,000	\$6,110,000
Limited tax refunding bonds	9,330,000	9,695,000
Premium on bonds issued	3,812	494
Compensated absences	184,263	221,472
Total Debt	<u>\$14,868,075</u>	<u>\$16,026,966</u>

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

The County's outstanding debt decreased by \$1,158,891 due to the retirement of debt, including a defeasement of \$450,000 of debt on the Series 2007 Certificates of Obligation.

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 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 301, Lockhart, Texas, 78644.

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Basic Financial Statements

CALDWELL COUNTY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

	Governmental Activities
ASSETS:	
<i>Cash and cash equivalents</i>	\$ 9,097,088
<i>Receivables (net of allowances for uncollectibles):</i>	
<i>Taxes</i>	1,484,324
<i>Fines</i>	6,530,195
<i>Accounts</i>	11,777
<i>Intergovernmental</i>	450,010
<i>Inventories</i>	6,299
<i>Prepaid items</i>	219,554
<i>Deposits</i>	11,641
<i>Capital assets (net of accumulated depreciation):</i>	
<i>Land</i>	171,752
<i>Buildings and improvements</i>	13,455,343
<i>Machinery and equipment</i>	1,534,573
<i>Infrastructure</i>	1,487,815
<i>Construction in progress</i>	8,918,738
Total Assets	43,379,109
DEFERRED OUTFLOW OF RESOURCES	
<i>Deferred charge on refunding</i>	88,654
Total Deferred Outflow of Resources	88,654
LIABILITIES:	
<i>Accounts payable</i>	1,475,107
<i>Accrued liabilities and other payables</i>	248,820
<i>Due to other governments</i>	4,300,867
<i>Due to others</i>	1,024,022
<i>Noncurrent Liabilities-</i>	
<i>Due within one year</i>	896,285
<i>Due in more than one year</i>	13,971,820
Total Liabilities	21,916,921
NET POSITION:	
<i>Net Investment in Capital Assets</i>	13,190,215
<i>Restricted For:</i>	
<i>Debt Service</i>	719,000
<i>Capital Projects</i>	2,305,805
<i>Unrestricted</i>	5,335,822
Total Net Position	\$ 21,550,842

The accompanying notes are an integral part of this statement.

CALDWELL COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
Governmental Activities:					
<i>General administration</i>	\$ 3,074,155	\$ 398,493	\$ 96,715	\$ 62,625	\$ (2,516,322)
<i>Judicial</i>	1,741,792	1,427,924	191,300	--	(122,568)
<i>Legal</i>	823,700	25,335	--	--	(798,365)
<i>Financial administration</i>	1,102,150	501,864	--	--	(600,286)
<i>Public facilities</i>	494,778	--	--	--	(494,778)
<i>Public safety</i>	7,016,290	1,056,750	73,007	--	(5,886,533)
<i>Public transportation</i>	3,023,529	62,925	--	121,880	(2,838,724)
<i>Environmental protection</i>	58,242	108,925	--	--	50,683
<i>Health and welfare</i>	760,239	--	--	--	(760,239)
<i>Conservation - agriculture</i>	98,744	--	--	--	(98,744)
<i>Interest on long-term debt</i>	551,167	--	--	--	(551,167)
Total Governmental Activities	<u>18,744,786</u>	<u>3,582,216</u>	<u>361,022</u>	<u>184,505</u>	<u>(14,617,043)</u>
Total Primary Government	<u>\$ 18,744,786</u>	<u>\$ 3,582,216</u>	<u>\$ 361,022</u>	<u>\$ 184,505</u>	<u>(14,617,043)</u>
General Revenues:					
<i>Advalorem taxes</i>					12,785,280
<i>Sales taxes</i>					1,696,908
<i>Automobile taxes</i>					325,875
<i>Alcoholic beverage taxes</i>					6,612
<i>Miscellaneous</i>					175,804
<i>Unrestricted investment earnings</i>					43,694
<i>Gain (loss) on disposal of capital assets</i>					8,863
Total General Revenues and Transfers					<u>15,043,036</u>
Change in Net Position					425,993
Net Position - Beginning					21,124,849
Net Position - Ending					<u>\$ 21,550,842</u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	<u>General Fund</u>	<u>Debt Service Fund</u>
ASSETS		
Assets:		
<i>Cash and cash equivalents</i>	\$ 5,035,304	\$ 581,455
<i>Receivables (net of allowances for uncollectibles):</i>		
Taxes	1,323,631	160,420
Fines	6,530,195	--
Accounts	11,777	--
Intergovernmental	450,010	--
<i>Due from other funds</i>	--	--
<i>Inventories</i>	6,299	--
<i>Prepaid items</i>	219,554	--
<i>Deposits</i>	11,641	--
Total Assets	<u>\$ 13,588,411</u>	<u>\$ 741,875</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
<i>Accounts Payable</i>	\$ 456,783	\$ --
<i>Accrued liabilities and other payables.</i>	169,942	--
<i>Due to Other Funds</i>	--	22,875
<i>Due to other governments</i>	4,300,867	--
<i>Due to others</i>	1,024,022	--
Total Liabilities	<u>5,951,614</u>	<u>22,875</u>
Deferred Inflows of Resources		
<i>Deferred revenue</i>	3,560,193	150,198
Total deferred inflows of resources	<u>3,560,193</u>	<u>150,198</u>
Fund Balances:		
<i>Nonspendable</i>	225,853	--
<i>Restricted</i>	--	568,802
<i>Committed</i>	216,500	--
<i>Assigned</i>	--	--
<i>Unassigned</i>	3,634,251	--
Total Fund Balance	<u>4,076,604</u>	<u>568,802</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 13,588,411</u>	<u>\$ 741,875</u>

The accompanying notes are an integral part of this statement.

<u>Building Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,126,982	\$ 353,348	\$ 9,097,089
--	273	1,484,324
--	--	6,530,195
--	--	11,777
--	--	450,010
100,881	--	100,881
--	--	6,299
--	--	219,554
--	--	11,641
<u>\$ 3,227,863</u>	<u>\$ 353,621</u>	<u>\$ 17,911,770</u>
,		
\$ 922,057	\$ 96,267	\$ 1,475,107
--	10,989	180,931
--	78,006	100,881
--	--	4,300,867
--	--	1,024,022
<u>922,057</u>	<u>185,262</u>	<u>7,081,808</u>
--	257	3,710,648
<u>--</u>	<u>257</u>	<u>3,710,648</u>
--	--	225,853
2,305,806	170,714	3,045,322
--	70,519	287,019
--	5,153	5,153
--	(78,284)	3,555,967
<u>2,305,806</u>	<u>168,102</u>	<u>7,119,314</u>
<u>\$ 3,227,863</u>	<u>\$ 353,621</u>	<u>\$ 17,911,770</u>

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CALDWELL COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

Total fund balances - governmental funds balance sheet	\$ 7,119,314
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.	25,568,221
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,386,784
Payables for bond principal which are not due in the current period are not reported in the funds.	(14,683,812)
Payables for bond interest which are not due in the current period are not reported in the funds.	(67,889)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(184,293)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	88,654
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	<u>2,323,863</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 21,550,842</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, 2014

	General Fund	Debt Service Fund
Revenue:		
<i>Taxes</i>	\$ 13,125,330	\$ 1,381,724
<i>Licenses and permits</i>	487,456	--
<i>Intergovernmental</i>	1,214,401	--
<i>Fees of office</i>	904,559	--
<i>Fines</i>	809,926	--
<i>Miscellaneous</i>	216,098	--
<i>Investment earnings</i>	31,250	7,032
Total revenues	<u>16,789,020</u>	<u>1,388,756</u>
Expenditures:		
Current:		
<i>General administration</i>	2,543,924	--
<i>Judicial</i>	1,695,376	--
<i>Legal</i>	789,478	--
<i>Financial administration</i>	1,098,531	--
<i>Public facilities</i>	479,185	--
<i>Public safety</i>	6,482,881	--
<i>Public transportation</i>	--	--
<i>Environmental protection</i>	55,267	--
<i>Health and welfare</i>	762,730	--
<i>Conservation - agriculture</i>	97,178	--
Capital Outlay:	--	--
Debt Service:		
<i>Principal</i>	--	875,000
<i>Interest and fiscal charges</i>	--	517,814
<i>Fiscal agent's fees</i>	--	2,250
<i>Bond issuance costs</i>	--	116,515
<i>Advance Refunding Escrow</i>	--	8,355,000
Total Expenditures	<u>14,004,550</u>	<u>9,866,579</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>2,784,470</u>	<u>(8,477,823)</u>
Other Financing Sources (Uses):		
<i>Transfers in</i>	6,886	--
<i>Transfers out</i>	(4,908,780)	--
<i>Proceeds of bond issue</i>	--	8,555,000
<i>Premiums on bonds sold</i>	--	3,422
<i>Sale of capital assets</i>	37,655	--
<i>Payment to Refunded Bond Escrow Agent</i>	--	(490,708)
Total Other Financing Sources (Uses)	<u>(4,864,239)</u>	<u>8,067,714</u>
Net Change in Fund Balances	(2,079,769)	(410,109)
Fund Balances - Beginning	6,156,373	978,911
Fund Balances - Ending	<u>\$ 4,076,604</u>	<u>\$ 568,802</u>

Building Construction	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 327,803	\$ 14,834,857
--	62,925	550,381
--	184,505	1,398,906
--	224,712	1,129,271
--	8,948	818,874
--	21,265	237,363
<u>2,002</u>	<u>3,411</u>	<u>43,695</u>
<u>2,002</u>	<u>833,569</u>	<u>19,013,347</u>
191,969	568,484	3,304,377
25,347	51,154	1,771,877
--	--	789,478
--	--	1,098,531
--	--	479,185
--	--	6,482,881
--	2,624,760	2,624,760
--	--	55,267
--	--	762,730
--	--	97,178
6,945,530	--	6,945,530
--	--	875,000
--	--	517,814
--	--	2,250
--	--	116,515
--	--	8,355,000
<u>7,162,846</u>	<u>3,244,398</u>	<u>34,278,373</u>
<u>(7,160,844)</u>	<u>(2,410,829)</u>	<u>(15,265,026)</u>
2,707,242	2,201,538	4,915,666
--	(6,886)	(4,915,666)
--	--	8,555,000
--	--	3,422
--	--	37,655
--	--	(490,708)
<u>2,707,242</u>	<u>2,194,652</u>	<u>8,105,369</u>
<u>(4,453,602)</u>	<u>(216,177)</u>	<u>(7,159,657)</u>
6,759,408	384,279	14,278,971
<u>\$ 2,305,806</u>	<u>\$ 168,102</u>	<u>\$ 7,119,314</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, 2014*

Net change in fund balances - total governmental funds	\$ (7,159,657)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	7,433,408
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,252,411)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(28,792)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(26,794)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	91,187
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	9,680,000
(Increase) decrease in accrued interest from beginning of period to end of period.	34,933
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	37,178
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	175,363
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(8,555,000)
Bond premiums are reported in the funds but not in the SOA.	<u>(3,422)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 425,993</u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2014

	Agency Funds
ASSETS:	
<i>Cash and cash equivalents</i>	\$ 1,126,800
<i>Due from other funds</i>	34,449
Total Assets	<u>\$ 1,164,299</u>
LIABILITIES:	
<i>Accounts payable</i>	\$ 5,745
<i>Due to other funds</i>	34,448
<i>Due to other governments</i>	57,178
<i>Due to others</i>	1,066,928
Total Liabilities	<u>\$ 1,164,299</u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

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, 2014

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 *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 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.

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).

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 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.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

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.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

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.

	General Fund	Debt Service	Building Construction	Other Funds	Total
Fund Balances					
Nonspendable for:					
Inventory	\$6,299	\$ --	\$ --	\$ --	\$6,299
Prepaid items	219,554	--	--	--	219,554
	<u>225,853</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>225,853</u>
Restricted for:					
Debt service	--	568,802	--	--	568,802
Justice administration	--	--	--	19,111	19,111
Preservation	--	--	--	25,892	25,892
Construction	--	--	2,305,806	--	2,305,806
Other	--	--	--	125,711	125,711
	<u>--</u>	<u>568,802</u>	<u>2,305,806</u>	<u>170,714</u>	<u>3,045,322</u>
Committed to:					
Courthouse maintenance	148,500	--	--	--	148,500
Disaster reaction	68,000	--	--	--	68,000
Hot check	--	--	--	60,791	60,791
Other	--	--	--	9,728	9,728
	<u>216,500</u>	<u>--</u>	<u>--</u>	<u>70,519</u>	<u>287,019</u>
Assigned	--	--	--	5,153	5,153
Unassigned	3,634,251	--	--	(78,284)	3,555,967
	<u>\$4,076,604</u>	<u>\$568,802</u>	<u>\$2,305,806</u>	<u>\$168,102</u>	<u>\$7,119,314</u>

CALDWELL COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2014

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 \$2,443,239. All of the bank balance of \$2,679,871, 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.

Investments

As of September 30, 2014, the County had the following investments:

Investment type	Credit Rating*	Fair Value	Days to Maturity
Government sponsored investment pool (LOGIC)	AAAm	\$2,964,947	<60
Government sponsored investment pool (TexPool)	AAAm	3,150,300	<60
Money market (MBIA)	AAAm	1,665,402	<60
Total Fair Value		\$7,780,649	

* 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 MBIA 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, 2014 the fair value of the position in these pools approximates the fair value of the shares.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

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	Debt Service	NonMajor and Other	Total
Taxes receivable	\$1,452,580	\$176,442	\$782	\$1,629,804
Allowance	(128,949)	(16,022)	(509)	(145,480)
Net taxes receivable	<u>\$1,323,631</u>	<u>\$160,420</u>	<u>\$273</u>	<u>\$1,484,324</u>
Fines receivable	\$12,858,997	\$ --	\$ --	\$12,858,997
Allowance	(6,328,802)	--	--	(6,328,802)
Net fines receivable	<u>\$6,530,195</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$6,530,195</u>
Accounts receivable	<u>\$11,777</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$11,777</u>
Intergovernmental	<u>\$450,010</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$450,010</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)	\$1,236,330	\$ --	\$1,236,330
Deferred fines revenue (General Fund)	2,323,863	--	2,323,863
Deferred tax revenue (Debt Service Fund)	150,198	--	150,198
Deferred tax revenue (NonMajor Funds)	257	--	257
Total deferred/unearned revenue for governmental funds	<u>\$3,710,648</u>	<u>\$ --</u>	<u>\$3,710,648</u>

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

C. Capital assets

Capital asset activity for the year ended September 30, 2014:

	Balance 9/30/13	Additions	Retirements	Transfers	Balance 9/30/14
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$171,752	\$ --	\$ --	\$ --	\$171,752
Construction in progress	2,482,616	7,169,883	--	(733,761)	8,918,738
Total capital assets not being depreciated	2,654,368	7,169,883	--	(733,761)	9,090,490
Capital assets, being depreciated:					
Buildings	18,736,273	--	--	584,351	19,320,624
Infrastructure	14,357,002	--	--	--	14,357,002
Machinery and equipment	6,906,084	263,525	(93,276)	149,410	7,225,743
Total capital assets being depreciated	39,999,359	263,525	(93,276)	733,761	40,903,369
Less accumulated depreciation for:					
Buildings	(5,486,066)	(379,215)	--	--	(5,865,281)
Infrastructure	(12,677,760)	(191,427)	--	--	(12,869,187)
Machinery and equipment	(5,073,885)	(681,769)	64,484	--	(5,691,170)
Total accumulated depreciation	(23,237,711)	(1,252,411)	64,484	--	(24,425,638)
Total capital assets being depreciated, net	16,761,648	(988,886)	(28,792)	--	16,477,731
Governmental activities capital assets, net	\$19,416,016	\$6,180,997	(\$28,792)	\$ --	\$25,568,221

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

Governmental activities:

General administration	\$210,723
Legal	32,191
Financial administration	388
Public facilities	16,746
Public safety	587,132
Public transportation	399,891
Environmental protection	2,743
Conservation - agriculture	2,597
Total depreciation expense - governmental activities	\$1,252,411

CALDWELL COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2014

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2014, is as follows:

Fund	Receivable	Payable
Major Funds		
Building Construction	\$100,881	\$ --
Total Major Funds	100,881	--
Nonmajor Funds		
Debt Service	--	22,875
Law Library	--	74,287
Narcotics Task Force	--	3,719
Total Nonmajor Funds	--	100,881
Agency Funds		
District Attorney	34,448	--
Juvenile Probation	--	34,448
Total Nonmajor Funds	34,448	34,448
Total Governmental Funds	\$135,329	\$135,329

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

E. Interfund Transfers

Fund	Transfer In	Transfer Out
Major Funds		
General Fund	\$6,886	\$4,908,780
Building Construction	2,707,242	--
Total Major Funds	2,714,128	4,908,780
Non Major Governmental Funds		
Unit Road	2,005,222	--
Law Library	--	6,886
Courthouse Security	196,316	--
Total Non Major Funds	2,201,538	6,886
Totals	\$4,915,666	\$4,915,666

The transfer from the General Fund to the Unit Road Fund and the Courthouse Security 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.

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.

CALDWELL COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2014

General Debt Currently Outstanding:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/13
General Long-Term Debt Issues					
General Obligation Bonds:					
Tax Refunding Bonds, 2009	\$2,980,000	12/22/09	8/15/16	2.50%	\$775,000
Certificates of Obligation, 2007	5,605,000	8/16/07	2/1/27	4.34%	4,355,000
Certificates of Obligation, 2010	1,200,000	12/15/10	8/01/29	3.0% - 4.0%	995,000
Limited tax refund bonds, 2014	8,555,000	3/24/14	2/01/32	1.69%	8,555,000
Total General Long-Term Debt					\$14,680,000

Annual debt service requirements to maturity for general debt:

Year	General Obligation Bonds		Total
	Principal	Interest	
2014	\$875,000	\$432,311	\$1,307,311
2015	975,000	411,442	1,386,442
2016	1,305,000	384,513	1,689,513
2017	1,430,000	349,440	1,779,440
2018	1,510,000	312,751	1,822,751
2019-2023	7,455,000	859,150	8,314,150
2024-2028	2,165,000	231,982	2,396,982
2029	90,000	4,050	94,050
Total	\$15,805,000	\$2,985,639	\$18,790,639

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2014, was as follows:

	Balance 09/30/13	Additions	Retirements	Balance 09/30/14	Due Within One Year
Governmental activities:					
Refunding bonds	\$1,285,000	\$ --	(\$510,000)	\$775,000	\$535,000
Certificates of obligation	\$6,110,000	--	(\$760,000)	\$5,350,000	\$315,000
Tax notes	\$8,410,000	\$8,555,000	(\$8,410,000)	\$8,555,000	--
Bond premium	494	3,442	(124)	3,812	219
	15,805,494	8,558,442	(9,680,124)	14,683,812	850,219
Compensated absences	221,442	18,189	(55,368)	184,263	46,066
Governmental activity Long-Term Liabilities	\$16,026,936	\$8,576,631	(\$9,735,492)	\$14,868,075	\$896,285

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 9/30/14.

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, 2014, 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, 2014

C. Employee Retirement Systems and Pension Plans

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. Funding Policy

The County has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 4.67% for the months of the accounting year in 2013 and 4.00% for the months of the accounting year in 2014.

The contribution rate payable by the employee members is the rate of 5% as adopted by the commissioners' court. The employee contribution rate and the employer contribution rate may be changed by the commissioners' court with the options available in the TCDRS Act.

3. Annual Pension Cost

For the County's accounting year ended September 30, 2014, the annual pension cost for the TCDRS plan for its employees was \$339,512 and the actual contributions were \$339,512.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2012, the basis for determining the contribution rates for fiscal year 2014. The December 31, 2013 actuarial valuation is the most recent valuation.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

Actuarial Valuation Information

Actuarial valuation date	12/31/11	12/31/12	12/31/13
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20	20	20
Actuarial valuation method	SAF: 10-yr smoothed value. ESF: Fund Value.	SAF: 10-yr smoothed value. ESF: Fund Value.	SAF: 5-yr smoothed value. ESF: Fund Value.
Actuarial assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.40%	5.40%	4.90%
Inflation	3.50%	3.50%	3.00%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Trend Information

Accounting year ended	9/30/12	9/30/13	9/30/14
Annual Pension Cost (APC)	\$300,506	\$347,986	\$339,512
Percentage of APC Contributed	100.00%	100.00%	100.00%
Net Pension Obligation	\$ --	\$ --	\$ --

D. 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 Amounts

The County underpaid certain fees to the State of Texas related to fines and fees collected over a nine year period. At September 30, 2014 the County owed the State of Texas \$259,054. Additionally, the County determined that sales tax receivable had been under accrued in prior years.

CALDWELL COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

Prior year financial statements have been restated to correct these errors. The effect of the restatements were, as follows:

Condensed Government Wide Statement of Net Position	9/30/13 As Reported	Restatement	9/30/13 As Restated
Assets	\$42,935,481	(\$66,351)	\$42,869,130
Liabilities	21,613,646	130,635	21,744,281
Net assets as restated	\$21,321,835	\$196,986	\$21,124,849

Condensed Government Wide Statement of Activities	As Reported	Restatement	As Restated
Revenues	\$18,528,982	(\$49,185)	\$18,479,797
Expenses	19,034,758	--	19,034,758
Increase in net position	(505,776)	(49,185)	(554,961)
Net assets October 1, 2012	21,827,611	(147,801)	21,679,810
Net assets as restated September 30, 2013	\$21,321,835	(\$196,986)	\$21,124,849

Condensed Balance Sheet Governmental Funds	As Reported General Fund	Restatement	Restated General Fund
Assets	\$15,081,337	(\$66,351)	\$15,014,986
Liabilities	5,316,702	130,635	5,447,337
Deferred resource inflow	3,411,276	--	3,411,276
Fund Balance	\$6,353,359	\$196,986	\$6,156,373

Condensed Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	As Reported	Restated	Restated General Fund
Revenues	\$16,287,441	(\$49,185)	\$16,238,256
Expenditures	14,519,598	--	14,519,598
Revenues over (under) expenditures	1,767,843	(49,185)	1,718,658
Total other Financing Sources (Uses)	(2,312,175)	--	(2,312,175)
Net Change in Fund Balances	(544,332)	(49,185)	(593,517)
Fund balance October 1, 2012	6,897,691	(147,801)	6,749,890
Fund Balance as restated September 30, 2013	\$6,353,359	(\$196,986)	\$6,156,373

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.

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CALDWELL COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
<i>Taxes</i>	\$ 12,852,477	\$ 13,085,352	\$ 13,125,330	\$ 39,978
<i>Licenses and permits</i>	472,500	487,350	487,456	106
<i>Intergovernmental</i>	1,270,000	1,067,225	1,214,401	147,176
<i>Fees of office</i>	1,011,100	801,380	904,559	103,179
<i>Fines</i>	870,500	862,650	809,926	(52,724)
<i>Miscellaneous</i>	96,500	228,040	216,098	(11,942)
<i>Investment earnings</i>	40,000	31,120	31,250	130
Total revenues	<u>16,613,077</u>	<u>16,563,117</u>	<u>16,789,020</u>	<u>225,903</u>
Expenditures:				
Current:				
<i>General administration</i>	2,616,026	2,586,639	2,543,924	42,715
<i>Judicial</i>	1,748,188	1,748,188	1,695,376	52,812
<i>Legal</i>	800,586	800,586	789,478	11,108
<i>Financial administration</i>	1,198,433	1,198,433	1,098,531	99,902
<i>Public facilities</i>	550,009	550,009	479,185	70,824
<i>Public safety</i>	6,411,420	6,504,598	6,482,881	21,717
<i>Environmental protection</i>	60,630	60,630	55,267	5,363
<i>Health and welfare</i>	860,201	860,201	762,730	97,471
<i>Conservation - agriculture</i>	100,269	100,269	97,178	3,091
Total Expenditures	<u>14,345,762</u>	<u>14,409,553</u>	<u>14,004,550</u>	<u>405,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,267,315</u>	<u>2,153,564</u>	<u>2,784,470</u>	<u>630,906</u>
Other Financing Sources (Uses):				
<i>Transfers in</i>	4,300	6,880	6,886	6
<i>Transfers out</i>	(2,151,615)	(4,908,777)	(4,908,780)	(3)
<i>Sale of capital assets</i>	--	--	37,655	37,655
Total Other Financing Sources (Uses)	<u>(2,147,315)</u>	<u>(4,901,897)</u>	<u>(4,864,239)</u>	<u>37,658</u>
Net Change in Fund Balances	120,000	(2,748,333)	(2,079,769)	668,564
Fund Balances - Beginning	6,156,373	6,156,373	6,156,373	--
Fund Balances - Ending	<u>\$ 6,276,373</u>	<u>\$ 3,408,040</u>	<u>\$ 4,076,604</u>	<u>\$ 668,564</u>

CALDWELL COUNTY, TEXAS

SCHEDULE OF FUNDING PROGRESS

September 30, 2014

(Unaudited)

EXHIBIT B-2

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
			(1)/(2)	(2)-(1)		(4)/(5)
	(1)	(2)	(3)	(4)	(5)	(6)
12/31/2011	\$8,122,962	\$8,863,167	91.65%	\$740,205	\$6,370,094	11.62%
12/31/2012	9,560,049	9,801,032	97.54%	240,983	7,112,512	3.39%
12/31/2013	10,660,854	10,826,048	98.47%	165,194	7,673,455	2.15%

CALDWELL COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended September 30, 2014

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 Grant Fund had no activity in the fiscal year and was not budgeted.

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, 2014:

Special Revenue Funds:	
Unit Road	\$ 52
Law Library	74,622
Narcotics Task Force	3,610

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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 SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	<u>Grant</u>	<u>911</u>	<u>Special Road & Bridge</u>	<u>Justice Court Technology</u>
ASSETS				
Assets:				
<i>Cash and cash equivalents</i>	\$ 294	\$ 9,728	\$ 5,153	\$ 19,111
<i>Receivables (net of allowances for uncollectibles):</i>				
Taxes	--	--	--	--
Total Assets	\$ 294	\$ 9,728	\$ 5,153	\$ 19,111
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts Payable</i>	\$ 58	\$ --	\$ --	\$ --
<i>Accrued liabilities and other payables.</i>	--	--	--	--
<i>Due to Other Funds</i>	--	--	--	--
Total Liabilities	58	--	--	--
Deferred Inflows of Resources				
<i>Deferred revenue</i>	--	--	--	--
Total deferred inflows of resources	--	--	--	--
Fund Balances:				
<i>Restricted</i>	236	--	--	19,111
<i>Committed</i>	--	9,728	--	--
<i>Assigned</i>	--	--	5,153	--
<i>Unassigned</i>	--	--	--	--
Total Fund Balance	236	9,728	5,153	19,111
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 294	\$ 9,728	\$ 5,153	\$ 19,111

Unit Road Fund	Records Preservation Fund	Law Library	Sheriff's Forfeiture	Hot Check
\$ 69,652	\$ 56,876	\$ 30	\$ 38,623	\$ 60,791
273	--	--	--	--
<u>\$ 69,925</u>	<u>\$ 56,876</u>	<u>\$ 30</u>	<u>\$ 38,623</u>	<u>\$ 60,791</u>
\$ 64,687	\$ 30,984	\$ 365	\$ --	\$ --
5,033	--	--	--	--
--	--	74,287	--	--
<u>69,720</u>	<u>30,984</u>	<u>74,652</u>	<u>--</u>	<u>--</u>
257	--	--	--	--
<u>257</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	25,892	--	38,623	--
--	--	--	--	60,791
--	--	--	--	--
(52)	--	(74,622)	--	--
<u>(52)</u>	<u>25,892</u>	<u>(74,622)</u>	<u>38,623</u>	<u>60,791</u>
<u>\$ 69,925</u>	<u>\$ 56,876</u>	<u>\$ 30</u>	<u>\$ 38,623</u>	<u>\$ 60,791</u>

CALDWELL COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	Narcotics Task Force	Records Management	Courthouse Security	Total Nonmajor Special Revenue Funds (See Exhibit A-3)
ASSETS				
Assets:				
<i>Cash and cash equivalents</i>	\$ 6,238	\$ 55,060	\$ 31,792	\$ 353,348
<i>Receivables (net of allowances for uncollectibles):</i>				
Taxes	--	--	--	273
Total Assets	\$ 6,238	\$ 55,060	\$ 31,792	\$ 353,621
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts Payable</i>	\$ 173	\$ --	\$ --	\$ 96,267
<i>Accrued liabilities and other payables.</i>	5,956	--	--	10,989
<i>Due to Other Funds</i>	3,719	--	--	78,006
Total Liabilities	9,848	--	--	185,262
Deferred Inflows of Resources				
<i>Deferred revenue</i>	--	--	--	257
Total deferred inflows of resources	--	--	--	257
Fund Balances:				
<i>Restricted</i>	--	55,060	31,792	170,714
<i>Committed</i>	--	--	--	70,519
<i>Assigned</i>	--	--	--	5,153
<i>Unassigned</i>	(3,610)	--	--	(78,284)
Total Fund Balance	(3,610)	55,060	31,792	168,102
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 6,238	\$ 55,060	\$ 31,792	\$ 353,621

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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, 2014

	Grant	911	Special Road & Bridge	Justice Court Technology
Revenue:				
<i>Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>Licenses and permits</i>	--	--	--	--
<i>Intergovernmental</i>	62,625	--	--	--
<i>Fees of office</i>	--	--	--	26,875
<i>Fines</i>	--	--	--	--
<i>Miscellaneous</i>	--	--	--	--
<i>Investment earnings</i>	--	--	39	--
Total revenues	<u>62,625</u>	<u>--</u>	<u>39</u>	<u>26,875</u>
Expenditures:				
<i>General administration</i>	48,484	--	--	--
<i>Judicial</i>	--	--	--	23,975
<i>Public transportation</i>	--	--	--	--
Total Expenditures	<u>48,484</u>	<u>--</u>	<u>--</u>	<u>23,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,141</u>	<u>--</u>	<u>39</u>	<u>2,900</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	14,141	--	39	2,900
Fund Balances - Beginning	(13,905)	9,728	5,114	16,211
Fund Balances - Ending	<u>\$ 236</u>	<u>\$ 9,728</u>	<u>\$ 5,153</u>	<u>\$ 19,111</u>

Unit Road Fund	Records Preservation Fund	Law Library	Sheriff's Forfeiture	Hot Check
\$ 327,803	\$ --	\$ --	\$ --	\$ --
62,925	--	--	--	--
121,880	--	--	--	--
--	106,950	14,679	--	10,656
--	--	--	8,948	--
21,265	--	--	--	--
1,024	1,080	--	257	462
<u>534,897</u>	<u>108,030</u>	<u>14,679</u>	<u>9,205</u>	<u>11,118</u>
--	276,949	7,763	--	1,807
--	--	--	--	--
2,624,760	--	--	--	--
<u>2,624,760</u>	<u>276,949</u>	<u>7,763</u>	<u>--</u>	<u>1,807</u>
(2,089,863)	(168,919)	6,916	9,205	9,311
2,005,222	--	--	--	--
--	--	(6,886)	--	--
<u>2,005,222</u>	<u>--</u>	<u>(6,886)</u>	<u>--</u>	<u>--</u>
(84,641)	(168,919)	30	9,205	9,311
84,589	194,811	(74,652)	29,418	51,480
<u>\$ (52)</u>	<u>\$ 25,892</u>	<u>\$ (74,622)</u>	<u>\$ 38,623</u>	<u>\$ 60,791</u>

CALDWELL COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Narcotics Task Force	Records Management	Courthouse Security	Total Nonmajor Special Revenue Funds (See Exhibit A-5)
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ 327,803
Licenses and permits	--	--	--	62,925
Intergovernmental	--	--	--	184,505
Fees of office	--	28,638	36,914	224,712
Fines	--	--	--	8,948
Miscellaneous	--	--	--	21,265
Investment earnings	--	466	83	3,411
Total revenues	<u>--</u>	<u>29,104</u>	<u>36,997</u>	<u>833,569</u>
Expenditures:				
General administration	--	--	233,481	568,484
Judicial	--	27,179	--	51,154
Public transportation	--	--	--	2,624,760
Total Expenditures	<u>--</u>	<u>27,179</u>	<u>233,481</u>	<u>3,244,398</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>1,925</u>	<u>(196,484)</u>	<u>(2,410,829)</u>
Other Financing Sources (Uses):				
Transfers in	--	--	196,316	2,201,538
Transfers out	--	--	--	(6,886)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>196,316</u>	<u>2,194,652</u>
Net Change in Fund Balances	<u>--</u>	<u>1,925</u>	<u>(168)</u>	<u>(216,177)</u>
Fund Balances - Beginning	(3,610)	53,135	31,960	384,279
Fund Balances - Ending	<u>\$ (3,610)</u>	<u>\$ 55,060</u>	<u>\$ 31,792</u>	<u>\$ 168,102</u>

CALDWELL COUNTY, TEXAS
GRANT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Intergovernmental</i>	\$ 62,620	\$ 62,625	\$ 5
Total revenues	<u>62,620</u>	<u>62,625</u>	<u>5</u>
 Expenditures:			
Current:			
<i>General administration</i>	48,642	48,484	158
Total Expenditures	<u>48,642</u>	<u>48,484</u>	<u>158</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13,978</u>	<u>14,141</u>	<u>163</u>
 Net Change in Fund Balances	13,978	14,141	163
 Fund Balances - Beginning	(13,905)	(13,905)	--
Fund Balances - Ending	<u>\$ 73</u>	<u>\$ 236</u>	<u>\$ 163</u>

CALDWELL COUNTY, TEXAS
JUSTICE COURT TECHNOLOGY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
Revenue:			
<i>Fees of office</i>	\$ 26,840	\$ 26,875	\$ 35
Total revenues	<u>26,840</u>	<u>26,875</u>	<u>35</u>
Expenditures:			
Current:			
<i>Judicial</i>	24,000	23,975	25
Total Expenditures	<u>24,000</u>	<u>23,975</u>	<u>25</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,840</u>	<u>2,900</u>	<u>60</u>
Net Change in Fund Balances	2,840	2,900	60
Fund Balances - Beginning	16,211	16,211	--
Fund Balances - Ending	<u>\$ 19,051</u>	<u>\$ 19,111</u>	<u>\$ 60</u>

CALDWELL COUNTY, TEXAS
 UNIT ROAD FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
Revenue:			
<i>Taxes</i>	\$ 327,804	\$ 327,803	\$ (1)
<i>Licenses and permits</i>	62,920	62,925	5
<i>Intergovernmental</i>	121,870	121,880	10
<i>Miscellaneous</i>	21,258	21,265	7
<i>Investment earnings</i>	1,020	1,024	4
Total revenues	<u>534,872</u>	<u>534,897</u>	<u>25</u>
Expenditures:			
Current:			
<i>Public transportation</i>	2,625,446	2,624,760	686
Total Expenditures	<u>2,625,446</u>	<u>2,624,760</u>	<u>686</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,090,574)</u>	<u>(2,089,863)</u>	<u>711</u>
Other Financing Sources (Uses):			
<i>Transfers in</i>	2,005,219	2,005,222	3
Total Other Financing Sources (Uses)	<u>2,005,219</u>	<u>2,005,222</u>	<u>3</u>
Net Change in Fund Balances	(85,355)	(84,641)	714
Fund Balances - Beginning	84,589	84,589	--
Fund Balances - Ending	<u>\$ (766)</u>	<u>\$ (52)</u>	<u>\$ 714</u>

CALDWELL COUNTY, TEXAS
RECORDS PRESERVATION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-7

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Fees of office</i>	\$ 107,240	\$ 106,950	\$ (290)
<i>Investment earnings</i>	1,070	1,080	10
Total revenues	<u>108,310</u>	<u>108,030</u>	<u>(280)</u>
Expenditures:			
Current:			
<i>General administration</i>	277,159	276,949	210
Total Expenditures	<u>277,159</u>	<u>276,949</u>	<u>210</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(168,849)</u>	<u>(168,919)</u>	<u>(70)</u>
Net Change in Fund Balances	(168,849)	(168,919)	(70)
Fund Balances - Beginning	194,811	194,811	--
Fund Balances - Ending	<u>\$ 25,962</u>	<u>\$ 25,892</u>	<u>\$ (70)</u>

CALDWELL COUNTY, TEXAS
LAW LIBRARY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-8

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Fees of office</i>	\$ 14,640	\$ 14,679	\$ 39
Total revenues	<u>14,640</u>	<u>14,679</u>	<u>39</u>
Expenditures:			
Current:			
<i>General administration</i>	7,770	7,763	7
Total Expenditures	<u>7,770</u>	<u>7,763</u>	<u>7</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,870</u>	<u>6,916</u>	<u>46</u>
Other Financing Sources (Uses):			
<i>Transfers out</i>	(6,890)	(6,886)	4
Total Other Financing Sources (Uses)	<u>(6,890)</u>	<u>(6,886)</u>	<u>4</u>
Net Change in Fund Balances	(20)	30	50
Fund Balances - Beginning	(74,652)	(74,652)	--
Fund Balances - Ending	<u>\$ (74,672)</u>	<u>\$ (74,622)</u>	<u>\$ 50</u>

CALDWELL COUNTY, TEXAS
HOT CHECK
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
Revenue:			
<i>Fees of office</i>	\$ 10,650	\$ 10,656	\$ 6
<i>Investment earnings</i>	460	462	2
Total revenues	<u>11,110</u>	<u>11,118</u>	<u>8</u>
Expenditures:			
Current:			
<i>General administration</i>	10,000	1,807	8,193
Total Expenditures	<u>10,000</u>	<u>1,807</u>	<u>8,193</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,110</u>	<u>9,311</u>	<u>8,201</u>
Net Change in Fund Balances	1,110	9,311	8,201
Fund Balances - Beginning	51,480	51,480	--
Fund Balances - Ending	<u>\$ 52,590</u>	<u>\$ 60,791</u>	<u>\$ 8,201</u>

CALDWELL COUNTY, TEXAS
RECORDS MANAGEMENT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-10

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Fees of office</i>	\$ 29,182	\$ 28,638	\$ (544)
<i>Investment earnings</i>	460	466	6
Total revenues	<u>29,642</u>	<u>29,104</u>	<u>(538)</u>
Expenditures:			
Current:			
<i>General administration</i>	2,000	--	2,000
<i>Judicial</i>	29,981	27,179	2,802
Total Expenditures	<u>31,981</u>	<u>27,179</u>	<u>4,802</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,339)</u>	<u>1,925</u>	<u>4,264</u>
Net Change in Fund Balances	(2,339)	1,925	4,264
Fund Balances - Beginning	53,135	53,135	--
Fund Balances - Ending	<u>\$ 50,796</u>	<u>\$ 55,060</u>	<u>\$ 4,264</u>

CALDWELL COUNTY, TEXAS
COURTHOUSE SECURITY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Revenue:			
<i>Fees of office</i>	\$ 37,050	\$ 36,914	\$ (136)
<i>Investment earnings</i>	80	83	3
Total revenues	<u>37,130</u>	<u>36,997</u>	<u>(133)</u>
Expenditures:			
Current:			
<i>General administration</i>	233,496	233,481	15
Total Expenditures	<u>233,496</u>	<u>233,481</u>	<u>15</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(196,366)</u>	<u>(196,484)</u>	<u>(118)</u>
Other Financing Sources (Uses):			
<i>Transfers in</i>	196,316	196,316	--
Total Other Financing Sources (Uses)	<u>196,316</u>	<u>196,316</u>	<u>--</u>
Net Change in Fund Balances	(50)	(168)	(118)
Fund Balances - Beginning	31,960	31,960	--
Fund Balances - Ending	<u>\$ 31,910</u>	<u>\$ 31,792</u>	<u>\$ (118)</u>

CALDWELL COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-12

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
<i>Taxes</i>	\$ 1,383,037	\$ 1,381,724	\$ (1,313)
<i>Investment earnings</i>	7,000	7,032	32
Total revenues	<u>1,390,037</u>	<u>1,388,756</u>	<u>(1,281)</u>
Expenditures:			
Debt Service:			
<i>Principal</i>	875,000	875,000	--
<i>Interest and fiscal charges</i>	517,821	517,814	7
<i>Fiscal agent's fees</i>	2,250	2,250	--
<i>Bond issuance costs</i>	116,515	116,515	--
<i>Advance Refunding Escrow</i>	8,355,000	8,355,000	--
Total Expenditures	<u>9,866,586</u>	<u>9,866,579</u>	<u>7</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,476,549)</u>	<u>(8,477,823)</u>	<u>(1,274)</u>
Other Financing Sources (Uses):			
<i>Proceeds of bond issue</i>	8,555,000	8,555,000	--
<i>Premiums on bonds sold</i>	--	3,422	3,422
<i>Payment to Refunded Bond Escrow Agent</i>	--	(490,708)	(490,708)
Total Other Financing Sources (Uses)	<u>8,555,000</u>	<u>8,067,714</u>	<u>(487,286)</u>
Net Change in Fund Balances	78,451	(410,109)	(488,560)
Fund Balances - Beginning	978,911	978,911	--
Fund Balances - Ending	<u>\$ 1,057,362</u>	<u>\$ 568,802</u>	<u>\$ (488,560)</u>

CALDWELL COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2014

	<u>District Attorney</u>	<u>District Clerk</u>
ASSETS:		
<i>Cash and cash equivalents</i>	\$ 88,104	\$ 463,335
<i>Accounts</i>	--	--
Total Assets	<u>\$ 122,552</u>	<u>\$ 463,335</u>
LIABILITIES:		
<i>Accounts payable</i>	\$ --	\$ --
<i>Due to other funds</i>	--	--
<i>Due to other governments</i>	--	201
<i>Due to others</i>	122,552	463,134
Total Liabilities	<u>\$ 122,552</u>	<u>\$ 463,335</u>

County Clerk	County Sheriff	Juvenile Probation Fund	Total Agency Funds (See Exhibit A-7)
\$ 418,912	\$ 63,825	\$ 92,624	\$ 1,126,800
--	--	3,051	3,051
<u>\$ 418,912</u>	<u>\$ 63,825</u>	<u>\$ 95,675</u>	<u>\$ 1,164,299</u>
\$ --	\$ --	\$ 5,745	\$ 5,745
--	--	34,448	34,448
190	1,305	55,482	57,178
418,722	62,520	--	1,066,928
<u>\$ 418,912</u>	<u>\$ 63,825</u>	<u>\$ 95,675</u>	<u>\$ 1,164,299</u>

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