



***CALHOUN COUNTY, TEXAS***

***ANNUAL  
FINANCIAL REPORT***

***FISCAL YEAR ENDED  
DECEMBER 31, 2018***

DEPARTMENT ISSUING REPORT

Calhoun County Auditor's Office  
Cindy Mueller, County Auditor



CALHOUN COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2018

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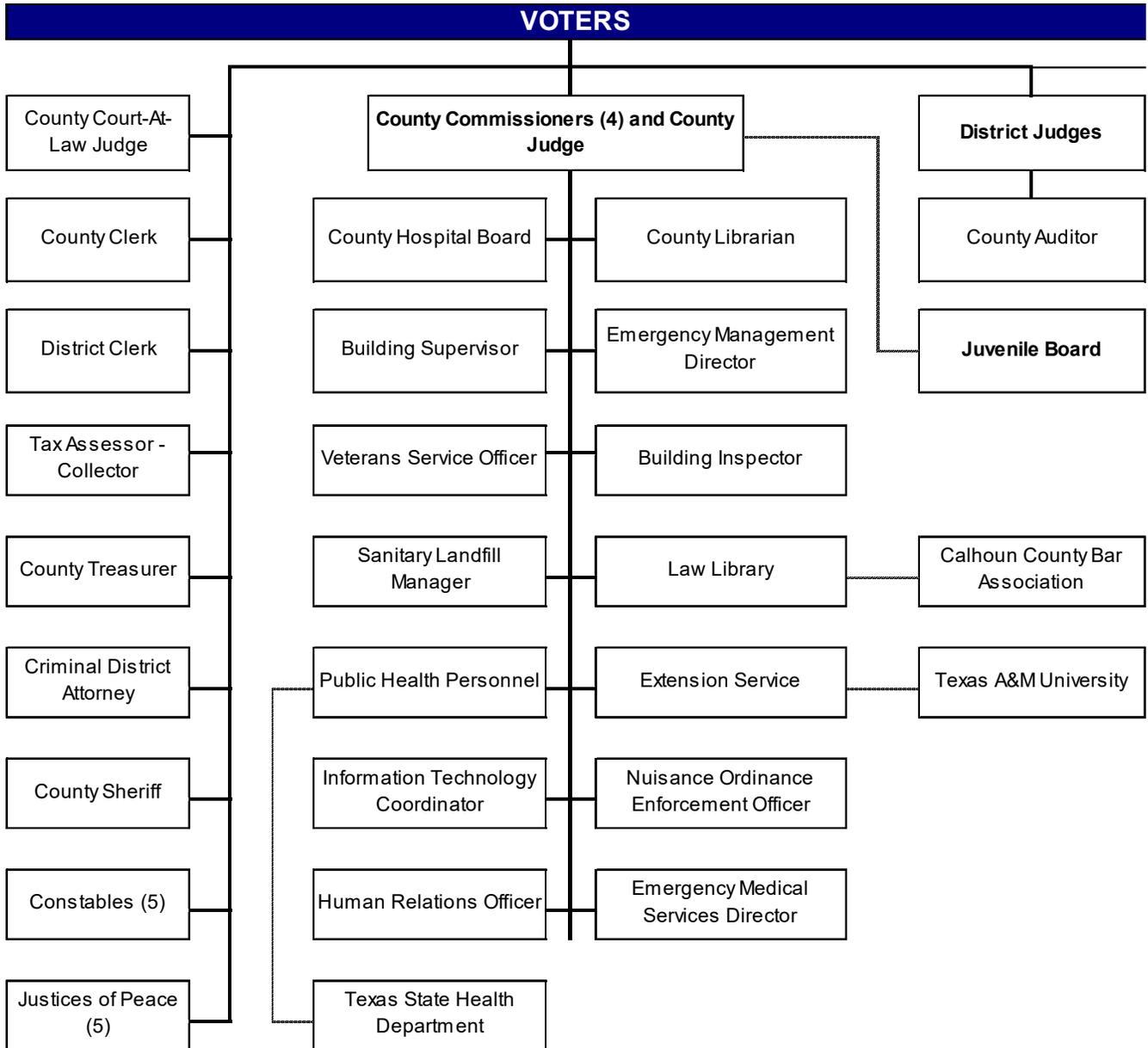
PRINCIPAL OFFICIALS

COUNTY JUDGE..... MICHAEL J. PFEIFER  
COMMISSIONER, PRECINCT 1 .....DAVID HALL  
COMMISSIONER, PRECINCT 2 ..... VERNON LYSSY  
COMMISSIONER, PRECINCT 3 ..... CLYDE SYMA  
COMMISSIONER, PRECINCT 4.....KENNETH FINSTER  
COUNTY AUDITOR ..... CINDY MUELLER  
COUNTY TREASURER .....RHONDA KOKENA  
ASSESSOR-COLLECTOR OF TAXES..... GLORIA A. OCHOA  
COUNTY CLERK ..... ANNA GOODMAN  
DISTRICT CLERK.....ANNA KABELA  
SHERIFF ..... BOBBIE VICKERY  
DISTRICT ATTORNEY.....DAN HEARD  
COUNTY COURT-AT-LAW JUDGE .....ALEX HERNANDEZ

OFFICIAL ISSUING REPORT

COUNTY AUDITOR

# CALHOUN COUNTY ORGANIZATIONAL CHART





## INDEPENDENT AUDITOR'S REPORT

The Honorable Judge and  
Members of the Commissioner's Court  
Calhoun County, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Calhoun County, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Memorial Medical Center, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. The financial statements of the Memorial Medical Center were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Memorial Medical Center, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Calhoun County, as of December 31, 2018, 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.

## ***Other Matters***

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

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

### ***Other Information***

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

The comparative financial statements and combining nonmajor fund financial 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 combining nonmajor fund financial statements, 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 a separate report dated August 2, 2019 on our consideration of Calhoun 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 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 Calhoun County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

August 2, 2019

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Calhoun 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 December 31, 2018. 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 December 31, 2018 by \$67.7 million (net position), an increase from the previous year of 1.5%.
- The total assets and deferred outflows of resources of Medical Memorial Center exceeded the liabilities and deferred inflows of resources at December 31, 2018 by \$11.7 million (net position), a decrease from the previous year of 6.2%.
- During the year, the County's expenses were \$27.7 million, which was \$1.0 million less than the \$28.7 million generated in taxes and other revenues for governmental activities.
- Total revenue from all sources was \$28.7 million. The primary revenue sources for governmental activities were property (ad valorem) taxes (\$16.1 million), sales tax (\$5.0 million), capital grants and contributions (\$1.9 million), and charges for services (\$3.3 million). These four revenue sources accounted for 56.0%, 17.6%, 6.7, and 11.5% respectively, or 91.9% of total governmental activities revenues.
- Total expenses for governmental activities were \$27.7 million. The largest functional expenses were public safety (\$7.1 million), roads and bridges (\$5.2 million), and public facilities (\$4.6 million).

#### 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 \$24.3 million, an increase of \$425 thousand from December 31, 2017.
- Of the total fund balance for General Fund (\$24,3 million), the unassigned fund balance of \$19.7 million equals 81% of the fiscal year 2018 total general fund balance.
- At December 31, 2018, the County's nonmajor funds reported a fund balance of \$6.2 million, a decrease of \$2.5 million from December 31, 2017.

## 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:

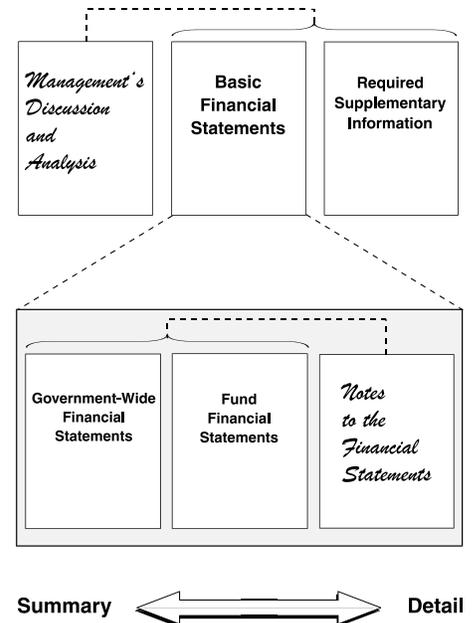
The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County’s overall financial status.

- 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 combined net position were \$67.7 million at December 31, 2018. (See Table A-1).

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

	Governmental Activities			Discretely Presented Component Unit		
	2018	2017	% Change	2018	2017	% Change
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 29,264,271	\$ 32,361,203	-9.6%	\$ 3,289,130	\$ 3,043,924	8.06%
Receivables (Net of Allowance)	10,449,293	9,375,482	11.5%	11,243,371	9,935,579	13.16%
Due from Others	1,659,609	2,000,406	-17.0%	-	262,499	-100.00%
Inventories	402,351	622,033	-35.3%	760,837	670,519	13.47%
Prepaid Items and Other Current Assets	1,557,919	180,121	764.9%	5,619,484	4,818,373	16.63%
Restricted Cash and Cash Equivalents	9,443,042	9,610,791	-1.7%	-	-	0.0%
Capital Assets (Net of Accumulated Depreciation)	40,407,567	38,730,863	4.3%	7,009,205	7,207,942	-2.76%
<b>TOTAL ASSETS</b>	<u>93,184,052</u>	<u>92,880,899</u>	0.3%	<u>27,922,027</u>	<u>25,938,836</u>	7.65%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	<u>1,844,051</u>	<u>4,106,193</u>	-55.1%	<u>1,271,387</u>	<u>3,137,330</u>	-59.48%
<b>LIABILITIES</b>						
Accounts Payable	508,630	835,778	-39.1%	1,540,368	1,483,220	3.85%
Accrued and Other Liabilities	549,383	553,492	-0.7%	13,324,681	10,756,544	23.88%
Due to Others	2,549,973	2,218,803	14.9%	-	-	0.0%
Accrued Interest	71,212	108,283	-34.2%	-	-	0.0%
Due Within One Year	1,228,641	1,204,040	2.0%	259,220	364,341	-28.85%
Due in More Than One Year	4,512,922	5,561,546	-18.9%	765,826	929,155	-17.58%
Net Pension Liability	1,028,133	3,495,176	-70.6%	897,238	2,730,075	-67.14%
<b>TOTAL LIABILITIES</b>	<u>10,448,894</u>	<u>13,977,118</u>	-25.2%	<u>16,787,333</u>	<u>16,263,335</u>	3.22%
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	<u>16,873,288</u>	<u>16,332,939</u>	3.3%	<u>710,139</u>	<u>344,267</u>	106.28%
<b>NET POSITION:</b>						
Net Investment in Capital Assets	34,853,756	32,432,973	7.5%	5,984,159	5,914,446	1.18%
Restricted Net Position	2,066,573	9,476,534	-78.2%	-	-	0.0%
Unrestricted Net Position	30,785,592	24,767,528	24.3%	5,711,783	6,554,118	-12.85%
<b>TOTAL NET POSITION</b>	<u>\$ 67,705,921</u>	<u>\$ 66,677,035</u>	1.5%	<u>\$ 11,695,942</u>	<u>\$ 12,468,564</u>	-6.20%

The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$67.7 million at the close of the current fiscal year. Of this amount, \$34.9 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. The County uses these capital assets to provide services to citizens; consequently, these funds are not available for future spending.

## Statement of Activities

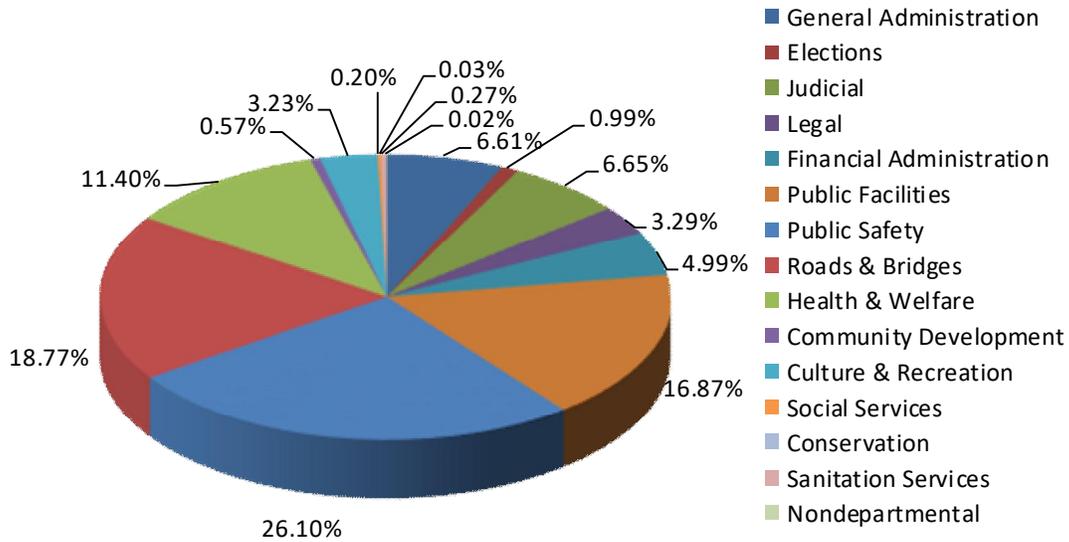
Table A-2 indicates changes in net position for governmental activities. (Note: The County does not have any business-type activities.)

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

	Governmental Activities			Discretely Presented Component Unit		
	2018	2017	% Change	2018	2017	% Change
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 3,309,182	\$ 3,369,042	-1.8%	\$82,391,186	\$71,821,211	14.7%
Operating Grants and Contributions	1,403,645	877,949	59.9%	-	455,741	-100.0%
Capital Grants and Contributions	1,932,038	5,076,473	-61.9%	23,796	22,000	8.2%
General Revenues:						
Property Taxes	16,080,681	15,999,977	0.5%	-	-	0.0%
Sales Tax and Other Tax	5,042,071	3,634,887	38.7%	-	-	0.0%
Other Taxes	61,958	59,920	3.4%	-	-	0.0%
Investment Earnings	358,304	114,600	212.7%	14,599	9,570	52.55%
Miscellaneous Revenues	551,150	690,479	-20.2%	-	-	0.0%
<b>Total Revenues</b>	<u>28,739,029</u>	<u>29,823,327</u>	-3.6%	<u>82,429,581</u>	<u>72,308,522</u>	#REF!
<b>Expenses:</b>						
General Administration	1,821,176	1,811,980	0.5%	-	-	0.0%
Elections	272,756	238,450	14.4%	-	-	0.0%
Judicial	1,832,271	1,809,889	1.2%	-	-	0.0%
Legal	906,930	928,362	-2.3%	-	-	0.0%
Financial Administration	1,374,283	1,368,378	0.4%	-	-	0.0%
Public Facilities	4,644,561	1,646,392	182.1%	-	-	0.0%
Public Safety	7,186,128	7,378,546	-2.6%	-	-	0.0%
Roads & Bridges	5,169,578	5,104,698	1.3%	-	-	0.0%
Health & Welfare	3,139,908	3,509,743	-10.5%	-	-	0.0%
Community Development	156,139	178,960	-12.8%	-	-	0.0%
Culture & Recreation	890,509	912,512	-2.4%	-	-	0.0%
Social Services	55,304	55,455	-0.3%	-	-	0.0%
Conservation	7,750	7,750	0.0%	-	-	0.0%
Sanitation Services	75,032	275,532	-72.8%	-	-	0.0%
Nondepartmental	5,137	-	100.0%	-	-	0.0%
Interest & Fiscal Charges	172,681	223,882	-22.9%	-	-	0.0%
Memorial Medical Center	-	-	0.0%	83,202,203	73,833,168	12.7%
<b>Total Expenses</b>	<u>27,710,143</u>	<u>25,450,529</u>	8.9%	<u>83,202,203</u>	<u>73,833,168</u>	12.7%
Increase (Decrease) in Net Position	<u>\$ 1,028,886</u>	<u>\$ 4,372,798</u>	-76.5%	<u>\$ (772,622)</u>	<u>\$ (1,524,646)</u>	-49.3%

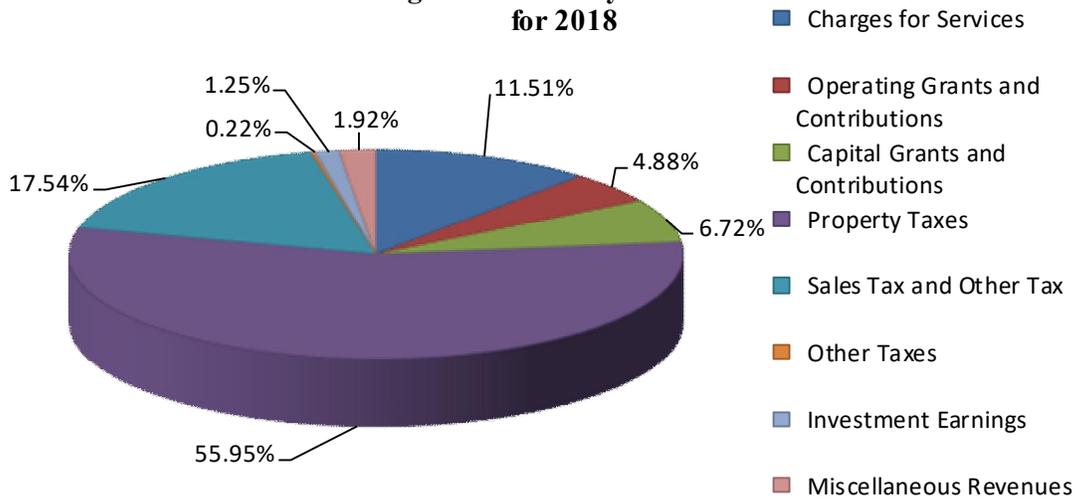
**Expenditures.** The total cost of all programs and services was \$27.7 million (see Figure A-3).

**Figure A-3 County Expenses for 2018**



- General Administration includes County Judge, Commissioners Court, County Clerk, Information Technology and Human Resources.
- Financial Services includes County Auditor, Treasurer, and Tax Office.
- Judicial includes County Court at Law, District Courts, District Clerk, Justice of the Peace and Juvenile Court.
- Health and Welfare includes Emergency Medical Services and Indigent Health
- Culture and Recreation includes Museum, Library and Parks.
- Public Safety includes Constables, Sheriff, Jail Operations, Fire Protection and Juvenile Probation.
- Public Facilities includes Building Maintenance, Airport and Port O'Connor Community Center.

**Figure A-4 County Revenues for 2018**



**Revenues.** The County’s total revenues were \$28.7 million. A significant portion, 73.8%, of the County’s revenue comes from taxes, including primarily property tax and sales tax. (See Figure A-4.) Other revenue sources include 11.5% from charges for services, with 11.5% from 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 \$27.7 million.
- However, the amount that our taxpayers paid for these activities through property taxes was \$16.1 million and \$5.0 million through sales tax.
- The cost paid by those who directly benefited from the programs was \$3.3 million.

The total received by the County for grants and contributions was \$3.3 million, of which \$.7 million was received from the Federal Emergency Management Agency (FEMA) and others for Hurricane Harvey, \$.7 million was received for the new library building donated by Friends of Port O'Connor Library, \$.5 million was received from the Gulf of Mexico Energy Security Act (GOMESA) for coastal protection, and \$.5 million was received from the State of Texas for completed bridges.

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

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
General Administration	\$ 1,821,176	\$ 1,811,980	\$ (1,325,878)	\$ (1,185,779)
Elections	272,756	238,450	(252,076)	(215,499)
Judicial	1,832,271	1,809,889	(1,020,273)	(1,236,362)
Legal	906,930	928,362	(871,880)	(874,770)
Financial Administration	1,374,283	1,368,378	(920,634)	(892,076)
Public Facilities	4,644,561	1,646,392	(3,946,303)	(1,587,694)
Public Safety	7,186,128	7,378,546	(5,907,463)	(6,938,429)
Roads & Bridges	5,169,578	5,104,698	(4,394,001)	559,921
Health & Welfare	3,139,908	3,509,743	(1,850,984)	(2,183,307)
Community Development	156,139	178,960	(156,139)	(178,960)
Culture & Recreation	890,509	912,512	(147,859)	(870,741)
Social Services	55,304	55,455	(55,304)	(55,455)
Conservation	7,750	7,750	(7,750)	(7,750)
Sanitation Services	75,032	275,532	(30,916)	(236,282)
Nondepartmental	5,137	-	(5,137)	-

## 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 of \$30.5 million, a decrease of \$2.5 million in comparison with the prior year. The decrease can be attributed to the expenditures incurred as a result of hurricane damages.

The County's major governmental fund is the General Fund.

**General Fund.** The General Fund is the chief operating fund of the County. The total fund balance for general fund was \$24.3 million with the unassigned fund balance of the General Fund at \$19.7 million.

As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance to total general fund expenditures. Unassigned fund balance for fiscal year 2018 represents 81.0% 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 \$892 thousand or about 4.0% 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.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2018, the County had invested \$40.4 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 \$1.7 million or 4.3% percent more than last year.

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

	Governmental Activities		Discretely Presented Component Unit	
	2018	2017	2018	2017
Land	\$ 5,879,793	\$ 5,817,322	\$ 461,793	\$ 320,593
Infrastructure	22,322,176	21,821,352	-	-
Buildings and Improvements	24,326,793	22,594,531	13,451,765	13,212,864
Improvements Other Than Buildings	11,547,961	10,728,865	-	-
Furniture, Fixtures, and Equipment	19,147,704	17,411,717	9,092,894	13,608,629
Construction In Progress	1,015,876	2,182,159	500	-
Lease Assets	-	-	3,736,411	3,640,521
Totals at Historical Cost	<u>84,240,303</u>	<u>80,555,946</u>	<u>26,743,363</u>	<u>30,782,607</u>
Total Accumulate Depreciation	<u>(43,832,736)</u>	<u>(41,825,083)</u>	<u>(19,734,158)</u>	<u>(23,574,665)</u>
Net Capital Assets	<u>\$ 40,407,567</u>	<u>\$ 38,730,863</u>	<u>\$ 7,009,205</u>	<u>\$ 7,207,942</u>

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

### Long Term Debt

At year-end the County had \$5.3 million in bonds and notes outstanding as shown in Table A-5.

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

	Governmental Activities		Discretely Presented Component Unit	
	2018	2017	2018	2017
Refunding Bond, Series 2010	\$ 2,700,000	\$ 3,095,000	\$ -	\$ -
Refunding Bond, Series 2012	2,590,000	3,165,000	-	-
Capital Lease Obligation	-	-	1,025,046	1,293,496
Total Outstanding Debt	<u>\$ 5,290,000</u>	<u>\$ 6,260,000</u>	<u>\$ 1,025,046</u>	<u>\$ 1,293,496</u>

#### Bond Ratings

The County’s bonds presently carry “AAA” ratings with underlying ratings as follows: Moody’s Investor Services “Aa3” and Standard & Poors “AA”.

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

### **Budgetary Highlights**

The County revised its original budget for the general fund several times to adjust for changes resulting in an overall decrease of \$239 thousand in revenues and increase of \$1.3 million in expenses. As part of the budget revisions, increases were made to other revenue and related expenditures based on the source of the funds.

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

The annual budget is developed to provide efficient, effective, and economic uses of the County’s resources, as well as a means to accomplish the highest priority objectives. Through the budget, the Commissioners Court sets the direction of the county, allocates its resources, and establishes its priorities.

The 2018 property tax rate adopted by the Commissioners Court, \$.49 per hundred dollar valuation, was identical to the 2017 tax rate. The total tax levy for the 2019 fiscal year was \$16,445,907. Before the adjustment for newly added property, the effective tax rate adjusts to only allow the county to receive the same tax levy as the previous year. Therefore, additional property tax revenue is generated from new property and tax rate increases in accordance with the State of Texas’ Truth-In Taxation laws.

The general operating fund spending increased in the 2019 budget to \$23.7 million from \$23.2 million in the 2018 budget. This is a 2.1% decrease. The largest increases are to employee salaries.

In order to help fund current increases, the County adopted a general operating fund budget with the intent that there would be a net decrease in estimated fund balance between budgeted revenues and budgeted expenditures. Even with the use of current fund balance, the County estimated the remaining fund balance will be above 25% of the budgeted expenditures at year end.

### **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:

Calhoun County, Texas  
Office of County Auditor  
202 S. Ann Street, Suite B  
Port Lavaca, Texas 77979  
(361) 553-4610

For additional information on the Memorial Medical Center please contact:

Memorial Medical Center  
815 N. Virginia Street  
Port Lavaca, TX 77979  
(361) 552-6713



## **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.

CALHOUN COUNTY, TEXAS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018

	Primary Government	Component Unit
	Governmental Activities	Memorial Medical Center
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 29,264,271	\$ 3,289,130
Receivables (Net of Allowance for Uncollectibles)	10,449,293	11,243,371
Due from Others	1,659,609	-
Inventories	402,351	760,837
Prepaid Items and Other Current Assets	1,557,919	5,619,484
Restricted Assets:		
Cash and Cash Equivalents	9,443,042	-
Capital Assets (Net of Accumulated Depreciation)		
Land	5,879,793	461,793
Construction in Progress	1,015,876	500
Buildings	15,900,562	4,345,567
Improvements Other than Buildings	4,887,047	-
Furniture, Fixtures and Equipment	6,429,949	1,154,570
Infrastructure	6,294,340	-
Lease Assets	-	1,046,775
<b>TOTAL ASSETS</b>	93,184,052	27,922,027
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows - Pension Related	1,612,581	1,271,387
Deferred Outflows - Debt Refundings	231,470	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 1,844,051	\$ 1,271,387

See accompanying notes to basic financial statements.

CALHOUN COUNTY, TEXAS  
STATEMENT OF NET POSITION (CONTINUED)  
DECEMBER 31, 2018

	Primary Government	Component Unit
	Governmental Activities	Memorial Medical Center
<b>LIABILITIES</b>		
Accounts Payable	\$ 508,630	\$ 1,540,368
Accrued and Other Liabilities	549,383	13,324,681
Due to Others	2,549,973	-
Interest Payable	71,212	-
<i>Noncurrent Liabilities:</i>		
Due in One Year	1,228,641	259,220
Due in More Than One Year	4,512,922	765,826
Net Pension Liability	1,028,133	897,238
<b>TOTAL LIABILITIES</b>	10,448,894	16,787,333
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Levied For Future Periods	15,929,525	-
Deferred Inflows - Pension Related	943,763	710,139
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	16,873,288	710,139
 <b>NET POSITION:</b>		
Net Investment in Capital Assets	34,853,756	5,984,159
Restricted For:		
Debt Service	1,198,520	-
Capital Projects	868,053	-
Unrestricted	30,785,592	5,711,783
<b>TOTAL NET POSITION</b>	\$ 67,705,921	\$ 11,695,942

See accompanying notes to basic financial statements.

CALHOUN COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

<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 Administration	\$ (1,821,176)	\$ 320,959	\$ 150,392	\$ 23,947
Elections	(272,756)	20,680	-	-
Judicial	(1,832,271)	678,951	96,161	36,886
Legal	(906,930)	11,060	23,990	-
Financial Administration	(1,374,283)	453,649	-	-
Public Facilities	(4,644,561)	44,663	20,627	632,968
Public Safety	(7,186,128)	441,074	837,591	-
Roads & Bridges	(5,169,578)	246,670	-	528,907
Health & Welfare	(3,139,908)	1,027,583	261,341	-
Community Development	(156,139)	-	-	-
Culture & Recreation	(890,509)	19,777	13,543	709,330
Social Services	(55,304)	-	-	-
Conservation	(7,750)	-	-	-
Sanitation Services	(75,032)	44,116	-	-
Nondepartmental	(5,137)	-	-	-
Interest & Fiscal Charges	(172,681)	-	-	-
<b>Total Governmental Activities</b>	<u>\$ (27,710,143)</u>	<u>\$ 3,309,182</u>	<u>\$ 1,403,645</u>	<u>\$ 1,932,038</u>
<b>Component Unit:</b>				
Memorial Medical Center	<u>\$ (83,202,203)</u>	<u>\$ 82,391,186</u>	<u>\$ -</u>	<u>\$ 23,796</u>
<b>General Revenues:</b>				
Taxes				
General Property Taxes				
Sales Taxes				
Other Taxes				
Interest and Investment Earnings				
Miscellaneous				
<b>Total General Revenues</b>				
<b>Change in Net Position</b>				
<b>Net Position at Beginning of Year</b>				
<b>Net Position at End of Year</b>				

See accompanying notes to basic financial statements.

Net (Expense) Revenues and  
Changes in Net Assets

<u>Primary Government</u>	<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Memorial Medical Center</u>
\$ (1,325,878)	
(252,076)	
(1,020,273)	
(871,880)	
(920,634)	
(3,946,303)	
(5,907,463)	
(4,394,001)	
(1,850,984)	
(156,139)	
(147,859)	
(55,304)	
(7,750)	
(30,916)	
(5,137)	
(172,681)	
<u>(21,065,278)</u>	
	<u>\$ (787,221)</u>
16,080,681	-
5,042,071	-
61,958	-
358,304	14,599
551,150	-
<u>22,094,164</u>	<u>14,599</u>
1,028,886	(772,622)
<u>66,677,035</u>	<u>12,468,564</u>
<u>\$ 67,705,921</u>	<u>\$ 11,695,942</u>

CALHOUN COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 24,006,693	\$ 5,257,578	\$ 29,264,271
Receivables (Net of Allowance for Uncollectibles):			
Taxes	5,368,350	421,549	5,789,899
Accounts	4,220,898	438,496	4,659,394
Due from Others	1,513,188	146,421	1,659,609
Due from Other Funds	461,025	1,328	462,353
Inventories	402,351	-	402,351
Prepaid Items and Other Current Assets	215,037	1,342,882	1,557,919
Restricted Assets:			
Cash and Cash Equivalents	8,659,907	783,135	9,443,042
<b>TOTAL ASSETS</b>	<u>\$ 44,847,449</u>	<u>\$ 8,391,389</u>	<u>\$ 53,238,838</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 477,008	\$ 31,622	\$ 508,630
Accrued and Other Liabilities	545,755	3,628	549,383
Due to Other Funds	1,328	461,025	462,353
Due to Others	2,448,251	101,722	2,549,973
<i>Total Liabilities</i>	<u>3,472,342</u>	<u>597,997</u>	<u>4,070,339</u>
 <i>Deferred Inflows of Resources</i>			
Deferred Revenues	17,107,393	1,593,221	18,700,614
<i>Total Deferred Inflows of Resources</i>	<u>17,107,393</u>	<u>1,593,221</u>	<u>18,700,614</u>
 <i>Fund Balances:</i>			
Non-spendable	617,388	1,342,882	1,960,270
Restricted	-	4,054,169	4,054,169
Committed	-	132,521	132,521
Assigned	4,000,000	670,599	4,670,599
Unassigned Fund Balance	19,650,326	-	19,650,326
<i>Total Fund Balances</i>	<u>24,267,714</u>	<u>6,200,171</u>	<u>30,467,885</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
	<u>\$ 44,847,449</u>	<u>\$ 8,391,389</u>	<u>\$ 53,238,838</u>

See accompanying notes to basic financial statements.

CALHOUN COUNTY, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2018

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 30,467,885
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.		40,407,567
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		2,771,089
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.		
Accrued Compensated Absences	(187,752)	
Deferred Outflows - Debt Refundings	231,470	
Bonds, Capital Lease and Premium Payable	<u>(5,553,811)</u>	(5,510,093)
The governmental funds report pension contributions to employee pensions as expenditures when paid. However, in the Statement of Activities the differences between pension plan contributions and actuarially determined costs for the year are reported as an asset or obligation.		
Net Pension Liability	(1,028,133)	
Deferred Inflows - Pension Related	(943,763)	
Deferred Outflows - Pension Related	<u>1,612,581</u>	(359,315)
Accrued interest payable on long-term-bonds is not due and payable in the current period and, therefore, not reported in the funds.		<u>(71,212)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 67,705,921</u>

See accompanying notes to basic financial statements.

CALHOUN COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
Ad Valorem Taxes	\$ 14,757,887	\$ 1,178,009	\$ 15,935,896
Sales Taxes	5,042,071	-	5,042,071
Other Taxes	60,959	-	60,959
Intergovernmental	999,041	1,408,286	2,407,327
Charges for Service	1,822,537	435,854	2,258,391
Permits & Licenses	15,025	268,228	283,253
Fines & Forfeitures	214,923	68,200	283,123
Interest	317,217	38,252	355,469
Gifts & Contributions	9	777,929	777,938
Rents & Leases	13,670	22,800	36,470
Miscellaneous	292,203	24,689	316,892
<b>TOTAL REVENUES</b>	<u>23,535,542</u>	<u>4,222,247</u>	<u>27,757,789</u>
<b>EXPENDITURES</b>			
<i>Current:</i>			
General Administration	1,931,185	162,438	2,093,623
Elections	214,942	22,228	237,170
Judicial	1,729,482	25,560	1,755,042
Legal	876,919	30,734	907,653
Financial Administration	1,355,465	-	1,355,465
Public Facilities	1,224,398	3,545,249	4,769,647
Public Safety	6,374,000	317,828	6,691,828
Roads & Bridges	5,507,013	570,470	6,077,483
Health & Welfare	3,233,686	61,916	3,295,602
Community Development	181,810	-	181,810
Culture and Recreation	652,133	955,260	1,607,393
Social Services	55,191	-	55,191
Conservation	7,750	7,761	15,511
Sanitation Services	62,751	-	62,751
<i>Debt Service:</i>			
Principal	-	970,000	970,000
Interest and Fiscal Charges	-	215,300	215,300
<b>TOTAL EXPENDITURES</b>	<u>23,406,725</u>	<u>6,884,744</u>	<u>30,291,469</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 128,817</u>	<u>\$ (2,662,497)</u>	<u>\$ (2,533,680)</u>

See accompanying notes to basic financial statements.

CALHOUN COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>OTHER FINANCING</b>			
<b>SOURCES (USES)</b>			
Transfers In	\$ 632,726	\$ 794,981	\$ 1,427,707
Transfers Out (Uses)	(792,481)	(635,226)	(1,427,707)
Insurance Proceeds	395,977	-	395,977
Proceeds from Sale of Capital Assets	59,841	-	59,841
<b>TOTAL OTHER FINANCING</b>			
<b>SOURCES (USES)</b>	<u>296,063</u>	<u>159,755</u>	<u>455,818</u>
Net Change in Fund Balance	424,880	(2,502,742)	(2,077,862)
Fund Balances at Beginning of Year	<u>23,842,834</u>	<u>8,702,913</u>	<u>32,545,747</u>
Fund Balances at End of Year	<u>\$ 24,267,714</u>	<u>\$ 6,200,171</u>	<u>\$ 30,467,885</u>

See accompanying notes to basic financial statements.

CALHOUN 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 DECEMBER 31, 2018

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (2,077,862)

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	4,380,189	
Current Period Depreciation	<u>(2,652,838)</u>	1,727,351

The statement of activities reports gains arising from the disposal of capital assets as the difference between the proceeds from disposal and the net book value of the assets. The governmental funds report only the proceeds from disposal. This amount represents the net book value of capital assets disposed during the year. (50,647)

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

Accrued District and County Court Fines Receivable	290,062	
EMS Receivables	84,260	
Change in Property Taxes Receivable Not Collected within 60 Days of Year End	<u>118,561</u>	492,883

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.

Bond Principal Payments	970,000	
Amortization of Loss Refunding	(42,851)	
Amortization of Bond Premium	<u>48,399</u>	975,548

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	5,624	
Accrued Interest on Bond	<u>37,071</u>	42,695

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 pension expense exceeded the actuarially determined contributions. (81,082)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 1,028,886

CALHOUN COUNTY, TEXAS  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2018

	Agency Funds
<b>ASSETS</b>	
Cash and Investments	\$ 843,955
Receivables (Net of Allowances for Uncollectibles):	
Accounts	13,837
Accounts Receivable - County	25,943
Due from Other Governments	847,331
Due from Others	31,197
<b>TOTAL ASSETS</b>	<b>\$ 1,762,263</b>
 <b>LIABILITIES</b>	
Accounts Payable - County	\$ 99,849
Due to Other Governments	1,213,062
Due to Others	449,352
<b>TOTAL LIABILITIES</b>	<b>\$ 1,762,263</b>

See accompanying notes to basic financial statements.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018

**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***

Calhoun 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 (road and bridge maintenance and construction), social services, conservation and sanitation services.

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 No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The definition of the reporting entity is based primarily on the concept of financial accountability. The primary government is deemed to be financially responsible if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

Included in the Governmental Wide Statements for the Reporting Entity:

**Discretely presented component unit** – The relationship between the following component unit and the County is such that they meet the criteria, as set for in GASB Statement No. 14, for inclusion as discretely presented component units in the reporting entity:

*Memorial Medical Center* (“MMC”) operates a primary critical care hospital. MMC is committed to providing to all citizens of Calhoun County accessibility to the highest quality of healthcare in a caring, dignified, and cost-effective manner. The County Commissioners' Court appoints MMC's board, approves its annual budget, regularly scheduled payment of bills, and major capital additions. MMC is reported as a discretely presented component unit because its services are provided entirely to the public and is governed by a legally separate board. Separate financial statements are available from hospital management at Memorial Medical Center, 815 North Virginia, Port Lavaca, Texas, 77979.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

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.

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 meets the criteria as a **major governmental fund**. Nonmajor funds include Special Revenue, Debt Service and Capital Projects 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 60 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.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

**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 acquisition.

Nonmajor funds include special revenue funds, debt service funds and capital projects funds.

**Fiduciary fund level financial statements** 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 (assets equal liabilities) and do not involve measurement of results of operations.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business type activities subject to this same limitation. The County has elected not to follow subsequent private sector guidance.

4. CASH AND INVESTMENTS

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

The County is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated of not less than "AA" or its equivalent; (5) certificates of deposit issued by state and national banks domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, or secured by obligations mentioned above; and (6) fully collateralized direct repurchase agreements having a defined termination date. In addition, the County is authorized to invest in local government investment pools. The investment pools operate in accordance with appropriate state laws and regulations and have regulatory oversight from the Texas Public Funds Investment Act Sec. 2256.0016. The fair value of the City's position in each pool is the same as the net asset value of the pool shares

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

4. CASH AND INVESTMENTS (Continued)

The County reports investments at fair value based on hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quotes priced in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at the time of purchase of one year or less. Those investments are stated at amortized cost.

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.

MMC and nursing homes report patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The Medical Center provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. The nursing homes provide an allowance for uncollectible accounts based upon a percentage of total revenue based on historical collection information.

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. Interfund activity is eliminated on the government-wide 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.

CALHOUN COUNTY, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2018

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

7. INVENTORIES AND PREPAID ITEMS (Continued)

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”.

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 \$1,000 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:

Capital Asset Class	Life in years	
	County	MMC
Buildings	15 - 50	25 - 40
Improvements Other than Buildings	45	25 - 40
Equipment	5 - 20	5 - 20
Infrastructure	35 - 40	N/A
Leased Assets	N/A	3 - 7

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 acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Unavailable revenues from property tax is deferred and recognized as an inflow of resource in the period the amounts become available.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

10. COMPENSATED ABSENCES

The County permits employees to accumulate earned but unused vacation pay benefits up to certain limits. When an employee leaves the service of the county, he or she will be paid for any accrued but unused vacation. The rate of pay will be determined by the salary rate in effect at the time of separation. Unused sick leave may be accumulated to certain limits. In the event of termination, no reimbursement is made for accumulated sick leave. No liability is reported for unpaid accumulated sick leave.

Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

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.

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 TCERS' fiduciary net position have been determined on the same basis as they are reported by TCERS. 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.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

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 non-spendable 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 Commissioner’s Court – the government’s highest level of decision making authority. The Commissioner’s 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 non-spendable and are neither restricted nor committed. Assigned fund balances are established by the County Commissioner’s 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.

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 and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net 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.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

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 2017 financial statements to conform to the 2018 financial statement presentation. The reclassifications had no effect on the changes in financial position.

19. MMC – NET PATIENT SERVICE REVENUE

MMC has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

*Medicare* – Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid based on a cost reimbursement methodology. MMC is reimbursed for certain services at tentative rates, with final settlement determined after submission of annual cost reports by MMC and audits thereof by the Medicare administrative contractor.

*Medicaid* – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. MMC is reimbursed for cost reimbursable services at tentative rates, with final settlement determined after submission of annual cost reports by MMC and audits thereof by the Medicaid administrative contractor.

20. MMC – GRANTS AND CONTRIBUTIONS

From time to time, MMC receives grants and contributions from individuals and private organization. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts used specifically for operations have been reported in other operating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

21. MMC – CHARITY CARE

MMC provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because MMC does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

CALHOUN COUNTY, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2018

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

22. MMC – INCOME TAXES

As an essential government function of the County, MMC is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, MMC is subject to federal income tax on any unrelated business taxable income.

**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.

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). MMC is included in the County’s deposit policy for custodial credit risk which requires compliance with the provisions of state law. As of December 31, 2018, the County and MMC’s deposits and investments were as follows:

	County	MMC
Cash	\$ 3,551,268	\$ 3,289,130
Certificates of Deposit	36,000,000	-
	\$ 39,551,268	\$ 3,289,130

*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.

*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. As of December 31, 2018, the government’s deposits were fully collateralized.

*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 December 31, 2018, the County’s investments were held entirely in certificates of deposit at financial institutions.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

As of December 31, 2018, the County had \$9,443,042 in restricted cash and cash equivalents. \$783,135 of this money represents funds held to pay for the County's annual debt service obligations. The remaining \$8,659,907 represents property taxes collected in advance to fund the 2019 budget.

**NOTE C – RECEIVABLES**

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

	General	Nonmajor Funds	Total Primary Government	Component Unit
Receivables:				
Property Tax Receivables	\$ 5,650,895	\$ 443,736	\$ 6,094,631	\$ -
Less: Allowance for Uncollectible Accounts	(282,545)	(22,187)	(304,732)	-
Court Fines and Receivables	5,021,851	982,593	6,004,444	-
Less: Allowance for Uncollectible Accounts	(1,316,448)	(550,703)	(1,867,151)	-
EMS Receivables	6,539,504	-	6,539,504	-
Less: Allowance for Uncollectible Accounts	(6,064,075)	-	(6,064,075)	-
Patient Accounts	-	-	-	7,251,152
Less: Allowance for Uncollectible Accounts	-	-	-	(4,537,000)
Nursing Home Residents	-	-	-	10,185,219
Less: Allowance for Uncollectible Accounts	-	-	-	(1,656,000)
Other Receivables	40,066	6,606	46,672	-
Due From Others	1,513,188	146,421	1,659,609	-
Net Total Receivables	<u>\$ 11,102,436</u>	<u>\$ 1,006,466</u>	<u>\$ 12,108,902</u>	<u>\$ 11,243,371</u>

**NOTE D – DEFERRED INFLOWS OF RESOURCES**

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current year, unavailable revenue reported in the governmental funds was as follows:

	General	Nonmajor Funds	Total Primary Government
Property Taxes Levied for Future Periods	\$ 9,754,045	\$ 733,851	\$ 10,487,896
Delinquent Property Taxes	5,391,733	423,278	5,815,011
Court Fines	1,468,947	427,337	1,896,284
EMS Charges	475,429	-	475,429
Other Revenues	17,239	8,755	25,994
	<u>\$ 17,107,393</u>	<u>\$ 1,593,221</u>	<u>\$ 18,700,614</u>

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

Interfund receivables and payables at December 31, 2018 consisted of the following:

Due From Other Funds	Due To Other Funds	Amount	Purpose
Nonmajor Special Revenue Funds	General Fund	\$ 273,525	Grants
General Fund	Nonmajor Special Revenue Funds	887	Miscellaneous
Nonmajor Special Revenue Funds	Nonmajor Special Revenue Funds	441	Miscellaneous
Nonmajor Capital Projects Funds	General Fund	\$ 187,500	Grants and Road & Bridge Payments

Interfund transfers at December 31, 2018 consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Nonmajor Capital Projects Funds	\$ 32,726	Closeout completed capital project fund
General Fund	Nonmajor Special Revenue Funds	600,000	Transfer to supplement capital projects
Nonmajor Capital Projects Funds	General Fund	744,954	Transfer to supplement operations
Nonmajor Special Revenue Funds	General Fund	47,527	Transfer to supplement operations
Nonmajor Capital Projects Funds	Nonmajor Special Revenue Funds	2,500	Odyssey Case Management Project
		<u>\$ 1,427,707</u>	

**NOTE F - 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 and Debt Service Funds of the County. The distribution is based upon the tax rate established for each fund by Commissioner’s 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 2017 tax roll to finance operations and debt service for the fiscal year ended December 31, 2018, was \$.49 per \$100 assessed valuation. The total tax levy for the fiscal year 2018 was \$16,445,907 of which \$226,557 remained outstanding in delinquent taxes as of December 31, 2018.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

**NOTE G – CAPITAL ASSETS**

The County’s capital asset activity for the year ended December 31, 2018, was as follows:

<i><b>Governmental Activities</b></i>	Balance 1/1/18	Additions/ Transfers	Disposals/ Transfers	Balance 12/31/18
<i>Capital Assets Not Depreciated:</i>				
Land	\$ 5,817,322	\$ 62,471	\$ -	\$ 5,879,793
Construction in Progress	2,182,159	1,873,221	(3,039,504)	1,015,876
<i>Total Capital Assets Not Depreciated</i>	<u>7,999,481</u>	<u>1,935,692</u>	<u>(3,039,504)</u>	<u>6,895,669</u>
<i>Capital Assets Being Depreciated:</i>				
Buildings	22,594,531	64,832	1,667,430	24,326,793
Improvements Other Than Buildings	10,728,865	36,208	782,888	11,547,961
Furniture, Fixtures, and Equipment	17,411,717	2,322,897	(586,910)	19,147,704
Infrastructure	21,821,352	20,560	480,264	22,322,176
<i>Total Capital Assets Depreciated</i>	<u>72,556,465</u>	<u>2,444,497</u>	<u>2,343,672</u>	<u>77,344,634</u>
Totals at Historical Cost	<u>80,555,946</u>	<u>4,380,189</u>	<u>(695,832)</u>	<u>84,240,303</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(7,908,241)	(540,523)	22,533	(8,426,231)
Improvements Other Than Buildings	(6,286,852)	(375,229)	1,167	(6,660,914)
Furniture, Fixtures, and Equipment	(12,100,236)	(1,239,004)	621,485	(12,717,755)
Infrastructure	(15,529,754)	(498,082)	-	(16,027,836)
<i>Total Accumulated Depreciation</i>	<u>(41,825,083)</u>	<u>(2,652,838)</u>	<u>645,185</u>	<u>(43,832,736)</u>
Governmental Capital Assets, Net	<u>\$ 38,730,863</u>	<u>\$ 1,727,351</u>	<u>\$ (50,647)</u>	<u>\$ 40,407,567</u>

Depreciation was charged to the governmental functions as follows:

General Administrations	\$ 315,684
Judicial	104,080
Legal	1,974
Financial Administration	15,290
Public Facilities	255,652
Public Safety	599,819
Roads And Bridges	887,583
Health And Welfare	220,104
Community Development	3,086
Culture Recreation	236,693
Sanitation Services	<u>12,873</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,652,838</u>

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

MMC’s capital Asset activity for the year ended December 31, 2018, was as follows:

<i><b>Governmental Activities</b></i>	Balance 1/1/18	Additions/ Transfers	Disposals/ Transfers	Balance 12/31/18
<i>Capital Assets Not Depreciated:</i>				
Land	\$ 320,593	\$ 141,200	\$ -	\$ 461,793
Construction in Progress	-	500	-	500
<i>Total Capital Assets Not Depreciated</i>	<u>320,593</u>	<u>141,700</u>	<u>-</u>	<u>462,293</u>
<i>Capital Assets Being Depreciated:</i>				
Buildings and Improvements	13,212,864	276,889	(37,988)	13,451,765
Equipment, Machinery and Furniture	13,608,629	359,083	(4,874,818)	9,092,894
Leased Assets	3,640,521	95,890	-	3,736,411
<i>Total Capital Assets Depreciated</i>	<u>30,462,014</u>	<u>731,862</u>	<u>(4,912,806)</u>	<u>26,281,070</u>
Totals at Historical Cost	<u>30,782,607</u>	<u>873,562</u>	<u>(4,912,806)</u>	<u>26,743,363</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(8,813,601)	(330,540)	37,943	(9,106,198)
Equipment	(12,424,550)	(393,486)	4,879,712	(7,938,324)
Leased Assets	(2,336,514)	(353,122)	-	(2,689,636)
<i>Total Accumulated Depreciation</i>	<u>(23,574,665)</u>	<u>(1,077,148)</u>	<u>4,917,655</u>	<u>(19,734,158)</u>
Governmental Capital Assets, Net	<u>\$ 7,207,942</u>	<u>\$ (203,586)</u>	<u>\$ 4,849</u>	<u>\$ 7,009,205</u>

**NOTE H - LONG-TERM DEBT**

The County had the following changes in long-term debt outstanding for the year ended December 31, 2018:

	Balance Outstanding 1/1/18	Added During Year	Retired During Year	<b>Balance Outstanding 12/31/18</b>	Due Within One Year
<i>Governmental Activities:</i>					
Refunding Bond, Series 2010	\$ 3,095,000	\$ -	\$ (395,000)	<b>\$ 2,700,000</b>	\$ 405,000
Premium	152,757	-	(21,823)	<b>130,934</b>	21,823
Refunding Bond, Series 2012	3,165,000	-	(575,000)	<b>2,590,000</b>	595,000
Premium	159,453	-	(26,576)	<b>132,877</b>	26,576
Subtotal	<u>6,572,210</u>	<u>-</u>	<u>(1,018,399)</u>	<u><b>5,553,811</b></u>	<u>1,048,399</u>
Compensated Absences	193,376	180,017	(185,641)	<b>187,752</b>	180,242
<i>Total Governmental Activities</i>	<u>\$ 6,765,586</u>	<u>\$ 180,017</u>	<u>\$ (1,204,040)</u>	<u><b>\$ 5,741,563</b></u>	<u>\$ 1,228,641</u>
<i>Discrete Component Unit</i>					
Capital Lease Obligation	<u>\$ 1,293,496</u>	<u>\$ 95,890</u>	<u>\$ (364,340)</u>	<u><b>\$ 1,025,046</b></u>	<u>\$ 259,220</u>

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

The annual requirements for principal and interest on the County's outstanding certificates obligation and tax notes are as follows:

General Obligation Bonds Payable	Balance at 12/31/2018	Due Within One Year
General Obligation Refunding Bond, Series 2010		
Original issue amount of \$4,985,000, interest rate varies between 2.00-4.00%, With final maturity date of August 15, 2024	\$ 2,700,000	\$ 405,000
General Obligation Refunding Bond, Series 2012		
Original issue amount of \$5,480,000, interest rate varies between 2.00-3.00%, With final maturity date of August 15, 2023	2,590,000	595,000
<b>TOTAL GENERAL OBLIGATION BONDS PAYABLE</b>	<b>\$ 5,290,000</b>	<b>\$ 1,000,000</b>

Year Ending December 31,	Principal	Interest	Annual Requirements
2019	\$ 1,000,000	\$ 185,700	\$ 1,185,700
2020	1,035,000	151,650	1,186,650
2021	1,070,000	116,350	1,186,350
2022	1,110,000	79,850	1,189,850
2023	580,000	41,950	621,950
2024	495,000	19,800	514,800
<b>TOTAL</b>	<b>\$ 5,290,000</b>	<b>\$ 595,300</b>	<b>\$ 5,885,300</b>

The annual requirements for principal and interest on MMC's outstanding capital leases are as follows:

Capital Lease Obligations	Balance at 12/31/18	Due Within One Year
<u>Wells Fargo Equipment Finance:</u>		
Capital lease obligations, at varying rates of 2.98% - 9.80%, collateralized by leased equipment with a cost of \$3,736,411 and accumulated depreciation of \$2,689,636.	\$ 1,025,046	\$ 259,220

Year Ended December 31,	General Long-Term Obligations
2019	\$ 292,075
2020	296,422
2021	255,826
2022	233,914
2023	23,367
Total Minimum Lease Payments	1,101,604
Less Amount Representing Interest	(76,558)
Present Value of Lease Payments	\$ 1,025,046

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

**NOTE I - LINE OF CREDIT**

MMC has a noninterest-bearing line of credit payable on demand with the County in the amount of \$4,000,000 for the purpose of business improvements until state funding is received. As of December 31, 2018, no amount has been drawn on this line of credit.

**NOTE J - EMPLOYEES' RETIREMENT SYSTEM**

Texas County and District Retirement System

Plan Description

The County and MMC participate as two of 700 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 a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County and MMC, 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 County 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.

Contributions

The County and MMC have 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 District is actuarially determined annually. The County contributed using the actuarially determined rate of 10.63% for the months of the accounting year 2017, and 10.92% for the months of the accounting year in 2018. MMC contributed using the actuarially determined rate of 7.00% for the months of the account year 2017 and 7.00% for the months of the accounting year 2018.

The contribution rate payable by the employee members for 2017 and 2018 is the rate of 7% 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.

CALHOUN COUNTY, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2018

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

Texas County and District Retirement System (Continued)

Benefits Provided

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

At 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, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

	County	MMC
Inactive Employees Receiving Benefits	128	103
Inactive Employees	144	371
Active Employees	214	251
	486	725

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

	County	MMC
Inactive Employees Receiving Benefits	122	98
Inactive Employees	141	346
Active Employees	208	246
	471	690

Net Pension Liability

The County and MMC's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

Texas County and District Retirement System (Continued)

Actuarial Assumptions

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.00%
Overall Payroll Growth	3.50% to 8.93%
Investment Rate of Return	8.10%

Assumptions are reviewed annually. No additional changes were made for the 2017 valuation. All other actuarial assumptions that determined the total pension liability as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2013 – December 31, 2016, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on 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 2017 information for a 7-10 year time horizon.

Not 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 30-year time horizon; the most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013 – December 31, 2016 for more details.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

**NOTE J - 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:

Asset Class	Target Allocation	Expected Real Rate of Return (Geometric)
U.S. Equities	11.50%	4.55%
Private Equity	16.00%	7.55%
Global Equities	1.50%	4.85%
International Equities - Developed	11.00%	4.55%
International Equities - Emerging	8.00%	5.55%
Investment-Grade Bonds	3.00%	0.75%
Strategic Credit	8.00%	4.12%
Direct Lending	10.00%	8.06%
Distressed Debt	2.00%	6.30%
REIT Equities	2.00%	4.05%
Master Limited Partnerships (MLPs)	3.00%	6.00%
Private Real Estate Partnerships	6.00%	6.25%
Hedge Funds	18.00%	4.10%
	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.10%. 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 of the County and MMC, calculated using the discount rate of 8.10%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.10%) or 1-percentage point higher (9.10%) than the current rate:

Calhoun County, Texas

	Discount Rate 7.10%	Discount Rate 8.10%	Discount Rate 9.10%
Net Pension Liability / (Asset)	\$ 6,962,978	\$ 1,028,133	\$ (3,989,872)

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

Texas County and District Retirement System (Continued)

Discount Rate Sensitivity Analysis (Continued)

Memorial Medical Center

	Discount Rate 7.10%	Discount Rate 8.10%	Discount Rate 9.10%
Net Pension Liability / (Asset)	\$ 6,704,107	\$ 897,238	\$ (3,910,949)

Changes in Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2017:

Calhoun County, Texas

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2016	\$ 44,494,395	\$ 40,999,219	\$ 3,495,176
Changes for the year:			
Service Cost	1,341,482	-	1,341,482
Interest on total pension liability	3,630,084	-	3,630,084
Change of Benefit Terms	-	-	-
Economic/Demographic Gains or Losses	47,930	-	47,930
Changes of Assumptions	280,869	-	280,869
Refund of Contributions	(179,818)	(179,818)	-
Benefit Payments	(1,900,728)	(1,900,728)	-
Administrative Expense	-	(31,048)	31,048
Member Contributions	-	723,392	(723,392)
Net Investment Income	-	5,980,295	(5,980,295)
Employer Contributions	-	1,098,527	(1,098,527)
Other	-	(3,758)	3,758
Net Changes	3,219,819	5,686,862	(2,467,043)
Balance at December 31, 2017	\$ 47,714,214	\$ 46,686,081	\$ 1,028,133

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

Texas County and District Retirement System (Continued)

Changes in Net Pension Liability (Continued)

Memorial Medical Center

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2016	\$ 38,160,080	\$ 35,430,005	\$ 2,730,075
Changes for the year:			
Service Cost	1,309,712	-	1,309,712
Interest on total pension liability	3,133,594	-	3,133,594
Economic/Demographic Gains or Losses	(85,948)	-	(85,948)
Changes of Assumptions	434,538	-	434,538
Refund of Contributions	(203,835)	(203,835)	-
Benefit Payments	(1,394,181)	(1,394,181)	-
Administrative Expense	-	(26,905)	26,905
Member Contributions	-	690,434	(690,434)
Net Investment Income	-	5,169,706	(5,169,706)
Employer Contributions	-	793,282	(793,282)
Other Changes	-	(1,784)	1,784
Net Changes	<u>3,193,880</u>	<u>5,026,717</u>	<u>(1,832,837)</u>
Balance at December 31, 2017	<u>\$ 41,353,960</u>	<u>\$ 40,456,722</u>	<u>\$ 897,238</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).

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

For the year ended December 31, 2018, the County and MMC recognized pension expense of \$1,229,660 and \$1,252,568, respectively. For the year December 31, 2017, the County and MMC recognized pension expense of \$1,017,381 and \$1,535,665 respectively.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

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

Texas County and District Retirement System (Continued)

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

Also as of December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Calhoun County, Texas

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 48,592	\$ (409,953)
Changes in Actuarial Assumptions	415,410	-
Differences Between Projected and Actual Investment Earnings	-	(533,810)
Contributions Subsequent to the Measurement Date	1,148,579	-
	<u>\$ 1,612,581</u>	<u>\$ (943,763)</u>

Memorial Medical Center

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ (229,432)
Changes in Actuarial Assumptions	417,798	-
Differences Between Projected and Actual Investment Earnings	-	(480,707)
Contributions Subsequent to the Measurement Date	853,589	-
	<u>\$ 1,271,387</u>	<u>\$ (710,139)</u>

Deferred outflows of resources in the amount of \$1,148,579 and \$853,589 for the County and MMC, respectively, are 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Plan Year ended December 31,	County	MMC
2018	\$ 255,963	\$ 311,642
2019	146,779	270,737
2020	(414,061)	(413,610)
2021	(468,442)	(461,110)
	<u>\$ (479,761)</u>	<u>\$ (292,341)</u>

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

**NOTE K - 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 December 31, 2018, settled claims resulting from these risks did not exceed commercial insurance coverage.

**NOTE L - FUND BALANCES**

Fund balances by classification as of December 31, 2018 pursuant to GASB No. 54 are as follows:

	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total Primary Government</u>
Fund Balances:			
Non-spendable:			
Inventory	\$ 402,351	\$ -	\$ 402,351
Prepaid Items	215,037	1,342,882	1,557,919
Restricted for:			
Airport Operations	-	32,773	32,773
Capital Projects	-	197,454	197,454
Culture and Recreation	-	643,664	643,664
Debt Service	-	112,601	112,601
Justice Administration	-	473,896	473,896
Legal Administration	-	240,244	240,244
Preservation	-	408,868	408,868
Public Facilities	-	31,781	31,781
Public Safety	-	145,359	145,359
Road & Bridge Maintenance	-	1,683,479	1,683,479
Other Purposes	-	84,050	84,050
Committed for:			
Election Services	-	74,347	74,347
Culture & Recreation	-	58,174	58,174
Assigned to:			
Capital Projects	4,000,000	670,599	4,670,599
Unassigned:	19,650,326	-	19,650,326
Total Fund Balances	<u>\$ 24,267,714</u>	<u>\$ 6,200,171</u>	<u>\$ 30,467,885</u>

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

**NOTE M - TAX ABATEMENT DISCLOSURES**

Calhoun 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 deprives the County of a percentage of future increases in ad valorem property tax revenues that otherwise would have resulted from increases in assessed valuation in such areas until the tax increment financing obligations issued are repaid or the tax abatement period terminates. As of December 31, 2018, the County has tax abatement agreements with four entities. The gross amount of property tax abated during 2018 was \$920,748.

NGL Crude Terminals, LLC – A tax abatement agreement was entered into on August 27, 2015 with Pelorus Investments, LLC for the construction and operation of its bulk liquid marine and trucking terminal valued at an estimated cost of \$30,000,000. The agreement began on January 1, 2015 and is effective through December 31, 2021. On October 25, 2016, Pelorus Investments, LLC assigned all of its rights and obligations under the Tax Abatement Agreement to NGL Crude Terminals, LLC. The amount of property tax abated during 2018 per the agreement was \$46,244.

Formosa Plastics Corporation - A tax abatement agreement was entered into on January 26, 2012 with Formosa Plastics Corporation (Formosa) for its Hydrocarbon Fractionation Project valued at an estimated \$150,000,000. The effective date of the agreement began on January 1, 2012 and will expire on December 31, 2019. As part of the agreement, Formosa was obligated to donate to the County a covered sports arena prior to June 30, 2014. The amount of property tax abated during 2018 per the agreement was \$325,316.

A tax abatement agreement was entered into on August 14, 2014 with Formosa for the construction of its (1) Olefins III Unit, (2) Propane Dehydrogenation Unit, (3) Polyethylene Resin Unit and (4) Power Generation Unit, valued at an estimated \$2,000,000,000. The effective date of the agreement began on January 1, 2016 and will expire on December 31, 2025. Per the terms of the agreement, Formosa made a \$2,000,000 contribution to the construction of the Memorial Medical Center Rural Health Clinic prior to December 31, 2014. The total amount of property tax abated during 2018 per the agreement was \$549,185.

A tax abatement agreement was entered into on February 13, 2017 with Formosa for the expansion of their current plastic treatment plant valued at an estimated \$5,000,000,000, the improvement of the City of Point Comfort water treatment facility valued at an estimated \$3,000,000, and the purchase of fire trucks and safety equipment valued at an estimated \$1,500,000. The effective date of the agreement shall commence on January 1, 2018 and expires on December 31, 2027. On June 8, 2017, Formosa assigned all of its rights and obligations under the Tax Abatement Agreement to Nan Ya Plastics Corporation. The total amount of property tax abated during 2018 per the agreement was \$0.

Novus International, Inc. - A tax abatement agreement was entered into on July 28, 2016 with Novus International, Inc. for its planned production of animal nutrition products valued at an estimated cost of \$360,000,000. The effective date of the agreement shall commence on January 1, 2019 and expire on December 31, 2028.

Union Carbide Corporation - A tax abatement agreement was entered into on July 28, 2016 with Union Carbide Corporation for the construction of its (1) Catalyst Plant Facility, (2) Administration Building, (3) Cylinder Storage Area, (4) LP2 Lab Area and (5) Warehouse Expansion and Loading Facility valued at an estimated cost of \$130,000,000. The effective date of the agreement shall commence on January 1, 2018 and will expire on December 31, 2023.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

**NOTE M - TAX ABATEMENT (Continued)**

These agreements were negotiated under the Property Tax Abatement Act of the State of Texas, which allows cities, counties and special districts to attract new industries and to encourage the retention and development of existing businesses through property tax exemptions or reductions. Each abatement is a local agreement between a taxpayer and a taxing unit that exempts all or part of the increase in the value of the real property and/or tangible personal property from taxation for a period not to exceed 10 years. The state law provides for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

The County has not made any commitments as part of the agreements other than to reduce property taxes. The County is not subject to any tax abatement agreements entered into by other governmental entities.

**NOTE N – DISCLOSURES SPECIFIC TO MEDICAL MEMORIAL CENTER**

Related Party

MMC collaborates with the Service Organization of South East Texas (the Service Organization), a nonprofit corporation, to access Medicaid supplemental payments through the State of Texas' private UPL program. MMC has one representative who serves on the Board of Directors of the Service Organization. The Service Organization funded certain health care services on behalf of MMC in the amount of approximately \$456,000 and \$4,661,000 during the years ended December 31, 2018 and 2017. These on-behalf payments are reflected as nonoperating revenues in the accompanying Enterprise Fund – Statements of Revenues, Expenses and Changes in Net Position.

Nursing Home Revenue

In February 2015 and April 2017, MMC entered into a series of lease and management agreements with a nursing facility operator that resulted in MMC becoming the legal license holder and operator of five nursing homes. The lease agreements call for annual payments approximating \$6,134,000, the payment of which will be solely made from the operations of the nursing homes. Under the terms of the management agreements, the third-party manager provide all services necessary to operate the facilities including personnel and oversight of the actual operations. These managers also provide all accounting functions for the facilities, including the billing and collection services. All patient revenue from the facilities is paid to MMC and recorded as such by MMC. MMC transfers cash from these patient revenues to the managers so the managers can pay all facility related costs on behalf of MMC. In addition, MMC utilizes the nursing home cash receipts to pay a management fee to the manager pursuant to the agreements.

CALHOUN COUNTY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2018

**NOTE N – DISCLOSURES SPECIFIC TO MEDICAL MEMORIAL CENTER (Continued)**

In August 2016, the Texas Centers for Medicare and Medicaid Services (CMS) prohibited the Texas Health and Human Services Commission (HHSC) from continuing MPAP beyond the Texas fiscal year ended August 31, 2016. Amounts accrued but unpaid under the program for dates of service on or before August 31, 2016, continued to be paid in full to providers, no additional revenue was earned under MPAP for subsequent dates of service. However, HHSC developed a new program to replace MPAP that allows participating providers to receive additional reimbursement if they either reach a national benchmark level or they make quarterly improvements in up to four predetermined quality measures. HHSC received CMS approval for this quality program (Quality Improvement Payment Program) that began on September 1, 2017. At December 31, 2018, the Medical Center recorded prepaid expenses under the program of approximately \$1,490,995, which represents the prepaid intergovernmental transfers MMC is required to contribute in advance of receiving any gross proceeds. As of December 31, 2018, revenues recognized under this program for dates of service for the period of January 1, 2018 through December 31, 2018, were approximately \$3,975,000, and expenses were approximately \$2,091,000 and are included in nursing home resident revenue and nursing home expenses, respectively.

Medical Malpractice Claims

Memorial Medical Center (MMC) is a unit of government covered by the Texas Tort Claims Acts which, by statute, limits its liability to \$100,000 per individual/\$300,000 in the aggregate. These limits coincide with the malpractice insurance coverage which is purchased under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claims costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probably ultimate costs of the incidents. Based upon MMC’s claims experience, no such accrual has been made. It is reasonable possible that this estimate could change materially in the near term. MMC may be subject to claims and suits for other damages as well. In the opinion of management, the ultimate resolution of the above types of legal proceedings will not have a material effect on MMC’s financial position or results of operations.

Employee Health Claims

Substantially all of MMC’s employees and their dependents are eligible to participate in MMC’s employee health insurance plan. MMC is self-insured for health claims of participating employees and dependents up to an annual aggregate amount of \$60,000. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount. A provision is accrued for self-insured employee health claims, including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims, and other economic and social factors. It is reasonably possible that MMC’s estimate could change by a material amount in the near term. Activity in MMC’s accrued employee health claims liability during 2018 and 2017, which is included in accrued expenses in the accompanying statement of net position, is summarized as follows:

	2018	2017
Liability at Beginning of Year	\$ 284,889	\$ 158,000
Current Year Claims and Changes in Estimates	1,322,154	1,299,157
Claims Payments	<u>(1,407,043)</u>	<u>(1,172,268)</u>
Liability at End of Year	<u>\$ 200,000</u>	<u>\$ 284,889</u>

## **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
- 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

CALHOUN COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget -
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Ad Valorem Taxes	\$ 14,778,000	\$ 14,799,896	\$ 14,757,887	\$ (42,009)
Sales Taxes	2,400,000	2,400,000	5,042,071	2,642,071
Other Taxes	33,000	33,000	60,959	27,959
Intergovernmental	155,121	156,337	999,041	842,704
Charges for Service	1,357,933	1,357,933	1,822,537	464,604
Permits & Licenses	11,510	11,510	15,025	3,515
Fines & Forfeitures	181,100	181,100	214,923	33,823
Interest	40,000	40,000	317,217	277,217
Rents & Leases	14,110	14,110	13,670	(440)
Miscellaneous	216,008	221,811	292,203	70,392
<b>TOTAL REVENUES</b>	<u>19,186,782</u>	<u>19,215,697</u>	<u>23,535,542</u>	<u>4,319,845</u>
<b>EXPENDITURES</b>				
<i>Current:</i>				
General Administration	2,376,321	2,450,322	1,931,185	519,137
Elections	246,159	258,136	214,942	43,194
Judicial	1,845,623	1,923,042	1,729,482	193,560
Legal	869,329	903,119	876,919	26,200
Financial Administration	1,334,429	1,363,205	1,355,465	7,740
Public Facilities	1,183,688	1,374,315	1,224,398	149,917
Public Safety	6,437,569	6,559,163	6,374,000	185,163
Roads & Bridges	4,768,102	5,461,547	5,507,013	(45,466)
Health & Welfare	3,694,670	3,776,410	3,233,686	542,724
Community Development	213,889	216,509	181,810	34,699
Culture & Recreation	674,828	692,360	652,133	40,227
Social Services	70,279	70,279	55,191	15,088
Conservation	7,750	7,750	7,750	-
Sanitation Services	66,312	67,492	62,751	4,741
<b>TOTAL EXPENDITURES</b>	<u>23,788,948</u>	<u>25,123,649</u>	<u>23,406,725</u>	<u>1,716,924</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (4,602,166)	\$ (5,907,952)	\$ 128,817	\$ 6,036,769

CALHOUN COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 600,001	\$ 632,728	\$ <b>632,726</b>	\$ (2)
Transfers Out	(440,005)	(815,148)	<b>(792,481)</b>	22,667
Insurance Proceeds	1,000	487,018	<b>395,977</b>	(91,041)
Proceeds From Sale of Capital Assets	1,000	31,500	<b>59,841</b>	28,341
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>161,996</u>	<u>336,098</u>	<u><b>296,063</b></u>	<u>(40,035)</u>
Net Change in Fund Balance	(4,440,170)	(5,571,854)	<b>424,880</b>	5,996,734
Fund Balance, January 1	<u>23,842,834</u>	<u>23,842,834</u>	<u><b>23,842,834</b></u>	<u>-</u>
Fund Balance, December 31	<u><u>\$ 19,402,664</u></u>	<u><u>\$ 18,270,980</u></u>	<u><u><b>\$ 24,267,714</b></u></u>	<u><u>\$ 5,996,734</u></u>

CALHOUN COUNTY, TEXAS  
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
DECEMBER 31, 2018

**General Fund Budget**

The original expenditure category (appropriation only) budgets for the General Fund are adopted by the Commissioners' Court and filed with the Calhoun County Clerk. 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. The total budget for the General Fund cannot be increased once the budget is adopted unless the County Auditor certifies a new revenue source not considered during the setting of the original budget. Amendments to the budget to transfer budgeted amounts from one budget classification to another may be made by the Commissioners' Court at its discretion.

State law does not allow actual expenditures to exceed budgeted appropriations at the expense summary classification level. In the current year expenditures in the Road and Bridge department exceeded budgeted expenditures by \$45,466. For the General Fund, an expenditure category is considered to be an activity (e.g., personnel, operations and capital outlay etc.).

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

Calhoun County, Texas

	Total Pension Liability			
	2014	2015	2016	2017
Service Cost	\$ 1,143,758	\$ 1,290,719	\$ 1,379,555	\$ 1,341,482
Interest (on the Total Pension Liability)	2,931,096	3,165,609	3,378,480	3,630,084
Changes of Benefit Terms	-	(156,017)	-	-
Difference between Expected and Actual Experience	51,241	(449,230)	(460,522)	47,930
Change of Assumptions	-	476,786	-	280,869
Benefit Payments, Including Refunds of Employee Contributions	(1,389,667)	(1,533,490)	(1,640,853)	(2,080,546)
Net Change in Total Pension Liability	2,736,428	2,794,377	2,656,660	3,219,819
Total Pension Liability - Beginning	36,306,930	39,043,358	41,837,735	44,494,395
Total Pension Liability - Ending	<u>\$ 39,043,358</u>	<u>\$ 41,837,735</u>	<u>\$ 44,494,395</u>	<u>\$ 47,714,214</u>
	Plan Fiduciary Net Position			
	2014	2015	2016	2017
Contributions - Employer	\$ 1,040,410	\$ 1,039,019	\$ 1,017,384	\$ 1,098,527
Contributions - Employee	627,920	658,802	679,388	723,392
Net Investment Income	2,434,843	(211,871)	2,826,439	5,980,295
Benefit Payments, Including Refunds of Employee Contributions	(1,389,667)	(1,533,490)	(1,640,853)	(2,080,546)
Administrative Expense	(28,531)	(27,584)	(30,836)	(31,048)
Other	(100,287)	75,798	(178,916)	(3,758)
Net Change in Plan Fiduciary Net Position	2,584,688	674	2,672,606	5,686,862
Plan Fiduciary Net Position - Beginning	35,741,251	38,325,939	38,326,613	40,999,219
Plan Fiduciary Net Position - Ending	<u>\$ 38,325,939</u>	<u>\$ 38,326,613</u>	<u>\$ 40,999,219</u>	<u>\$ 46,686,081</u>
Net Pension Liability - Ending	\$ 717,419	\$ 3,511,122	\$ 3,495,176	\$ 1,028,133
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.16%	91.61%	92.14%	97.85%
Covered Payroll	\$ 8,970,286	\$ 9,411,452	\$ 9,705,546	\$ 10,334,174
Net Pension Liability as a Percentage of Covered Payroll	8.00%	37.31%	36.01%	9.95%

This schedule is presented to illustrate the requirements for 10 years. However, the recalculations of prior years are not required, and if prior years are not reported in accordance with GASB 68 they should not be shown here. Therefore, only the years shown have been implemented for the GASB statements.

CALHOUN COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)  
LAST FOUR PLAN YEARS

Memorial Medical Center

	Total Pension Liability			
	2014	2015	2016	2017
Service Cost	\$ 1,060,724	\$ 1,172,884	\$ 1,364,536	\$ 1,309,712
Interest (on the Total Pension Liability)	2,483,007	2,690,911	2,890,913	3,133,594
Changes of Benefit Terms	-	(276,726)	-	-
Difference between Expected and Actual Experience	94,066	(205,707)	(362,120)	(85,948)
Change of Assumptions	-	512,424	-	434,538
Benefit Payments, Including Refunds of Employee Contributions	(1,157,854)	(1,328,724)	(1,480,285)	(1,598,016)
Net Change in Total Pension Liability	2,479,943	2,565,062	2,413,044	3,193,880
Total Pension Liability - Beginning	30,702,031	33,181,974	35,747,036	38,160,080
Total Pension Liability - Ending	<u>\$ 33,181,974</u>	<u>\$ 35,747,036</u>	<u>\$ 38,160,080</u>	<u>\$ 41,353,960</u>
	Plan Fiduciary Net Position			
	2014	2015	2016	2017
Contributions - Employer	\$ 708,827	\$ 783,080	\$ 803,931	\$ 793,282
Contributions - Employee	620,401	683,488	715,252	690,434
Net Investment Income	2,098,712	(138,800)	2,433,062	5,169,706
Benefit Payments, Including Refunds of Employee Contributions	(1,157,854)	(1,328,724)	(1,480,285)	(1,598,016)
Administrative Expense	(24,573)	(23,738)	(26,488)	(26,905)
Other	46,496	(77,927)	40,524	(1,784)
Net Change in Plan Fiduciary Net Position	2,292,009	(102,621)	2,485,996	5,026,717
Plan Fiduciary Net Position - Beginning	30,754,621	33,046,630	32,944,009	35,430,005
Plan Fiduciary Net Position - Ending	<u>\$ 33,046,630</u>	<u>\$ 32,944,009</u>	<u>\$ 35,430,005</u>	<u>\$ 40,456,722</u>
Net Pension Liability - Ending	\$ 135,344	\$ 2,803,027	\$ 2,730,075	\$ 897,238
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.59%	92.16%	92.85%	97.83%
Covered Payroll	\$ 8,623,215	\$ 9,764,116	\$ 10,217,883	\$ 9,863,336
Net Pension Liability as a Percentage of Covered Payroll	1.57%	28.71%	26.72%	9.10%

This schedule is presented to illustrate the requirements for 10 years. However, the recalculations of prior years are not required, and if prior years are not reported in accordance with GASB 68 they should not be shown here. Therefore, only the years shown have been implemented for the GASB statements.

CALHOUN COUNTY, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
 SCHEDULE OF CONTRIBUTIONS AND RELATED NOTES  
 LAST FOUR CALENDAR YEARS

Calhoun County, Texas

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 1,039,019	\$ 1,017,381	\$ 1,098,527	\$ 1,148,579
Contributions in Relation to the Actuarially Determined Contribution	1,039,019	1,017,381	1,098,527	1,148,579
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 9,411,452	\$ 9,705,546	\$ 10,334,038	\$ 10,567,844
Contributions as a Percentage of Covered Payroll	11.0%	10.5%	10.6%	10.9%

This schedule is presented to illustrate the requirements for 10 years. However, the recalculations of prior years are not required, and if prior years are not reported in accordance with GASB 68 they should not be shown here. Therefore, only the years shown have been implemented for the GASB statements.

**Valuation Timing:**

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 Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	12.3 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investments 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	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the schedule. 2016: No changes in plan provisions were reflected in the schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

CALHOUN COUNTY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
SCHEDULE OF CONTRIBUTIONS AND RELATED NOTES (CONTINUED)  
LAST FOUR CALENDAR YEARS

Memorial Medical Center

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 708,827	\$ 783,080	\$ 689,451	\$ 630,510
Contributions in Relation to the Actuarially Determined Contribution	708,827	783,080	689,451	689,451
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
 Covered Payroll	 \$ 8,623,215	 \$ 9,764,090	 \$ 9,849,300	 \$ 9,007,280
 Contributions as a Percentage of Covered Payroll	 8.2%	 8.0%	 7.0%	 7.0%

This schedule is presented to illustrate the requirements for 10 years. However, the recalculations of prior years are not required, and if prior years are not reported in accordance with GASB 68 they should not be shown here. Therefore, only the years shown have been implemented for the GASB statements.

**Valuation Timing:**

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 Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	12.3 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investments 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	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions.  2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the schedule. 2016: No changes in plan provisions were reflected in the schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

## **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:

- Combining Statement – Nonmajor Governmental Funds
- Combining Statement – Agency Funds

CALHOUN 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 acquisition 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:

Airport Fund – To account for fees and expenditures related to operating and maintaining the public-use Calhoun County Airport.

Appellate Judicial System Fund – To account for court fees collected in the county court, probate court, or district court in the county to be used for expenditures by the courts of appeals for the court of appeals district courts.

Coastal Protection Fund – To account for fees and expenditures related to coastal preservation within the County.

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

County Child Abuse Prevention Fund – Fees and expenses related to child abuse prevention.

County Child Welfare Board Fund - To account for fees and expenses related to supporting the Calhoun County Child Welfare Board.

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.

Court Initiated Guardianship Fund – To account for fee revenues and expenditures related to the appointment of guardians for minors in Probate cases.

Court Records Preservation Fund – To account for the fee collected on the filing of all vital statistic records, including birth, death, marriage, divorce and annulment records and for the preservation of those records.

County Clerk Records Archive Fund – To account for the collection of fees and expenses for the preservation and restoration of the clerk’s records archive.

District Attorney Forfeiture Fund – To account for federal and state forfeitures restricted to expenditures for the District Attorney’s office.

DA Hot Check Fund – To account for fees collected for administration of the collection of “hot checks.”

Donations Fund – To account for third party donations accepted by the Commissioners Court and related expenditures for designated purposes and programs.

Drug/DWI Court Program Fund – To account for fee revenue and expenditures related to operations of mandated programs for monitoring and rehabilitation violators of State drug and alcohol abuse laws.

CALHOUN COUNTY, TEXAS  
COMBINING FINANCIAL STATEMENTS (CONTINUED)  
NON-MAJOR GOVERNMENTAL FUNDS

**SPECIAL REVENUE FUNDS (CONTINUED)**

Juvenile Case Manager Fund – To account for fee revenue and expenditures related to juvenile social workers in the Justices of the Peace offices.

Family Protection Fund – To account for fee revenue imposed by the State on petitions for divorce to fund services to prevent family violence or child abuse.

Juvenile Delinquency Prevention Fund – To account for fee revenue and expenditures related to graffiti eradication.

Grants Fund – To account for expenditures of funds received as grants-in-aid from various non-governmental sources and from Federal and State agencies for specific programs.

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.

Justice Court Building Security 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 building security maintenance and enhancements for the Justice Courts.

Lateral Road Fund Precinct #1 Fund – To account for the allocation of gas tax from the state for Precinct #1.

Lateral Road Fund Precinct #2 Fund – To account for the allocation of gas tax from the state for Precinct #2.

Lateral Road Fund Precinct #3 Fund – To account for the allocation of gas tax from the state for Precinct #3.

Lateral Road Fund Precinct #4 Fund – To account for the allocation of gas tax from the state for Precinct #4.

Pretrial Services Fund – To account for the fees collected and expenditures related to preparing cases for trial in court.

Law Library Fund – To account for fees collected on civil cases filed in the county courts. These funds must be used to enhance the law library.

LEOSE Education Fund – To account for State revenues provided for education of law enforcement officer and related expenditures.

Port O'Connor Community Center Fund – To account for revenues and expenditures used for operating and maintaining County owned community center.

Records Management/Preservation District Clerk Fund – To account for the fees collected by the District Clerk. These funds must be spent on records management and preservation in line with Local Government Code Section 118.0216 and 118.0546.

CALHOUN COUNTY, TEXAS  
COMBINING FINANCIAL STATEMENTS (CONTINUED)  
NON-MAJOR GOVERNMENTAL FUNDS

**SPECIAL REVENUE FUNDS (CONTINUED)**

County Clerk Records Management Fund – To account for fee revenue and expenditures related to recording documents in the County Clerk’s Office. These funds must be spent on records management and preservation in line with Local Government Code Section 118.0216 and 118.0546.

Records Management & Preservation Fund – To account for monies resulting from fees assessed for County and District Court records, including civil, probate and criminal court actions. Monies are to be used for the records management and preservation services performed by the County.

Road and Bridge General Fund – To account for revenues and expenditures used for operating and maintaining County owned roads and bridges.

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

Sheriff Jail Division Fund – To account for revenues and expenditures used for operating and maintaining the County detention facility.

6 Mile Pier/Boat Ramp Insur/Maint (Alcoa) Fund – To account for revenues and expenditures used for operating and maintaining County owned pier.

Election Services Contract Fund - A special revenue fund to account for direct costs associated with Contracted Elections, fees and surpluses from the elections and can be used only to defray expenses in the County Election Office.

Library Gift Memorial Fund – To account for library donations received for future memorial projects.

Juror Donations – County Humane Society Fund – To account for donations and expenditures for the County Humane Society.

**DEBT SERVICE FUNDS**

Debt Service Refunding 2010 Fund – To account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on the Refunding Bond, Series 2010.

Debt Service Refunding 2012 Fund – To account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on the Refunding Bond, Series 2012.

**CAPITAL PROJECTS FUNDS**

Road and Bridge Infrastructure – To account for monies received for the maintenance and improvements of county owned roads and bridges.

County Energy TRZ #1 – To account for monies received from the County’s Energy Transportation Reinvestment Zone Program. The monies are set aside for future transportation projects.

CALHOUN COUNTY, TEXAS  
COMBINING FINANCIAL STATEMENTS (CONTINUED)  
NON-MAJOR GOVERNMENTAL FUNDS

**CAPITAL PROJECTS FUNDS (CONTINUED)**

Airport Runway Improvements – To account for construction and improvements to the County owned Airport.

EMS Substation – To account for monies received for the maintenance and improvement of the Emergency Medical Services Substation.

Fire Trucks & Safety Equipment – To account for monies received for the purchase of new fire safety equipment and vehicles.

Green Lake Park – To account for monies received for the improvement of Green Lake Park and the related expenditures.

Haterius Park/Boat Ramp – To account for monies received for the improvement of Olivia Haterius Park/Harbor and the related expenditures.

Odyssey Case Management System – To account for monies set aside for the purchase of the County's new case management system.

Water Treatment Improvement – To account for monies set aside for future water treatment projects.

Port Alto Public Beach – To account for monies received for the expansion and improvement of the Port Alto Public Beach.

Capital Improvements Projects – To account for monies set aside for future capital improvement projects.

Port O'Connor Library – To account for monies received for the improvement of the Port O'Connor Public Library.

CALHOUN COUNTY, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,194,706	\$ 3,283	\$ 1,059,589	\$ 5,257,578
Receivables (Net of Allowances for Uncollectibles:)				
Accounts	438,496	-	-	438,496
Taxes	-	421,549	-	421,549
Intergovernmental Receivable	84,656	61,765	-	146,421
Due from Other Funds	1,328	-	-	1,328
Prepaid Items and Other Current Assets	966	-	1,341,916	1,342,882
Restricted Assets:				
Cash and Cash Equivalents	-	783,135	-	783,135
<b>TOTAL ASSETS</b>	<u>\$ 4,720,152</u>	<u>\$ 1,269,732</u>	<u>\$ 2,401,505</u>	<u>\$ 8,391,389</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 27,586	\$ -	\$ 4,036	\$ 31,622
Accrued and Other Liabilities	3,628	-	-	3,628
Due to Other Funds	273,525	-	187,500	461,025
Due to Others	101,722	-	-	101,722
<i>Total Liabilities</i>	<u>406,461</u>	<u>-</u>	<u>191,536</u>	<u>597,997</u>
 <i>Deferred Inflows of Resources</i>	 <u>436,092</u>	 <u>1,157,129</u>	 <u>-</u>	 <u>1,593,221</u>
 <i>Fund Balances:</i>				
Non-spendable	966	-	1,341,916	1,342,882
Restricted	3,744,112	112,603	197,454	4,054,169
Committed	132,521	-	-	132,521
Assigned	-	-	670,599	670,599
<i>Total Fund Balances</i>	<u>3,877,599</u>	<u>112,603</u>	<u>2,209,969</u>	<u>6,200,171</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	 <u>\$ 4,720,152</u>	 <u>\$ 1,269,732</u>	 <u>\$ 2,401,505</u>	 <u>\$ 8,391,389</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
DECEMBER 31, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Ad Valorem Taxes	\$ -	\$ 1,178,009	\$ -	\$ 1,178,009
Intergovernmental	867,262	12,117	528,907	1,408,286
Charges for Services	435,854	-	-	435,854
Permits & Licenses	268,228	-	-	268,228
Fines & Forfeitures	68,200	-	-	68,200
Interest	36,125	2,127	-	38,252
Gifts & Contributions	67,432	-	710,497	777,929
Rents & Leases	22,800	-	-	22,800
Miscellaneous	24,689	-	-	24,689
<b>TOTAL REVENUES</b>	<u>1,790,590</u>	<u>1,192,253</u>	<u>1,239,404</u>	<u>4,222,247</u>
<b>EXPENDITURES:</b>				
Current:				
General Administration	55,518	-	106,920	162,438
Elections	22,228	-	-	22,228
Judicial	25,560	-	-	25,560
Legal	30,734	-	-	30,734
Public Facilities	92,755	-	3,452,494	3,545,249
Public Safety	311,566	-	6,262	317,828
Roads & Bridges	17,384	-	553,086	570,470
Health & Welfare	618	-	61,298	61,916
Culture & Recreation	20,129	-	935,131	955,260
Conservation	-	-	7,761	7,761
Debt Service:				
Principal	-	970,000	-	970,000
Interest & Fiscal Charges	-	215,300	-	215,300
<b>TOTAL EXPENDITURES</b>	<u>576,492</u>	<u>1,185,300</u>	<u>5,122,952</u>	<u>6,884,744</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,214,098	6,953	(3,883,548)	(2,662,497)
<b>OTHER FINANCING</b>				
<b>SOURCES (USES)</b>				
Transfers In	47,527	-	747,454	794,981
Transfers Out	(602,500)	-	(32,726)	(635,226)
<b>TOTAL OTHER FINANCING</b> <b>SOURCES (USES)</b>	<u>(554,973)</u>	<u>-</u>	<u>714,728</u>	<u>159,755</u>
Net Change in Fund Balance	659,125	6,953	(3,168,820)	(2,502,742)
Fund Balance, January 1	3,218,474	105,650	5,378,789	8,702,913
Fund Balance, December 31	<u>\$ 3,877,599</u>	<u>\$ 112,603</u>	<u>\$ 2,209,969</u>	<u>\$ 6,200,171</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2018

	2610	2620	2660	2663
	Airport	Appellate Judicial System	Coastal Protection	County & District Court Technology
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 36,076	\$ 1,966	\$ 599,210	\$ 5,133
Receivables (Net of Allowances for Uncollectibles):				
Accounts	-	-	-	1,933
Due From Others	-	128	-	71
Due from Other Funds	-	-	-	-
Prepaid Items and Other Current Assets	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 36,076</b>	<b>\$ 2,094</b>	<b>\$ 599,210</b>	<b>\$ 7,137</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 3,303	\$ 1,965	\$ -	\$ -
Accrued and Other Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Others	-	-	-	-
<i>Total Liabilities</i>	<u>3,303</u>	<u>1,965</u>	<u>-</u>	<u>-</u>
<i>Deferred Inflows of Resources</i>	-	-	-	1,933
<i>Fund Balance:</i>				
Non-Spendable				
Prepaid Expenses	-	-	-	-
Restricted Fund Balance	32,773	129	599,210	5,204
Committed	-	-	-	-
<i>Total Fund Balance</i>	<u>32,773</u>	<u>129</u>	<u>599,210</u>	<u>5,204</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND AND FUND BALANCE</b>	<b>\$ 36,076</b>	<b>\$ 2,094</b>	<b>\$ 599,210</b>	<b>\$ 7,137</b>

2667	2668	2670	2672	2673
County Child Abuse Prevention	County Child Welfare Board	Court House Security Fund	Court Initiated Guardianship	Court Records Preservation
\$ 595	\$ 4,733	\$ 243,423	\$ 8,241	\$ 25,717
-	-	20,346	-	-
3	-	1,072	80	278
-	-	-	-	-
-	-	-	-	-
<u>\$ 598</u>	<u>\$ 4,733</u>	<u>\$ 264,841</u>	<u>\$ 8,321</u>	<u>\$ 25,995</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	20,346	-	-
-	-	-	-	-
598	4,733	244,495	8,321	25,995
-	-	-	-	-
<u>598</u>	<u>4,733</u>	<u>244,495</u>	<u>8,321</u>	<u>25,995</u>
<u>\$ 598</u>	<u>\$ 4,733</u>	<u>\$ 264,841</u>	<u>\$ 8,321</u>	<u>\$ 25,995</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2018

	2675	2690	2695	2697
	County Clerk Records Archive	District Attorney Forfeiture	DA Hot Check	Donations
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 220,102	\$ 32,422	\$ 1,999	\$ 80,049
Receivables (Net of Allowances for Uncollectibles):				
Accounts	-	-	-	-
Due From Others	3,160	-	251	-
Due from Other Funds	-	-	-	-
Prepaid Items and Other Current Assets	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 223,262</b>	<b>\$ 32,422</b>	<b>\$ 2,250</b>	<b>\$ 80,049</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ -	\$ 12	\$ 6,970
Accrued and Other Liabilities	-	-	-	222
Due to Other Funds	-	-	35	1
Due to Others	-	-	-	-
<i>Total Liabilities</i>	<i>-</i>	<i>-</i>	<i>47</i>	<i>7,193</i>
<i>Deferred Inflows of Resources</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Fund Balance:</i>				
Non-Spendable				
Prepaid Expenses	-	-	-	-
Restricted Fund Balance	223,262	32,422	2,203	72,856
Committed	-	-	-	-
<i>Total Fund Balance</i>	<i>223,262</i>	<i>32,422</i>	<i>2,203</i>	<i>72,856</i>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 223,262</b>	<b>\$ 32,422</b>	<b>\$ 2,250</b>	<b>\$ 80,049</b>

2698	2699	2706	2715	2716
Drug/DWI Court Program	Juvenile Case Manager	Family Protection	Juvenile Delinquency Prevention	Grants
\$ 17,536	\$ 9,326	\$ 10,664	\$ 8,757	\$ 235,279
616	7,155	-	-	-
317	651	45	-	64,516
-	1,328	-	-	-
-	-	-	-	-
<u>\$ 18,469</u>	<u>\$ 18,460</u>	<u>\$ 10,709</u>	<u>\$ 8,757</u>	<u>\$ 299,795</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,557
-	151	-	-	2,850
-	-	-	-	273,489
-	-	-	-	-
<u>-</u>	<u>151</u>	<u>-</u>	<u>-</u>	<u>282,896</u>
<u>616</u>	<u>7,155</u>	<u>-</u>	<u>-</u>	<u>5,705</u>
-	-	-	-	-
17,853	11,154	10,709	8,757	11,194
-	-	-	-	-
<u>17,853</u>	<u>11,154</u>	<u>10,709</u>	<u>8,757</u>	<u>11,194</u>
<u>\$ 18,469</u>	<u>\$ 18,460</u>	<u>\$ 10,709</u>	<u>\$ 8,757</u>	<u>\$ 299,795</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2018

	2719	2720	2721	2722
	Justice Court Technology	Justice Court Building Security	Lateral Road Fund Precinct #1	Lateral Road Fund Precinct #2
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 81,248	\$ 3,123	\$ 4,341	\$ 4,341
Receivables (Net of Allowances for Uncollectibles):				
Accounts	17,219	3,615	-	-
Due From Others	718	179	-	-
Due from Other Funds	-	-	-	-
Prepaid Items and Other Current Assets	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 99,185</b>	<b>\$ 6,917</b>	<b>\$ 4,341</b>	<b>\$ 4,341</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued and Other Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Others	-	-	-	-
<i>Total Liabilities</i>	-	-	-	-
<i>Deferred Inflows of Resources</i>	17,219	3,615	-	-
<i>Fund Balance:</i>				
Non-Spendable				
Prepaid Expenses	-	-	-	-
Restricted Fund Balance	81,966	3,302	4,341	4,341
Committed	-	-	-	-
<i>Total Fund Balance</i>	81,966	3,302	4,341	4,341
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 99,185</b>	<b>\$ 6,917</b>	<b>\$ 4,341</b>	<b>\$ 4,341</b>

2723	2724	2729	2731	2733
Lateral Road Fund Precinct #3	Lateral Road Fund Precinct #4	Pretrial Services	Law Library Fund	LEOSE Education
\$ 4,341	\$ 4,341	\$ 76,645	\$ 205,621	\$ 55,502
-	-	1,112	-	-
-	-	32	897	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 4,341</u>	<u>\$ 4,341</u>	<u>\$ 77,789</u>	<u>\$ 206,518</u>	<u>\$ 55,502</u>
\$ -	\$ -	\$ -	\$ 899	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>899</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>1,112</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
4,341	4,341	76,677	205,619	55,502
-	-	-	-	-
<u>4,341</u>	<u>4,341</u>	<u>76,677</u>	<u>205,619</u>	<u>55,502</u>
<u>\$ 4,341</u>	<u>\$ 4,341</u>	<u>\$ 77,789</u>	<u>\$ 206,518</u>	<u>\$ 55,502</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2018

	2736	2737	2738	2739
	Port O'Connor Community Center	Records Management/ Preservation District Clerk	County Clerk Records Management	Records Management & Prevention
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 36,529	\$ 7,179	\$ 130,361	\$ 18,093
Receivables (Net of Allowances for Uncollectibles):				
Accounts	-	1,513	997	22,595
Due From Others	-	215	3,249	494
Due from Other Funds	-	-	-	-
Prepaid Items and Other Current Assets	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 36,529</b>	<b>\$ 8,907</b>	<b>\$ 134,607</b>	<b>\$ 41,182</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 1,274	\$ -	\$ -	\$ -
Accrued and Other Liabilities	424	-	(19)	-
Due to Other Funds	-	-	-	-
Due to Others	-	-	-	-
<i>Total Liabilities</i>	<u>1,698</u>	<u>-</u>	<u>(19)</u>	<u>-</u>
<i>Deferred Inflows of Resources</i>	<u>3,050</u>	<u>1,513</u>	<u>997</u>	<u>22,595</u>
<i>Fund Balance:</i>				
Non-Spendable				
Prepaid Expenses	-	-	-	-
Restricted Fund Balance	31,781	7,394	133,629	18,587
Committed	-	-	-	-
<i>Total Fund Balance</i>	<u>31,781</u>	<u>7,394</u>	<u>133,629</u>	<u>18,587</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 36,529</b>	<b>\$ 8,907</b>	<b>\$ 134,607</b>	<b>\$ 41,182</b>

2740	2860	2865	2870	7400
Road and Bridge Fund General	Sheriff Forfeited Property	Sheriff Jail Division	6 Mile Pier/Boat Ramp Insur/ Maint (Alcoa)	Election Services Contract
\$ 1,657,813	\$ 113,488	\$ 74,866	\$ 44,453	\$ 73,019
350,236	-	-	-	11,159
8,300	-	-	-	-
-	-	-	-	-
-	-	-	966	-
<u>\$ 2,016,349</u>	<u>\$ 113,488</u>	<u>\$ 74,866</u>	<u>\$ 45,419</u>	<u>\$ 84,178</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,606
-	-	-	-	-
-	-	-	-	-
-	98,497	-	-	3,225
-	<u>98,497</u>	-	-	<u>9,831</u>
<u>350,236</u>	-	-	-	-
-	-	-	966	-
1,666,113	14,991	74,866	44,453	-
-	-	-	-	74,347
<u>1,666,113</u>	<u>14,991</u>	<u>74,866</u>	<u>45,419</u>	<u>74,347</u>
<u>\$ 2,016,349</u>	<u>\$ 113,488</u>	<u>\$ 74,866</u>	<u>\$ 45,419</u>	<u>\$ 84,178</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2018

	7730	7518	
	Library	Juror	Total
	Gift	Donations	Nonmajor
	Memorial	County	Special Revenue
	Society	Humane	Funds
	Society	Society	Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 55,980	\$ 2,194	\$ 4,194,706
Receivables (Net of Allowances for Uncollectibles):			
Accounts	-	-	438,496
Due From Others	-	-	84,656
Due from Other Funds	-	-	1,328
Prepaid Items and Other Current Assets	-	-	966
<b>TOTAL ASSETS</b>	<b>\$ 55,980</b>	<b>\$ 2,194</b>	<b>\$ 4,720,152</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ -	\$ -	\$ 27,586
Accrued and Other Liabilities	-	-	3,628
Due to Other Funds	-	-	273,525
Due to Others	-	-	101,722
<i>Total Liabilities</i>	<i>-</i>	<i>-</i>	<i>406,461</i>
<i>Deferred Inflows of Resources</i>	<i>-</i>	<i>-</i>	<i>436,092</i>
<i>Fund Balance:</i>			
Non-Spendable			
Prepaid Expenses	-	-	966
Restricted Fund Balance	-	-	3,744,112
Committed	55,980	2,194	132,521
<i>Total Fund Balance</i>	<i>55,980</i>	<i>2,194</i>	<i>3,877,599</i>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 55,980</b>	<b>\$ 2,194</b>	<b>\$ 4,720,152</b>



CALHOUN COUNTY, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	2610	2620	2660	2663
	Airport	Appellate Judicial System	Coastal Protection	County & District Court Technology
<b>REVENUES</b>				
Intergovernmental	\$ 34,559	\$ -	\$ 549,710	\$ -
Charges for Services	-	1,973	-	574
Permits and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	294	14	5,807	60
Gifts and Contributions	-	-	-	-
Rents and Leases	1,300	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>36,153</u>	<u>1,987</u>	<u>555,517</u>	<u>634</u>
<b>EXPENDITURES</b>				
Current:				
General Administration	-	-	-	-
Elections	-	-	-	-
Judicial	-	1,966	-	-
Legal	-	-	-	-
Public Facilities	63,969	-	-	-
Public Safety	-	-	-	-
Roads and Bridges	-	-	-	-
Health & Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>63,969</u>	<u>1,966</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,816)	21	555,517	634
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	37,527	-	-	-
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>37,527</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	9,711	21	555,517	634
Fund Balance, January 1	23,062	108	43,693	4,570
Fund Balance, December 31	<u>\$ 32,773</u>	<u>\$ 129</u>	<u>\$ 599,210</u>	<u>\$ 5,204</u>

2667	2668	2670	2672	2673
County Child Abuse Prevention	County Child Welfare Board	Court House Security Fund	Court Initiated Guardianship	Court Records Preservation
\$ -	\$ -	\$ -	\$ -	\$ -
18	-	13,872	1,340	4,882
-	-	-	-	-
-	-	-	-	-
6	53	3,216	93	287
-	-	-	-	-
-	-	-	-	-
-	496	-	-	-
<u>24</u>	<u>549</u>	<u>17,088</u>	<u>1,433</u>	<u>5,169</u>
-	-	41,175	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	41,175	-	-
24	549	(24,087)	1,433	5,169
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
24	549	(24,087)	1,433	5,169
574	4,184	268,582	6,888	20,826
<u>\$ 598</u>	<u>\$ 4,733</u>	<u>\$ 244,495</u>	<u>\$ 8,321</u>	<u>\$ 25,995</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018

	2675	2690	2695	2697
	County Clerk Records Archive	District Attorney Forfeiture	DA Hot Check	Donations
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	46,490	10,449	309	-
Permits and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	2,532	127	-	936
Gifts and Contributions	-	-	-	66,066
Rents and Leases	-	-	-	-
Miscellaneous	-	-	-	1,856
<b>TOTAL REVENUES</b>	<u>49,022</u>	<u>10,576</u>	<u>309</u>	<u>68,858</u>
<b>EXPENDITURES</b>				
Current:				
General Administration	-	-	-	-
Elections	-	-	-	-
Judicial	16,663	-	-	-
Legal	-	18,829	531	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	51,914
Roads and Bridges	-	-	-	-
Health & Welfare	-	-	-	618
Culture and Recreation	-	-	-	20,129
<b>TOTAL EXPENDITURES</b>	<u>16,663</u>	<u>18,829</u>	<u>531</u>	<u>72,661</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,359	(8,253)	(222)	(3,803)
<b>OTHER FINANCING</b>				
<b>SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING</b> <b>SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	32,359	(8,253)	(222)	(3,803)
Fund Balance, January 1	190,903	40,675	2,425	76,659
Fund Balance, December 31	<u>\$ 223,262</u>	<u>\$ 32,422</u>	<u>\$ 2,203</u>	<u>\$ 72,856</u>

2698	2699	2706	2715	2716
Drug/DWI Court Program	Juvenile Case Manager	Family Protection	Juvenile Delinquency Prevention	Grants
\$ -	\$ -	\$ -	\$ -	\$ 220,046
2,350	8,043	1,185	-	-
-	-	-	-	-
-	-	-	-	-
200	109	123	107	248
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,550</u>	<u>8,152</u>	<u>1,308</u>	<u>107</u>	<u>220,294</u>
-	-	-	-	-
-	5,423	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	223,424
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>5,423</u>	<u>-</u>	<u>-</u>	<u>223,424</u>
2,550	2,729	1,308	107	(3,130)
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,550	2,729	1,308	107	(3,130)
15,303	8,425	9,401	8,650	14,324
<u>\$ 17,853</u>	<u>\$ 11,154</u>	<u>\$ 10,709</u>	<u>\$ 8,757</u>	<u>\$ 11,194</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018

	2719	2720	2721	2722
	Justice Court Technology	Justice Court Building Security	Lateral Road Fund Precinct #1	Lateral Road Fund Precinct #2
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 4,313	\$ 4,313
Charges for Services	8,210	-	-	-
Permits and Licenses	-	-	-	-
Fines and Forfeitures	-	2,052	-	-
Interest	956	28	49	49
Gifts and Contributions	-	-	-	-
Rents and Leases	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>9,166</u>	<u>2,080</u>	<u>4,362</u>	<u>4,362</u>
<b>EXPENDITURES</b>				
Current:				
General Administration	-	-	-	-
Elections	-	-	-	-
Judicial	1,508	-	-	-
Legal	-	-	-	-
Public Facilities	-	-	-	-
Public Safety	-	-	-	-
Roads and Bridges	-	-	4,346	4,346
Health & Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,508</u>	<u>-</u>	<u>4,346</u>	<u>4,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,658	2,080	16	16
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	7,658	2,080	16	16
Fund Balance, January 1	74,308	1,222	4,325	4,325
Fund Balance, December 31	<u>\$ 81,966</u>	<u>\$ 3,302</u>	<u>\$ 4,341</u>	<u>\$ 4,341</u>

2723	2724	2729	2731	2733
Lateral Road Fund Precinct #3	Lateral Road Fund Precinct #4	Pretrial Services	Law Library Fund	LEOSE Education
\$ 4,313	\$ 4,313	\$ -	\$ -	\$ 18,073
-	-	932	13,320	-
-	-	-	-	-
-	-	-	-	-
49	49	923	2,495	509
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,362</u>	<u>4,362</u>	<u>1,855</u>	<u>15,815</u>	<u>18,582</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	11,374	-
-	-	-	-	-
-	-	-	-	5,940
4,346	4,346	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,346</u>	<u>4,346</u>	<u>-</u>	<u>11,374</u>	<u>5,940</u>
16	16	1,855	4,441	12,642
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
16	16	1,855	4,441	12,642
4,325	4,325	74,822	201,178	42,860
<u>\$ 4,341</u>	<u>\$ 4,341</u>	<u>\$ 76,677</u>	<u>\$ 205,619</u>	<u>\$ 55,502</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018

	2736	2737	2738	2739
	Port O'Connor Community Center	Records Management/ Preservation District Clerk	County Clerk Records Management	Records Management & Prevention
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	2,389	47,524	4,986
Permits and Licenses	-	-	-	-
Fines and Forfeitures	-	-	-	-
Interest	505	74	1,412	197
Gifts and Contributions	-	-	-	-
Rents and Leases	21,500	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>22,005</u>	<u>2,463</u>	<u>48,936</u>	<u>5,183</u>
<b>EXPENDITURES</b>				
Current:				
General Administration	-	-	12,382	-
Elections	-	-	-	-
Judicial	-	-	-	-
Legal	-	-	-	-
Public Facilities	28,786	-	-	-
Public Safety	-	-	-	-
Roads and Bridges	-	-	-	-
Health & Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>28,786</u>	<u>-</u>	<u>12,382</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,781)	2,463	36,554	5,183
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	10,000	-	-	-
Transfers Out	-	-	-	(2,500)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>(2,500)</u>
Net Change in Fund Balance	3,219	2,463	36,554	2,683
Fund Balance, January 1	28,562	4,931	97,075	15,904
Fund Balance, December 31	<u>\$ 31,781</u>	<u>\$ 7,394</u>	<u>\$ 133,629</u>	<u>\$ 18,587</u>

2740	2860	2865	2870	7400
Road and Bridge Fund General	Sheriff Forfeited Property	Sheriff Jail Division	6 Mile Pier/Boat Ramp Insur/ Maint (Alcoa)	Election Services Contract
\$ 27,622	\$ -	\$ -	\$ -	\$ -
247,978	-	-	-	19,030
268,228	-	-	-	-
49,413	16,735	-	-	-
12,143	41	309	545	905
-	-	-	-	-
-	-	-	-	-
-	11	22,326	-	-
<u>605,384</u>	<u>16,787</u>	<u>22,635</u>	<u>545</u>	<u>19,935</u>
-	-	-	1,961	-
-	-	-	-	22,228
-	-	-	-	-
-	-	-	-	-
-	20,763	9,525	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>20,763</u>	<u>9,525</u>	<u>1,961</u>	<u>22,228</u>
605,384	(3,976)	13,110	(1,416)	(2,293)
-	-	-	-	-
<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,384	(3,976)	13,110	(1,416)	(2,293)
1,660,729	18,967	61,756	46,835	76,640
<u>\$ 1,666,113</u>	<u>\$ 14,991</u>	<u>\$ 74,866</u>	<u>\$ 45,419</u>	<u>\$ 74,347</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2018

	7730	7518/2726	
	Library Gift Memorial	Juror Donations County Humane Society	Total Nonmajor Special Revenue Funds
	<u>Memorial</u>	<u>Society</u>	<u>Funds</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ 867,262
Charges for Services	-	-	435,854
Permits and Licenses	-	-	268,228
Fines and Forfeitures	-	-	68,200
Interest	675	-	36,125
Gifts and Contributions	510	856	67,432
Rents and Leases	-	-	22,800
Miscellaneous	-	-	24,689
<b>TOTAL REVENUES</b>	<u>1,185</u>	<u>856</u>	<u>1,790,590</u>
<b>EXPENDITURES</b>			
Current:			
General Administration	-	-	55,518
Elections	-	-	22,228
Judicial	-	-	25,560
Legal	-	-	30,734
Public Facilities	-	-	92,755
Public Safety	-	-	311,566
Roads and Bridges	-	-	17,384
Health & Welfare	-	-	618
Culture and Recreation	-	-	20,129
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>576,492</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,185	856	1,214,098
<b>OTHER FINANCING</b>			
<b>SOURCES (USES)</b>			
Transfers In	-	-	47,527
Transfers Out	-	-	(602,500)
<b>TOTAL OTHER FINANCING</b>	<u>-</u>	<u>-</u>	<u>(554,973)</u>
<b>SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(554,973)</u>
Net Change in Fund Balance	1,185	856	659,125
Fund Balance, January 1	54,795	1,338	3,218,474
Fund Balance, December 31	<u>\$ 55,980</u>	<u>\$ 2,194</u>	<u>\$ 3,877,599</u>

CALHOUN COUNTY, TEXAS  
AIRPORT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 15,001	\$ 34,559	\$ 19,558
Interest	30	294	264
Rents and Leases	1,200	1,300	100
<b>TOTAL REVENUES</b>	<u>6,718</u>	<u>36,153</u>	<u>29,435</u>
<b>EXPENDITURES</b>			
Current:			
Public Facilities	<u>66,353</u>	<u>63,969</u>	<u>2,384</u>
<b>TOTAL EXPENDITURES</b>	<u>66,353</u>	<u>63,969</u>	<u>2,384</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,635)	(27,816)	31,819
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	<u>37,528</u>	<u>37,527</u>	<u>(1)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>37,528</u>	<u>37,527</u>	<u>(1)</u>
Net Change in Fund Balance	(22,107)	9,711	31,818
Fund Balance, January 1	23,062	23,062	-
Fund Balance, December 31	<u>\$ 955</u>	<u>\$ 32,773</u>	<u>\$ 31,818</u>

CALHOUN COUNTY, TEXAS  
 APPELLATE JUDICIAL SYSTEM  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Charges for Services	\$ 1,800	\$ 1,973	\$ 173
Interest	3	14	11
<b>TOTAL REVENUES</b>	<u>1,803</u>	<u>1,987</u>	<u>184</u>
<b>EXPENDITURES</b>			
Current:			
Judicial	<u>1,967</u>	<u>1,966</u>	<u>1</u>
<b>TOTAL EXPENDITURES</b>	<u>1,967</u>	<u>1,966</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(164)	21	185
Fund Balance, January 1	<u>108</u>	<u>108</u>	<u>-</u>
Fund Balance, December 31	<u>\$ (56)</u>	<u>\$ 129</u>	<u>\$ 185</u>

CALHOUN COUNTY, TEXAS  
 COASTAL PROTECTION  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 549,710	\$ 549,710
Interest	50	5,807	5,757
<b>TOTAL REVENUES</b>	<u>50</u>	<u>555,517</u>	<u>555,467</u>
 Net Change in Fund Balance	 50	 555,517	 555,467
 Fund Balance, January 1	 43,693	 43,693	 -
Fund Balance, December 31	<u>\$ 43,743</u>	<u>\$ 599,210</u>	<u>\$ 555,467</u>

CALHOUN COUNTY, TEXAS  
COUNTY & DISTRICT COURT TECHNOLOGY  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 600	\$ 574	\$ (26)
Interest	1	60	59
<b>TOTAL REVENUES</b>	<u>601</u>	<u>634</u>	<u>33</u>
 Net Change in Fund Balance	 601	 634	 33
 Fund Balance, January 1	 4,570	 4,570	 -
Fund Balance, December 31	<u>\$ 5,171</u>	<u>\$ 5,204</u>	<u>\$ 33</u>

CALHOUN COUNTY, TEXAS  
COUNTY CHILD ABUSE PREVENTION  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 50	\$ 18	\$ (32)
Interest	-	6	6
<b>TOTAL REVENUES</b>	<u>50</u>	<u>24</u>	<u>(26)</u>
 Net Change in Fund Balance	 50	 24	 (26)
 Fund Balance, January 1	 574	 574	 -
Fund Balance, December 31	<u>\$ 624</u>	<u>\$ 598</u>	<u>\$ (26)</u>

CALHOUN COUNTY, TEXAS  
COUNTY CHILD WELFARE BOARD  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Interest	\$ 1	\$ 53	\$ 52
Miscellaneous	4,681	496	(4,185)
<b>TOTAL REVENUES</b>	<u>4,682</u>	<u>549</u>	<u>(4,133)</u>
 Net Change in Fund Balance	 4,682	 549	 (4,133)
 Fund Balance, January 1	 4,184	 4,184	 -
Fund Balance, December 31	<u>\$ 8,866</u>	<u>\$ 4,733</u>	<u>\$ (4,133)</u>

CALHOUN COUNTY, TEXAS  
 COURT HOUSE SECURITY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 7,900	\$ 13,872	\$ 5,972
Interest	500	3,216	2,716
<b>TOTAL REVENUES</b>	<u>8,400</u>	<u>17,088</u>	<u>8,688</u>
<b>EXPENDITURES</b>			
Current:			
General Administration	140,000	41,175	98,825
<b>TOTAL EXPENDITURES</b>	<u>140,000</u>	<u>41,175</u>	<u>98,825</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,600)	(24,087)	107,513
Fund Balance, January 1	268,582	268,582	-
Fund Balance, December 31	<u>\$ 136,982</u>	<u>\$ 244,495</u>	<u>\$ 107,513</u>

CALHOUN COUNTY, TEXAS  
 COURT INITIATED GUARDIANSHIP  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 1,000	\$ 1,340	\$ 340
Interest	1	93	92
<b>TOTAL REVENUES</b>	<u>1,001</u>	<u>1,433</u>	<u>432</u>
 Net Change in Fund Balance	 1,001	 1,433	 432
 Fund Balance, January 1	 6,888	 6,888	 -
Fund Balance, December 31	<u>\$ 7,889</u>	<u>\$ 8,321</u>	<u>\$ 432</u>

CALHOUN COUNTY, TEXAS  
 COURT RECORDS PRESERVATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 3,000	\$ 4,882	\$ 1,882
Interest	10	287	277
<b>TOTAL REVENUES</b>	<u>3,010</u>	<u>5,169</u>	<u>2,159</u>
 Net Change in Fund Balance	 3,010	 5,169	 2,159
 Fund Balance, January 1	 20,826	 20,826	 -
Fund Balance, December 31	<u>\$ 23,836</u>	<u>\$ 25,995</u>	<u>\$ 2,159</u>

CALHOUN COUNTY, TEXAS  
COUNTY CLERK RECORDS ARCHIVE  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 40,000	\$ 46,490	\$ 6,490
Interest	100	2,532	2,432
<b>TOTAL REVENUES</b>	<u>40,100</u>	<u>49,022</u>	<u>8,922</u>
<b>EXPENDITURES</b>			
Current:			
Judicial	50,000	16,663	33,337
<b>TOTAL EXPENDITURES</b>	<u>50,000</u>	<u>16,663</u>	<u>33,337</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,900)	32,359	42,259
Fund Balance, January 1	190,903	190,903	-
Fund Balance, December 31	<u>\$ 181,003</u>	<u>\$ 223,262</u>	<u>\$ 42,259</u>

CALHOUN COUNTY, TEXAS  
DISTRICT ATTORNEY FORFEITURE  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 1	\$ 10,449	\$ 10,448
	1	127	126
<b>TOTAL REVENUES</b>	<u>1</u>	<u>10,576</u>	<u>10,575</u>
<b>EXPENDITURES</b>			
Current:			
Legal	19,497	18,829	668
<b>TOTAL EXPENDITURES</b>	<u>19,497</u>	<u>18,829</u>	<u>668</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,496)	(8,253)	11,243
Fund Balance, January 1	40,675	40,675	-
Fund Balance, December 31	<u>\$ 21,179</u>	<u>\$ 32,422</u>	<u>\$ 11,243</u>

CALHOUN COUNTY, TEXAS  
 DRUG/DWI COURT PROGRAM  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 2,020	\$ 2,350	\$ 330
Interest	10	200	190
<b>TOTAL REVENUES</b>	<u>2,030</u>	<u>2,550</u>	<u>520</u>
 Net Change in Fund Balance	 1,990	 2,550	 560
 Fund Balance, January 1	 15,303	 15,303	 -
Fund Balance, December 31	<u>\$ 17,293</u>	<u>\$ 17,853</u>	<u>\$ 560</u>

CALHOUN COUNTY, TEXAS  
 JUVENILE CASE MANAGER  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 600	\$ 8,043	\$ 7,443
Interest	10	109	99
<b>TOTAL REVENUES</b>	<u>610</u>	<u>8,152</u>	<u>7,542</u>
<b>EXPENDITURES</b>			
Current:			
Judicial	5,570	5,423	147
<b>TOTAL EXPENDITURES</b>	<u>5,570</u>	<u>5,423</u>	<u>147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,960)	2,729	7,689
Fund Balance, January 1	8,425	8,425	-
Fund Balance, December 31	<u>\$ 3,465</u>	<u>\$ 11,154</u>	<u>\$ 7,689</u>

CALHOUN COUNTY, TEXAS  
 FAMILY PROTECTION  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 700	\$ 1,185	\$ 485
Interest	10	123	113
<b>TOTAL REVENUES</b>	<u>710</u>	<u>1,308</u>	<u>598</u>
 Net Change in Fund Balance	 710	 1,308	 598
 Fund Balance, January 1	 9,401	 9,401	 -
Fund Balance, December 31	<u>\$ 10,111</u>	<u>\$ 10,709</u>	<u>\$ 598</u>

CALHOUN COUNTY, TEXAS  
 JUVENILE DELINQUENCY PREVENTION  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Interest	\$ 15	\$ 107	\$ 92
<b>TOTAL REVENUES</b>	<u>15</u>	<u>107</u>	<u>92</u>
 Net Change in Fund Balance	 15	 107	 92
 Fund Balance, January 1	 8,650	 8,650	 -
Fund Balance, December 31	<u>\$ 8,665</u>	<u>\$ 8,757</u>	<u>\$ 92</u>

CALHOUN COUNTY, TEXAS  
JUSTICE COURT TECHNOLOGY  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 7,318	\$ 8,210	\$ 892
Interest	823	956	133
<b>TOTAL REVENUES</b>	<u>8,141</u>	<u>9,166</u>	<u>1,025</u>
<b>EXPENDITURES</b>			
Current:			
Judicial	82,001	1,508	80,493
<b>TOTAL EXPENDITURES</b>	<u>82,001</u>	<u>1,508</u>	<u>80,493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,860)	7,658	81,518
Fund Balance, January 1	74,308	74,308	-
Fund Balance, December 31	<u>\$ 448</u>	<u>\$ 81,966</u>	<u>\$ 81,518</u>

CALHOUN COUNTY, TEXAS  
JUSTICE COURT BUILDING SECURITY  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Fines and Forfeitures	\$ 1,400	\$ 2,052	\$ 652
Interest	10	28	18
<b>TOTAL REVENUES</b>	<u>1,410</u>	<u>2,080</u>	<u>670</u>
<b>EXPENDITURES</b>			
Current:			
Judicial	1	-	1
<b>TOTAL EXPENDITURES</b>	<u>1</u>	<u>-</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,409	2,080	671
Fund Balance, January 1	1,222	1,222	-
Fund Balance, December 31	<u>\$ 2,631</u>	<u>\$ 3,302</u>	<u>\$ 671</u>

CALHOUN COUNTY, TEXAS  
LATERAL ROAD FUND PRECINCT #1  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 4,230	\$ 4,313	\$ 83
Interest	5	49	44
<b>TOTAL REVENUES</b>	<u>4,235</u>	<u>4,362</u>	<u>127</u>
<b>EXPENDITURES</b>			
Current:			
Roads and Bridges	4,460	4,346	114
<b>TOTAL EXPENDITURES</b>	<u>4,460</u>	<u>4,346</u>	<u>114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(225)	16	241
Fund Balance, January 1	4,325	4,325	-
Fund Balance, December 31	<u>\$ 4,100</u>	<u>\$ 4,341</u>	<u>\$ 241</u>

CALHOUN COUNTY, TEXAS  
LATERAL ROAD FUND PRECINCT #2  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 4,230	\$ 4,313	\$ 83
Interest	5	49	44
<b>TOTAL REVENUES</b>	<u>4,235</u>	<u>4,362</u>	<u>127</u>
<b>EXPENDITURES</b>			
Current:			
Roads and Bridges	4,460	4,346	114
<b>TOTAL EXPENDITURES</b>	<u>4,460</u>	<u>4,346</u>	<u>114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(225)	16	241
Fund Balance, January 1	4,325	4,325	-
Fund Balance, December 31	<u>\$ 4,100</u>	<u>\$ 4,341</u>	<u>\$ 241</u>

CALHOUN COUNTY, TEXAS  
LATERAL ROAD FUND PRECINCT #3  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 4,230	\$ 4,313	\$ 83
Interest	5	49	44
<b>TOTAL REVENUES</b>	<u>4,235</u>	<u>4,362</u>	<u>127</u>
<b>EXPENDITURES</b>			
Current:			
Roads and Bridges	4,460	4,346	114
<b>TOTAL EXPENDITURES</b>	<u>4,460</u>	<u>4,346</u>	<u>114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(225)	16	241
Fund Balance, January 1	4,325	4,325	-
Fund Balance, December 31	<u>\$ 4,100</u>	<u>\$ 4,341</u>	<u>\$ 241</u>

CALHOUN COUNTY, TEXAS  
LATERAL ROAD FUND PRECINCT #4  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental	\$ 4,230	\$ 4,313	\$ 83
Interest	5	49	44
<b>TOTAL REVENUES</b>	<u>4,235</u>	<u>4,362</u>	<u>127</u>
<b>EXPENDITURES</b>			
Current:			
Roads and Bridges	4,460	4,346	114
<b>TOTAL EXPENDITURES</b>	<u>4,460</u>	<u>4,346</u>	<u>114</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(225)	16	241
Fund Balance, January 1	4,325	4,325	-
Fund Balance, December 31	<u>\$ 4,100</u>	<u>\$ 4,341</u>	<u>\$ 241</u>

CALHOUN COUNTY, TEXAS  
 PRETRIAL SERVICES  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 3,000	\$ 932	\$ (2,068)
Interest	150	923	773
<b>TOTAL REVENUES</b>	<u>3,150</u>	<u>1,855</u>	<u>(1,295)</u>
 Net Change in Fund Balance	 3,150	 1,855	 (1,295)
 Fund Balance, January 1	 74,822	 74,822	 -
Fund Balance, December 31	<u>\$ 77,972</u>	<u>\$ 76,677</u>	<u>\$ (1,295)</u>

CALHOUN COUNTY, TEXAS  
LAW LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 10,000	\$ 13,320	\$ 3,320
Interest	300	2,495	2,195
<b>TOTAL REVENUES</b>	<u>10,300</u>	<u>15,815</u>	<u>5,515</u>
<b>EXPENDITURES</b>			
Current:			
Legal	26,400	11,374	15,026
<b>TOTAL EXPENDITURES</b>	<u>26,400</u>	<u>11,374</u>	<u>15,026</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,100)	4,441	20,541
Fund Balance, January 1	201,178	201,178	-
Fund Balance, December 31	<u>\$ 185,078</u>	<u>\$ 205,619</u>	<u>\$ 20,541</u>

CALHOUN COUNTY, TEXAS  
 PORT O'CONNOR COMMUNITY CENTER  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Interest	\$ 50	\$ 505	\$ 455
Gifts and Contributions	1	-	(1)
Rents and Leases	15,000	21,500	6,500
<b>TOTAL REVENUES</b>	<u>15,051</u>	<u>22,005</u>	<u>6,954</u>
<b>EXPENDITURES</b>			
Current:			
Public Facilities	51,149	28,786	22,363
<b>TOTAL EXPENDITURES</b>	<u>51,149</u>	<u>28,786</u>	<u>22,363</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,098)	(6,781)	29,317
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	10,000	10,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	(26,098)	3,219	29,317
Fund Balance, January 1	28,562	28,562	-
Fund Balance, December 31	<u>\$ 2,464</u>	<u>\$ 31,781</u>	<u>\$ 29,317</u>

CALHOUN COUNTY, TEXAS  
RECORD MANAGEMENT/PRESERVATION DISTRICT CLERK  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 1,500	\$ 2,389	\$ 889
Interest	1	74	73
<b>TOTAL REVENUES</b>	<u>1,501</u>	<u>2,463</u>	<u>962</u>
<b>EXPENDITURES</b>			
Current:			
General Administration	2,500	-	2,500
<b>TOTAL EXPENDITURES</b>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(999)	2,463	3,462
Fund Balance, January 1	4,931	4,931	-
Fund Balance, December 31	<u>\$ 3,932</u>	<u>\$ 7,394</u>	<u>\$ 3,462</u>

CALHOUN COUNTY, TEXAS  
COUNTY CLERK RECORDS MANAGEMENT  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 35,000	\$ 47,524	\$ 12,524
Interest	200	1,412	1,212
<b>TOTAL REVENUES</b>	<u>35,200</u>	<u>48,936</u>	<u>13,736</u>
<b>EXPENDITURES</b>			
Current:			
General Administration	41,254	12,382	28,872
<b>TOTAL EXPENDITURES</b>	<u>41,254</u>	<u>12,382</u>	<u>28,872</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,054)	36,554	42,608
Fund Balance, January 1	97,075	97,075	-
Fund Balance, December 31	<u>\$ 91,021</u>	<u>\$ 133,629</u>	<u>\$ 42,608</u>

CALHOUN COUNTY, TEXAS  
RECORDS MANAGEMENT AND PREVENTION  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for Services	\$ 5,500	\$ 4,986	\$ (514)
Interest	150	197	47
<b>TOTAL REVENUES</b>	<u>5,650</u>	<u>5,183</u>	<u>(467)</u>
<b>EXPENDITURES</b>			
Current:			
General Administration	2,000	-	2,000
<b>TOTAL EXPENDITURES</b>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,650</u>	<u>5,183</u>	<u>1,533</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(2,500)	(2,500)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
Net Change in Fund Balance	1,150	2,683	1,533
Fund Balance, January 1	15,904	15,904	-
Fund Balance, December 31	<u>\$ 17,054</u>	<u>\$ 18,587</u>	<u>\$ 1,533</u>

CALHOUN COUNTY, TEXAS  
ROAD AND BRIDGE FUND GENERAL  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 10,000	\$ 27,622	\$ 17,622
Charges for Services	200,000	247,978	47,978
Permits and Licenses	260,000	268,228	8,228
Fines and Forfeitures	41,200	49,413	8,213
Interest	2,000	12,143	10,143
<b>TOTAL REVENUES</b>	<u>513,200</u>	<u>605,384</u>	<u>92,184</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers Out	(600,000)	(600,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Net Change in Fund Balance	(86,800)	5,384	92,184
Fund Balance, January 1	1,660,729	1,660,729	-
Fund Balance, December 31	<u>\$ 1,573,929</u>	<u>\$ 1,666,113</u>	<u>\$ 92,184</u>

CALHOUN COUNTY, TEXAS  
SHERIFF FORFEITED PROPERTY  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Fines and Forfeitures	\$ 4,201	\$ 16,735	\$ 12,534
Interest	2	41	39
Miscellaneous	2	11	9
<b>TOTAL REVENUES</b>	<u>4,205</u>	<u>16,787</u>	<u>12,582</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety	<u>24,598</u>	<u>20,763</u>	<u>3,835</u>
<b>TOTAL EXPENDITURES</b>	<u>24,598</u>	<u>20,763</u>	<u>3,835</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,393)	(3,976)	16,417
Fund Balance, January 1	18,967	18,967	-
Fund Balance, December 31	<u>\$ (1,426)</u>	<u>\$ 14,991</u>	<u>\$ 16,417</u>

CALHOUN COUNTY, TEXAS  
6 MILE PIER/BOAT RAMP INSURANCE/MAINTENANCE (ALCOA)  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Interest	\$ 60	\$ 545	\$ 485
<b>TOTAL REVENUES</b>	60	545	485
<b>EXPENDITURES</b>			
Current:			
General Administration	45,850	1,961	43,889
<b>TOTAL EXPENDITURES</b>	45,850	1,961	43,889
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,790)	(1,416)	44,374
Fund Balance, January 1	46,835	46,835	-
Fund Balance, December 31	\$ 1,045	\$ 45,419	\$ 44,374

CALHOUN COUNTY, TEXAS  
 JUROR DONATIONS – COUNTY HUMANE SOCIETY  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Gifts and Contributions	\$ 500	\$ 856	\$ 356
<b>TOTAL REVENUES</b>	<u>500</u>	<u>856</u>	<u>356</u>
<b>EXPENDITURES</b>			
Current:			
Judicial	1,838	-	1,838
<b>TOTAL EXPENDITURES</b>	<u>1,838</u>	<u>-</u>	<u>1,838</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,338)	856	(1,482)
Fund Balance, January 1	1,338	1,338	-
Fund Balance, December 31	<u>\$ -</u>	<u>\$ 2,194</u>	<u>\$ (2,194)</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2018

	4165	4170	Total
	Debt Service Refunding 2010	Debt Service Refunding 2012	Nonmajor Debt Service Funds
	<u>2010</u>	<u>2012</u>	<u>Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,231	\$ 1,052	\$ 3,283
Receivables (Net of Allowances for Uncollectibles:)			
Taxes	183,533	238,016	421,549
Due From Others	26,862	34,903	61,765
Restricted Assets:			
Cash and Cash Equivalents	<u>339,567</u>	<u>443,568</u>	<u>783,135</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 552,193</u></u>	<u><u>\$ 717,539</u></u>	<u><u>\$ 1,269,732</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
<i>Deferred Inflows of Resources</i>	<u>\$ 520,851</u>	<u>\$ 636,278</u>	<u>\$ 1,157,129</u>
<i>Fund Balance:</i>			
Restricted	<u>31,342</u>	<u>81,261</u>	<u>112,603</u>
<i>Total Fund Balance</i>	<u>31,342</u>	<u>81,261</u>	<u>112,603</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u><u>\$ 552,193</u></u>	<u><u>\$ 717,539</u></u>	<u><u>\$ 1,269,732</u></u>

CALHOUN COUNTY, TEXAS  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	4165	4170	Total
	Debt Service Refunding 2010	Debt Service Refunding 2012	Nonmajor Debt Service Funds
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 512,719	\$ 665,290	\$ 1,178,009
Intergovernmental	590	11,527	12,117
Interest	2,127	-	2,127
<b>TOTAL REVENUES</b>	<u>515,436</u>	<u>676,817</u>	<u>1,192,253</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	395,000	575,000	970,000
Interest and Fiscal Charges	120,050	95,250	215,300
<b>TOTAL EXPENDITURES</b>	<u>515,050</u>	<u>670,250</u>	<u>1,185,300</u>
<i>Excess (Deficiency) of Revenues</i>			
Over (Under) Expenditures	386	6,567	6,953
Fund Balance, January 1	30,956	74,694	105,650
Fund Balance, December 31	<u>\$ 31,342</u>	<u>\$ 81,261</u>	<u>\$ 112,603</u>

CALHOUN COUNTY, TEXAS  
DEBT SERVICE REFUNDING 2010 FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 500,880	\$ 512,719	\$ 11,839
Intergovernmental	30	590	560
Interest	10	2,127	2,117
<b>TOTAL REVENUES</b>	<u>500,920</u>	<u>515,436</u>	<u>14,516</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	395,000	395,000	-
Interest and Fiscal Charges	120,850	120,050	800
<b>TOTAL EXPENDITURES</b>	<u>515,850</u>	<u>515,050</u>	<u>800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,930)	386	15,316
Fund Balance, January 1	30,956	30,956	-
Fund Balance, December 31	<u>\$ 16,026</u>	<u>\$ 31,342</u>	<u>\$ 15,316</u>

CALHOUN COUNTY, TEXAS  
DEBT SERVICE REFUNDING 2012 FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 647,980	\$ 665,290	\$ 17,310
Intergovernmental	-	11,527	11,527
<b>TOTAL REVENUES</b>	<u>647,980</u>	<u>676,817</u>	<u>28,837</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	575,000	575,000	-
Interest and Fiscal Charges	<u>95,950</u>	<u>95,250</u>	<u>700</u>
<b>TOTAL EXPENDITURES</b>	<u>670,950</u>	<u>670,250</u>	<u>700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,970)	6,567	29,537
Fund Balance, January 1	74,694	74,694	-
Fund Balance, December 31	<u>\$ 51,724</u>	<u>\$ 81,261</u>	<u>\$ 29,537</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2018

	5150	5152	5172
	<u>Road and Bridge Infrastructure</u>	<u>County Energy TRZ #1</u>	<u>Airport Runway Improvements</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 30,193	\$ -	\$ 78,472
Due From Others	-	-	-
Due from Other Funds	-	-	-
Prepaid Items and Other Assets	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 30,193</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 78,472</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 3,775	\$ -	\$ -
Due to Other Funds	-	-	-
<i>Total Liabilities</i>	<u>3,775</u>	<u>-</u>	<u>-</u>
<i>Fund Balance:</i>			
Non-Spendable			
Prepaid Expenses	-	-	-
Restricted Fund Balance	26,418	-	-
Assigned	-	-	78,472
<i>Total Fund Balance</i>	<u>26,418</u>	<u>-</u>	<u>78,472</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b><u>\$ 30,193</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 78,472</u></b>

5188	5195	5225	5230	5232	5233
EMS Substation	Fire Trucks & Safety Equipment	Green Lake Park	Haterius Park/Boat Ramp	Odyssey Case Management System	Water Treatment Improvement
\$ 5,687	\$ 158,084	\$ 7,161	\$ 20,242	\$ 104	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	1,341,916	-	-	-	-
<u>\$ 5,687</u>	<u>\$ 1,500,000</u>	<u>\$ 7,161</u>	<u>\$ 20,242</u>	<u>\$ 104</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	1,341,916	-	-	-	-
5,687	158,084	7,161	-	104	-
-	-	-	20,242	-	-
<u>5,687</u>	<u>1,500,000</u>	<u>7,161</u>	<u>20,242</u>	<u>104</u>	<u>-</u>
<u>\$ 5,687</u>	<u>\$ 1,500,000</u>	<u>\$ 7,161</u>	<u>\$ 20,242</u>	<u>\$ 104</u>	<u>\$ -</u>

CALHOUN COUNTY, TEXAS  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
DECEMBER 31, 2018

	5235	5260	5262	Total Nonmajor Capital Projects Funds
	Port Alto Public Beach	Capital Improvements Projects	Port O'Connor Library	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 223,133	\$ 536,513	\$ -	\$ 1,059,589
Due From Others	-	-	-	-
Due from Other Funds	-	-	-	-
Prepaid Items and Other Assets	-	-	-	1,341,916
<b>TOTAL ASSETS</b>	<b>\$ 223,133</b>	<b>\$ 536,513</b>	<b>\$ -</b>	<b>\$ 2,401,505</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ 261	\$ -	\$ 4,036
Due to Other Funds	187,500	-	-	187,500
<i>Total Liabilities</i>	187,500	261	-	191,536
<i>Fund Balance:</i>				
Non-Spendable				
Prepaid Expenses	-	-	-	1,341,916
Restricted Fund Balance	-	-	-	197,454
Assigned	35,633	536,252	-	670,599
Unassigned	-	-	-	-
<i>Total Fund Balance</i>	35,633	536,252	-	2,209,969
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 223,133</b>	<b>\$ 536,513</b>	<b>\$ -</b>	<b>\$ 2,401,505</b>



CALHOUN COUNTY, TEXAS  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	5150	5152	5172
	Road and Bridge Infrastructure	County Energy TRZ #1	Airport Runway Improvements
<b>REVENUES</b>			
Intergovernmental	\$ 523,086	\$ -	\$ -
Gifts and Contributions	-	-	-
<b>TOTAL REVENUES</b>	523,086	-	-
<b>EXPENDITURES</b>			
Current:			
General Admission	-	-	-
Judicial	-	-	-
Public Facilities	-	-	-
Public Safety	-	-	-
Roads and Bridges	553,086	-	-
Health and Welfare	-	-	-
Culture and Recreation	-	-	-
Conservation	-	-	-
<b>TOTAL EXPENDITURES</b>	553,086	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,000)	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	(32,664)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	(32,664)	-
Net Change in Fund Balance	(30,000)	(32,664)	-
Fund Balance, January 1	56,418	32,664	78,472
Fund Balance, December 31	\$ 26,418	\$ -	\$ 78,472

5188	5195	5225	5230	5232	5233
EMS Substation	Fire Truck & Safety Equipment	Green Lake Park	Haterius Park/Boat Ramp	Odyssey Case Management Software	Water Treatment Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	106,920	-
-	-	-	-	-	-
-	-	-	-	-	3,000,000
-	-	-	-	-	-
61,298	-	-	-	-	-
-	-	134	-	-	-
-	-	-	-	-	-
61,298	-	134	-	106,920	3,000,000
(61,298)	-	(134)	-	(106,920)	(3,000,000)
-	-	-	-	2,500	-
-	-	-	-	-	-
-	-	-	-	2,500	-
(61,298)	-	(134)	-	(104,420)	(3,000,000)
66,985	1,500,000	7,295	20,242	104,524	3,000,000
\$ 5,687	\$ 1,500,000	\$ 7,161	\$ 20,242	\$ 104	\$ -

CALHOUN COUNTY, TEXAS  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONT.)  
FOR THE YEAR ENDED DECEMBER 31, 2018

	5235	5260	5262	Total Nonmajor Capital Projects Funds
	Port Alto Public Beach	Capital Improvements Projects	Port O'Connor Library	
<b>REVENUES</b>				
Intergovernmental	\$ 5,821	\$ -	\$ -	\$ 528,907
Gifts and Contributions	-	-	710,497	710,497
<b>TOTAL REVENUES</b>	<u>5,821</u>	<u>-</u>	<u>710,497</u>	<u>1,239,404</u>
<b>EXPENDITURES</b>				
Current:				
General Admission	-	-	-	106,920
Judicial	-	-	-	-
Public Facilities	-	452,494	-	3,452,494
Public Safety	-	6,262	-	6,262
Roads and Bridges	-	-	-	553,086
Health and Welfare	-	-	-	61,298
Culture and Recreation	-	224,500	710,497	935,131
Conservation	7,761	-	-	7,761
<b>TOTAL EXPENDITURES</b>	<u>7,761</u>	<u>683,256</u>	<u>710,497</u>	<u>5,122,952</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,940)	(683,256)	-	(3,883,548)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	744,954	-	747,454
Transfers Out	-	-	(62)	(32,726)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>744,954</u>	<u>(62)</u>	<u>714,728</u>
Net Change in Fund Balance	(1,940)	61,698	(62)	(3,168,820)
Fund Balance, January 1	37,573	474,554	62	5,378,789
Fund Balance, December 31	<u>\$ 35,633</u>	<u>\$ 536,252</u>	<u>\$ -</u>	<u>\$ 2,209,969</u>



CALHOUN COUNTY, TEXAS  
 AGENCY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 DECEMBER 31, 2018

	7120-7140	7320-7380	7541-7545	7310
	County Clerk Funds	District Clerk Funds	Justice of the Peace Funds	District Attorney Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 179,229	\$ 153,815	\$ 47,569	\$ 5,715
Receivables (Net of Allowances for Uncollectibles:)				
Accounts	-	-	-	-
Accounts Receivable - County	-	-	-	35
Due From Other Governments	-	-	-	-
Due from Others	2,757	75	21,379	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>\$ 181,986</u>	<u>\$ 153,890</u>	<u>\$ 68,948</u>	<u>\$ 5,750</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable - County	\$ 29,132	\$ 10,953	\$ 36,918	\$ 251
Due to Other Governments	312	-	7,628	-
Due to Others	152,542	142,937	24,402	5,499
<i>Total Liabilities</i>	<u>\$ 181,986</u>	<u>\$ 153,890</u>	<u>\$ 68,948</u>	<u>\$ 5,750</u>

7870-7930	7810-7830	7100	Remaining Funds	
Tax Collector Funds	Sheriff Funds	County Auditor Funds	County Treasurer Funds	Total Agency Funds
\$ 280,764	\$ 22,699	\$ 76,583	\$ 77,581	\$ 843,955
-	-	-	13,837	13,837
-	-	-	25,908	25,943
847,321	-	-	10	847,331
-	6,986	-	-	31,197
<u>\$ 1,128,085</u>	<u>\$ 29,685</u>	<u>\$ 76,583</u>	<u>\$ 117,336</u>	<u>\$ 1,762,263</u>
\$ 1,733	\$ 3,717	\$ -	\$ 17,145	\$ 99,849
1,123,245	-	-	81,877	1,213,062
3,107	25,968	76,583	18,314	449,352
<u>\$ 1,128,085</u>	<u>\$ 29,685</u>	<u>\$ 76,583</u>	<u>\$ 117,336</u>	<u>\$ 1,762,263</u>

CALHOUN COUNTY, TEXAS  
DISCRETELY PRESENTED COMPONENT UNIT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018

	Discretely Presented Component Unit	
	Memorial Medical Center	
	2018	2017
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,289,130	\$ 2,311,946
Receivables (Net of Allowance for Uncollectibles)	14,914,405	13,376,177
Prepaid Items and Other Current Assets	2,709,287	3,042,771
Capital Assets (Net of Accumulated Depreciation)		
Land	461,793	320,593
Construction in Progress	500	-
Buildings	4,345,567	4,399,263
Furniture, Fixtures and Equipment	1,154,570	1,184,079
Lease Assets	1,046,775	1,304,007
<b>TOTAL ASSETS</b>	<b>27,922,027</b>	<b>25,938,836</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows - Pension Related	1,271,387	3,137,330
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,271,387</b>	<b>\$ 3,137,330</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 12,569,996	\$ 9,919,762
Accrued and Other Liabilities	2,295,053	2,320,002
<i>Noncurrent Liabilities:</i>		
Due in One Year	259,220	364,341
Due in More Than One Year	765,826	929,155
Net Pension Liability	897,238	2,730,075
<b>TOTAL LIABILITIES</b>	<b>16,787,333</b>	<b>16,263,335</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows - Pension Related	710,139	344,267
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>710,139</b>	<b>344,267</b>
<b>NET POSITION:</b>		
Net Investment in Capital Assets	5,984,159	5,914,446
Unrestricted	5,711,783	6,554,118
<b>TOTAL NET POSITION</b>	<b>\$ 11,695,942</b>	<b>\$ 12,468,564</b>

CALHOUN COUNTY, TEXAS  
DISCRETELY PRESENTED COMPONENT UNIT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
DECEMBER 31, 2018

	<u>Discretely Presented Component Unit</u>	
	<u>Memorial Medical Center</u>	
	<u>2018</u>	<u>2017</u>
<b>OPERATING REVENUES:</b>		
Patient Service Revenues	\$ 24,426,673	\$ 24,102,295
Nursing Home Resident Revenue	56,208,993	46,522,139
Other Operating Revenues	1,755,520	1,196,777
<b>TOTAL OPERATING REVENUES</b>	<u>82,391,186</u>	<u>71,821,211</u>
<b>OPERATING EXPENSES:</b>		
Salaries and Wages	10,383,287	9,854,025
Employee Benefits	3,716,895	3,821,627
Purchased Services and Professional Fees	7,643,068	7,574,982
Insurance	41,362	46,258
Supplies	5,029,062	5,198,702
Nursing Home Expenses	55,271,738	46,319,956
Depreciation and Amortization	1,077,148	989,818
<b>TOTAL OPERATING EXPENSES</b>	<u>83,162,560</u>	<u>73,805,368</u>
<b>Operating Income (Loss)</b>	(771,374)	(1,984,157)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income	14,599	9,570
Interest Expense	(39,643)	(27,800)
On-behalf Payments	-	455,741
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(25,044)</u>	<u>437,511</u>
<b>Excess of Revenues Over Expenses Before Grants for Property and Equipment</b>	(796,418)	(1,546,646)
<b>GRANTS FOR PROPERTY AND EQUIPMENT</b>	<u>23,796</u>	<u>22,000</u>
<b>Change in Net Position</b>	(772,622)	(1,524,646)
<b>Net Position at Beginning of Year</b>	<u>12,468,564</u>	<u>13,993,210</u>
<b>Net Position at End of Year</b>	<u>\$ 11,695,942</u>	<u>\$ 12,468,564</u>

CALHOUN COUNTY, TEXAS  
DISCRETELY PRESENTED COMPONENT UNIT  
STATEMENT OF CASH FLOWS  
DECEMBER 31, 2018

	Discretely Presented Component Unit	
	Memorial Medical Center	
	2018	2017
<b>Cash Flows From Operating Activities</b>		
Receipts from On-behalf Patients	\$ 80,121,127	\$ 70,758,929
Payments to Suppliers and Contractors	(67,774,321)	(59,329,760)
Payments to Employees	(12,876,011)	(12,438,553)
Other Receipts, Net	2,149,649	1,495,094
<b>Net Cash Provided (Used) By Operating Activities</b>	<u>1,620,444</u>	<u>485,710</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Principal Paid on Notes Payable	-	(1,475,000)
<b>Net Cash Provided (Used) By Noncapital Financing Activities</b>	<u>-</u>	<u>(1,475,000)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Grants for Property and Equipment	23,796	22,000
Principal Paid on Long-term Debt	(364,340)	(245,882)
Interest Paid on Long-term Debt	(39,643)	(27,800)
Purchase of Capital Assets	(777,672)	(125,582)
<b>Net Cash Provided (Used) for Capital And Related Financing Activities</b>	<u>(1,157,859)</u>	<u>(377,264)</u>
<b>Cash Flows From Investing Activities</b>		
Interest on Investments	14,599	9,570
Proceeds from Disposition of Investments	500,000	-
<b>Net Cash Provided (Used) for Investing Activities</b>	<u>514,599</u>	<u>9,570</u>
<b>Net Increase (Decrease) in Cash And Cash Equivalents</b>	977,184	(1,356,984)
<b>Cash and Cash Equivalents, Beginning of Year</b>	2,311,946	3,668,930
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 3,289,130</u>	<u>\$ 2,311,946</u>

CALHOUN COUNTY, TEXAS  
DISCRETELY PRESENTED COMPONENT UNIT  
STATEMENT OF CASH FLOWS (CONTINUED)  
DECEMBER 31, 2018

	<u>Discretely Presented Component Unit</u>	
	<u>Memorial Medical Center</u>	
	<u>2018</u>	<u>2017</u>
<b>Reconciliation of Net Operating Revenues (Expenses) to</b>		
<b>Net Cash Provided by Operative Activities</b>		
Operating Loss	\$ (771,374)	\$ (1,984,157)
Depreciation and Amortization	1,077,148	989,818
Provision for Uncollectible Accounts	8,761,000	8,761,000
Gain on Disposal of Assets	(4,849)	-
On-behalf Payments	-	455,741
Changes in Operating Assets and Liabilities:		
Patient Accounts Receivables, Net	(10,068,792)	(11,619,375)
Estimated Amounts Due From and To Third-Party Payers	(230,436)	(118,648)
Accounts Payable and Accrued Expenses	2,625,285	2,585,338
Other Assets and Liabilities	232,462	1,415,993
<b>Net Cash Provided (Used) By Operating Activities</b>	<b><u>\$ 1,620,444</u></b>	<b><u>\$ 485,710</u></b>
<b>Supplemental Cash Flows Information</b>		
Capital Lease Obligation Incurred for Capital Assets	\$ 95,890	\$ 1,062,124

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 Commissioners' Court  
Calhoun County, Texas

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 Calhoun County, Texas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Calhoun County, Texas, basic financial statements and have issued our report thereon dated August 2, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Calhoun County, Texas' 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 the Calhoun County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the Calhoun County, Texas' internal control.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Calhoun County's financial statements are free of 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 the 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 Calhoun County, Texas in a separate letter dated August 2, 2019.

### **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.

August 2, 2019

