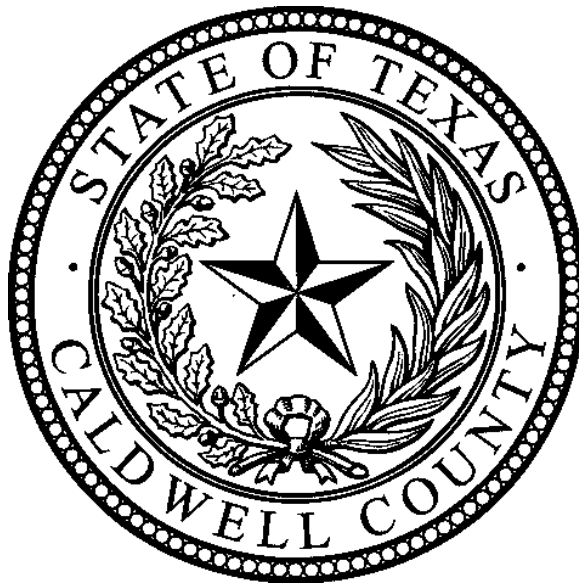


*CALDWELL COUNTY, TEXAS*

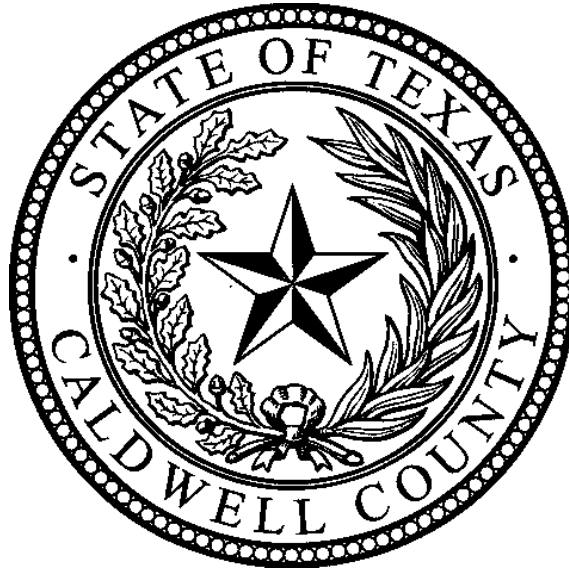
*ANNUAL FINANCIAL REPORT*

*FISCAL YEAR ENDED  
SEPTEMBER 30, 2025*



DEPARTMENT ISSUING REPORT

Caldwell County Auditor's Office  
Danielle Teltow, County Auditor



CALDWELL COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

	<u>PAGE</u>
TABLE OF CONTENTS.....	i
PRINCIPAL OFFICIALS.....	iv
ORGANIZATIONAL CHART .....	v

**FINANCIAL SECTION**

INDEPENDENT AUDITOR’S REPORT .....	1
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	4
BASIC FINANCIAL STATEMENTS.....	14
STATEMENT OF NET POSITION .....	15
STATEMENT OF ACTIVITIES .....	17
BALANCE SHEET- GOVERNMENTAL FUNDS .....	19
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION .....	23
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS .....	24
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES .....	28
STATEMENT OF FIDUCIARY NET POSITION.....	29
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION.....	30
NOTES TO BASIC FINANCIAL STATEMENTS.....	31
REQUIRED SUPPLEMENTARY INFORMATION.....	53
GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	54
UNIT ROAD FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	55
COVID RELIEF (ARPA) FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL .....	56
GRANTS FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	57
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL .....	58
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM - NET PENSION LIABILITY AND RELATED RATIOS .....	59
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM - SCHEDULE OF CONTRIBUTIONS AND RELATED NOTES.....	61
SUPPLEMENTARY INFORMATION .....	63
GENERAL FUND - COMPARATIVE BALANCE SHEET .....	64

CALDWELL COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

	<u>PAGE</u>
UNIT ROAD FUND - COMPARATIVE BALANCE SHEET.....	65
COVID RELIEF PROGRAM (ARPA) FUND - COMPARATIVE BALANCE SHEET .....	66
CAPITAL PROJECTS FUND - COMPARATIVE BALANCE SHEET .....	67
CAPITAL PROJECTS FUND - COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE.....	68
GRANT FUND - COMPARATIVE BALANCE SHEET.....	69
2025 ROAD BOND - COMPARATIVE BALANCE SHEET .....	70
NONMAJOR GOVERNMENTAL FUNDS - COMBINING BALANCE SHEET .....	71
NONMAJOR GOVERNMENTAL FUNDS - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES .....	72
COMBINING FINANCIAL STATEMENTS - NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS .....	73
SPECIAL REVENUE FUNDS - COMBINING BALANCE SHEET .....	74
SPECIAL REVENUE FUNDS - COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES.....	76
SPECIAL REVENUE FUNDS – 911GIS FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	78
SPECIAL REVENUE FUNDS – LEOSE CONSTABLE FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	79
SPECIAL REVENUE FUNDS – JUSTICE COURT TECHNOLOGY FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	80
SPECIAL REVENUE FUNDS – RECORDS PRESERVATION FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	81
SPECIAL REVENUE FUNDS – LAW LIBRARY FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	82
SPECIAL REVENUE FUNDS – HOT CHECK FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	83
SPECIAL REVENUE FUNDS – RECORDS MANAGEMENT FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	84
SPECIAL REVENUE FUNDS – COURTHOUSE SECURITY FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	85
DEBT FUND - SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	86
 COMPLIANCE SECTION .....	 87
 REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	   88
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE.....	90
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	93
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS .....	94

CALDWELL COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

	<u>PAGE</u>
SCHEDULE OF FINDINGS AND RESPONSE ON INTERNAL CONTROL OVER FINANCIAL REPORTING .....	95
CORRECTIVE ACTION PLAN .....	96
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	98

CALDWELL COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

PRINCIPAL OFFICIALS

COUNTY JUDGE..... HOPPY HADEN  
COMMISSIONER, PRECINCT 1 ..... B.J. WESTMORELAND  
COMMISSIONER, PRECINCT 2..... RUSTY HORNE  
COMMISSIONER, PRECINCT 3 ..... EDWARD THERIOT  
COMMISSIONER, PRECINCT 4..... DYRAL THOMAS  
COUNTY AUDITOR ..... DANIE TELTOW  
COUNTY TREASURER ..... GLORIA GARCIA  
ASSESSOR-COLLECTOR OF TAXES..... DEBBIE SANDERS  
COUNTY CLERK ..... TERESA RODRIGUEZ  
DISTRICT CLERK..... JUANITA ALLEN  
SHERIFF ..... MIKE LANE  
COUNTY ATTORNEY ..... FRED WEBER  
COUNTY COURT-AT-LAW JUDGE ..... TREY HICKS

OFFICIAL ISSUING REPORT

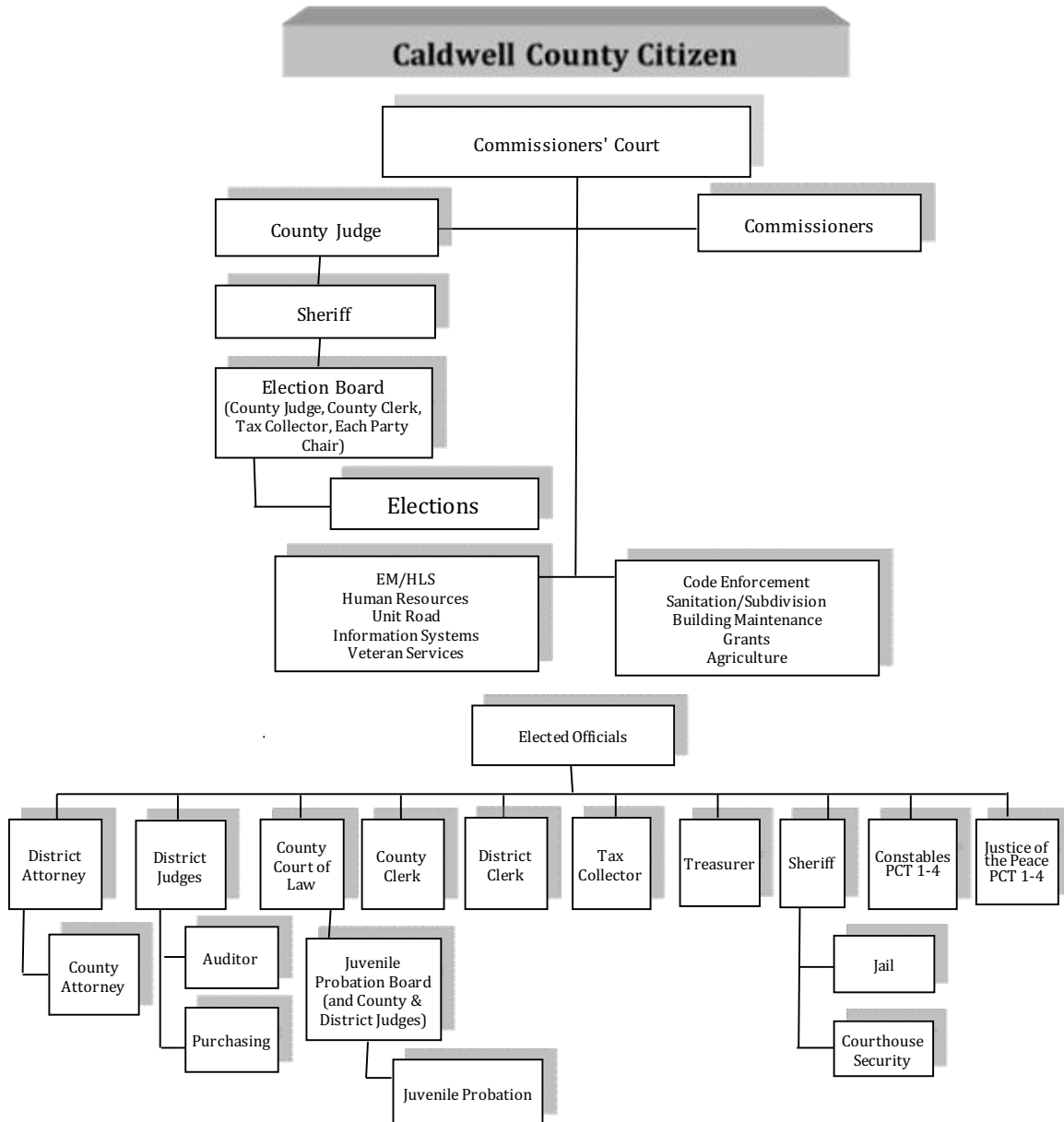
COUNTY AUDITOR  
DANIELLE TELTOW

CALDWELL COUNTY, TEXAS  
 ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

ORGANIZATIONAL CHART

**CALDWELL COUNTY**

**Organizational Chart**





INDEPENDENT AUDITOR'S REPORT

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

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caldwell County, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Caldwell County, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Caldwell County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matter***

As discussed in Note K to the financial statements, in 2025, the County adopted new accounting guidance in GASB Statement 101 related to compensated absences. Our opinion is not modified with respect to this matter

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Caldwell County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter

### ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, schedule of changes – net pension liability/asset and related ratios, the schedule of County Contributions and related ratios listed in the table of contents, 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 management's discussion and analysis, budgetary comparison information and schedule of changes – net pension liability and related ratios, and the schedule of County's Contributions because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

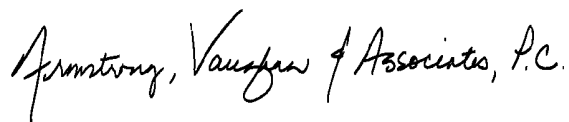
### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Caldwell County's basic financial statements. The comparative statements and combining and individual nonmajor fund financial statements, and and schedule of expenditures of federal awards (SEFA) as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative financial statements and combining and individual nonmajor fund financial statements and schedule of expenditures of federal and state awards 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 comparative financial statements and the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and state are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

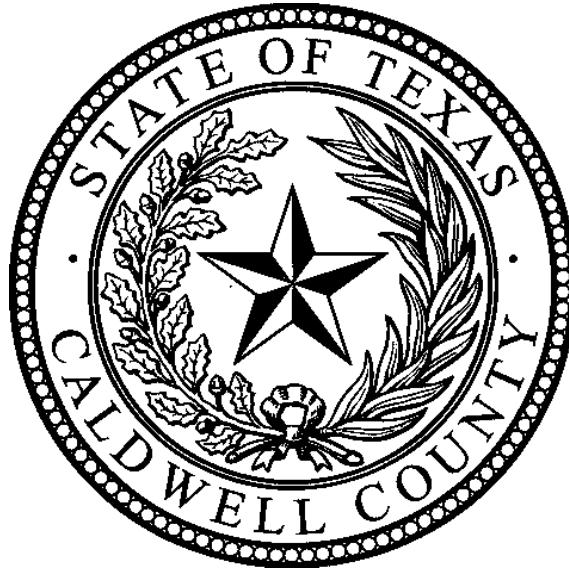
### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2026 on our consideration of Caldwell County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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's internal control over financial reporting and compliance.



Armstrong, Vaughan & Associates, P.C.

March 30, 2026



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Caldwell County, Texas (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

### FINANCIAL HIGHLIGHTS

#### Highlights for Government-wide Financial Statements

The government-wide financial statements report financial information about the County as a whole using the economic resources measurement focus and accrual basis of accounting.

- The total government-wide assets and deferred outflows of resources of the County exceeded the liabilities and deferred inflows of resources at September 30, 2025 by \$79.6 million (net position), an increase from the previous year of 27.7%.
- During the year, the County's expenses were \$38.6 million, which was \$18.0 million less than the \$56.6 million generated in taxes and other revenues for governmental activities.
- Total revenue from all sources was \$56.6 million. The primary revenue sources for governmental activities were property (ad valorem) taxes (\$27.6 million), Capital Grants and Contributions (\$15.5 million) charges for services (\$4.9 million), and sales and other taxes (\$4.0 million). These four revenue sources accounted for 49%, 27%, 9%, and 7% respectively, or 92% of total governmental activities revenues.
- Total expenses for governmental activities were \$38.6 million. The largest functional expenses were public safety (\$12.6 million), public transportation (\$6.9 million), and general government (\$6.7 million).
- The County issued \$53,495,000 in General Obligation Bonds, Series 2025, to fund infrastructure projects.

#### Highlights for Fund Financial Statements

- The fund financial statements report financial information about the County's major, or most significant funds, using the current financial resources measurement focus and modified accrual basis of accounting.

#### **Fund Balance**

- The County's General Fund reported a fund balance of \$26.1 million, an increase of 2.5 million from September 30, 2024.
- Of the total fund balance for General Fund (\$26.1 million), the unassigned fund balance of \$26.0 million equals 11.2 months of the 2025 general fund expenditures.

#### Highlights on Revenue

- The County recognized \$13.5 million in Community Development Block Grant (CDBG) funding for the evacuation center and \$2.0 million in American Rescue Plan Act (ARPA) funding which paid for the LCRA – radio system and other equipment. The radio system was completed in the current fiscal year

## OVERVIEW OF THE FINANCIAL STATEMENTS

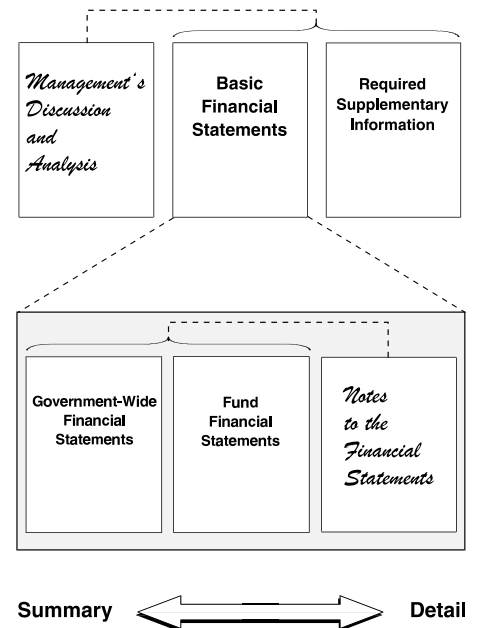
This annual report consists of three parts—management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as self-funded employee medical insurance.

*Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

**Figure A-1, Required Components of the County’s Annual Financial Report**



### Government-wide Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the County’s finances, in a manner similar to a private-sector business. They present the financial picture of the County from an economic resource measurement focus using the accrual basis of accounting. These statements include all assets of the County and all liabilities. Additionally, certain adjustments have occurred to eliminate interfund transactions.

The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the County's net position and how they have changed. Net assets—the difference between the County's assets and liabilities—is one way to measure the County's financial health or *position*.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional nonfinancial factors such as changes in the County's tax base.

The government-wide financial statements of the County include the *Governmental activities*. Most of the County's basic services are included here, such as general government, judicial, public safety, infrastructure, etc. Property taxes and charges for services finance most of these activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the County's most significant *funds*—not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The County establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The County has the following kinds of funds:

- *Governmental funds*—Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The County is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

### Statement of Net Position

The County's net position was \$79.6 million at September 30, 2025. (See Table A-1).

**Table A-1**  
Caldwell County's Net Position

	Governmental Activities	
	2025	2024
<b>ASSETS</b>		
Cash and Investments	\$ 98,558,673	\$ 44,573,576
Receivables (net of allowances for uncollectible):		
Taxes	3,494,253	3,161,563
Fines	823,566	787,142
Sales Tax	641,618	621,748
Intergovernmental	4,317,200	514,213
Accounts	14,111	14,111
Prepaid Items	75,074	24,221
Inventory	14,050	127,946
Capital Assets:	50,793,058	34,955,521
Net Pension Asset	747,564	696,483
Right of Use Asset	1,088,479	1,130,073
<b>TOTAL ASSETS</b>	<u>160,567,646</u>	<u>86,606,597</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows - Pension Related	1,094,474	1,061,379
Deferred Outflows - Charge on Refunding	41,791	45,591
	<u>1,136,265</u>	<u>1,106,970</u>
<b>LIABILITIES</b>		
Accounts Payable	3,978,387	3,848,670
Developer Deposits	337,850	-
Wages, Salaries & Benefits Payable	1,823,347	520,660
Interest Payable	554,093	70,515
Deferred Grant Revenue	4,396	1,886,925
Due to Other Governments	1,407,039	1,468,945
<i>Noncurrent Liabilities:</i>		
Due Within One Year	1,956,220	1,603,840
Due in More Than One Year	70,263,130	15,323,302
Compensated Absences Due in One Year	150,654	-
Compensated Absences Due in More than One Year	1,355,890	617,379
<b>TOTAL LIABILITIES</b>	<u>81,831,006</u>	<u>25,340,236</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows - Pension Related	317,703	55,003
	<u>317,703</u>	<u>55,003</u>
<b>NET POSITION:</b>		
Net Investment in Capital Assets	34,266,392	24,475,425
Restricted Net Position	6,051,977	5,313,354
Unrestricted Net Position	39,236,833	32,529,549
<b>TOTAL NET POSITION</b>	<u>\$ 79,555,202</u>	<u>\$ 62,318,328</u>

The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$79.6 million at the close of the current fiscal year. Of this amount, \$34.3 million represents the portion the County has invested in capital assets (e.g. land, buildings, machinery, and equipment), net of accumulated depreciation less any outstanding debt used to construct or acquire those assets, and added back unspent bond proceeds. The County uses these capital assets to provide services to citizens; consequently, these funds are not available for future spending.

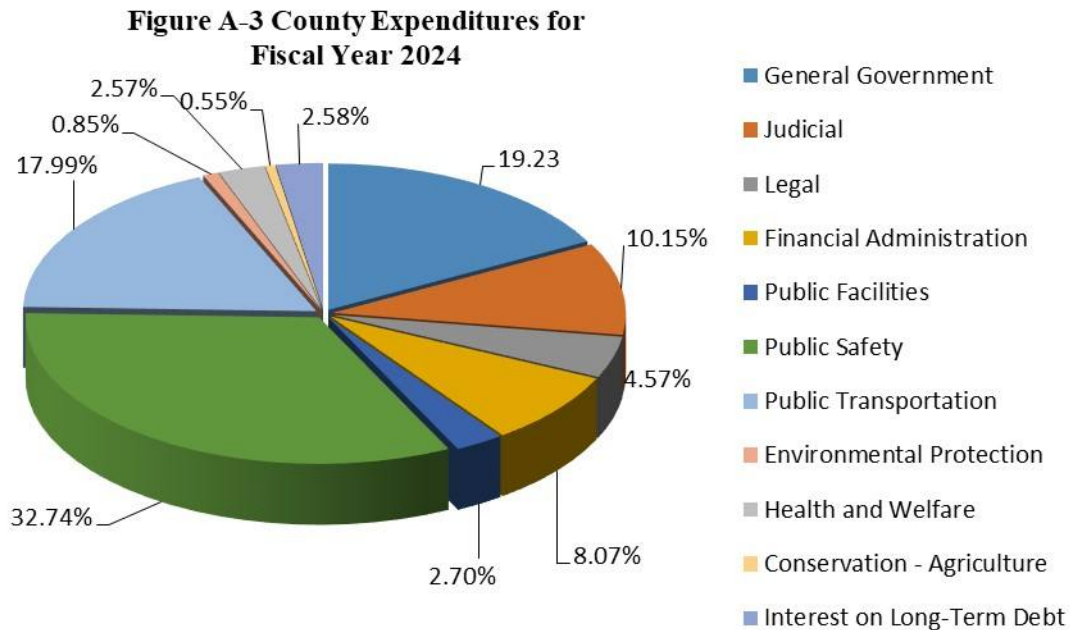
### Statement of Activities

Table A-2 indicates changes in net position for governmental activities. (Note: The County does not have any business-type activities.)

**Table A-2**  
Changes in Caldwell County's Net Position

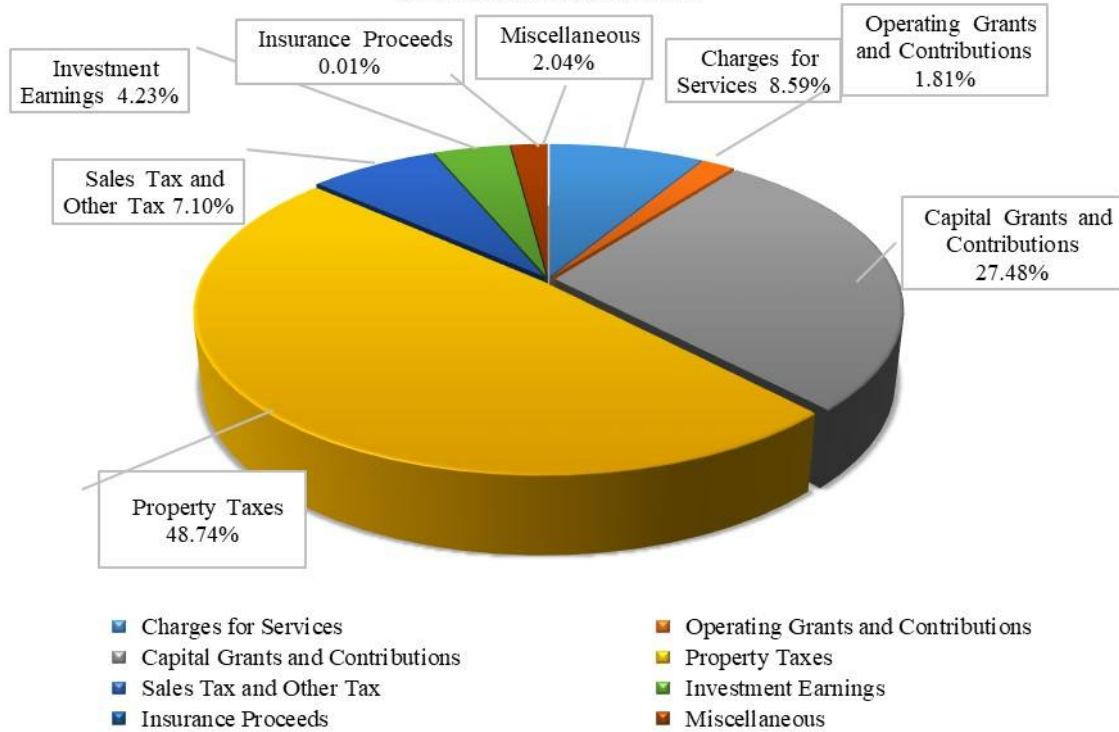
	Governmental Activities	
	2025	2024
<b>Revenues</b>		
<b>Program Revenues:</b>		
Charges for Services	\$ 4,860,586	\$ 4,500,365
Operating Grants and Contributions	1,025,422	1,579,463
Capital Grants and Contributions	15,548,687	3,584,611
General Revenues:		
Property Taxes	27,575,609	26,679,319
Sales Tax and Other Tax	4,014,548	3,740,434
Investment Earnings	2,392,670	1,870,990
Insurance Proceeds	7,522	2,376
Miscellaneous	1,154,112	1,102,613
<b>Total Revenues</b>	<u>56,579,156</u>	<u>43,060,171</u>
<b>Expenses:</b>		
General Government	6,653,573	6,218,992
Judicial	3,918,916	2,519,720
Legal	1,763,829	1,681,793
Financial Administration	3,115,046	2,677,233
Public Facilities	1,040,459	686,484
Public Safety	12,636,608	10,189,844
Public Transportation	6,942,630	5,872,320
Environmental Protection	329,835	243,546
Health and Welfare	993,105	1,279,107
Conservation - Agriculture	210,479	210,963
Interest on Long-Term Debt	994,491	403,853
<b>Total Expenses</b>	<u>38,598,971</u>	<u>31,983,855</u>
Increase (Decrease) in Net Position	<u>17,980,185</u>	<u>11,076,316</u>
<b>Net Position at Beginning of Year</b>	62,318,328	51,242,012
<b>Prior Period Adjustment</b>	(743,311)	-
<b>Net Position at End of Year</b>	<u>\$ 79,555,202</u>	<u>\$ 62,318,328</u>

**Expenditures.** The total cost of all programs and services was \$38.6 million (see Figure A-3).



- General Government includes County Court, Commissioners’ Court, County Clerk, Information Technology, Non Departmental, Human Resources, County Auditor, Treasurer, Tax Office, Maintenance, and Airport.
- Judicial includes County Judge, County Court at Law, Court Compliance, District Courts, Crime Victims’ Rights, District Attorneys, District Clerk, Justice of the Peace, County Attorney, Juvenile Probation, and Adult Probation.
- Legal includes the County Law Library.
- Financial Administration includes the Treasurer and Auditor’s Offices.
- Public Facilities includes Jail and Juvenile Detention.
- Public Safety includes Constables, Sheriff and Department of Public Safety.
- Public Transportation includes roads and bridges.
- Environmental Protection includes Environmental Health
- Health and Welfare includes Health & Emergency Services, Animal Control, Fire Protection and Indigent Health.
- Conservation includes Agriculture

**Figure A-4 County Revenues  
for Fiscal Year 2024**



**Revenues.** The County’s total revenues were \$56.6 million. A significant portion, 55.8%, of the County’s revenue comes from taxes, including primarily property tax and sales tax. (See Figure A-4.) Other revenue sources include 27.5% from capital grants and contributions.

**Changes in Net Position.** Table A-3 presents the cost of each of the County’s largest functions as well as each function’s net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$38.6 million.
- However, the amount that our taxpayers paid for these activities through property taxes was \$27.6 million and \$4.0 million through sales tax.
- The cost paid by those who directly benefited from the programs was \$4.9 million.
- The total received by the County for grants and contributions was \$16.6 million.

**Table A-3**  
Net Cost of Selected County Functions

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
General Government	\$ 6,653,573	\$ 6,218,992	\$ 9,914,398	\$ (1,881,253)
Judicial	3,918,916	2,519,720	(1,573,473)	(198,381)
Legal	1,763,829	1,681,793	(1,740,706)	(1,655,250)
Financial Administration	3,115,046	2,677,233	(3,095,808)	(2,648,322)
Public Facilities	1,040,459	686,484	(1,040,459)	(686,484)
Public Safety	12,636,608	10,189,844	(12,351,843)	(9,852,651)
Public Transportation	6,942,630	5,872,320	(6,803,410)	(5,136,539)
Environmental Protection	329,835	243,546	1,725,100	1,633,387
Health and Welfare	993,105	1,279,107	(993,105)	(1,279,107)
Conservation - Agriculture	210,479	210,963	(210,479)	(210,963)
Interest and Bond Issuance Costs	994,491	403,853	(994,491)	(403,853)

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balance approximating \$96.3 million, an increase of \$57.9 million in comparison with the prior year. This is due to the bond issued in the amount of \$53.5 million.

The County's major general governmental funds are contained in the General Fund, Unit Road Fund, COVID Relief Program (ARPA) Fund, Capital Projects Fund, Grants and 2025 Road Bond. The 2025 Road Bond is a new major fund in the current year.

**General Fund.** The General Fund is the chief operating fund of the County. The total fund balance for general fund was \$26.1 million with the unassigned fund balance of the General Fund at \$26.0 million.

As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance to total general fund expenditures. Unassigned fund balance for fiscal year 2025 represents 95% of total General Fund actual expenditures. This significant fund balance to total expenditure ratio indicates a healthy financial position.

Expenditures in the General Fund increased by approximately \$1.8 million or about 7% over the prior year. Increases in the majority of functions are a result of an across the board cost of living pay increase and increased expenditures in different classifications as needed. Judicial however, increased by over \$1 million from the prior year which represents transfers out to agency funds.

**Unit Road Fund.** The Unit Road Fund is the primary fund responsible for maintaining County roads. At the end of the current fiscal year, the fund balance in the Unit Road Fund was \$3.6 million.

**Capital Projects Fund.** The Capital Projects Fund accounts for disbursements for the County's major projects.

**COVID Relief Program (ARPA) Fund.** This fund consists of funds received from the Federal Government for infrastructure and other COVID related items.

**Grants Fund.** This fund accounts for grant revenues from various sources.

**2025 Road Bond.** This fund was established in fiscal year 2025 to account for \$53.5 million General Obligation Bonds to fund infrastructure projects.

### Budgetary Highlights

The County revised its original budget for the general fund several times to adjust for changes resulting in an overall increase of \$151 thousand in expenses. As part of the budget revisions, the largest expenditures increase was in financial administration. This increase was to ensure adequate support for the growing computer support and outside services needs.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2025, the County had invested \$91.0 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.) This amount represents a net increase (including additions and deductions) of \$17.7 million or 24% percent more than last year.

**Table A-4**  
County's Capital Assets

	Governmental Activities	
	2025	2024
Land	\$ 1,328,369	\$ 886,927
Infrastructure	21,903,449	17,903,449
Buildings and Improvements	32,303,155	32,303,155
Equipment, Machinery and Furniture	16,878,717	16,223,351
Construction In Progress	18,567,661	5,927,529
Totals at Historical Cost	<u>90,981,351</u>	<u>73,244,411</u>
Total Accumulate Depreciation	<u>(40,188,293)</u>	<u>(38,288,890)</u>
Net Capital Assets	<u>\$ 50,793,058</u>	<u>\$ 34,955,521</u>

Note: More detailed information on capital assets can be found in the notes to the financial statements (NOTE F – CAPITAL ASSETS).

### Long Term Debt

At year-end the County had \$68.2 million in bonds and notes outstanding as shown in Table A-5.

**Table A-5**  
County's Long Term Debt

	Governmental Activities	
	2025	2024
Limited Tax Refund Bonds, Series 2014	\$ 4,145,000	\$ 4,665,000
Combined Limited Pledged Revenue Certificates of Obligation, Series 2018	5,720,000	5,815,000
Limited Tax Refunding Bonds, Series 2019	765,000	1,275,000
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020	2,065,000	2,255,000
General Obligation Bonds, Series 2025	53,495,000	-
Notes Payable	2,024,483	2,106,600
Total Outstanding Debt	<u>\$ 68,214,483</u>	<u>\$ 14,010,000</u>

#### Bond Ratings

The County's bonds presently carry "AA" ratings with underlying ratings as follows: Standard & Poors "AA".

Note: More detailed information on long-term debt can be found in the notes to the financial statements (NOTE G – LONG-TERM DEBT).

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

With several major developments planned for the area, Caldwell County is poised for continued 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.

Caldwell County is experiencing the same economic issues that other counties are in the state of Texas with Senate Bill 2 and continued population growth. These two major concerns will have to be taken into consideration when working with the FY 2026 budget.

Some key factors to consider in the upcoming future budgets:

With anticipated growth in the rural areas of Caldwell County there will be significant needs throughout the County.

Caldwell County is proactively preparing by strategically planning through a budget-neutral energy savings performance contracting program that will have a positive impact on major improvements for facilities County-wide.

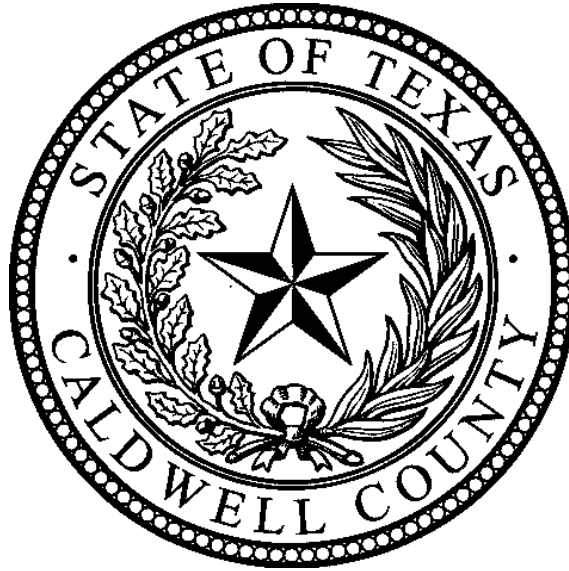
Other strategic planning will be aligned with performance measures on departmental budgets assisting in the accountability of overall performance and maintenance of budget versus actual revenues and/or expenditures within budgets to assist in maintaining the above factors.

Caldwell County continues funding Unit Road's new projects such as repairs of bridges and mowing contracts. Caldwell County fleet funding mechanism needs are maintained through a systematic retention and replacement of county wide vehicles.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Auditor's Office at:

Caldwell County, Texas  
Office of County Auditor  
Main Historic Courthouse  
110 South Main  
Caldwell, Texas 78644  
(512) 398-1801



CALDWELL COUNTY, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2025

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – wide financial statements
- Fund financial statements:
  - Governmental funds
  - Fiduciary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

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

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 98,558,673
Receivables (net of allowances for uncollectible):	
Taxes	3,494,253
Fines	823,566
Sales Tax	641,618
Intergovernmental	4,317,200
Accounts Receivable	14,111
Prepaid Items	75,074
Inventory	14,050
Right of Use Asset	1,088,479
Capital Assets:	
Land	1,328,369
Infrastructure, net	7,411,082
Buildings, net	19,711,019
Machinery and Equipment, net	3,774,927
Construction in Progress	18,567,661
Net Pension Asset	747,564
<b>TOTAL ASSETS</b>	<b>160,567,646</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Pension Related	1,094,474
Deferred Outflows - Charge on Refunding	41,791
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,136,265</b>

See accompanying notes to basic financial statements.

CALDWELL COUNTY, TEXAS  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2025

	Governmental Activities
<b>LIABILITIES</b>	
Accounts Payable	\$ 3,978,387
Developer Deposits	337,850
Wages, Salaries & Benefits Payable	1,823,347
Interest Payable	554,093
Unearned Grant Revenue	4,396
Due to Other Governments	1,407,039
<i>Noncurrent Liabilities:</i>	
Due Within One Year	1,956,220
Due in More Than One Year	70,263,130
Compensated Absences Due in One Year	150,654
Compensated Absences Due in More than One Year	1,355,890
<b>TOTAL LIABILITIES</b>	<b>81,831,006</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows - Pension Related	317,703
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>317,703</b>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	34,266,392
Restricted Net Position:	
Debt Service	1,236,743
Road and Bridge Maintenance	3,578,217
Judicial	116,563
Legal	40,436
Public Safety	350,963
Records Management	726,086
Sheriff	2,969
Unrestricted Net Position	39,236,833
<b>TOTAL NET POSITION</b>	<b>\$ 79,555,202</b>

See accompanying notes to basic financial statements.

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

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General Government	\$ 6,653,573	\$ 270,276	\$ 775,650	\$ 15,522,045
Judicial	3,918,916	2,168,991	176,452	-
Legal	1,763,829	23,123	-	-
Financial Administration	3,115,046	19,238	-	-
Public Facilities	1,040,459	-	-	-
Public Safety	12,636,608	211,445	73,320	-
Public Transportation	6,942,630	112,578	-	26,642
Environmental Protection	329,835	2,054,935	-	-
Health and Welfare	993,105	-	-	-
Conservation - Agriculture	210,479	-	-	-
Interest and Bond Issuance Costs	994,491	-	-	-
<b>Total Governmental Activities</b>	<u>\$ 38,598,971</u>	<u>\$ 4,860,586</u>	<u>\$ 1,025,422</u>	<u>\$ 15,548,687</u>
<b>General Revenues:</b>				
Taxes				
General Property Taxes				
Unit Road Property Taxes				
Sales Taxes				
Interest and Investment Earnings				
Insurance Proceeds				
Miscellaneous				
<b>Total General Revenues</b>				
 <b>Change in Net Position</b>				
 <b>Net Position at Beginning of Year</b>				
Prior Period Adjustment				
 <b>Net Position at End of Year</b>				

See accompanying notes to basic financial statements.

Net (Expense)  
Revenue and  
Changes in  
Net Position

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Governmental  
Activities

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\$ 9,914,398  
(1,573,473)  
(1,740,706)  
(3,095,808)  
(1,040,459)  
(12,351,843)  
(6,803,410)  
1,725,100  
(993,105)  
(210,479)  
(994,491)  

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(17,164,276)

27,090,724  
484,885  
4,014,548  
2,392,670  
7,522  
1,154,112  

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35,144,461

17,980,185  
  
62,318,328  
  

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(743,311)

\$ 79,555,202

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

	MAJOR FUNDS		
	General Fund	Capital Projects	Unit Road Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 30,989,234	\$ 3,158,809	\$ 2,176,014
Restricted Cash	-	-	-
Taxes Receivable, net	3,219,209	-	488
Fines Receivables, net	823,566	-	-
Sales Tax Receivable	641,618	-	-
Intergovernmental Receivables	-	-	4,587
Accounts Receivables	14,111	-	-
Due from Other Funds	534,089	11,367	2,120,525
Inventories	-	-	14,050
Prepaid Items	63,213	-	-
	\$ 36,285,040	\$ 3,170,176	\$ 4,315,664
<b>TOTAL ASSETS</b>	<b>\$ 36,285,040</b>	<b>\$ 3,170,176</b>	<b>\$ 4,315,664</b>

See accompanying notes to basic financial statements.

MAJOR FUNDS

<u>COVID Relief Program ARPA Fund</u>	<u>Grants Fund</u>	<u>2025 Road Bond</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 462,297	\$ 3,702,952	\$ -	\$ 2,064,470	\$ 42,553,776
-	-	55,962,765	42,132	56,004,897
-	-	-	274,556	3,494,253
-	-	-	-	823,566
-	-	-	-	641,618
-	4,286,783	-	25,830	4,317,200
-	-	-	-	14,111
-	724,066	-	253,152	3,643,199
-	-	-	-	14,050
-	-	-	11,861	75,074
<u>\$ 462,297</u>	<u>\$ 8,713,801</u>	<u>\$ 55,962,765</u>	<u>\$ 2,672,001</u>	<u>\$ 111,581,744</u>

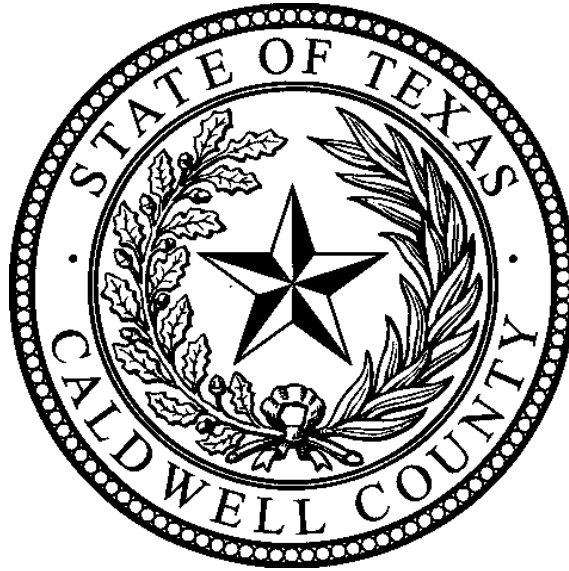
CALDWELL COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
SEPTEMBER 30, 2025

	MAJOR FUNDS		
	General Fund	Capital Projects	Unit Road Fund
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 1,217,013	\$ 743	\$ 380,790
Developer Deposits	-	-	342,607
Accrued Liabilities and other Payables	591,789	-	-
Due to Other Governments	1,407,039	-	-
Due to Other Funds	3,119,845	-	-
Unearned Grant Revenue	20	-	-
<i>Total Liabilities</i>	6,335,706	743	723,397
<i>Deferred Inflows of Resources</i>			
Deferred Tax Revenue	3,040,812	-	483
Deferred Fine Revenue	823,566	-	-
<i>Total Deferred Inflows of Resources</i>	3,864,378	-	483
<i>Fund Balances:</i>			
Nonspendable Fund Balance:			
Prepaid Items/Inventory	63,213	-	14,050
Restricted Fund Balance:			
Debt Service	-	-	-
Capital Projects	-	3,169,433	-
Road and Bridge Maintenance	-	-	3,577,734
Judicial	-	-	-
Legal	-	-	-
Public Safety	-	-	-
Records Management	-	-	-
Sheriff	-	-	-
Law Library	-	-	-
Unassigned Fund Balance	26,021,743	-	-
<i>Total Fund Balances</i>	26,084,956	3,169,433	3,591,784
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; FUND BALANCES</b>	<b>\$ 36,285,040</b>	<b>\$ 3,170,176</b>	<b>\$ 4,315,664</b>

See accompanying notes to basic financial statements.

MAJOR FUNDS

COVID Relief Program ARPA Fund	Grants Fund	2025 Road Bond	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 239	\$ 1,860,372	\$ 516,848	\$ 2,382	\$ 3,978,387
-	-	-	-	342,607
-	1,226,801	-	-	1,818,590
-	-	-	-	1,407,039
2,516	426,471	-	94,367	3,643,199
-	4,376	-	-	4,396
<u>2,755</u>	<u>3,518,020</u>	<u>516,848</u>	<u>96,749</u>	<u>11,194,218</u>
-	-	-	259,825	3,301,120
-	-	-	-	823,566
-	-	-	259,825	<u>4,124,686</u>
-	-	-	11,861	89,124
-	-	-	976,918	976,918
-	5,195,781	55,445,917	-	63,811,131
-	-	-	-	3,577,734
-	-	-	116,563	116,563
-	-	-	40,436	40,436
-	-	-	350,963	350,963
-	-	-	726,086	726,086
-	-	-	2,969	2,969
-	-	-	89,631	89,631
459,542	-	-	-	26,481,285
<u>459,542</u>	<u>5,195,781</u>	<u>55,445,917</u>	<u>2,315,427</u>	<u>96,262,840</u>
<u>\$ 462,297</u>	<u>\$ 8,713,801</u>	<u>\$ 55,962,765</u>	<u>\$ 2,672,001</u>	<u>\$ 111,581,744</u>



CALDWELL COUNTY, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2025

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$	96,262,840
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			50,793,058
Right of Use Leased Assets used in governmental activities are not financial resources and therefor are not reported the the funds			1,088,479
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			4,124,686
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.			
Deferred Outflows - Charge on Refunding	41,791		
Accrued Compensated Absences	(1,506,544)		
Accrued Interest	(554,093)		
Bonds, Notes Payable and Premium Payable	<u>(72,219,350)</u>		(74,238,196)
The governmental funds report pension and other post employment benefit contributions as expenditures when paid. However, in the statement of activities differences between pension plan and other post employment benefit contributions and costs for the year are reported as an asset or obligation.			
Net Pension Asset (Liability)	747,564		
Deferred Outflows - Pension Related	1,094,474		
Deferred Inflows - Pension Related	<u>(317,703)</u>		<u>1,524,335</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		\$	<u><u>79,555,202</u></u>

See accompanying notes to basic financial statements.

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

	MAJOR FUNDS		
	General Fund	Capital Projects	Unit Road Fund
<b>REVENUES</b>			
Taxes:			
Property Taxes	\$ 24,565,707	\$ -	\$ 5,878
Other Taxes	3,927,327	-	-
Intergovernmental Revenue	375,691	-	26,642
Fees of Office	1,186,706	-	-
Fines	911,547	-	-
Licenses and Permits	2,074,198	-	591,574
Investment Earnings	1,508,861	178,747	116
Miscellaneous Revenue	553,242	9,555	480,457
<b>TOTAL REVENUES</b>	<b>35,103,279</b>	<b>188,302</b>	<b>1,104,667</b>
<b>EXPENDITURES</b>			
General Administration	5,585,768	-	-
Judicial	3,607,800	-	-
Legal	1,729,739	-	-
Financial Administration	2,957,609	-	-
Public Facilities	1,081,961	-	-
Public Safety	10,407,059	-	-
Public Transportation	323,851	-	5,669,748
Environmental Protection	291,465	-	-
Health and Welfare	593,796	-	-
Conservation - Agriculture	207,571	-	-
Capital Outlay	732,949	264,903	463,596
Debt Service:			
Principal	363,505	-	19,020
Interest and Fiscal Charges	58,313	-	12,222
<b>TOTAL EXPENDITURES</b>	<b>27,941,386</b>	<b>264,903</b>	<b>6,164,586</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>\$ 7,161,893</b>	<b>\$ (76,601)</b>	<b>\$ (5,059,919)</b>

See accompanying notes to basic financial statements.

MAJOR FUNDS

COVID Relief Program ARPA Fund	Grants Fund	2025 Road Bond	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,141,108	\$ 26,712,693
-	-	-	-	3,927,327
-	14,412,692	-	75,151	14,890,176
1,999,298	-	-	494,304	3,680,308
-	-	-	-	911,547
-	-	-	-	2,665,772
-	246	607,443	97,256	2,392,669
-	-	-	36,103	1,079,357
<u>1,999,298</u>	<u>14,412,938</u>	<u>607,443</u>	<u>2,843,922</u>	<u>56,259,849</u>
-	9,040	-	806,092	6,400,900
-	235,940	-	2,004	3,845,744
-	-	-	-	1,729,739
-	-	-	-	2,957,609
-	-	-	-	1,081,961
35,360	347,758	-	35,103	10,825,280
-	-	-	-	5,993,599
-	-	-	-	291,465
23,514	34,535	-	-	651,845
-	-	-	-	207,571
2,090,735	14,146,937	937,348	-	18,636,468
-	-	-	-	-
-	-	-	1,397,116	1,779,641
-	-	-	479,336	549,871
<u>2,149,609</u>	<u>14,774,210</u>	<u>937,348</u>	<u>2,719,651</u>	<u>54,951,693</u>
<u>\$ (150,311)</u>	<u>\$ (361,272)</u>	<u>\$ (329,905)</u>	<u>\$ 124,271</u>	<u>\$ 1,308,156</u>

CALDWELL COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	MAJOR FUNDS		
	General Fund	Capital Projects	Unit Road Fund
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	\$ 240,984	\$ 22,511	\$ 4,925,826
Transfers Out	(5,547,631)	-	-
Insurance Proceeds	7,522	-	-
Lease Proceeds	654,270	-	123,358
Proceeds from Bond Issuance	-	-	-
Cost of Issuance	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,644,855)</b>	<b>22,511</b>	<b>5,049,184</b>
Net Change in Fund Balance	2,517,038	(54,090)	(10,735)
Fund Balances at Beginning of Year	23,567,918	3,223,523	3,602,519
Fund Balances at End of Year	<u>\$ 26,084,956</u>	<u>\$ 3,169,433</u>	<u>\$ 3,591,784</u>

See accompanying notes to basic financial statements.

MAJOR FUNDS

COVID Relief Program ARPA Fund	Grants Fund	2025 Road Bond	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 599,294	\$ 5,788,615
-	(214,884)	-	(26,100)	(5,788,615)
-	-	-	-	7,522
-	-	-	-	777,628
-	-	56,316,821	-	56,316,821
-	-	(540,999)	-	(540,999)
-	(214,884)	55,775,822	573,194	56,560,972
(150,311)	(576,156)	55,445,917	697,465	57,869,128
609,853	5,771,937	-	1,617,962	38,393,712
<u>\$ 459,542</u>	<u>\$ 5,195,781</u>	<u>\$ 55,445,917</u>	<u>\$ 2,315,427</u>	<u>\$ 96,262,840</u>

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, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 57,869,128

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Current Year Additions	18,636,468	
Current Year Amortization	(819,222)	
Current Period Depreciation	<u>(2,021,303)</u>	15,795,943

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in Property Taxes Receivable Not Collected within 60 Days of Year End	382,653	
Accrued District and County Court Fines Receivable	<u>36,424</u>	419,077

The issuance of long-term-debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Proceeds from Bond Issuance	(56,316,821)	
Proceeds from Lease Issuance	(777,628)	
Bond Principal Payments and Notes Payable Payments	1,779,642	
Amortization of Premium	<u>22,599</u>	(55,292,208)

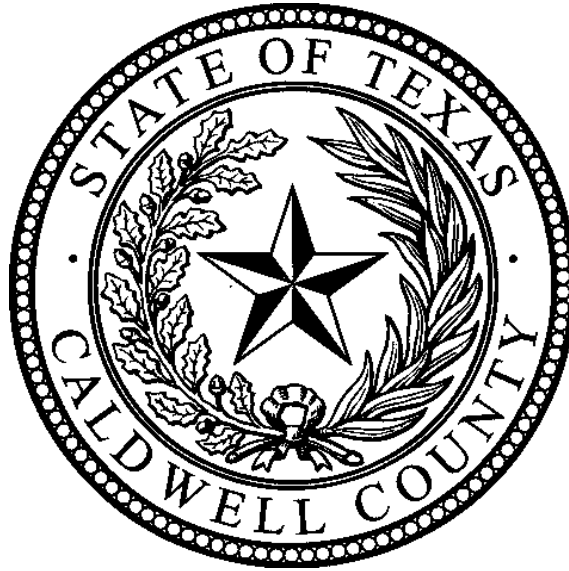
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	(145,854)	
Amortization of Charge on Refunding	(3,800)	
Interest Payable	<u>(483,578)</u>	(633,232)

Governmental funds report required contributions to employee pensions as expenditures. However, in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that the actuarially determined contributions exceeded pension expense.

(178,523)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 17,980,185



CALDWELL COUNTY, TEXAS  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2025

	Custodial Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 5,688,190
Intergovernmental Revenues	349,407
<b>TOTAL ASSETS</b>	<b>\$ 6,037,597</b>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 78,170
Due to Others	688
<b>TOTAL LIABILITIES</b>	78,858
 <b>NET POSITION</b>	
Restricted for:	
Individuals, Organizations and other Governments	5,958,739
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 6,037,597</b>

See accompanying notes to basic financial statements.

CALDWELL COUNTY, TEXAS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
SEPTEMBER 30, 2025

	Custodial Funds
<b>ADDITIONS</b>	
Tax Collections	\$ 293,955
Fees of Office	18,201,618
Receipts from Fiduciaries	125,504
Miscellaneous	22,562
<b>TOTAL ADDITIONS</b>	<b>18,643,639</b>
 <b>DEDUCTIONS</b>	
Payments to County	2,311,479
Payments to Other Governments	8,939,893
Payments to Beneficiaries	6,178,793
Other Distributions	65,409
<b>TOTAL DEDUCTIONS</b>	<b>17,495,574</b>
 Net Increase in Fiduciary Net Position	 1,148,065
 Beginning Net Position	 4,810,674
Ending Net Position	\$ 5,958,739

See accompanying notes to basic financial statements.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The more significant of the County's accounting policies are described below:

1. REPORTING ENTITY

*Primary Government*

Caldwell County (the County) is a public corporation and political subdivision of the State of Texas. The Commissioners' Court, which is made up of four commissioners and the County Judge, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: general government (e.g. administration, judicial & legal, elections administration, and financial administration), public safety (fire protection, law enforcement and corrections), infrastructure (highways and streets), social services and conservation.

In evaluating how to define the government, for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, "The Financial Reporting Entity". The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

The **government-wide financial statements** include the statement of net assets and the statement of activities. Government-wide statements report information on all of the activities of the County (except for County fiduciary activity). The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and charges for services.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 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 in program revenues are reported as general revenues.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Separate **fund financial statements** are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund, Unit Road (Special Revenue) Fund, COVID Relief Program (ARPA) Fund, Capital Projects Fund, Grants Fund, and 2025 Road Bond Fund meet the criteria as **major governmental funds**. Each major fund is reported in separate columns in the fund financial statements. Nonmajor funds include other Special Revenue and Debt Service funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for nonmajor funds are presented within Combining Fund Statements and Schedules.

3. 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. This measurement focus is also used for the proprietary 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. Major revenue types, which have been accrued, are revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

**Governmental fund level financial statements** are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue. However, sales tax is considered collectible for only 30 days.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued.)

The government reports the following major governmental funds:

**The General Fund** is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, social services, and capital Projects.

**Unit Road Fund** accounts for taxes assessed, along with fines and forfeitures associated with the support of the development and maintenance of County highways, streets and bridges.

**COVID Relief Program (ARPA) Fund.** This fund consists of funds received from the Federal Government for infrastructure and other COVID related items.

**Capital Projects Fund** accounts for money transferred from the general fund and the bond proceeds to account for construction projects.

**Grants Fund.** accounts for grant revenues from various sources.

**2025 Road Bond Fund** accounts for \$53.5 million in general Obligation Bonds, to fund infrastructure projects

Nonmajor funds include special revenue and debt service funds.

**Fiduciary fund level financial statements** are used to account for resources held on behalf of others. These include fiduciary funds which are classified into private purpose trust and agency funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature.

4. CASH AND INVESTMENTS

Cash and investments include amounts in demand deposits, short-term certificates of deposit with a maturity date within three months of the date acquired by the government, and deposits in local government investment pools.

State statutes authorize the government to invest in obligations of the U.S. Government, federal agency and instrumentality obligations, and certificates of deposit collateralized by obligations of the U.S. Treasury. Investments are stated at amortized cost, except for deposits in local government investment pools and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

4. CASH AND INVESTMENTS (Continued)

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

5. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 and become due October 1st and past due after January 31st. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

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

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred inflows of resources in the fund statements. Receivables are shown net of an allowance for uncollectibles.

6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements.

7. INVENTORIES AND PREPAID ITEMS

Inventories of consumable supplies are valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and in the fund financial statements are offset by a reservation of fund balance which indicates they do not represent "available spendable resources".

CALDWELL COUNTY, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2025

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

8. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets, such as equipment, are defined as assets with a cost of \$5,000 or more. Infrastructure assets include County-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs 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. Interest has not been capitalized during the construction period on property, plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

ASSETS	YEARS
Buildings and improvements	50 years
Improvements	20 years
Infrastructure	30 years
Machinery and equipment	5 to 10 years

9. DEFERRED INFLOWS/OUTFLOWS

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category: deferred pension related costs which will be included in the subsequent actuarial valuation.

*Deferred inflows of resources* represents an Projects of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. The County has deferred pension in OPEB related revenues which will be included in subsequent actuarial valuation. Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Unavailable revenues from property tax and court fines is deferred and recognized as an inflow of resource in the period the amounts become available.

10. COMPENSATED ABSENCES

Full-time employees earn sick and vacation leave at varying rates depending on length of service. Unused sick leave is not paid upon termination however an estimate of sick leave to be used has been accrued in these financial statements under the implementation of GASB 101. Vacation leave is paid upon termination; however, only up to 240 hours for regular employees and 360 hours for law enforcement will be paid upon termination.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

10. COMPENSATED ABSENCES (Continued)

Effective October 1, 2024, the County implemented the provisions of GASB Statement No. 101, Compensated Absences. The implementation of GASB 101 resulted in a material change to the County's compensated absences liability. Under GASB 101, compensated absences are recognized based on an estimate of leave that is more likely than not to be paid or taken as leave. The County uses the first-in, first-out flow assumption to determine the liability.

Vested or accumulated compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay them. In proprietary funds and in the government-wide statements, vested or accumulated compensated absences are accrued as earned and reported as an expense and liability as the benefits accrue to employees. At September 30, 2025, accumulated compensated absences of \$1,506,544 have been recorded in accrued liabilities of the Governmental Activities.

11. UNEARNED REVENUE

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues received in advance of expenses/expenditures are reflected as unearned revenue.

12. INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

13. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. On new bond issues, bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

14. PENSIONS

The net pension liability, deferred outflows related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS), and additions to and deductions from TCDRS' fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. FUND EQUITY

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – pre-paid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Commissioners' Court – the government's highest level of decision making authority. The Commissioners' Court is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (by adoption of another resolution) to remove or revise the limitation.

Assigned fund balance. This classification reflects the amounts constrained by the County's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed. Assigned fund balances are established by the County commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of property and equipment, construction, debt service or other purposes.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

15. FUND EQUITY (Continued)

When both restricted and unrestricted resources are available for use, it is the County's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

16. NET POSITION

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the Projects, construction or improvements of those assets, and adding back unspent proceeds. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

17. USE OF ESTIMATES

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

18. RECLASSIFICATIONS

Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 financial statement presentation. The reclassifications had no effect on the changes in financial position.

**NOTE B - DEPOSITS AND INVESTMENTS**

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledge securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE B - DEPOSITS AND INVESTMENTS (Continued)**

State statutes authorize the County to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) 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; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d).

Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. Investments in local government investment pools are reported at amortized cost, which approximates fair value. All investments are valued at fair value.

The County investments are as follows:

	Fair Value	Days to Maturity
Logic (Government Sponsored Investment Pool)	\$ 6,110,766	49
Texas Class (Government Sponsored Investment Pool)	27,605,937	41
TexPool (Local Government Investment Pool)	57,374,747	36
Total	\$ 91,091,450	42

*Investment Rate Risk.* The County manages investment rate risk by limiting the weighted average maturity of its investments to less than one year.

*Credit Risk.* The County’s investment policy limits investments to obligations of the United States or its instrumentalities; direct obligation of the State of Texas, the principle and interest that are unconditionally guaranteed or insured by this state or state rated as to investment quality of not less than AAA by a nationally recognized investment rating firm.

The County may also invest its funds in state law authorized government investment pools provided the pool maintains an AAA rating, the pool maintains a stable asset value, and the average dollar weighted maturity does not exceed 90 days, and Commissioners’ Court must approve of the investment. As of September 30, 2025, the investments were rated AAAM.

The County may also invest in certificates of deposit or share certificates issued by a depository institution which has its main office or a branch office in this state and is guaranteed or insured by FDIC or the NCUSIC, or is secured by collateral or other method provided for by state law.

*Custodial Credit Risk - Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government’s deposits may not be returned to it.

*Custodial Credit Risk - Investment.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2025, the County’s investments were held in government investment pools.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE C – RECEIVABLES**

Receivables consist of the following as of September 30, 2025:

	General	Unit Road Fund	Grants	Nonmajor Governmental Funds
Delinquent Property Taxes Receivable	\$ 3,499,186	\$ 530	\$ -	\$ 298,430
Property Tax Allowance	(279,977)	(42)	-	(23,874)
Court Fines and Fees Receivable	16,471,313	-	-	-
Court Fines and Fees Allowance	(15,647,747)	-	-	-
Sales Tax Receivable	641,618	-	-	-
Intergovernmental Receivables	-	4,587	4,286,783	25,830
Accounts Receivable	14,111	-	-	-
	<u>\$ 4,698,504</u>	<u>\$ 5,075</u>	<u>\$ 4,286,783</u>	<u>\$ 300,386</u>

**NOTE D – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables at September 30, 2025 consisted of the following:

	Receivable	Payable	Purpose
General Fund	\$ 534,089	\$ 3,119,845	Current Year Cash Reimbursements
Capital Projects	11,367	-	Current Year Cash Reimbursements
Unit Fund	2,120,525	-	Current Year Cash Reimbursements
COVID Relief Program (ARPA) Fund	-	2,516	Current Year Cash Reimbursements
Grants Funds	724,066	426,471	Current Year Cash Reimbursements
Nonmajor Fund	253,152	94,367	Current Year Cash Reimbursements
	<u>\$ 3,643,199</u>	<u>\$ 3,643,199</u>	

Interfund transfers at September 30, 2025 consisted of the following:

Transfer Out	Transfer In	Transfers	Purpose
General Fund	Unit Road Fund	\$ 4,925,826	Budgeted Transfer for Projects
General Fund	Nonmajor Funds	621,805	Budgeted Transfer for Projects
Nonmajor Funds	General Fund	26,100	Budgeted Transfer for Projects
Grant Funds	General Fund	214,884	Budgeted Transfer for Projects
	Total	<u>\$ 5,788,615</u>	

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE E - PROPERTY TAX CALENDAR**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are payable in full by the following January 31. The County bills and collects its own property taxes and also the taxes for several other taxing agencies. The County acts only as an intermediary in the collection and distribution of property taxes to other entities. Tax collections deposited for the County are distributed as collected to the General, Unit Road and Debt Service Funds of the County. The distribution is based upon the tax rate established for each fund by Commissioners' Court for the tax year for which the collections are made.

The County is authorized by the tax laws for the State of Texas to levy taxes up to .80 per \$100 of the assessed valuation for general government invoices and the payment of principal and interest on certain permanent improvement long-term debt. Taxes may be levied in unlimited amounts for the payment of principal and interest on road bond long-term debt issued under article 3, Section 52 of the Texas Constitution. Net taxes receivable at the end of the fiscal year are treated as deferred outflows of resources.

The combined tax rate assessed on the 2024 tax roll (Caldwell County and Farm to Market Road) to finance operations and debt service for the fiscal year ended September 30, 2025, was \$.4391 per \$100 assessed valuation. The total tax levy for the fiscal year 2025 was \$26,439,321 of which \$2,521,284 remained outstanding in delinquent taxes as of September 30, 2025.

**NOTE F – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2025, was as follows:

<u><i>Governmental Activities</i></u>	Balance 10/1/2024	Additions/ Transfers	Disposals/ Transfers	Balance 9/30/25
<i>Capital Assets Not Depreciated:</i>				
Construction in Progress	\$ 5,927,529	\$ 15,317,632	\$ (2,677,500)	\$ 18,567,661
Land	886,927	441,442	-	1,328,369
<i>Total Capital Assets Not Depreciated</i>	<u>6,814,456</u>	<u>15,759,074</u>	<u>(2,677,500)</u>	<u>19,896,030</u>
<i>Capital Assets Being Depreciated:</i>				
Infrastructure	17,903,449	1,322,500	2,677,500	21,903,449
Buildings and Improvements	32,303,155	-	-	32,303,155
Equipment, Machinery and Furniture	16,223,351	777,266	(121,900)	16,878,717
<i>Total Capital Assets Depreciated</i>	<u>66,429,955</u>	<u>2,099,766</u>	<u>2,555,600</u>	<u>71,085,321</u>
Totals at Historical Cost	<u>73,244,411</u>	<u>17,858,840</u>	<u>(121,900)</u>	<u>90,981,351</u>
<i>Less Accumulated Depreciation:</i>				
Infrastructure	(14,147,211)	(345,156)	-	(14,492,367)
Buildings and Improvements	(11,904,968)	(687,168)	-	(12,592,136)
Equipment	(12,236,711)	(988,979)	121,900	(13,103,790)
<i>Total Accumulated Depreciation</i>	<u>(38,288,890)</u>	<u>(2,021,303)</u>	<u>121,900</u>	<u>(40,188,293)</u>
Governmental Capital Assets, Net	<u>\$ 34,955,521</u>	<u>\$ 15,837,537</u>	<u>\$ -</u>	<u>\$ 50,793,058</u>

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE F – CAPITAL ASSETS (Continued)**

<i>Right of Use Lease Assets</i>	Balance 10/1/2024	Additions/ Transfers	Disposals/ Transfers	Balance 9/30/25
Leased Vehicles	\$ 2,840,225	\$ 777,628	\$ (1,779,399)	\$ 1,838,454
Accumulated Amortization	(1,710,152)	(819,222)	1,779,399	(749,975)
 <i>Right of Use Lease Assets, Net</i>	 \$ 1,130,073	 \$ (41,594)	 \$ -	 \$ 1,088,479

Depreciation was charged to the governmental functions as follows:

General Government	\$ 282,840
Judicial	229,782
Public Facilities	72,904
Public Safety	529,677
Public Transportation	892,840
Environmental Protection	8,485
Conservation - Agriculture	4,386
Financial Administration	389
Total Depreciation Expense - Governmental Activities	<u>\$ 2,021,303</u>

**NOTE G - LONG-TERM DEBT**

The County issued \$53,495,000 in General Obligation Bonds, Series 2025, dated July 1, 2025, to finance road and infrastructure improvements and to pay costs of issuance. The bonds bear interest at rates ranging from 5.00% to 5.25% and mature serially on February 1 in the years 2027 through 2048, with a term bond maturing on February 1, 2050. Interest is payable semiannually on February 1 and August 1, beginning February 1, 2026. The bonds are secured by a continuing direct annual ad valorem tax levied on all taxable property within the County, within the limits prescribed by law. The County reserves the option to redeem the bonds beginning February 1, 2035, at par plus accrued interest.

The State Infrastructure Bank (SIB) loan was disbursed to the County on August 21, 2024 for \$2,106,600. The County covenants and agrees to repay the SIB loan from ad valorem tax revenues and to maintain a sinking fund equivalent to 2% of the original principal amount. As of September 30, 2024 the County had not set up a sinking fund with the required 2%.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE G - LONG-TERM DEBT (Continued)**

The County had the following changes in long-term debt outstanding for the year ended September 30, 2025:

	Balance Outstanding 10/1/24	Added During Year	Retired During Year	Balance Outstanding 9/30/25	Due Within One Year
<b>Governmental Activities:</b>					
<i>Public Offerings</i>					
Limited Tax Refund Bonds, Series 2014	\$ 4,665,000	\$ -	\$ (520,000)	\$ 4,145,000	\$ 535,000
Combined Limited Pledged Revenue					
Certificates of Obligation, Series 2018	5,815,000	-	(95,000)	5,720,000	120,000
Premium	90,465	-	(6,960)	83,505	6,960
Limited Tax Refunding Bonds, Series 2019	1,275,000	-	(510,000)	765,000	520,000
Premium	62,552	-	(15,639)	46,913	15,639
General Obligation Bonds, Series 2025	-	53,495,000	-	53,495,000	-
Premium	-	2,821,821	-	2,821,821	-
<i>Public Offerings:</i>	<u>11,908,017</u>	<u>56,316,821</u>	<u>(1,147,599)</u>	<u>67,077,239</u>	<u>1,197,599</u>
<i>Direct Placement</i>					
Combination Tax and Limited Pledge					
Revenue Certificates of Obligation, Series 2020	2,255,000	-	(190,000)	2,065,000	195,000
<i>Direct Placement:</i>	<u>2,255,000</u>	<u>-</u>	<u>(190,000)</u>	<u>2,065,000</u>	<u>195,000</u>
<i>Notes Payable</i>					
2024 SIB Loan	2,106,600	-	(82,117)	2,024,483	84,761
<i>Notes Payable</i>	<u>2,106,600</u>	<u>-</u>	<u>(82,117)</u>	<u>2,024,483</u>	<u>84,761</u>
Right of Use - Lease Liabilities	657,525	777,628	(382,525)	1,052,628	478,860
Subtotal	<u>16,927,142</u>	<u>57,094,449</u>	<u>(1,802,241)</u>	<u>72,219,350</u>	<u>1,956,220</u>
Compensated Absences*	1,360,690	145,854	-	1,506,544	150,654
<b>Total Governmental Activities</b>	<u>\$ 17,544,521</u>	<u>\$ 57,240,303</u>	<u>\$ (1,802,241)</u>	<u>\$ 73,725,894</u>	<u>\$ 2,106,874</u>

\* Beginning balances has been restated for prior period adjustments

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE G - LONG-TERM DEBT (Continued)**

The annual requirements for principal and interest on the outstanding certificates obligation and tax notes on public offerings are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2026	\$ 1,175,000	\$ 3,281,847	\$ 4,456,847
2027	2,215,000	2,989,182	5,204,182
2028	2,280,000	2,891,257	5,171,257
2029	2,385,000	2,791,788	5,176,788
2030	2,410,000	2,689,788	5,099,788
2031-2035	11,630,000	11,861,237	23,491,237
2036-2040	11,860,000	9,167,315	21,027,315
2041-2045	13,155,000	6,176,565	19,331,565
2046-2050	17,015,000	3,292,720	20,307,720
TOTAL	<u>\$ 64,125,000</u>	<u>\$ 45,141,699</u>	<u>\$ 109,266,699</u>

The annual requirements for principal and interest on the outstanding certificates obligation and tax notes on direct placements are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2026	\$ 195,000	\$ 25,184	\$ 220,184
2027	195,000	22,688	217,688
2028	195,000	20,192	215,192
2029	205,000	17,632	222,632
2030	205,000	15,008	220,008
2031-2035	1,070,000	34,624	1,104,624
TOTAL	<u>\$ 2,065,000</u>	<u>\$ 135,328</u>	<u>\$ 2,200,328</u>

The annual requirements for principal and interest on the outstanding note are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2026	\$ 84,761	\$ 65,188	\$ 149,949
2027	87,490	62,459	149,949
2028	90,307	59,642	149,949
2029	93,215	56,734	149,949
2030	96,217	53,732	149,949
2031-2035	529,599	220,146	749,745
2036-2039	620,535	129,210	749,745
2041-2045	422,359	27,487	449,846
TOTAL	<u>\$ 2,024,483</u>	<u>\$ 674,599</u>	<u>\$ 2,699,082</u>

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE G - LONG-TERM DEBT (Continued)**

The total annual requirements for principal and interest on the outstanding certificates obligation, tax notes and notes payable on all debt are as follows:

Year Ending September 30,	Principal	Interest	Annual Requirements
2026	\$ 1,454,761	\$ 3,372,219	\$ 6,187,670
2027	2,497,490	3,074,329	5,571,819
2028	2,565,307	2,971,091	5,536,398
2029	2,683,215	2,866,154	5,549,369
2030	2,711,217	2,758,528	5,469,745
2031-2035	13,229,599	12,116,007	25,345,606
2036-2040	12,480,535	9,296,525	21,777,060
2041-2045	13,577,359	6,204,052	19,781,411
2046-2050	17,015,000	3,292,720	20,307,720
TOTAL	<u>\$ 68,214,483</u>	<u>\$ 42,658,906</u>	<u>\$ 95,219,079</u>

The County has both Public Offerings and Direct Placements. The following are the Certificates of Obligation and Notes Payable:

<u>Certificates of Obligation and Notes Payable</u>	<u>Balance at 9/30/25</u>	<u>Due Within One Year</u>
<i>Public Offering:</i>		
Limited Tax Refund Bonds, Series 2014 Original issue amount of \$8,555,000, interest rate varies between 2.00-3.75%, With final maturity date of February 1, 2032	<b>\$ 4,145,000</b>	\$ 535,000
Combined Limited Pledged Revenue Certificates of Obligation, Series 2018 Original Issue amount of \$5,955,000, interest rate varies between 3.00%-4.00%, With final maturity date of February 1, 2038.	<b>5,720,000</b>	120,000
Limited Tax Refunding Bonds, Series 2019 Original Issue amount of \$3,530,000, interest rate varies between 2.50%-4.00%, With final maturity date of February 1, 2029	<b>765,000</b>	520,000
General Obligation Bonds, Series 2025 Original Issue amount of \$53,495,000, interest rate varies between 5.00%-5.25%, With final maturity date of February 1, 2050	<b>53,495,000</b>	-
<i>Direct Placement:</i>		
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020 Original Issue amount of \$3,000,000, interest rate of 1.28%, With final maturity date of February 1, 2035	<b>2,065,000</b>	195,000
Notes Payable 2024 State Infrastructure Bank Loan Original Principal amount of \$2,106,600, interest rate of 3.22%, With final maturity date of October 1, 2043	<b>2,024,483</b>	84,761
TOTAL CERTIFICATES OF OBLIGATION AND NOTES PAYABLE	<u><b>\$ 68,214,483</b></u>	<u><b>\$ 1,454,761</b></u>

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE G - LONG-TERM DEBT (Continued)**

The County entered into new lease agreements for 67 vehicles. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments. The lease liability was measured at a discount of .39-11.61%. As a result of the lease, the County has recorded right to use assets (vehicles) with a net book value of \$1,052,628

Future minimum lease payments under the leases along with the present value of the minimum lease payments as of September 30, 2025:

Year Ending September 30,	Principal	Interest	Annual Requirements
2026	\$ 478,860	\$ 46,615	\$ 525,475
2027	329,161	\$ 32,042	361,203
2028	228,566	\$ 22,250	250,816
2029	103,466	\$ 10,072	113,538
2030	18,086	\$ 1,761	19,847
TOTAL	\$ 1,158,139	\$ 112,740	\$ 1,270,879

**NOTE H - EMPLOYEES' RETIREMENT SYSTEM**

Texas County and District Retirement System

Plan Description

The County participates as one of over 890 plans in the nontraditional, defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). TCDRS is an agency created by the state of Texas and administered in accordance with the TCDRS Act as an agent multiple-employer retirement system for County and District employees in the State of Texas. The Board of Trustees of TCDRS is responsible for the administration and management of the system. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The ACFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS. Members can retire at age 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. A member is vested after 8 years but must leave his accumulated contributions in the plan. Members who withdraw their personal contributions in a partial lump sum are entitled to any amounts contributed by the 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 governing body of the District within the actuarial constraints imposed by the TCDRS Act so the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

CALDWELL COUNTY, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2025

**NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Texas County and District Retirement System (Continued)

Contributions

The County has elected the annually determined contribution 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 County is actuarially determined annually. The County contributed using the actuarially determined rate of 5.40% for the months of the calendar year 2024, and 7.29% for the months of the calendar year in 2025.

The contribution rate payable by the employee members for 2024 and 2025 is the rate of 5% as adopted by the governing body of the County. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Benefits Provided

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

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

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2023	12/31/2024
Inactive Employees Receiving Benefits	154	163
Inactive Employees	324	339
Active Employees	282	280
	760	782

Net Pension Liability/(Asset)

The District's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

<b>Inflation</b>	2.50%
<b>Overall Payroll Growth</b>	5.00%
<b>Investment Rate of Return</b>	7.50%

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Texas County and District Retirement System (Continued)

Actuarial Assumptions (Continued)

<b>Depositing Members</b>	135% of the RP-2010 Active Employee Mortality Table for males and 120% of the RP-2010 Active Employee Mortality Table for females, projected with 100% of the MP-2021 Ultimate scale after 2010.
<b>Service Retirees, Beneficiaries and Non-Depositing Members</b>	135% of the RP-2010 Healthy Annuitant Mortality Table for males and 120% of the RP-2010 Healthy Annuitant Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
<b>Disabled Retirees</b>	160% of the RP-2010 Disabled Annuitant Mortality Table for males and 125% of the RP-2010 Disabled Annuitant Mortality Table for females, both projected with 100% of the MP-2021 Ultimate Scale after 2010.

The long-term expected rate of return on pension plan investments is 7.50%. 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 TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2025 information for a 10-year time horizon. Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon. The Board of Trustees adopted the current assumption at their March 2021 meeting.

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Texas County and District Retirement System (Continued)

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return (Geometric)</u>
US Equities	13.00%	5.35%
Global Equities	4.00%	5.15%
International Equities - Developed	6.00%	4.75%
International Equities - Emerging	0.00%	4.75%
Investment-Grade Bonds	3.00%	2.55%
Strategic Credit	9.00%	3.70%
Direct Lending	16.00%	6.85%
Distressed Debt	4.00%	6.80%
REIT Equities	2.00%	3.95%
Master Limited Partnerships (MLPs)	2.00%	4.95%
Commodities	2.00%	1.00%
Private Real Estate Partnerships	6.00%	5.75%
Private Equity	25.00%	8.15%
Hedge Funds	6.00%	3.60%
Cash Equivalents	2.00%	1.10%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability/(Asset) was 7.60%. 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.

Discount Rate Sensitivity Analysis

The following presents the net pension liability/(asset) of the County, calculated using the discount rate of 7.6%, as well as what the County's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.60%) or 1-percentage point higher (8.60%) than the current rate:

	Discount Rate 6.60%	Discount Rate 7.60%	Discount Rate 8.60%
Total pension liability	\$ 39,493,587	\$ 34,461,745	\$ 30,325,286
Fiduciary net position	35,209,308	35,209,308	35,209,308
Net Pension Liability/(asset)	<u>\$ 4,284,279</u>	<u>\$ (747,563)</u>	<u>\$ (4,884,022)</u>

CALDWELL COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2025

**NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Texas County and District Retirement System (Continued)

Changes in Net Pension Liability (Asset)

The below schedule presents the changes in the Net Pension Liability (Asset) as of December 31, 2024:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension (Asset)/Liability</u>
Balance at December 31, 2023	\$ 31,072,527	\$ 31,769,010	\$ (696,483)
Changes for the year:			
Service Cost	1,238,988	-	1,238,988
Interest on total pension liability	2,406,487	-	2,406,487
Change of Benefit Terms	1,043,422	-	1,043,422
Economic/Demographic gains or losses	18,879	-	18,879
Changes of Assumptions	-	-	-
Refund of Contributions	(153,091)	(153,091)	-
Benefit Payments	(1,165,467)	(1,165,467)	-
Administrative Expense	-	(19,167)	19,167
Member Contributions	-	729,649	(729,649)
Net Investment Income	-	3,242,471	(3,242,471)
Employer Contributions	-	785,667	(785,667)
Other	-	20,236	(20,236)
Net Changes	<u>3,389,218</u>	<u>3,440,298</u>	<u>(51,080)</u>
Balance at December 31, 2024	<u>\$ 34,461,745</u>	<u>\$ 35,209,308</u>	<u>\$ (747,563)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issues TCDRS financial report. That report may be obtained at [www.tcdrs.com](http://www.tcdrs.com).

For the year ended September 30, 2025, the County recognized pension expense of \$1,237,647. Also as of September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Economic Experience	\$ -	\$ 317,703
Changes in Actuarial Assumptions	-	-
Net difference between projected and Actual Earnings	228,752	-
Contributions Subsequent to the Measurement Date	865,722	-
	<u>\$ 1,094,474</u>	<u>\$ 317,703</u>

CALDWELL COUNTY, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2025

**NOTE H - EMPLOYEES' RETIREMENT SYSTEM (Continued)**

Texas County and District Retirement System (Continued)

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

Deferred outflows of resources in the amount of \$865,722 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,		
2025	\$	(142,939)
2026		569,390
2027		(351,272)
2028		(164,130)
	<u>\$</u>	<u>(88,951)</u>

**NOTE I - COMMITMENTS AND CONTINGENCIES**

Litigation

The County is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the County's liability in these cases, if decided adversely to the County, will not have a material effect on the County's financial position.

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County carries commercial insurance for all such risks. During the year ended September 30, 2025, settled claims resulting from these risks did not exceed commercial insurance coverage.

Construction Commitments

The County has ongoing capital projects at year end:

The evacuation center project has incurred approximately \$12.3 million, with remaining commitments of approximately \$6.1 million.

Grant administration and engineering costs have been incurred of approximately \$279,960 and \$41,812, respectively. Remaining commitments are limited to outstanding construction and engineering phases.

The Courthouse Master Plan is in the planning stage, with approximately \$248,746 incurred to date and no significant remaining commitments.

Road bond projects are in the planning stage, with approximately \$937,348 incurred to date and current commitments of approximately \$991,212 related to planning and engineering services.

CALDWELL COUNTY, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2025

**NOTE J – TAX ABATEMENT AND CHAPTER 381 AGREEMENTS**

Caldwell County negotiates property tax abatement agreements on an individual basis. The agreements freeze property tax revenues received from the paying entity at current levels and reduce the County’s share of future increases in ad valorem property tax revenues resulting from increases in assessed valuation for the term of the agreement. As of September 30, 2025, the County has tax abatement agreements with four entities. The gross amount of property tax abated during 2025 was \$0.

Veritacor Manufacturing, LLC, an economic development agreement was entered into on March 9, 2021 for the construction of a multi-tenant business facility with an estimated cost of \$3,250,000. The agreement expires on March 9, 2031. No payments were made under this agreement during 2025.

Visionary Fiber Technologies, an economic development agreement was entered into on November 11, 2018 for expansion of operations and job creation and expires on November 11, 2027. The agreement was amended on February 28, 2023 to increase the rebate percentage for years 6 and 7 to 66%. Payments made under this agreement during 2025 were \$3,686.57.

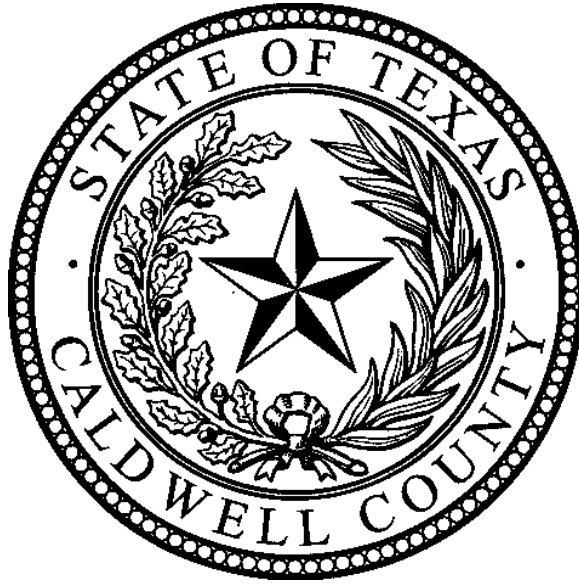
Pure Castings Company, an economic development agreement was approved in 2019 for expansion and job creation and expired during 2024. No payments were made under this agreement during 2025.

Buc-ee’s, Ltd., an economic development agreement was entered into on June 14, 2022 for the development of a travel center and related facilities. The agreement provides for a rebate equal to 50% of the sales tax revenues generated by the facility for a term of twenty years. No payments were made under this agreement during 2025.

**NOTE K – PRIOR PERIOD ADJUSTMENT**

As of October 1, 2024, the County implemented GASB Statement 101 related to compensated absences. This led to the recording of a liability for sick leave and vacation that are more likely than not to be taken in the future. Beginning net position was adjusted for the liability incurred in prior years.

	Governmental Activities
Beginning Net Position, Previously Reported	\$ 62,318,328
Understated Compensated Absences	(743,311)
Beginning Net Position, Restated	61,575,017



## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedules – General Fund
- Budgetary Comparison Schedule – Unit Road Fund
- Budgetary Comparison Schedule – COVID Relief Program (ARPA) Funds
- Budgetary Comparison Schedule – Grants Fund
- Notes to Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
- Net Pension Liability and Related Ratios
- Schedule of Contributions and Related Notes

CALDWELL COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance With Final Budget - Positive	2024 Actual
	Original	Final		(Negative)	
<b>REVENUES</b>					
Taxes:					
Property Taxes	\$ 26,000,350	\$ 26,000,350	<b>\$ 24,565,707</b>	\$ (1,434,643)	\$ 23,311,121
Other Taxes	2,800,000	2,800,000	<b>3,927,327</b>	1,127,327	3,669,569
Intergovernmental Revenue	173,944	173,944	<b>375,691</b>	201,747	408,502
Fees of Office	1,394,141	1,394,141	<b>1,186,706</b>	(207,435)	1,177,818
Fines	659,300	659,300	<b>911,547</b>	252,247	894,874
Licenses and Permits	1,920,000	1,920,000	<b>2,074,198</b>	154,198	1,901,921
Investment Earnings	30,000	30,000	<b>1,508,861</b>	1,478,861	1,667,223
Miscellaneous Revenue	1,016,262	1,016,262	<b>553,242</b>	(463,020)	751,788
<b>TOTAL REVENUES</b>	<b>33,993,997</b>	<b>33,993,997</b>	<b>35,103,279</b>	<b>1,109,282</b>	<b>33,782,816</b>
<b>EXPENDITURES</b>					
General Administration	6,211,764	6,195,281	<b>5,585,768</b>	609,513	5,119,962
Judicial	3,210,751	3,210,751	<b>3,607,800</b>	(397,049)	2,561,626
Legal	1,875,880	1,875,880	<b>1,729,739</b>	146,141	1,743,782
Financial Administration	3,035,515	3,130,566	<b>2,957,609</b>	172,957	2,576,596
Public Facilities	864,839	927,839	<b>1,081,961</b>	(154,122)	655,720
Public Safety	11,062,581	11,072,413	<b>10,407,059</b>	665,354	10,674,265
Public Transportation	367,714	367,714	<b>323,851</b>	43,863	357,299
Environmental Protection	278,916	278,916	<b>291,465</b>	(12,549)	213,009
Health and Welfare	696,746	696,746	<b>593,796</b>	102,950	1,224,336
Conservation - Agriculture	218,261	218,261	<b>207,571</b>	10,690	207,147
Capital Outlay	732,949	732,949	<b>732,949</b>	-	269,379
Debt Service:					
Principal	-	-	<b>363,505</b>	(363,505)	-
Interest and Fiscal Charges	-	-	<b>58,313</b>	(58,313)	-
<b>TOTAL EXPENDITURES</b>	<b>28,555,916</b>	<b>28,707,316</b>	<b>27,941,386</b>	<b>765,930</b>	<b>25,603,121</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,438,081	5,286,681	<b>7,161,893</b>	1,875,212	8,179,695
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	<b>240,984</b>	240,984	-
Transfers Out	(5,396,556)	(5,396,556)	<b>(5,547,631)</b>	(151,075)	(7,119,919)
Insurance Proceeds	55,000	55,000	<b>7,522</b>	(47,478)	2,376
Lease Proceeds	-	-	<b>654,270</b>	654,270	144,254
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(5,341,556)</b>	<b>(5,341,556)</b>	<b>(4,644,855)</b>	<b>696,701</b>	<b>(6,973,289)</b>
Net Change in Fund Balance	96,525	(54,875)	<b>2,517,038</b>	2,571,913	1,206,406
Fund Balances at Beginning of Year	23,567,918	23,567,918	<b>23,567,918</b>	-	22,361,512
Fund Balances at End of Year	<b>\$ 23,664,443</b>	<b>\$ 23,513,043</b>	<b>\$ 26,084,956</b>	<b>\$ 2,571,913</b>	<b>\$ 23,567,918</b>

CALDWELL COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
UNIT ROAD FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance With Final Budget	2024 Actual
	Original	Final		Positive (Negative)	
<b>REVENUES</b>					
Taxes:					
Property Taxes	\$ 5,275	\$ 5,275	\$ 5,878	\$ 603	\$ 5,289
Intergovernmental Revenue	30,000	30,000	26,642	(3,358)	26,653
Licenses and Permits	830,000	830,000	591,574	(238,426)	1,080,620
Miscellaneous Revenue	50,000	50,000	480,457	430,457	700,499
Interest Income	-	-	116	116	26
<b>TOTAL REVENUES</b>	915,275	915,275	1,104,667	189,392	1,813,087
<b>EXPENDITURES</b>					
Public Transportation	5,997,750	6,088,446	5,669,748	418,698	5,210,773
Capital Outlay	463,596	463,596	463,596	-	175,710
Debt Service:					
Principle	19,020	19,020	19,020	-	-
Interest	12,222	12,222	12,222	-	-
<b>TOTAL EXPENDITURES</b>	6,492,588	6,583,284	6,164,586	418,698	5,386,483
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(5,577,313)	(5,668,009)	(5,059,919)	608,090	(3,573,396)
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Proceeds	-	-	123,358	123,358	-
Transfers In	4,925,826	4,925,826	4,925,826	-	3,546,609
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	4,925,826	4,925,826	5,049,184	123,358	3,546,609
Net Change in Fund Balance	(651,487)	(742,183)	(10,735)	731,448	(26,787)
Fund Balance at Beginning of Year	3,602,519	3,602,519	3,602,519	-	3,629,306
Fund Balance at End of Year	\$ 2,951,032	\$ 2,860,336	\$ 3,591,784	\$ 731,448	\$ 3,602,519

CALDWELL COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
COVID RELIEF (ARPA) FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance With Final Budget - Positive (Negative)	2024 Actual
	Original	Final			
<b>REVENUES</b>					
Intergovernmental Revenues	\$ 107,214	\$ 107,214	<b>\$ 1,999,299</b>	\$ 1,892,085	\$ 3,643,721
<b>TOTAL REVENUES</b>	<b>107,214</b>	<b>107,214</b>	<b>1,999,299</b>	1,892,085	3,643,721
<b>EXPENDITURES</b>					
Financial Administration	450,330	481,067	-	481,067	-
Public Safety	35,360	35,360	<b>35,360</b>	-	1,014,846
Health and Welfare	619,098	78,962	<b>23,514</b>	55,448	19,089
Capital Outlay	394,640	394,640	<b>2,090,735</b>	(1,696,095)	2,119,795
<b>TOTAL EXPENDITURES</b>	<b>1,499,428</b>	<b>990,029</b>	<b>2,149,609</b>	(1,159,580)	3,153,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,392,214)	(882,815)	<b>(150,310)</b>	732,505	489,991
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	-	-	-	-	(206,375)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(206,375)</b>
Net Change in Fund Balance	(1,392,214)	(882,815)	<b>(150,310)</b>	732,505	283,616
Fund Balances at Beginning of Year	609,852	609,852	<b>609,852</b>	-	326,236
Fund Balances at End of Year	<b>\$ (782,362)</b>	<b>\$ (272,963)</b>	<b>\$ 459,542</b>	<b>\$ 732,505</b>	<b>\$ 609,852</b>

CALDWELL COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance With Final Budget -	2024 Actual
	Original	Final		Positive (Negative)	
<b>REVENUES</b>					
Intergovernmental Revenue	\$ 19,960,081	\$ 19,743,741	<b>\$ 14,412,692</b>	\$ (5,331,049)	\$ 2,215,126
Interest income	-	-	<b>246</b>	246	503
Miscellaneous Revenue	-	-	-	-	12,443
<b>TOTAL REVENUES</b>	<b>19,960,081</b>	<b>19,743,741</b>	<b>14,412,938</b>	<b>(5,330,803)</b>	<b>2,228,072</b>
<b>EXPENDITURES</b>					
General Administration	-	-	<b>9,040</b>	(9,040)	103,625
Judicial	175,000	258,660	<b>235,940</b>	22,720	108,897
Public Safety	6,047,478	6,048,762	<b>347,758</b>	5,701,004	501,508
Public Transportation	-	-	-	-	-
Health and Welfare	20,200	120,200	<b>34,535</b>	85,665	45,509
Capital Outlay	13,536,293	13,536,293	<b>14,146,937</b>	(610,644)	1,271,533
<b>TOTAL EXPENDITURES</b>	<b>19,778,971</b>	<b>19,963,915</b>	<b>14,774,210</b>	<b>5,189,705</b>	<b>2,031,072</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	181,110	(220,174)	<b>(361,272)</b>	(141,098)	197,000
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	-	214,884	<b>(214,884)</b>	(429,768)	3,102,638
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>214,884</b>	<b>(214,884)</b>	<b>(429,768)</b>	<b>3,102,638</b>
Net Change in Fund Balance	181,110	(5,290)	<b>(576,156)</b>	(570,866)	3,299,638
Fund Balances at Beginning of Year	5,771,937	5,771,937	<b>5,771,937</b>	-	2,472,299
Fund Balances at End of Year	<b>\$ 5,953,047</b>	<b>\$ 5,766,647</b>	<b>\$ 5,195,781</b>	<b>\$ (570,866)</b>	<b>\$ 5,771,937</b>

CALDWELL COUNTY, TEXAS  
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL  
SEPTEMBER 30, 2025

Budget and Budgetary Accounting

An annual budget is adopted for substantially all governmental funds of the County. Actual expenditures may not legally exceed budgeted appropriations at the expense summary classification level. A legally adopted budget was not prepared for the 2025 Road Bond Fund and Capital Projects Fund. In fiscal year 2025, the expenditures exceeded the budget in the ARPA fund.

The procedures followed by Caldwell County in establishing the budgetary data reflected in the financial statements are as follows:

Budget Preparation – The County Judge, assisted by the County Auditor, prepares a proposed operating budget for the fiscal year beginning the following October 1, and files the proposed budget with the County Clerk in whose office it is available for public inspection. The operating budget includes proposed expenditures and the means of financing them.

Public Hearing – After proper publication of notice, a budget hearing is conducted by the Commissioners’ Court to obtain taxpayer comments.

Budget Adoption – During a regular term of the Commissioners’ Court the budget is adopted through the passage of an order. A separate order is provided in the budget.

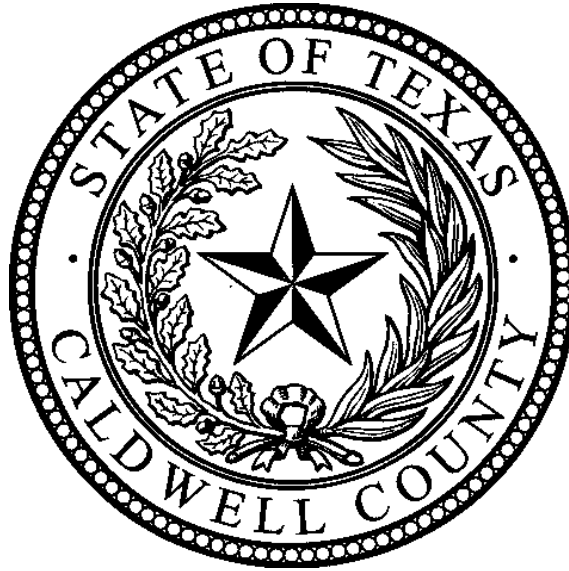
Amendments to Budget – Amendments to the budget to transfer budgeted amounts from one budget classification (summary line) to another may be made by the Commissioners’ Court at its discretion. Amendments to provide for items not included in the original budget may be made by the Commissioners’ Court upon finding and declaring the existence of an emergency sufficient to require such action. The final amended budget is presented in this report.

Formal Budgetary Integration – Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Debt Service and Building Construction.

Budgets on GAAP Basis – The Budgets for all governmental fund types are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).

Expenditure Classifications – Budget is adopted by department for personnel services, operations and capital outlay. For management purposes, however, accounting records are maintained to match actual expenditures against several more detailed classifications within each of the budget categories.

Lapse of Appropriations – All budget appropriations lapse at the end of each fiscal period. Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at the end of each year and do not constitute expenditures or liabilities because the commitments must be re-appropriated and honored during the subsequent year.



CALDWELL COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN PLAN YEARS

	Total Pension Liability/(Asset)			
	2015	2016	2017	2018
Service Cost	\$ 699,158	\$ 735,926	\$ 709,330	\$ 763,772
Interest (on the Total Pension Liability)	1,204,758	1,295,217	1,422,180	1,568,765
Changes of Benefit Terms	(123,589)	-	316,503	-
Difference between Expected and Actual Experience	(234,308)	(173,840)	20,818	(323,580)
Change of Assumptions	171,772	-	77,063	-
Benefit Payments, Including Refunds of Employee Contributions	(617,525)	(572,411)	(706,990)	(877,643)
Net Change in Total Pension Liability	1,100,266	1,284,892	1,838,904	1,131,314
Total Pension Liability - Beginning	14,809,908	15,910,174	17,195,066	19,033,970
Total Pension Liability - Ending	<u>\$ 15,910,174</u>	<u>\$ 17,195,066</u>	<u>\$ 19,033,970</u>	<u>\$ 20,165,284</u>
	Plan Fiduciary Net Position			
	2015	2016	2017	2018
Contributions - Employer	\$ 333,197	\$ 337,091	\$ 361,461	\$ 418,322
Contributions - Employee	416,496	421,365	457,059	471,084
Net Investment Income	(90,925)	1,174,886	2,502,740	(367,645)
Benefit Payments, Including Refunds of Employee Contributions	(617,525)	(572,411)	(706,990)	(877,643)
Administrative Expense	(11,390)	(12,768)	(13,125)	(15,549)
Other	58,418	(75,001)	1,371	(6,074)
Net Change in Plan Fiduciary Net Position	88,271	1,273,162	2,602,516	(377,505)
Plan Fiduciary Net Position - Beginning	15,772,431	15,860,702	17,133,864	19,736,380
Net Pension Liability - Ending	<u>\$ 15,860,702</u>	<u>\$ 17,133,864</u>	<u>\$ 19,736,380</u>	<u>\$ 19,358,875</u>
Net Pension Liability (Asset) - Ending	\$ 1,334,364	\$ 1,900,106	\$ 428,904	\$ 2,647,018
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.24%	90.02%	97.87%	87.97%
Covered Payroll	\$ 8,329,910	\$ 8,427,292	\$ 9,036,531	\$ 9,421,683
Net Pension Liability as a Percentage of Covered Payroll	16.02%	22.55%	4.75%	28.09%

Total Pension Liability/(Asset)					
2019	2020	2021	2022	2023	2024
\$ 743,510	\$ 892,005	\$ 1,026,107	\$ 1,037,590	\$ 1,049,539	\$ 1,238,988
1,656,350	1,812,912	1,958,914	2,080,210	2,209,011	2,406,487
-	-	-	-	-	1,043,422
379,074	138,650	(78,054)	(165,009)	429,185	18,879
-	1,557,190	(58,035)	-	-	-
(938,325)	(1,053,033)	(1,231,625)	(1,298,420)	(1,240,502)	(1,318,559)
1,840,609	3,347,724	1,617,307	1,654,371	2,447,233	3,389,217
20,165,284	22,005,893	25,353,617	26,970,924	28,625,295	31,072,528
<u>\$ 22,005,893</u>	<u>\$ 25,353,617</u>	<u>\$ 26,970,924</u>	<u>\$ 28,625,295</u>	<u>\$ 31,072,528</u>	<u>\$ 34,461,745</u>

Plan Fiduciary Net Position					
2019	2020	2021	2022	2023	2024
\$ 446,256	\$ 490,141	\$ 525,193	\$ 731,634	\$ 744,055	\$ 785,667
515,299	556,935	578,404	607,669	681,370	729,649
3,179,089	2,329,342	5,445,690	(1,771,990)	3,128,663	3,242,471
(938,325)	(1,053,033)	(1,231,625)	(1,298,420)	(1,240,502)	(1,318,558)
(17,182)	(18,187)	(16,321)	(16,673)	(16,589)	(19,167)
3,936	2,058	11,613	30,967	20,669	20,236
3,189,073	2,307,256	5,312,954	(1,716,813)	3,317,666	3,440,298
19,358,875	22,547,948	24,855,204	30,168,158	28,451,345	31,769,011
<u>\$ 22,547,948</u>	<u>\$ 24,855,204</u>	<u>\$ 30,168,158</u>	<u>\$ 28,451,345</u>	<u>\$ 31,769,011</u>	<u>\$ 35,209,309</u>

\$ (542,056)	\$ 498,412	\$ (3,197,234)	\$ 2,621,183	\$ 1,750,750	\$ (747,564)
88.93%	92.16%	105.39%	91.56%	94.78%	102.17%
\$ 10,305,979	\$ 11,138,709	\$ 11,568,089	\$ 12,153,370	\$ 13,627,398	\$ 14,592,978
-5.26%	4.47%	-27.64%	21.57%	12.85%	-5.12%

CALDWELL COUNTY, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
 SCHEDULE OF CONTRIBUTIONS AND RELATED NOTES  
 LAST TEN FISCAL YEARS

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Employee Covered Payroll
9/30/2016	\$ 353,533	\$ (353,533)	\$ -	\$ 8,835,056	4.0%
9/30/2017	411,418	(411,418)	-	9,510,392	4.3%
9/30/2018	418,322	(418,322)	-	9,421,683	4.4%
9/30/2019	446,256	(446,256)	-	10,305,979	4.3%
9/30/2020	490,103	(490,103)	-	11,138,709	4.4%
9/30/2021	525,193	(525,193)	-	11,568,089	4.5%
9/30/2022	731,634	(731,634)	-	12,153,370	6.0%
9/30/2023	646,070	(646,070)	-	13,210,181	4.9%
9/30/2024	773,350	(773,350)	-	14,284,441	5.4%
9/30/2025	1,059,122	(1,059,122)	-	15,456,957	6.9%

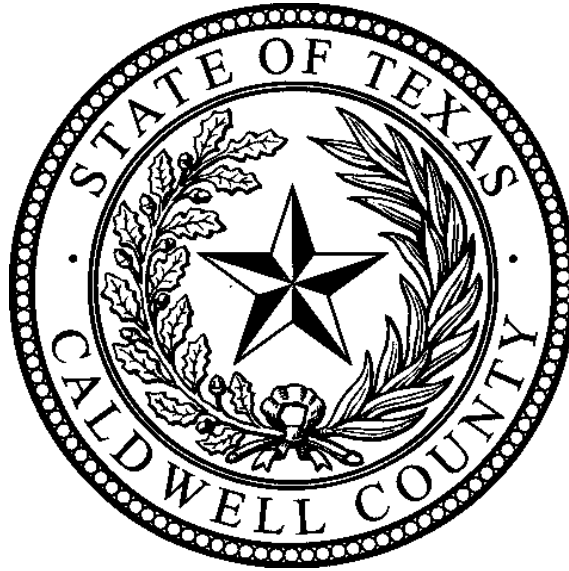
CALDWELL COUNTY, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
 SCHEDULE OF CONTRIBUTIONS AND RELATED NOTES (CONTINUED)  
 LAST TEN FISCAL YEARS

**Valuation Date:**

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	14.2 years (based on contribution rate calculated in 12/31/24 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Plan Provisions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected.
Changes in Plan Assumptions Reflected in the Schedule	2022: No changes in plan provisions were reflected in the schedule. 2023: No changes in plan provisions were reflected in the schedule. 2024: No changes in plan provisions were reflected in the schedule.



## SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Statement – General Fund – Balance Sheet
- Comparative Statement – Unit Road Fund – Balance Sheet
- Comparative Statement – COVID Relief Program (ARPA) Fund – Balance Sheet
- Comparative Statement – Capital Projects Fund – Balance Sheet
- Comparative Statement – Capital Projects Fund – Comparative Statement of Revenues, Expenditures, and Fund Balance
- Comparative Statement – Grant Fund – Balance Sheet
- Comparative Statement – 2025 Road Bond – Balance Sheet
- Combining Statement – Nonmajor Governmental Funds
- Combining Statement – Special Revenue Funds
- Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds

CALDWELL COUNTY, TEXAS  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2025 AND 2024

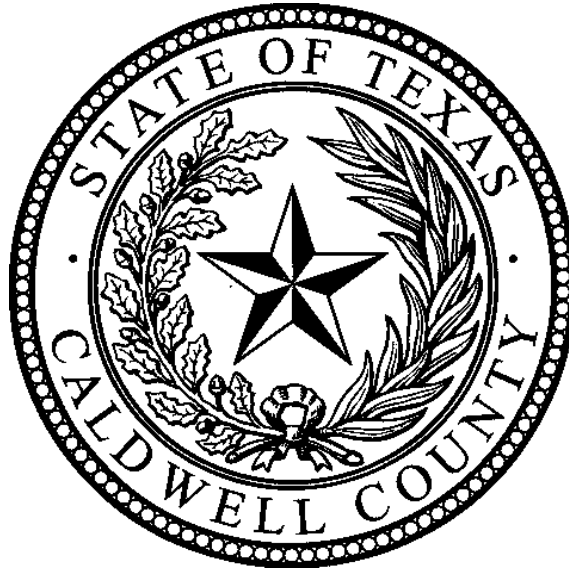
	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 30,989,234	\$ 27,529,861
Taxes Receivable	3,499,186	3,177,304
Allowance for Uncollectible Taxes (Credit)	(279,977)	(254,227)
Fines Receivables	16,471,313	15,742,834
Allowance for Fines (Credit)	(15,647,747)	(14,955,692)
Sales Tax Receivables	641,618	621,748
Accounts Receivables	14,111	14,111
Due from Other Funds	534,089	635,030
Prepaid Items	63,213	12,360
<b>TOTAL ASSETS</b>	<b>\$ 36,285,040</b>	<b>\$ 32,523,329</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 1,217,013	\$ 944,473
Accrued Liabilities and other Payables	591,789	520,660
Due to Other Governments	1,407,039	1,468,945
Due to Others	3,119,845	2,536,740
Unearned Grant Revenue	20	20
<i>Total Liabilities</i>	<b>6,335,706</b>	5,470,838
<i>Deferred Inflows of Resources</i>		
Deferred Tax Revenue	3,040,812	2,697,431
Deferred Fine Revenue	823,566	787,142
<i>Total Deferred Inflows of Resources</i>	<b>3,864,378</b>	3,484,573
<i>Fund Balances:</i>		
Nonspendable Fund Balance:		
Prepaid Items/Notes Receivable	63,213	12,360
Unassigned Fund Balance	26,021,743	23,555,558
<i>Total Fund Balances</i>	<b>26,084,956</b>	23,567,918
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 36,285,040</b>	<b>\$ 32,523,329</b>

CALDWELL COUNTY, TEXAS  
UNIT ROAD FUND  
COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2025 AND 2024

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,176,014	\$ 2,405,526
Intergovernmental Receivables	4,587	4,587
Due from Other Funds	2,120,525	1,641,499
Inventories	14,050	127,946
Taxes Receivables - Net	488	488
<b>TOTAL ASSETS</b>	<b>\$ 4,315,664</b>	<b>\$ 4,180,046</b>
<b>LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 380,790	443,026
Developer Deposits	342,607	-
Accrued Liabilities and other Payables	-	134,029
<i>Total Liabilities</i>	723,397	577,055
<i>Deferred Inflows of Resources:</i>		
Deferred Tax Revenue	483	472
<i>Total Deferred Inflows of Resources:</i>	483	472
<i>Fund Balances:</i>		
Nonspendable	14,050	127,946
Restricted:		
Capital Acquisition	3,577,734	3,474,573
<i>Total Fund Balances</i>	3,591,784	3,602,519
<b>TOTAL LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>	<b>\$ 4,315,664</b>	<b>\$ 4,180,046</b>

CALDWELL COUNTY, TEXAS  
 COVID RELIEF PROGRAM (ARPA) FUND  
 COMPARATIVE BALANCE SHEET  
 SEPTEMBER 30, 2025 AND 2024

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 462,297	\$ 4,446,168
<b>TOTAL ASSETS</b>	<b>\$ 462,297</b>	<b>\$ 4,446,168</b>
<b>LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 239	\$ 1,952,529
Due to Others	2,516	1,258
Unearned Grant Revenue	-	1,882,529
<i>Total Liabilities</i>	<b>2,755</b>	<b>3,836,316</b>
<i>Fund Balances:</i>		
Unassigned Fund Balance	459,542	609,852
<i>Total Fund Balances</i>	<b>459,542</b>	<b>609,852</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>	<b>\$ 462,297</b>	<b>\$ 4,446,168</b>



CALDWELL COUNTY, TEXAS  
 CAPITAL PROJECTS FUND  
 COMPARATIVE BALANCE SHEET  
 SEPTEMBER 30, 2025 AND 2024

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,158,809	\$ 3,212,156
Due From General Fund	11,367	11,367
<b>TOTAL ASSETS</b>	<b>\$ 3,170,176</b>	<b>\$ 3,223,523</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 743	\$ -
<i>Total Liabilities</i>	<i>743</i>	<i>-</i>
<i>Fund Balances:</i>		
Restricted for Capital Projects	3,169,433	3,223,523
<i>Total Fund Balances</i>	<i>3,169,433</i>	<i>3,223,523</i>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,170,176</b>	<b>\$ 3,223,523</b>

CALDWELL COUNTY, TEXAS  
 CAPITAL PROJECTS FUND  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE  
 SEPTEMBER 30, 2025 AND 2024

	<b>2025</b>	2024
	<b>Actual</b>	Actual
<b>REVENUES</b>		
Investment Earnings	\$ 178,747	\$ 121,879
Miscellaneous Revenue	9,555	-
<b>TOTAL REVENUES</b>	<b>188,302</b>	121,879
<b>EXPENDITURES</b>		
Public Transportation	264,903	57,229
<b>TOTAL EXPENDITURES</b>	<b>264,903</b>	57,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(76,601)</b>	64,650
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	22,511	45,467
Proceeds of Debt Issuance	-	2,106,600
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>22,511</b>	2,152,067
<b>Net Change in Fund Balance</b>	<b>(54,090)</b>	2,216,717
Fund Balance at Beginning of Year	3,223,523	1,006,806
Fund Balance at End of Year	<b>\$ 3,169,433</b>	\$ 3,223,523

CALDWELL COUNTY, TEXAS  
GRANT FUND  
COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2025 AND 2024

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,702,952	\$ 5,368,296
Intergovernmental Receivables	4,286,783	484,128
Due from other Funds	724,066	724,066
<b>TOTAL ASSETS</b>	<b>\$ 8,713,801</b>	<b>\$ 6,576,490</b>
<b>LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 1,860,372	\$ 373,706
Retainage Payable	1,226,801	-
Unearned Revenue	4,376	4,376
Due to Others Funds	426,471	426,471
<i>Total Liabilities</i>	<i>3,518,020</i>	<i>804,553</i>
<i>Fund Balances:</i>		
Restricted Fund Balance	5,195,781	5,771,937
<i>Total Fund Balances</i>	<i>5,195,781</i>	<i>5,771,937</i>
<b>TOTAL LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>	<b>\$ 8,713,801</b>	<b>\$ 6,576,490</b>

CALDWELL COUNTY, TEXAS  
2025 ROAD BOND  
COMPARATIVE BALANCE SHEET  
SEPTEMBER 30, 2025 AND 2024

	2025	2024
<b>ASSETS</b>		
Restricted Cash and Cash Equivalents	\$ 55,962,765	\$ -
<b>TOTAL ASSETS</b>	<b>\$ 55,962,765</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 516,848	\$ -
<i>Total Liabilities</i>	<i>516,848</i>	<i>-</i>
<i>Fund Balances:</i>		
Restricted Fund Balance	55,445,917	-
<i>Total Fund Balances</i>	<i>55,445,917</i>	<i>-</i>
<b>TOTAL LIABILITIES, DEFERRED INFLOW AND FUND BALANCES</b>	<b>\$ 55,962,765</b>	<b>\$ -</b>

CALDWELL COUNTY, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2025

	Debt Fund	Total Special Revenue Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 920,055	\$ 1,144,415	\$ 2,064,470
Restricted Cash	42,132	-	42,132
Taxes Receivable	298,430	-	298,430
Allowance for Uncollectible Taxes (Credit)	(23,874)	-	(23,874)
Intergovernmental Receivables	-	25,830	25,830
Due from Other Funds	-	253,152	253,152
Prepaid Items	-	11,861	11,861
	<b>\$ 1,236,743</b>	<b>\$ 1,435,258</b>	<b>\$ 2,672,001</b>
 <b>LIABILITIES AND FUND BALANCE</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ -	\$ 2,382	\$ 2,382
Due to Other Funds	-	94,367	94,367
<i>Total Liabilities</i>	-	96,749	96,749
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	259,825	-	259,825
<i>Total Deferred Inflows of Resources</i>	259,825	-	259,825
 <i>Fund Balance:</i>			
Nonspendable - Prepays	-	11,861	11,861
Restricted Fund Balance			
Debt Services	976,918	-	976,918
Judicial	-	116,563	116,563
Legal	-	40,436	40,436
Public Safety	-	350,963	350,963
Capital projects	-	-	-
Records Management	-	726,086	726,086
Law Library	-	89,631	89,631
Sheriff	-	2,969	2,969
Unrestricted Fund Balance	-	-	-
<i>Total Fund Balance</i>	976,918	1,338,509	2,315,427
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	<b>\$ 1,236,743</b>	<b>\$ 1,435,258</b>	<b>\$ 2,672,001</b>

CALDWELL COUNTY, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
SEPTEMBER 30, 2025

	Debt Fund	Total Special Revenue Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Property Tax Revenue	\$ 2,141,108	\$ -	\$ 2,141,108
Intergovernmental	-	75,151	75,151
Fees of Office	-	494,304	494,304
Investment Earnings	97,256	-	97,256
Miscellaneous Revenue	-	36,103	36,103
	<b>TOTAL REVENUES</b>	<b>605,558</b>	<b>2,843,922</b>
<b>EXPENDITURES</b>			
General Administration	-	806,092	806,092
Judicial Expenditures	-	2,004	2,004
Public Safety Expenses	-	35,103	35,103
Debt Service:			
Principal	1,397,116	-	1,397,116
Interest and Fiscal Charges	479,336	-	479,336
	<b>TOTAL EXPENDITURES</b>	<b>843,199</b>	<b>2,719,651</b>
	<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(237,641)</b>	<b>124,271</b>
	<b>361,912</b>	<b>(237,641)</b>	<b>124,271</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	-	599,294	599,294
Transfers Out	-	(26,100)	(26,100)
	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>573,194</b>	<b>573,194</b>
	<b>Net Change in Fund Balance</b>	<b>335,553</b>	<b>697,465</b>
	<b>361,912</b>	<b>335,553</b>	<b>697,465</b>
Fund Balance at Beginning of Year	615,006	1,002,956	1,617,962
Fund Balance at End of Year	\$ 976,918	\$ 1,338,509	\$ 2,315,427

CALDWELL COUNTY, TEXAS  
COMBINING FINANCIAL STATEMENTS  
NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for resources which are legally restricted to expenditures for specified current operating purposes, or to the Projects of furniture, fixtures, machinery, equipment, or other relatively minor or comparatively short – lived fixed assets. The Special Revenue Funds used by the County are as follows:

911 GIS- A special revenue fund to account for emergency services for the geographic information systems (GIS).

LEOSE Constable Fund – To account for fees collected from the Law Enforcement Officer Standards and Education Fund. These funds must be used to provide continuing education for law enforcement officers.

Justice Court Technology Fund – To account for the fees collected from a defendant convicted of a misdemeanor offense in Justice Court. The expenses may be used to purchase technological enhancements for the Justice Courts.

Records Preservation Fund – To account for receipts and expenditures for records management.

Law Library Fund – To account for receipts and expenditures for the law library.

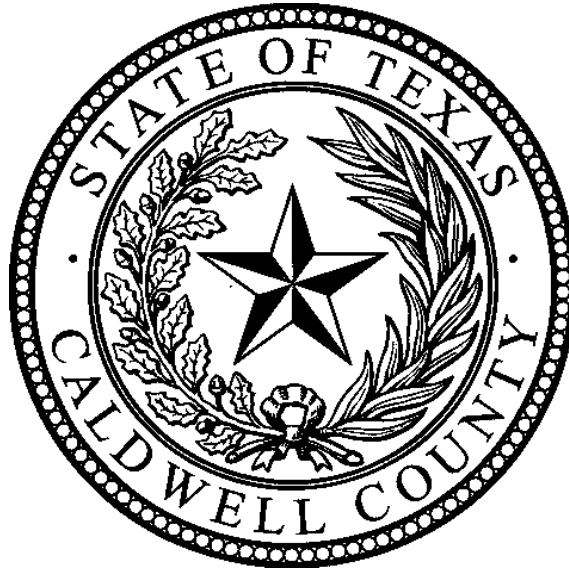
Sheriff Forfeiture Fund – To account for federal and state forfeitures restricted to expenditures for law enforcement.

Hot Check Fund – To account for receipts and expenditures for hot checks.

District Attorney Forfeiture Fund – To account for federal and state forfeitures restricted to expenditures for law enforcement.

Records Management Fund – To account for receipts and expenditures for records management.

Courthouse Security Fund – A special revenue fund to account for the fees collected by the County Clerk and District Clerk. These expenses must be spent in accordance with the Code of Criminal Procedures, Section 102.017.



CALDWELL COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2025

	911 G.I.S. Fund	LEOSE Constables Fund	Justice Court Technology	Records Preservation Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 298,535	\$ 26,851	\$ 59,019	\$ 445,275
Intergovernmental Receivables	25,830	-	-	-
Due from Other Funds	1,325	-	-	177,511
Prepaid Items	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 325,690</b>	<b>\$ 26,851</b>	<b>\$ 59,019</b>	<b>\$ 622,786</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 1,515	63	\$ -	\$ -
Due to Other Funds	-	-	45,358	-
<i>Total Liabilities</i>	1,515	63	45,358	-
<i>Fund Balance:</i>				
Nonspendable - Prepaids	-	-	-	-
Restricted Fund Balance	324,175	26,788	13,661	622,786
Unrestricted Fund Balance	-	-	-	-
<i>Total Fund Balance</i>	324,175	26,788	13,661	622,786
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>	<b>\$ 325,690</b>	<b>\$ 26,851</b>	<b>\$ 59,019</b>	<b>\$ 622,786</b>

<u>Law Library</u>	<u>Sheriff's Forfeiture</u>	<u>Hot Check</u>	<u>DA Forfeiture Fund</u>	<u>Records Management</u>	<u>Courthouse Security</u>	<u>Special Revenue Subtotals</u>
\$ 115,342	\$ 2,969	\$ 56,665	\$ 40,436	\$ 99,323	\$ -	<b>\$ 1,144,415</b>
-	-	-	-	-	-	<b>25,830</b>
23,775	-	-	-	4,000	46,541	<b>253,152</b>
-	-	-	-	11,861	-	<b>11,861</b>
<u>\$ 139,117</u>	<u>\$ 2,969</u>	<u>\$ 56,665</u>	<u>\$ 40,436</u>	<u>\$ 115,184</u>	<u>\$ 46,541</u>	<u><b>\$ 1,435,258</b></u>
\$ 477	\$ -	\$ 302	\$ -	\$ 23	\$ 2	<b>\$ 2,382</b>
49,009	-	-	-	-	-	<b>94,367</b>
<u>49,486</u>	<u>-</u>	<u>302</u>	<u>-</u>	<u>23</u>	<u>2</u>	<u><b>96,749</b></u>
-	-	-	-	11,861	-	<b>11,861</b>
89,631	2,969	56,363	40,436	103,300	46,539	<b>1,326,648</b>
-	-	-	-	-	-	<b>-</b>
<u>89,631</u>	<u>2,969</u>	<u>56,363</u>	<u>40,436</u>	<u>115,161</u>	<u>46,539</u>	<u><b>1,338,509</b></u>
<u>\$ 139,117</u>	<u>\$ 2,969</u>	<u>\$ 56,665</u>	<u>\$ 40,436</u>	<u>\$ 115,184</u>	<u>\$ 46,541</u>	<u><b>\$ 1,435,258</b></u>

CALDWELL COUNTY, TEXAS  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	911 G.I.S. Fund	LEOSE Constables Fund	Justice Court Technology	Records Preservation Fund
<b>REVENUES</b>				
Intergovernmental	\$ 68,059	\$ 7,092	\$ -	\$ -
Fees of Office	-	-	36,837	371,856
Miscellaneous Revenue	-	-	-	-
<b>TOTAL REVENUES</b>	<u>68,059</u>	<u>7,092</u>	<u>36,837</u>	<u>371,856</u>
<b>EXPENDITURES</b>				
General Administration	-	-	-	196,913
Judicial	-	-	2,004	-
Public Safety	32,669	2,434	-	-
<b>TOTAL EXPENDITURES</b>	<u>32,669</u>	<u>2,434</u>	<u>2,004</u>	<u>196,913</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>35,390</u>	<u>4,658</u>	<u>34,833</u>	<u>174,943</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In (Out)	23,755	-	36,918	(26,100)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>23,755</u>	<u>-</u>	<u>36,918</u>	<u>(26,100)</u>
<b>Net Change in Fund Balance</b>	59,145	4,658	71,751	148,843
Fund Balance at Beginning of Year	265,030	22,130	(58,090)	473,943
Fund Balance at End of Year	<u>\$ 324,175</u>	<u>\$ 26,788</u>	<u>\$ 13,661</u>	<u>\$ 622,786</u>

<u>Law Library</u>	<u>Sheriff's Forfeiture</u>	<u>Hot Check</u>	<u>DA Forfeiture Fund</u>	<u>Records Management</u>	<u>Courthouse Security</u>	<u>Special Revenue Subtotals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,151
48,422	-	460	-	4,473	32,256	494,304
-	34,662	841	600	-	-	36,103
<u>48,422</u>	<u>34,662</u>	<u>1,301</u>	<u>600</u>	<u>4,473</u>	<u>32,256</u>	<u>605,558</u>
5,237	44,271	3,322	1,472	-	554,877	806,092
-	-	-	-	-	-	2,004
-	-	-	-	-	-	35,103
<u>5,237</u>	<u>44,271</u>	<u>3,322</u>	<u>1,472</u>	<u>-</u>	<u>554,877</u>	<u>843,199</u>
<u>43,185</u>	<u>(9,609)</u>	<u>(2,021)</u>	<u>(872)</u>	<u>4,473</u>	<u>(522,621)</u>	<u>(237,641)</u>
-	-	-	-	16,000	522,621	573,194
-	-	-	-	16,000	522,621	573,194
43,185	(9,609)	(2,021)	(872)	20,473	-	335,553
46,446	12,578	58,384	41,308	94,688	46,539	1,002,956
<u>\$ 89,631</u>	<u>\$ 2,969</u>	<u>\$ 56,363</u>	<u>\$ 40,436</u>	<u>\$ 115,161</u>	<u>\$ 46,539</u>	<u>\$ 1,338,509</u>

CALDWELL COUNTY, TEXAS  
SPECIAL REVENUE FUNDS – 911 GIS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>Budgeted Amounts</u>		<b>2025 Actual</b>	Variance With	2024 Actual
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Intergovernmental	\$ 68,059	\$ 68,059	\$ <b>68,059</b>	\$ -	\$ 97,462
<b>TOTAL REVENUES</b>	<u>68,059</u>	<u>68,059</u>	<u><b>68,059</b></u>	<u>-</u>	<u>97,462</u>
<b>EXPENDITURES</b>					
Public Safety	<u>79,567</u>	<u>79,567</u>	<u><b>32,669</b></u>	46,898	61,252
<b>TOTAL EXPENDITURES</b>	<u>79,567</u>	<u>79,567</u>	<u><b>32,669</b></u>	<u>46,898</u>	<u>61,252</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,508)	(11,508)	<b>35,390</b>	46,898	36,210
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	<u>-</u>	<u>23,755</u>	<u><b>23,755</b></u>	<u>-</u>	<u>5,300</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>23,755</u>	<u><b>23,755</b></u>	<u>-</u>	<u>5,300</u>
Net Change in Fund Balance	(11,508)	12,247	<b>59,145</b>	46,898	41,510
Fund Balances at Beginning of Year	<u>265,030</u>	<u>265,030</u>	<u><b>265,030</b></u>	<u>-</u>	<u>223,520</u>
Fund Balances at End of Year	<u>\$ 253,522</u>	<u>\$ 277,277</u>	<u><b>\$ 324,175</b></u>	<u>\$ 46,898</u>	<u>\$ 265,030</u>

CALDWELL COUNTY, TEXAS  
SPECIAL REVENUE FUNDS – LEASE CONSTABLE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>Budgeted Amounts</u>		<b>2025 Actual</b>	Variance With	2024 Actual
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Intergovernmental	\$ 8,057	\$ 8,057	\$ 7,092	\$ (965)	\$ 8,071
<b>TOTAL REVENUES</b>	<u>8,057</u>	<u>8,057</u>	<u>7,092</u>	<u>(965)</u>	<u>8,071</u>
<b>EXPENDITURES</b>					
Public Safety	<u>12,383</u>	<u>12,383</u>	<u>2,434</u>	<u>9,949</u>	<u>840</u>
<b>TOTAL EXPENDITURES</b>	<u>12,383</u>	<u>12,383</u>	<u>2,434</u>	<u>9,949</u>	<u>840</u>
Net Change in Fund Balance	(4,326)	(4,326)	4,658	8,984	7,231
Fund Balances at Beginning of Year	<u>22,130</u>	<u>22,130</u>	<u>22,130</u>	-	<u>14,899</u>
Fund Balances at End of Year	<u>\$ 17,804</u>	<u>\$ 17,804</u>	<u>\$ 26,788</u>	<u>\$ 8,984</u>	<u>\$ 22,130</u>

CALDWELL COUNTY, TEXAS  
SPECIAL REVENUE FUNDS – JUSTICE COURT TECHNOLOGY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>Budgeted Amounts</u>		<b>2025 Actual</b>	Variance With	2024 Actual
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Fees of Office	\$ 17,552	\$ 17,552	\$ 36,837	\$ 19,285	\$ 23,100
<b>TOTAL REVENUES</b>	<u>17,552</u>	<u>17,552</u>	<u>36,837</u>	<u>19,285</u>	<u>23,100</u>
<b>EXPENDITURES</b>					
Judicial	<u>54,470</u>	<u>54,470</u>	<u>2,004</u>	<u>52,466</u>	<u>54,077</u>
<b>TOTAL EXPENDITURES</b>	<u>54,470</u>	<u>54,470</u>	<u>2,004</u>	<u>52,466</u>	<u>54,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,918)	(36,918)	34,833	71,751	(30,977)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	<u>36,918</u>	<u>36,918</u>	<u>36,918</u>	<u>-</u>	<u>39,720</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>36,918</u>	<u>36,918</u>	<u>36,918</u>	<u>-</u>	<u>39,720</u>
Net Change in Fund Balance	-	-	71,751	71,751	8,743
Fund Balances at Beginning of Year	<u>(58,090)</u>	<u>(58,090)</u>	<u>(58,090)</u>	<u>-</u>	<u>(66,833)</u>
Fund Balances at End of Year	<u>\$ (58,090)</u>	<u>\$ (58,090)</u>	<u>\$ 13,661</u>	<u>\$ 71,751</u>	<u>\$ (58,090)</u>

CALDWELL COUNTY, TEXAS  
SPECIAL REVENUE FUNDS – RECORDS PRESERVATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance With Final Budget - Positive (Negative)	2024 Actual
	Original	Final			
<b>REVENUES</b>					
Fees of Office	\$ 167,000	\$ 167,000	\$ 371,856	\$ 204,856	\$ 209,478
<b>TOTAL REVENUES</b>	<b>167,000</b>	<b>167,000</b>	<b>371,856</b>	<b>204,856</b>	<b>209,478</b>
<b>EXPENDITURES</b>					
General Administration	193,100	193,100	196,913	(3,813)	110,786
<b>TOTAL EXPENDITURES</b>	<b>193,100</b>	<b>193,100</b>	<b>196,913</b>	<b>(3,813)</b>	<b>110,786</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,100)	(26,100)	174,943	201,043	98,692
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	-	(26,100)	(26,100)	-	22,080
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(26,100)</b>	<b>(26,100)</b>	<b>-</b>	<b>22,080</b>
Net Change in Fund Balance	(26,100)	(52,200)	148,843	201,043	120,772
Fund Balances at Beginning of Year	473,943	473,943	473,943	-	353,171
Fund Balances at End of Year	\$ 447,843	\$ 421,743	\$ 622,786	\$ 201,043	\$ 473,943

CALDWELL COUNTY, TEXAS  
SPECIAL REVENUE FUNDS – LAW LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	Budgeted Amounts		2025 Actual	Variance With Final Budget - Positive (Negative)	2024 Actual
	Original	Final			
<b>REVENUES</b>					
Fees of Office	\$ 15,000	\$ 15,000	\$ 48,422	\$ 33,422	\$ 25,888
<b>TOTAL REVENUES</b>	<u>15,000</u>	<u>15,000</u>	<u>48,422</u>	<u>33,422</u>	<u>25,888</u>
<b>EXPENDITURES</b>					
General Administration	6,500	6,500	5,237	1,263	5,444
<b>TOTAL EXPENDITURES</b>	<u>6,500</u>	<u>6,500</u>	<u>5,237</u>	<u>1,263</u>	<u>5,444</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,500	8,500	43,185	34,685	20,444
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	8,880
Transfers Out	(8,500)	(8,500)	-	8,500	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(8,500)</u>	<u>(8,500)</u>	<u>-</u>	<u>8,500</u>	<u>8,880</u>
Net Change in Fund Balance	-	-	43,185	43,185	29,324
Fund Balances at Beginning of Year	46,446	46,446	46,446	-	17,122
Fund Balances at End of Year	<u>\$ 46,446</u>	<u>\$ 46,446</u>	<u>\$ 89,631</u>	<u>\$ 43,185</u>	<u>\$ 46,446</u>

CALDWELL COUNTY, TEXAS  
SPECIAL REVENUE FUNDS – HOT CHECK FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>Budgeted Amounts</u>		<b>2025</b> <u>Actual</u>	Variance With	<u>2024</u> Actual
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Fees of Office	\$ 1,000	\$ 1,000	\$ 460	\$ (540)	655
Miscellaneous Revenue	500	500	841	341	867
<b>TOTAL REVENUES</b>	<u>1,500</u>	<u>1,500</u>	<u>1,301</u>	<u>(199)</u>	<u>1,522</u>
<b>EXPENDITURES</b>					
General Administration	5,000	5,000	3,322	1,678	2,002
<b>TOTAL EXPENDITURES</b>	<u>5,000</u>	<u>5,000</u>	<u>3,322</u>	<u>1,678</u>	<u>2,002</u>
Net Change in Fund Balance	(3,500)	(3,500)	(2,021)	1,479	(480)
Fund Balances at Beginning of Year	58,384	58,384	58,384	-	58,864
Fund Balances at End of Year	<u>\$ 54,884</u>	<u>\$ 54,884</u>	<u>\$ 56,363</u>	<u>\$ 1,479</u>	<u>\$ 58,384</u>

CALDWELL COUNTY, TEXAS  
SPECIAL REVENUE FUNDS – RECORDS MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

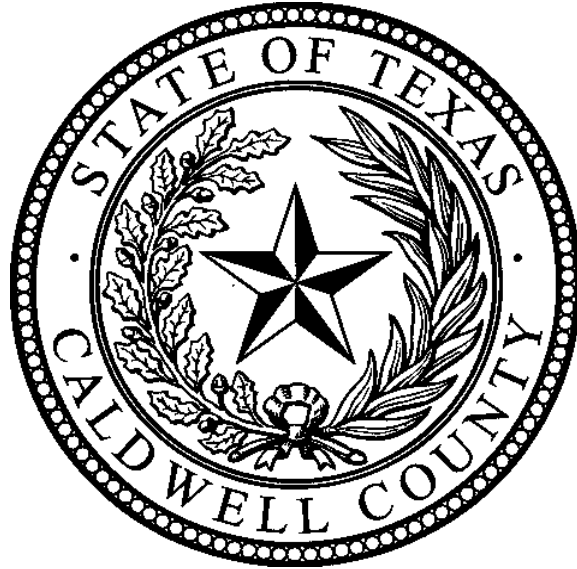
	<u>Budgeted Amounts</u>		<b>2025 Actual</b>	Variance With	2024 Actual
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Fees of Office	\$ 16,000	\$ 16,000	\$ 4,473	\$ (11,527)	\$ 7,792
<b>TOTAL REVENUES</b>	<u>16,000</u>	<u>16,000</u>	<u>4,473</u>	<u>(11,527)</u>	<u>7,792</u>
<b>EXPENDITURES</b>					
Judicial	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,000	16,000	4,473	(11,527)	7,792
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	16,000	16,000	-	16,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>16,000</u>	<u>16,000</u>	<u>-</u>	<u>16,000</u>
Net Change in Fund Balance	16,000	32,000	20,473	(11,527)	23,792
Fund Balances at Beginning of Year	94,688	94,688	94,688	-	70,896
Fund Balances at End of Year	<u>\$ 110,688</u>	<u>\$ 126,688</u>	<u>\$ 115,161</u>	<u>\$ (11,527)</u>	<u>\$ 94,688</u>

CALDWELL COUNTY, TEXAS  
SPECIAL REVENUE FUNDS – COURTHOUSE SECURITY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>Budgeted Amounts</u>		<b>2025 Actual</b>	Variance With	2024 Actual
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Fees of Office	\$ 34,900	\$ 34,900	\$ 32,256	\$ (2,644)	\$ 36,284
<b>TOTAL REVENUES</b>	<u>34,900</u>	<u>34,900</u>	<u>32,256</u>	<u>(2,644)</u>	<u>36,284</u>
<b>EXPENDITURES</b>					
General Administration	593,763	593,763	554,877	38,886	521,805
<b>TOTAL EXPENDITURES</b>	<u>593,763</u>	<u>593,763</u>	<u>554,877</u>	<u>38,886</u>	<u>521,805</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(558,863)	(558,863)	<b>(522,621)</b>	36,242	(485,521)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	433,811	433,811	522,621	88,810	539,600
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>433,811</u>	<u>433,811</u>	<u>522,621</u>	<u>88,810</u>	<u>539,600</u>
Net Change in Fund Balance	(125,052)	(125,052)	-	125,052	54,079
Fund Balances at Beginning of Year	46,539	46,539	<b>46,539</b>	-	(7,540)
Fund Balances at End of Year	<u>\$ (78,513)</u>	<u>\$ (78,513)</u>	<u>\$ 46,539</u>	<u>\$ 125,052</u>	<u>\$ 46,539</u>

CALDWELL COUNTY, TEXAS  
DEBT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>Budgeted Amounts</u>		<b>2025 Actual</b>	Variance With	2024 Actual
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 1,782,000	\$ 1,782,000	<b>\$ 2,141,108</b>	\$ 359,108	\$ 1,908,628
Investment earnings	4,000	4,000	<b>97,256</b>	93,256	81,360
<b>TOTAL REVENUES</b>	<u>1,786,000</u>	<u>1,786,000</u>	<b><u>2,238,364</u></b>	<u>452,364</u>	<u>1,989,988</u>
<b>EXPENDITURES</b>					
Debt Service:					
Principal	1,315,000	1,315,000	<b>1,397,116</b>	(82,116)	1,260,000
Interest and Fiscal Charges	405,591	405,591	<b>479,336</b>	(73,745)	445,081
<b>TOTAL EXPENDITURES</b>	<u>1,720,591</u>	<u>1,720,591</u>	<b><u>1,876,452</u></b>	<u>(155,861)</u>	<u>1,705,081</u>
Net Change in Fund Balance	65,409	65,409	<b>361,912</b>	296,503	284,907
Fund Balances at Beginning of Year	615,006	615,006	<b>615,006</b>	-	330,099
Fund Balances at End of Year	<u>\$ 680,415</u>	<u>\$ 680,415</u>	<b><u>\$ 976,918</u></b>	<u>\$ 296,503</u>	<u>\$ 615,006</u>



## COMPLIANCE SECTION



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

INDEPENDENT AUDITOR'S REPORT

The Honorable Judge and  
Members of the Commissioners' Court  
Caldwell County

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caldwell County as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Caldwell County's basic financial statements, and have issued our report thereon dated March 30, 2026.

***Internal Control over Financial Reporting***

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify a deficiency in internal control that we consider to be a material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002 to be a material weaknesses.

### ***Compliance and Other Matters***

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

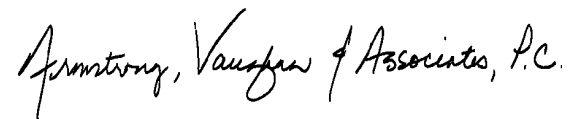
We noted certain matters that we have reported to management of the County in a separate letter dated March 30, 2026.

### ***Caldwell County's Response to Findings***

Caldwell County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Caldwell County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion about it.

### **Purpose of this Report**

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



Armstrong, Vaughan & Associates, P.C.

March 30, 2026



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

The Honorable Judge and  
Members of the Commissioners' Court  
Caldwell County

**Report on Compliance for Each Major Program**

***Opinion on Each Major Federal Program***

We have audited the Caldwell County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*, that could have a direct and material effect on each of Caldwell County, Texas' major federal programs for the year ended September 30, 2025. Caldwell County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Caldwell County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards, the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Caldwell County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Caldwell County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design and implementation, and maintenance of effective internal control over compliance with the requirements of the laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Caldwell County.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Caldwell County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Caldwell County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Caldwell County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Caldwell County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Caldwell County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Armstrong, Vaughan & Associates, P.C.*

Armstrong, Vaughan & Associates, P.C.

March 30, 2026

CALDWELL COUNTY, TEXAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

A. Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Any material weaknesses identified?	Yes
Any significant deficiencies identified?	No
Noncompliance material to the financial statements noted?	No

*Federal Awards*

Internal control over major programs:	
Any material weaknesses identified?	No
Any significant deficiencies identified?	No

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
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Identification of major programs:	
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant - Mitigation

Dollar threshold used to distinguish between type A and type B programs:	\$1,000,000
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Auditee qualified as low-risk auditee?	No
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B. Financial Statement Findings  
 2025-01 & 2025-02

C. Federal Award Findings and Questioned Costs  
 N/A

D. Prior Year Findings  
 2024-01 & 2024-02

CALDWELL COUNTY, TEXAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Explanation Finding Recommendation: 2024-001 Cash and Cash Equivalents

Current Status: Not Implemented

Managements Explanation If Not Implemented: The Treasurer has begun to assume responsibility for investment accounts and is reconciling on a monthly basis. The Audit department of the County is researching with Incode to clear outstanding items in the closed pooled cash account.

Explanation Finding Recommendation: 2024-002 General Ledger Accounts not Reconciled to Underlying Subsidiary Accounts and Records

Current Status: Not Implemented

Managements Explanation If Not Implemented: The County Auditor's office has experienced low turnover; however, many staff members are still relatively inexperienced and in the process of being trained. Management expects that, as staff gain experience and training, they will be able to properly maintain subledgers and address the material weakness.

CALDWELL COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND RESPONSE ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

We consider the following deficiencies to be material weaknesses:

**2025-001 Cash and Cash Equivalents**

**Criteria** - A primary control over cash is the timely and accurate reconciliation of all cash accounts. Outstanding items in the closed pooled cash account were not cleared timely. Reconciliations of the County's cash accounts is a requirement of Texas Local Government Code, Sec. 113.008, Reconciliation of Depository Accounts. Additionally, interest earned on investment accounts are not being recorded monthly.

**Condition** – Claim on cash did not reconcile to the pooled cash account by a material degree until corrections were made during the audit. Interest earned on investment accounts was not recorded until the audit.

**Effect** – Inaccurate financial information was provided to Commissioners' Court as the bank reconciliations have large outstanding items and not all revenue was recorded.

**Cause** – The former Treasurer was unable to reconcile the bank accounts on a timely basis which caused the issue to persist into the current fiscal year.

**Recommendation** - The County Treasurer and assistants should receive training in reconciling bank accounts (with continued support from outside professionals, if necessary), until all bank accounts are reconciled on a timely basis and tie to the general ledger.

**2025-002 General Ledger Accounts not Reconciled to Underlying Subsidiary Accounts and Records**

**Criteria** - A primary control over accurate financial statements is the reconciliation of the subsidiary accounts to the general ledger.

**Condition** – The County Auditor is charged with maintaining the records of the County's financial transactions including the general ledger. We noted numerous balance sheet accounts are not being reconciled to the supporting subsidiary ledgers and accounts. This includes accruals such as receivables and liabilities, as well as, interfund transactions including due to/from and transfers.

**Effect** – Inaccurate financial information was provided to Commissioners' Court. Additionally, the balance sheet accounts were either over or understated.

**Cause** – Subsidiary Ledgers are not being compared to the corresponding general ledger accounts in the accounting software system by the County Auditor's Office.

**Recommendation** – Supporting subsidiary ledgers and accounts should be prepared by the appropriate department/personnel, such as the elected official, purchasing agent or grant coordinator and then audited and reconciled to the general ledger by the County Auditor's office. There has been improvement in this area in the past year.

Danielle Teltow  
**CALDWELL COUNTY AUDITOR**  
**CALDWELL COUNTY, TEXAS**

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**CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Management concurs with the audit findings and has adopted a corrective action plan as summarized below:

2025-001 Cash and Cash Equivalents

An action plan included training and working with the Treasurer to reconcile money market accounts and bank statements.

2025-002 General Ledger Accounts not Reconciled to Underlying Subsidiary Accounts and Records

An action plan is for the County Auditor's office to continue scheduling the quarterly assessments and reconciliations. The County Auditor's office addressed taking several liabilities to Commissioner's Court for disbursement after year end. The County Auditor's office will review the entries made during the audit and begin making necessary end of year accruals for accounts payable, other liabilities, and revenues/receivables.

CALDWELL COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures
<b>HOUSING OF URBAN DEVELOPMENT</b>			
Passed Through Texas General Land Office			
Community Development Block Grant - Mitigation	14.228	22085024D265	\$ 11,781,023
Community Development Block Grant - Mitigation	14.228	24-065-139-E997	1,739,872
Community Development Block Grant - LHMP	14.228	22-130-078-E940	18,750
<b>DEPARTMENT OF TREASURY</b>			
American Rescue Plan Act	21.027	N/A	1,827,080
<b>BUREAU OF JUSTICE ASSISTANCE</b>			
<b>State Criminal Alien Assistance Program</b>	16.606	15PBJA23RR05943	<u>3,236</u>
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<u><u>\$ 15,369,961</u></u>

CALDWELL COUNTY, TEXAS  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 -- BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 – DE MINIMIS INDIRECT COST RATE

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance (2 CFR 200.414) and has not charged any indirect costs to federal awards during the year.

