NEW ISSUE BOOK-ENTRY-ONLY Rating: S&P: “AA”
(See “OTHER PERTINENT INFORMATION - Rating”, herein)

OFFICIAL STATEMENT

Dated: April 17, 2018

In the opinion of Bond Counsel, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings, and court decisions existing on the date thereof, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on corporations.

<u>*The County has designated the Certificates as “Qualified Tax-Exempt Obligations”*</u>
See “TAX MATTERS - Qualified Tax-Exempt Obligations for Financial Institutions” herein

$7,590,000
RANDALL COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018

Dated Date: May 1, 2018 **Due: February 1, as shown on page ii**

The $7,590,000 Randall County, Texas (the “County” or the “Issuer”) Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2018 (the “Certificates”) are being issued pursuant to the Constitution and laws of the State of Texas (the “State”), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, and an order (the “Order”) adopted by the Commissioners Court. (See “THE CERTIFICATES - Authority for Issuance” herein.)

The Certificates constitute direct obligations of the Issuer payable from an annual ad valorem tax levied against all taxable property in the County, within the limits prescribed by law and are additionally payable from a lien on and limited pledge of the net revenues (the “Net Revenues”) derived from the operation of the County’s library system (the “System”); such pledge being limited to $1,000 and being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of “Prior Lien Obligations” (as defined in the Order) hereafter issued by the County. (See “THE CERTIFICATES - Security for Payment” herein.)

Interest on the Certificates will accrue from May 1, 2018 (the "Dated Date") as shown above and will be payable on February 1, 2019, and on each August 1 and February 1 thereafter until maturity, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Certificates will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository (the “Securities Depository”). Book-entry interests in the Certificates will be made available for purchase in the principal amount of $5,000 or any integral multiple thereof. Purchasers of the Certificates (“Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the Certificates purchased. So long as DTC or its nominee is the registered owner of the Certificates, the principal of and interest on the Certificates will be payable by BOKF, NA, Dallas, Texas, as Paying Agent/Registrar, to DTC, which will in turn remit such principal and interest to its Participants, which will in turn remit such principal and interest to the Beneficial Owners of the Certificates. (See “BOOK-ENTRY-ONLY SYSTEM” herein.)

Proceeds from the sale of the Certificates will be used to pay all or a portion of the County’s contractual obligations for (i) the acquisition, construction, installation and equipment of an emergency radio communication system, including infrastructure, radio towers, software and hardware, rights-of-way and land therefor, (ii) the acquisition of materials, supplies, equipment and machinery for the Sheriff’s department, including records and jail management software and a computer aided dispatch system and (iii) professional services rendered in relation to such projects and the financing thereof. (See “THE CERTIFICATES - Use of Certificate Proceeds” herein.)

The Certificates are not subject to redemption prior to their stated maturity. (See “THE CERTIFICATES – No Redemption” herein.)

STATED MATURITY SCHEDULE
(On Page ii)

The Certificates are offered for delivery, when, as and if issued and received by George K. Baum & Company (the “Purchaser”) and subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel. (See Appendix C – Form of Legal Opinion of Bond Counsel.) (See “OTHER PERTINENT INFORMATION - Legal Opinions and No-Litigation Certificate” herein). It is expected that the Certificates will be available for delivery through DTC on or about May 15, 2018.

STATED MATURITY SCHEDULE
(Due February 1)
Base CUSIP – 752278[(a)]

Stated Maturity February 1	Principal Amount	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix[(a)]
2019	$ 915,000	2.000	1.800	KX8
2020	995,000	2.875	1.900	KY6
2021	1,025,000	3.000	2.000	KZ3
2022	1,060,000	3.000	2.100	LA7
2023	1,090,000	3.000	2.200	LB5
2024	465,000	3.000	2.380	LC3
2025	480,000	3.625	2.430	LD1
2026	500,000	4.000	2.550	LE9
2027	520,000	4.000	2.580	LF6
2028	540,000	4.000	2.650	LG4

(Interest to accrue from the Dated Date)

The Certificates are not subject to redemption prior to their stated maturity. (See “THE CERTIFICATES – No Redemption” herein.)

[(a)] *CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Ratings on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the County nor the Financial Advisor is responsible for the selection or the correctness of the CUSIP numbers set forth herein.*

RANDALL COUNTY, TEXAS
501 16th Street, Suite 301
Canyon, Texas 79015
806-458-5500

ELECTED OFFICIALS

Name	Title	Date First Elected	Term Expires
Ernie Houdashell	County Judge	01/01/2003*	12/31/2018
Christy Dyer	Commissioner, Precinct 1	01/01/2013	12/31/2020
Mark Benton	Commissioner, Precinct 2	06/08/2010	12/31/2018
Bob Robinson	Commissioner, Precinct 3	01/01/2013	12/31/2020
Buddy DeFord	Commissioner, Precinct 4	01/01/2003	12/31/2018

* Judge Houdashell was sworn in on July 1, 2002.

ADMINISTRATION

Name	Position	Years With The County
Karon Kantor	County Auditor	32
Renee Calhoun	County Clerk	22
Glenna Canada	County Treasurer	20
Christina McMurray	County Tax Assessor-Collector	19
Joel Richardson	County Sheriff	41
James Farren	District Attorney	23

CONSULTANTS AND ADVISORS

Bond Counsel	Norton Rose Fulbright US LLP Dallas, Texas
Independent Auditor	Doshier, Pickens & Francis, LLC Amarillo, Texas
Financial Advisor	SAMCO Capital Markets, Inc. San Antonio, Texas

For Additional Information Please Contact:

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Mr. Andrew Friedman
Managing Director
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afriedman@samcocapital.com

USE OF INFORMATION IN THE OFFICIAL STATEMENT

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information must not be relied upon.

Certain information set forth herein has been provided by sources other than the County that the County believes to be reliable, but the County makes no representation as to the accuracy of such information. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the County's undertaking to provide certain information on a continuing basis.

NEITHER THE COUNTY NOR ITS FINANCIAL ADVISOR MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC.

THE CERTIFICATES ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

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The cover page, subsequent pages hereof and appendices attached hereto, are part of this Official Statement.

SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.

The Issuer	Randall County, Texas (the "County" or "Issuer"), is a Northwest Texas Panhandle county with an economy based on agribusiness. The Issuer is a governmental entity and political subdivision of the State of Texas (the "State") and operates under the statutes and the Constitution of the State. The 2010 census for the County was 120,725, an increase of 5.55% since 2000. The current population estimate for the County is 132,501. (See "Appendix B - General Information Regarding Randall County" herein.)
The Certificates	The Certificates are being issued pursuant to the Constitution and laws of the State of Texas (the "State"), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended and an order (the "Order") adopted by the Commissioners Court. (See "THE CERTIFICATES - Authority for Issuance" herein.)
Paying Agent/Registrar	The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas Texas.
Security	The Certificates constitute direct obligations of the Issuer payable from an annual ad valorem tax levied against all taxable property in the County, within the limits prescribed by law and are additionally payable from a lien on and limited pledge of the Net Revenues derived from the operation of the County's library system. (See "THE CERTIFICATES - Security for Payment" herein.
No Redemption	The Certificates are not subject to redemption prior to their stated maturity. (See "THE CERTIFICATES – No Redemption" herein.)
Tax Matters	In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations. (See "TAX MATTERS" for a discussion of the Opinion of Bond Counsel and "APPENDIX C - FORM OF LEGAL OPINION OF BOND COUNSEL" herein.)
Use of Certificate Proceeds	Proceeds from the sale of the Certificates will be used to pay all or a portion of the County's contractual obligations for (i) the acquisition, construction, installation and equipment of an emergency radio communication system, including infrastructure, radio towers, software and hardware, rights-of-way and land therefor, (ii) the acquisition of materials, supplies, equipment and machinery for the Sheriff's department, including records and jail management software and a computer aided dispatch system and (iii) professional services rendered in relation to such projects and the financing thereof. (See "THE CERTIFICATES - Use of Certificate Proceeds" herein.)
Book-Entry-Only System	The Issuer intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York described herein. No physical delivery of the Certificates will be made to the beneficial owners of the Certificates. Such Book-Entry-Only System may affect the method and timing of payments on the Certificates and the manner the Certificates may be transferred. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)
Rating	S&P Global Ratings ("S&P") has assigned an unenhanced, underlying rating of "AA" to the Bonds. (See "OTHER PERTINENT INFORMATION - Rating" herein.)
Qualified Tax-Exempt Obligations	The County has designated the Certificates as "Qualified Tax-Exempt Obligations" for financial institutions. (See "TAX MATTERS – Qualified Tax-Exempt Obligations" herein.)
Issuance of Additional Debt	The County does not anticipate the issuance of additional debt within the next twelve months.
Payment Record	The County has never defaulted on the payment of its tax-supported indebtedness.
Delivery	When issued, anticipated on or about May 15, 2018.
Legality	Delivery of the Certificates is subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel.

INTRODUCTORY STATEMENT

This Official Statement provides certain information in connection with the issuance by Randall County, Texas (the "County" or the "Issuer") of its $7,590,000 Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2018 (the "Certificates") identified on the cover page hereof.

The Issuer is a political subdivision of the State of Texas (the "State') and operates under the statutes and the Constitution of the State. The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, and an order (the "Order") adopted by the Commissioners Court. (See "THE CERTIFICATES - Authority for Issuance" herein.)

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Order. Included in this Official Statement are descriptions of the Certificates and certain information about the Issuer and its finances. ***ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT***. Copies of such documents may be obtained from the Issuer or the Financial Advisor noted on page iii hereof.

THE CERTIFICATES

General

The Certificates will be dated May 1, 2018 (the "Dated Date"). The Certificates are stated to mature on February 1 in the years and in the principal amounts set forth on page ii hereof. The Certificates shall bear interest from their Dated Date on the unpaid principal amounts, and the amount of interest to be paid with respect to each payment period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Certificates will be payable on February 1, 2019, and on each August 1 or February 1 thereafter until maturity. Principal is payable at the designated offices of the "Paying Agent/Registrar" for the Certificates, initially BOKF, NA, Dallas, Texas. Interest on the Certificates shall be paid to the registered owners whose names appear on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (as hereinafter defined) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to be closed, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Initially, the Certificates will be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described below. No physical delivery of the Certificates will be made to the Beneficial Owners. Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will distribute the amounts received to the appropriate DTC Participants, who shall in turn make payment to the Beneficial Owners of the Certificates. Such Book-Entry-Only System may change the method and timing of payment for the Certificates and the method of transfer. See "BOOK-ENTRY-ONLY SYSTEM" below for a more complete description of such System.

Authority for Issuance

The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, and an order (the "Order") adopted by the Commissioners Court.

Security for Payment

The Certificates constitute direct obligations of the Issuer payable from an annual ad valorem tax levied against all taxable property in the County, within the limits prescribed by law and are additionally payable from a lien on and limited pledge of the Net Revenues (as defined in the Order) derived from the operation of the County's library system. (See "COUNTY APPLICATION OF THE PROPERTY TAX CODE" herein.)

Use of Certificate Proceeds

Proceeds from the sale of the Certificates will be used to pay all or a portion of the County's contractual obligations for (i) the acquisition, construction, installation and equipment of an emergency radio communication system, including infrastructure, radio towers, software and hardware, rights-of-way and land therefor, (ii) the acquisition of materials, supplies, equipment and machinery for the Sheriff's department, including records and jail management software and a computer aided dispatch system and (iii) professional services rendered in relation to such projects and the financing thereof.

No Redemption

The Certificates are not subject to redemption prior to their stated maturity.

Payment Record

The County has never defaulted on the payment of its tax-supported indebtedness.

Legality

The Certificates are offered when, as and if issued, subject to the approvals of legality by the Attorney General of the State of Texas and Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel. A form of the legal opinion of Bond Counsel appears in Appendix C attached hereto.

Defeasance

The Order provides the Certificates shall be deemed to have been paid when the payment of the principal of and premium, if any, on such Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or otherwise) shall have been irrevocably deposited with the Paying Agent/Registrar, or other authorized escrow agent, in trust (1) money sufficient to make such payment; (2) Government Securities to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Certificates; or (3) a combination of both. In the event all or a portion of such deposit consists of Government Securities, an independent accounting firm shall provide a report which concludes such Government Securities will mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, to pay the full amount due and owed on such Certificates at and prior to their Stated Maturity. The term “Government Securities” means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the Issuer, are rated as to investment quality by a nationally recognized statistical rating firm not less than “AAA” or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the Issuer, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Certificates under applicable laws of the State of Texas.

Upon making such deposit in the manner described, such Certificates shall no longer be deemed outstanding obligations secured by the Order, but will be payable only from the funds and Government Securities deposited in escrow and will not be considered debt of the Issuer for purposes of taxation or applying any limitation on the Issuer’s ability to issue debt or for any other purpose.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Certificates. Because the Order does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Securities or that for any other Government Security will be maintained at any particular rating category.

Amendments

The County may amend the Order without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the County may, with the written consent of the holders of a majority in aggregate principal amount of the Certificates then Outstanding amend, add to, or rescind any of the provisions of the Order, except that, without the consent of the registered owners of all of the Certificates then outstanding, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal or, premium, if any, and interest on the Certificates, reduce the principal amount thereof, or the rate of interest thereon or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (ii) give any preference to any Certificate over any other Certificate or (iii) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition or rescission.

Default and Remedies

The Order does not specify events of default with respect to the Certificates. If the County defaults in the payment of principal or interest, on the Certificates when due, or if it fails to make payments into any fund or funds created in the Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Order, the registered owners may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the Certificates if there is no other available remedy at law to compel performance of the Certificates or Order and the County’s obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the certificateholders upon any failure of the County to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On June 30, 2006, the Texas Supreme Court ruled in Tooke v. City of Mexia 197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in “clear and unambiguous” language. Because it is unclear whether the Texas legislature has effectively waived the County’s sovereign immunity from a suit for money damages, certificateholders may not be able to bring such a suit against the County for breach of the Certificates or Order covenants. Even if a judgment against the County could be obtained, it could not be enforced by direct levy and execution against the County's property. Further, the registered owners cannot themselves foreclose on property within the County or sell property within the County to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. Furthermore, the County is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9 and the pledge of a specific source of revenues, such as the limited surplus Net Revenue, is subject to judicial discretion. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or certificateholders of an entity which has sought protection under Chapter 9. Therefore, should the County avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Order and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors.

Initially, the only registered owner of the Certificates will be Cede & Co., as nominee of DTC. See “BOOK-ENTRY-ONLY SYSTEM” herein for a description of the duties of DTC with regard to ownership of the Certificates.

REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas, Texas. In the Order, the Issuer retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Issuer, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar’s records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar, selected at the sole discretion of the Issuer, shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon a change in the Paying Agent/Registrar for the Certificates, the Issuer agrees to promptly cause written notice thereof to be sent to each registered owner of the Certificates by United States mail, first-class, postage prepaid.

The Certificates will be issued in fully registered form in multiples of $5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/Registrar. Interest will be paid by check or draft mailed on each interest payment date by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Paying Agent/Registrar's books or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. Principal will be paid to the registered owner at stated maturity upon presentation to the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Certificates, all payments will be made as described under “Book-Entry-Only System” herein. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Record Date

The record date (“Record Date”) for interest payable to the registered owner of a Certificate on any Interest Payment Date means the fifteenth day of the month next preceding such Interest Payment Date.

In the event of a non-payment of interest on an Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date”, which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Future Registration

In the event the Certificates are not in the Book-Entry-Only System, the Certificates will be printed and delivered to the registered owners thereof, and thereafter the Certificates may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Certificate may be assigned by the execution of an assignment form on the Certificate or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Certificate or Certificates will be delivered by the Paying Agent/Registrar in lieu of the Certificates being transferred or exchanged at the corporate trust office of the Paying Agent/Registrar, or sent by United States mail, first class postage prepaid, to the new registered. New Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Certificates to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer shall be in denominations of $5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and rate of interest as the Certificate or Certificates surrendered for exchange or transfer. (See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system initially to be utilized in regard to ownership and transferability of the Certificates.)

Replacement Certificates

The Issuer has agreed to replace mutilated, destroyed, lost, or stolen Certificates upon surrender of the mutilated Certificates to the Paying Agent/Registrar, or receipt of satisfactory evidence of authenticity of ownership thereof and of such destruction, loss, or theft, and receipt by the Issuer and Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The Issuer may require payment of taxes, governmental charges, and other expenses in connection with any such replacement.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Certificates is to be transferred and how the principal of, premium, if any, and interest on the Certificates are to be paid to and credited by DTC while the Certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The County and the Financial Advisor believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The County cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered Certificates registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are jointly referred to as "Participants". DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices for the Certificates shall be sent to DTC. If less than all of the Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Certificates held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment on the Certificates to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the County or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Certificates are required to be printed and delivered. The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the County, the Financial Advisor, or the initial purchaser of the Certificates.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Order will be given only to DTC.

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE ISSUER

The County invests funds in instruments authorized by Texas law, specifically the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "PFIA"), in accordance with and investment policies approved by the Commissioners Court. The Commissioners Court has designated the County Treasurer as the "Investment officer" of the County. Both State law and the County's investment policies are subject to change.

Available Issuer funds are invested as authorized by Texas law and in accordance with investment policies approved by the Commissioners Court. Both State law and the Issuer's investment policies are subject to change. Under State law, the Issuer is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (8) certificates of deposit and share certificates (i) issued by or through an institution that either has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (6) or in any other manner and amount provided by law for County deposits, or (ii) where (a) the funds are invested by the County through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the County as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the County; (b) the broker or the depository institution selected by the County arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the County; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the County appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the County with respect to the certificates of deposit; (9) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the County, held in the County's name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (10) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (12) through (14) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the Issuer, held in the Issuer's name and deposited at the time the investment is made with the Issuer or a third party designated by the Issuer; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (12) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that comply with federal Securities and Exchange Commission Rule 2a-7, and (14) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The County may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or Aaam or an equivalent by at least one nationally recognized rating service. The County may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the County retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the County must do so by order, or resolution. The County is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Governmental bodies in the State such as the County are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the second paragraph under this caption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than "A" or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the second paragraph under this caption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the County or a third party designated by the County; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the County is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for County funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All County funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the County's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and probable income to be derived." At least quarterly the County's investment officers must submit an investment report to the Commissioners Court detailing: (1) the investment position of the County, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest County funds without express written authority from the Commissioners Court.

Under Texas law, the County is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Commissioners Court; (4) require the qualified representative of firms offering to engage in an investment transaction with the County to: (a) receive and review the County's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the County and the business organization that are not authorized by the County's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the County's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the County and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the County's investment policy; (6) provide specific investment training for the County's designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the County's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the County

Current Investments

State law does not require the Issuer to periodically mark its investments to market price, and the Issuer does not do so, other than annually upon the conclusion of each fiscal year, for the purpose of compliance with applicable accounting policies concerning the contents of the Issuer's audited financial statements. Given the nature of its investments, the Issuer does not believe that the market value of its investments differs materially from book value.

As of February 28, 2018 (unaudited), the Issuer's investable funds were invested as shown below.

Fund and Investment Type		Amount	Percentage of Portfolio
General Fund			
Cash	$	17,354,544	38.79%
CD's	$	1,000,000	2.24%
TexPool	$	16,335,843	36.51%
Special Revnue Fund			
Cash	$	2,356,901	5.27%
TexPool		101,472	0.23%
Debt Service Fund			
Cash	$	3,449,370	7.71%
TexPool		-	0.00%
Capital Projects Funds			
Cash	$	1,397,435	3.12%
TexPool		-	0.00%
Internal Service Fund			
Cash	$	2,744,837	6.14%
TexPool	$	-	0.00%
Total Investments	$	44,740,402	100.00%

As of such date, the market value of such investments (as determined by the County by reference to published quotations, dealer bids, and comparable information) was approximately 100% of their book value. No funds of the County are invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index, or commodity.

The Texas State Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool ("TexPool"). Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of the other persons who do not have a business relationship with TexPool. The advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAA by S&P. TexPool operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value.

EMPLOYEE BENEFITS

Retirement Plan

Plan Description

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

Benefits Provided

The Plan provisions are adopted by the governing body of the County (employer), within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the Plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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 that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financial monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees Covered by Benefit Terms
The following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	193
Inactive employees entitled to but not yet receiving benefits	365
Active Employees	506

Contributions

The County has elected the annually determined contribution rate (ADCR) Plan provisions of the TCDRS Act. The Plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually.

The County contributed using the actuarially determined rate of 9.94% for calendar year 2017, and 9.67% for calendar year 2016. The contribution rate payable by the employee members is 7.0% for fiscal year 2017 as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

Net Pension Liability:

The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The following are the key assumptions and methods used in this analysis:

Inflation	3.00%
Salary increases	General wage inflation component of 3.5% and a merit, promotion and longevity component that on average approximates 1.4% per year for career employees.
Investment rate of return	8.00%
Cost-of-living adjustments	Cost-of-living adjustments for Randall County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

Mortality rates were based on the RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.

The actuarial assumptions that determined the total pension liability as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB 68.

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 2016 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

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

Discount Rate

The discount rate used to measure the total pension liability was 8.10%. The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.

2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternatives methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.
2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.
3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.
4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 8.10%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in the Net Pension Liability I (Asset)

	Increase / (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2015	$95,533,166	$85,824,382	$9,708,784
Changes for the year:			
Service cost	3,692,616	-	3,692,616
Interest on total pension liability (1)	7,742,132	-	7,742,132
Effect of plan changes (2)	339,421	-	339,421
Effect of economic/demographic gains or losses	(1,432,030)	-	(1,432,030)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(419,008)	(419,008)	-
Benefit payments	(3,513,671)	(3,513,671)	-
Administrative expenses	-	(69,153)	69,153
Member contributions	-	1,772,265	1,772,265
Net investment income	-	6,347,752	6,347,752
Employer contributions	-	2,444,753	2,444,753
Other (3)	-	(447,679)	(447,679)
Balances as of December 31, 2016	$ 101,942,626	$ 91,939,641	$ 10,002,985

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
(2) No plan changes valued.
(3) Relates to allocation of system-wide items.

Sensitivity of the Net Pension Liability I (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, as well as what the County's net pension liability *I* (asset) 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.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	$ 115,865.356	$ 101,942,626	$ 90,426,619
Fiduciary net position	91,939,641	91,939,641	91,939,641
Net pension liability / (asset)	$ 23,925,715	$ 10,002,985	$ (1,513,022)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

Pension Expense / (Income)

	January 1, 2016 to December 31, 2016
Service cost	$ 3,692,616
Interest on total pension liability (1)	7,742,132
Effect of plan changes	339,421
Administrative expenses	69,153
Member contributions	(1,772,265)
Expected investment return net of investment expenses	(6,942,543)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(308,399)
Recognition of assumption changes or inputs	180,252
Recognition of investment gains or losses	1,870,729
Other (2)	447,679
Pension expense / (income)	$ 5,318,775

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
(2) Relates to allocation of system-wide items.

Deferred Inflows I Outflows of Resources

As of December 31, 2016, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows Of Resources	Deferred Outflows Of Resources
Differences between expected and actual experience	$ 1,262,158-	$ 33,703
Changes of assumption	-	540,757
Net difference between projected and actual earnings	-	5,498,845
Contributions made subsequent to measurement date	N/A	1,883,522

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:	
2017	$ 1,742,582
2018	1,742,582
2019	1,473,430
2020	(167,448)
2021	-
Thereafter	-
Total	$4,811,146

Postemployment Defined Benefit Group Term Life Insurance Plan

Plan Description: Randall County, Texas participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County & District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GLTF). This optional plan provides group term life insurance coverage to current eligible employees.

The Group Term Life Fund (GTLF) is a separate trust administered by the TCDRS board of trustees. TCDRS issues a public available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County & District System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800- 823-7782.

Funding Policy: Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. Randall County, Texas contributions to the GTLF for the year ended September 30, 2017, 2016, and 2015, were $40,494, $42,425, and $40,679, respectively, which equaled the contractually required contributions each year.

Plan Description: The County provides other post-employment benefits (OPEB) to all of its full-time employees through a single-employer self-funded medical plan. The Randall County Healthcare Plan provides that an employee who meets the retirement eligibility requirements of the Texas County and District Retirement System, and who leaves the employ of the County may, upon retirement, elect to remain on the County's group medical and dental plan, as well as to continue existing spouse and dependent coverage. Coverage ceases for the member, the spouse and dependents upon the member becoming eligible for Medicare at age 65. Retirees and their spouse and/or dependents covered by the Randall County Healthcare Plan are eligible for the same health and dental care benefits as active employees, as described in the current health care manual. As of September 30, 2017 there are ten retirees, two spouses, and one dependent with post-employment health insurance benefits.

Funding Policy: The funding requirements of the health plan are established and may be amended by the Randall County Commissioners Court (Court) whose authority has been assigned by Texas Local Government Code Section 157.102. The County funds the cost associated with OPEB on a current "pay as you go" basis for a single fiscal year through an annual appropriation authorized by the Court during the County's annual budget adoption process. Premiums are determined annually by estimating the amount needed to cover projected claims. The retiree contributes 100% of the total monthly premium prescribed in the current health plan for active employees and their spouse and/or dependents.

Annual OPEB Cost: The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The annual OPEB cost for the fiscal year ending September 30, 2017, is as follows:

Annual required contribution	$ 150,617
Interest on OPEB obligation	21,067
Adjustment to ARC	(20,523)
Annual OPEB cost (expense) end of year	151,161
Net estimated employer contributions	(18,409)
Increase in net OPEB obligation	132,752
Net OPEB obligation – beginning of year	526,681
Net OPEB obligation (asset) – end of year	$ 659,433

The County's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2017 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
September 30, 2015	$ 170,482	$ 14,573	8.5%	$ 363,312
September 30, 2016	146,605	(16,764)	(11.4)	526,681
September 30, 2017	151,161	18,409	12.2	659,433

Funded Status and Funding Progress: Under the reporting parameters, the County's retiree health care plan is 0.0% funded with the actuarial accrued liability exceeding the actuarial assets by $1,553,418 at March 31, 2016. The covered payroll (annual payroll of active employees, for the fiscal year ended September 30, 2017, covered by the plan) was $26,602,824. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 5.84%.

Actuarial Methods and Assumptions: The Individual Entry Age Normal Cost Method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

Inflation rate	2.5% per annum
Investment rate of return	4.00%, net of expenses
Actuarial cost method	Individual Entry Age Normal Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Salary growth	3.00% per annum
Medical trend	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 14 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additional Disclosures: Texas Local Government Code 175.101 requires counties to make available continued health benefit coverage under certain circumstances to retirees and their dependents beyond the end of an individual's employment with the County by permitting covered employees to purchase continued health benefits coverage in retirement. Texas Law does not require counties to fund all or any portion of such coverage.

GASB 45 requires governmental organizations to recognize an actuarially calculated accrued liability for OPEB even though it may not have a legally enforceable obligation to pay OPEB benefits. Information and amounts presented in this statement relative to OPEB expense, related liabilities (assets), note disclosures, and supplementary information are intended to achieve compliance with the requirements of GAAP and does not constitute or imply that the County has made a commitment or is legally obligated to fund OPEB benefits.

AD VALOREM TAX PROCEDURES

Property Tax Code and Countywide Appraisal District

Title I, Texas Tax Code, as amended (the "Property Tax Code"), provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board responsible for appraising property for all taxable units within the county. The Potter/Randall County Appraisal District (the "Appraisal District") is responsible for appraising property within the County, generally, as of January 1 of each year. Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under the Property Tax Code to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. State law further limits the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of (1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office, or (2) the sum of (a) 10% of the property's appraised value for the preceding tax year, plus (b) the property's appraised value for the preceding tax year, plus (c) the market value of all new improvements to the property. The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board (the "Appraisal Review Board") consisting of five members, which are appointed by the Board of Directors of the Appraisal District. Such appraisal rolls, as approved by the Appraisal Review Board, are used by the County in establishing its tax roll and tax rate. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The County may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the County by petition filed with the Appraisal Review Board.

The Property Tax Code establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions and appraisals of property not previously on an appraisal roll. Article VIII, Section 21 of the Texas Constitution provides that, subject to any exception prescribed by general law, the total amount of property taxes imposed by a political subdivision in any year may not exceed the total amount of property taxes imposed in the preceding year unless a notice of intent to consider an increase in taxes is given and two public hearings on the proposed increase are held before the total taxes are increased. See "AD VALOREM TAX PROCEDURES - Effective Tax Rate and Rollback Tax Rate", herein.

Property Subject to Taxation by the Issuer

Reference is made to the Property Tax Code for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Residence Homestead Exemptions: Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than $3,000 of the market value of the residence homestead of person 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be increased or decreased in amount, or repealed altogether, either (i) by the governing body of the political subdivision, or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than $3,000 of the market value.

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption; (ii) the surviving spouse was at least 55 years of age when the deceased spouse died; and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision may, at its option, grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of $5,000.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

Homestead Tax Limitation: Under Article VIII and State law, the governing body of a county, municipality or junior college district may provide for a freeze on total amount of ad valorem levied on the residence homestead of a disabled person or persons 65 years of age or older above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, the total amount of taxes imposed on such homestead cannot be increased except for improvements (other than repairs or improvements required to comply with governmental requirements) and such freeze is transferable to a different residence homestead and to the surviving spouse living in such homestead if (1) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (2) the surviving spouse was 55 or older when the deceased spouse died and (3) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse. If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following year. Once established such freeze cannot be repealed or rescinded.

Disabled/Deceased Veterans Exemption: State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from $5,000 to a maximum of $12,000; provided, however, that beginning in the 2009 tax year, a disabled veteran who receives from the United States Department of Veterans Affairs, or its successor, 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. In addition, effective January 1, 2012, and subject to certain conditions, surviving spouses of a deceased veteran who had received a disability rating of 100% will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

Following the approval by the voters at a November 7, 2017 statewide election (with an effective date of January 1, 2018), the surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residence homestead, if the surviving spouse has not remarried since the first responder's death and said property was the first responder's residence homestead at the time of death. Such exemption is transferable to a different property of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Agricultural/Open-Land Exemption: Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Nonbusiness Personal Property Exemption: Nonbusiness personal property, such as automobiles or light trucks, is exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Freeport Exemption: Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Goods in Transit: Article VIII, Section 1-n of the Texas Constitution provides for an exemption from taxation of "goods-in-transit", which are defined as (i) personal property acquired or imported into the State and transported to another location inside or outside the State, (ii) stored under a contract for bailment in public warehouses not in any way owned or controlled by the owner of the stored goods, and (iii) transported to another location inside or outside the State within 175 days of the date the property was acquired or imported into the State. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory.

Pursuant to changes enacted during the 2011 Texas Legislative Special Session, all taxing units, including those that have previously taken official action to tax goods-in-transit, may not tax goods-in-transit in the 2012 tax year or thereafter, unless the governing body of the taxing unit holds a public hearing and takes action on or after October 1, 2011, to provide for the taxation of the goods-in-transit. After holding a public hearing, a taxing unit may take official action prior to January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. After taking such official action, the goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing units rescinds or repeals its previous action to tax goods-in-transit. If, however, a taxing unit took official action prior to October 1, 2011 to tax goods-in-transit and pledged the taxes imposed on the goods-in-transit for the payment of a debt, taxes may continue to be imposed on goods-in-transit until the debt is discharged, if cessation of the imposition of the tax would impair the obligations of the contract by which the debt was created.

For a discussion of how the various exemptions described above are applied by the County, see "COUNTY APPLICATION OF THE PROPERTY TAX CODE" herein.

Tax Increment Reinvestment Zones and Tax Abatements: The County by action of the Commissioners Court, may create one or more tax increment reinvestment zones ("TIRZs") within the County, and in doing so, other overlapping taxing entities may agree to contribute taxes levied against the "Incremental Value" in the TIRZ to finance or pay for public improvements or projects within the TIRZ to encourage development and redevelopment within the TIRZ. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value of taxable real property in the TIRZ is known as the "Incremental Value", and during the existence of the TIRZ, all or a portion (as determined by the County) of the taxes levied by the County against the Incremental Value in the TIRZ are restricted to paying project and financing costs within the TIRZ and are not available for the payment of other obligations of the County.

The County also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The County, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

Chapter 381 Agreements: The County is authorized, pursuant to Chapter 381, Texas Local Government Code, as amended ("Chapter 381"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the County. In accordance with a program established pursuant to Chapter 381, and the County may make loans or grants of public funds for economic development purposes; provided, however no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the County. The County may contract with the federal government, the State of Texas, another political subdivision, a nonprofit organization or any other entity, including private entities, for the administration of such a program.

Issuer and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the Issuer, any appeal the orders of the Appraisal Review Board by filing a timely petition for review in district court within 45 days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party, or through binding arbitration, if requested by the taxpayer. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

The Tax Code sets forth notice and hearing procedures for certain tax rate increases by the Issuer and provides for taxpayer referenda that could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The Issuer is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. Property within the County is generally assessed as of January 1 of each year based upon the valuation of property within the County as of the preceding January 1. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Oil and gas reserves are assessed on the basis of a valuation process, which uses pricing information contained in the most recently published Early Release Overview of the Annual Energy Outlook published by the United States Energy Information Administration, as well as appraisal formulas developed by the State Comptroller of Public Accounts. Taxes are due October 1 or when billed, whichever comes later, and become delinquent after January 31 of the following year. The Property Tax Code makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on February 1 of each year and final installment due on August 1.

Penalties and Interest

Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Penalty	Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July[(a)]	12	6	18

[(a)] *After July, the penalty remains at 12% and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to accrue interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest penalty is to compensate the taxing unit for revenue lost because of the delinquency. In addition the taxing unit may contract with an attorney for the collection of delinquent taxes and the amount of compensation as set forth in such contract may not provide for a fee not to exceed 20% of the amount of delinquent tax, penalty, and interest collected. Under certain circumstances, taxes, which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed.*

In general, property subject to the County's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Issuer's Rights in the Event of Tax Delinquencies

Taxes levied by the Issuer are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each local taxing unit, including the Issuer, having power to tax the property. The Issuer's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the Issuer is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the Issuer may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the Issuer must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two (2) years after the purchaser's deed issued at the foreclosure sale is filed in the County records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court

COUNTY APPLICATION OF THE PROPERTY TAX CODE

The County's taxes are collected by the Randall County Tax Assessor-Collector.

The County grants a local optional exemption in the amount of $8,500 to the market value of the residence homestead of persons over-65 or disabled.

The County does not grant a local optional percentage exemption (up to 20%)of the market value of residence homesteads (minimum exemption of $5,000).

The County does not tax nonbusiness personal property.

The County does not permit split payments of taxes or discounts.

The County does grant the freeport exemption under Article VIII, Section 1-j.

The County does not tax "goods in transit".

The County does not participate in a TIF.

The county entered into a tax abatement agreement with Chermac Energy Corporation on February 10, 2015. The abatement period will commence on January 1st of the calendar year immediately following completion of the construction of the project and will terminate after 10 years. The project was completed in December 2016 and the abatement period will end on December 31, 2025.

In October 2017, the Commissioners Court approved another reinvestment zone and received an application for tax abatement for Buffalo Wind – wind energy project. At this time, there has been no tax abatement discussed or approved.

The County entered into a payment in lieu of tax agreement with Lone Star Dairy Products LLC on September 8, 2015. The abatement period will commence on January 1st of the calendar year immediately following completion of the construction of the project and will terminate after 10 years.

At an election held in November 2006, the voters of the County adopted the tax freeze for citizens who are disabled or are 65 years of age or older, which became a local option and subject to local referendum on January 1, 2004, as described above under "AD VALOREM TAX PROCEDURES – Property Subject to Taxation by the Issuer - *Homestead Tax Limitation*" herein. The County's freeze was implemented beginning in Tax Year 2007 (base valuations for freeze calculations) and the first freeze loss was realized by the County in the 2008 Tax Year.

TAX RATE LIMITATIONS

Limited Tax Obligations

The Texas Constitution (Article VIII, Section 9) imposes a tax rate limit of $0.80 per $100 assessed valuation of all taxable property within the County (the "$0.80 Tax Limitation") for all purposes which are for general funds, permanent improvement funds, road and bridge funds and jury funds, including debt service of bonds or other debt obligations issued against such funds.

Administratively, the Attorney General of Texas will not approve the issuance of limited tax obligations in an amount which produces debt service requirements exceeding that which can be paid from $0.40 per $100 valuation, as calculated at the time of issuance and based on a 90% collection rate, of the $0.80 Tax Limitation. **The Certificates are limited tax obligations.**

V.T.C.A., Government Code, Section 1301.003 limits the amount of limited tax obligations of counties issued for certain purposes as follows:

Courthouse	2% of Assessed Valuation
Jail	1 1/2% of Assessed Valuation
Courthouse and Jail	3 1/2% of Assessed Valuation
Road and Bridge	1 1/2% of Assessed Valuation

Unlimited Tax Bonds

The Texas Constitution (Article III, Section 52) authorizes the levy of a tax unlimited as to rate or amount for the payment of debt issued for various stated purposes; however, total unlimited tax debt cannot exceed 25% of the assessed valuation of real property.

Road Maintenance

Under Section 256.052, Texas Transportation Code, a county may adopt an additional ad valorem tax not to exceed $0.15 on the $100 assessed valuation of property provided by Article VIII, Section 9 of the Texas Constitution, for the further maintenance of county roads. This additional tax may be established by the Commissioners Court only upon approval by a majority of participating voters in an election held to approve such additional tax. The additional tax may not be used for debt service. **The voters of the County have not approved the adoption of the additional county road tax.**

Road Bonds

Texas Constitution (Article III, Section 52) imposes an unlimited tax rate to pay debt service on voted County road bonds.

Farm-to Market and/or Flood Control

Under Section 256.054, Texas Transportation Code, a county may adopt an additional ad valorem tax not to exceed $0.30 on the $100 assessed valuation, after exemption of homesteads up to $3,000, provided by Article VIII, Section 9 of the Texas Constitution, for the construction and maintenance of farm-to-market and lateral roads or for flood control. This additional tax may be established by the Commissioners Court only upon approval by a majority of participating voters in an election held to approve such additional tax. No allocation is prescribed by statute between debt service and maintenance. Therefore, all or part may be used for either purpose. **The voters of the County have not approved the adoption of the additional county farm-to-market and flood control tax.**

Effective Tax Rate and Rollback Tax Rate

Section 26.05 of the Property Tax Code provides that the governing body of a taxing unit is required to adopt its annual tax rate for the unit before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the taxing unit. If the Commissioners Court does not adopt a tax rate by such required date, the tax rate for the tax year is the lower of the effective tax rate calculated for the tax year or the tax rate adopted by the County for the preceding year. The tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures, and (2) a rate for debt service.

Under the Property Tax Code, the County must annually calculate and publicize its "effective tax rate" (as defined below) and "rollback tax rate" (as defined below). A tax rate cannot be adopted by the Commissioners Court that exceeds the lower of the rollback tax rate or of the effective tax rate until two public hearings are held on the proposed tax rate following a notice of such public hearings (including the requirement that notice be posted on the County's website if the County owns, operates or controls an internet website and public notice be given by television if the County has free access to a television channel) and the Commissioners Court has otherwise complied with the legal requirements for the adoption of such tax rate. If the adopted tax rate exceeds the rollback tax rate the qualified voters of the County by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

"Effective tax rate" means the rate that will produce last year's total tax levy (adjusted) from this year's total taxable values (adjusted). "Adjusted" means lost values are not included in the calculation of last year's taxes and new values are not included in this year's taxable values.

"Rollback tax rate" means the rate that will produce last year's maintenance and operation tax levy (adjusted) from this year's values (adjusted) multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values (unadjusted) divided by the anticipated tax collection rate.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

Optional Sales Tax

The Property Tax Code provides certain cities and counties the option of assessing a maximum one-half percent (½%) sales tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional tax is approved and levied, the ad valorem property tax levy must be reduced by the amount of the estimated sales tax revenues to be generated in the current year. **The County does not assess/collect the additional one-half cent sales tax for reduction of ad valorem taxes.**

TAX MATTERS

Tax Exemption

The delivery of the Certificates is subject to the opinion of Bond Counsel to the effect that interest on the Certificates for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as hereinafter described, corporations. A form of Bond Counsel's opinion is reproduced as Appendix C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

For taxable years that began before January 1, 2018, interest on the Certificates owned by a corporation will be included in such corporation's adjusted current earnings for purposes of computing the alternative minimum tax on such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust. The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the County made in a certificate dated the date of delivery of the Certificates pertaining to the use, expenditure, and investment of the proceeds of the Certificates and will assume continuing compliance by the County with the provisions of the Order subsequent to the issuance of the Certificates. The Order contains covenants by the County with respect to, among other matters, the use of the proceeds of the Certificates and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Certificates are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Certificates to be includable in the gross income of the owners thereof from date of the issuance of the Certificates.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the County described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Certificates is commenced, under current procedures the IRS is likely to treat the County as the "taxpayer," and the owners of the Certificates would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Certificates, the County may have different or conflicting interests from the owners of the Certificates. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to certificateholders of the exclusion of interest on the Certificates from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Certificates. Prospective purchasers of the Certificates should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount or Premium on Certain Certificates

The initial public offering price of certain Certificates (the "Discount Certificates") may be less than the amount payable on such Certificates at maturity. An amount equal to the difference between the initial public offering price of a Discount Certificate (assuming that a substantial amount of the Discount Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Certificate. A portion of such original issue discount allocable to the holding period of such Discount Certificate by the initial purchaser will, upon the disposition of such Discount Certificate (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Certificates described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Certificate, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Certificate and generally will be allocated to the initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the alternative minimum tax on corporations for taxable years that began before January 1, 2018 and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Certificate by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Certificate in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Certificate was held) is includable in gross income.

Owners of Discount Certificates should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Certificates for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Certificates. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Certificates may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Certificates (the "Premium Certificates") may be greater than the amount payable on such Certificates at maturity. An amount equal to the difference between the initial public offering price of a Premium Certificate (assuming that a substantial amount of the Premium Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Certificates. The basis for federal income tax purposes of a Premium Certificate in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Certificate. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Certificates should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Certificates for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Certificates.

Qualified Tax-Exempt Obligation for Financial Institutions

Section 265 of the Code provides, in general, that interest expense to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. In addition, section 265 of the Code generally disallows 100% of any deduction for interest expense which is incurred by "financial institutions" described in such section and is allocable, as computed in such section, to tax-exempt interest on obligations acquired after August 7, 1986. Section 265(b) of the Code provides an exception to this interest disallowance rule for interest expense allocable to tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which are designated by an issuer as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) obligations and other than certain refunding bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed $10,000,000.

The County has designated the Certificates as "qualified tax-exempt obligations" and has certified its expectation that the above-described $10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions which purchase the Certificates will not be subject to the 100% disallowance of interest expense allocable to interest on the Certificates under section 265(b) of the Code. However, the deduction for interest expense incurred by a financial institution which is allocable to the interest on the Certificates will be reduced by 20% pursuant to section 291 of the Code.

CONTINUING DISCLOSURE OF INFORMATION

In the Order, the County has made the following agreement for the benefit of the holders and beneficial owners of the Certificates. The County is required to observe the agreement for so long as it remains obligated to advance funds to pay the Certificates. Under the agreement, the County will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB").

Annual Reports

The County will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the Issuer of the general type included in this Official Statement and described in this paragraph. The information to be updated includes the information under "INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE ISSUER - Current Investments" herein and in Tables 1, 2, 3, 7, 8, 10, 11, 15 and 16 of Appendix A. The Issuer will update and provide this information within six months after the end of each fiscal year ending in and after 2018. The Issuer will additionally provide audited financial statements within 12 months after the end of each fiscal year ending in or after 2018. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Issuer will file unaudited financial statements by the required time and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix D or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

The Issuer's current fiscal year end is September 30. Accordingly, the Issuer must provide updated information included in the above-referenced tables by the last day of March in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) must be provided by September 30 in each year, unless the Issuer changes its fiscal year. If the Issuer changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data as set forth above.

All financial information, operating data, financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided as set forth above may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule")

Notice of Certain Events

The County will also provide timely notices of certain events to the MSRB. The County will provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner (but not in excess of ten Business Days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. In addition, the County will provide timely notice of any failure by the County to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County. As used above, the term "Business Day" means a day other than a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the designated office of the Paying Agent/Registrar is located (currently, its Dallas, Texas office) are authorized by law or executive order to close.

Availability of Information from MSRB

The County has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The Issuer has agreed to update information and to provide notices of specified events only as described above. The Issuer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Issuer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The Issuer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Certificates may seek a writ of mandamus to compel the Issuer to comply with its agreement.

The Issuer may amend its agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, if the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Certificates consent or any person unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Certificates. The Issuer may also repeal or amend its agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Agreements

On December 21, 2017, the County issued its General Obligation Refunding Bonds, Series 2017 to defease certain maturities of its Certificates of Obligation, Series 2009. On April 9, 2018 the County filed notice of this defeasance event. During the past five years, the County has otherwise complied in all material respects with its previous continuing disclosure agreements made in accordance with the Rule.

OTHER PERTINENT INFORMATION

Registration and Qualification of Certificates for Sale

The sale of the Certificates has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Certificates have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been qualified under the securities acts of any jurisdiction. The Issuer assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Litigation

In the opinion of County officials, the County is not a party to any litigation or other proceeding pending or to its knowledge threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the County would have a material adverse effect on the financial condition of the County.

Future Debt Issuance

The County does not anticipate the issuance of additional debt within the next twelve months.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Certificates are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are real and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Certificates be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "OTHER PERTINENT INFORMATION - Rating" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Certificates are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivision, and are legal security for those deposits to the extent of their fair market value. No review by the County has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

No representation is made that the Certificates will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The County has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Certificates for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Certificates for such purposes.

Legal Opinions and No-Litigation Certificate

The Issuer will furnish the Purchaser with a complete transcript of proceedings incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of the State of Texas to the effect that the Certificates are valid and legally binding obligations of the Issuer, and based upon examination of such transcript of proceedings, the approval of certain legal matters by Bond Counsel, to the effect that the Certificates are valid and legally binding obligations of the Issuer and, subject to the qualifications set forth herein under "Tax Matters," including the alternative minimum tax consequences for corporations, the interest on the Certificates is excludable from the gross income of the owners thereof for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions existing on the date thereof. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Certificates, or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Certificates will also be furnished. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Notice of Sale, the Official Bid Form and the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Certificates in the Official Statement to verify that such description conforms to the provisions of the Order. Such firm has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the Issuer for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to the accuracy or completeness of any of the information contained herein. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates are contingent on the sale and delivery of the Certificates. Though it represents the Financial Advisor and certain entities that may bid on the Certificates from time to time in matters unrelated to the issuance of the Certificates, Bond Counsel has been engaged by and only represents the County in connection with the issuance of the Certificates.

The various legal opinions to be delivered concurrently with the delivery of the Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

Rating

S&P Global Ratings ("S&P"), has assigned an unenhanced, underlying rating of "AA" to the Certificates. An explanation of the significance of such rating may be obtained from the rating agency. A rating by a rating agency reflects only the view of such company at the time the rating is given, and the Issuer makes no representations as to the appropriateness of the rating. There is no assurance that such a rating will continue for any given period of time, or that it will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Certificates.

Financial Advisor

SAMCO Capital Markets, Inc. is employed as the Financial Advisor to the Issuer in connection with the issuance of the Certificates. In this capacity, the Financial Advisor has compiled certain data relating to the Certificates and has assisted in drafting this Official Statement. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Issuer to determine the accuracy or completeness of this Official Statement. Because of its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fees for the Financial Advisor are contingent upon the issuance, sale and delivery of the Certificates.

Winning Bidder

On April 17, 2018, the Certificates were awarded to George K. Baum & Company (the "Purchaser") through a competitive bid process. The initial reoffering yields will be supplied to the County by the Purchaser. The initial reoffering yields shown on page ii of the Official Statement will produce compensation to the Purchaser of $35,884.25.

Certification of the Official Statement

At the time of payment for and delivery of the Certificates, the Purchaser will be furnished a certificate executed by a proper official of the County acting in his or her official capacity, to the effect that: (a) the descriptions and statements of or pertaining to the County contained in its Official Statement relating to the Certificates, and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of the sale of said Certificates, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the County and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading; (c) to the best of his or her knowledge, insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the County and its activities, contained in such Official Statement are concerned, such statements and data have been obtained from sources which the County believes to be reliable and the County has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the County since September 30, 2017, the date of the last audited financial statements of the Issuer, portions of which appear in the Official Statement.

The Official Statement was approved as to form and content and the use thereof in the offering of the Certificates will be authorized, ratified and approved by the Commissioners Court on the date of sale, and the Purchaser will be furnished, upon request, at the time of payment for and the delivery of the Certificates, a certified copy of such approval, duly executed by the proper officials of the Issuer.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the County, that are not purely historical, are forward-looking statements, including statements regarding the County's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the County on the date hereof, and the County assumes no obligation to update any such forward-looking statements. The County's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Concluding Statement

The financial data and other information contained in this Official Statement have been obtained from the County's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and Order contained in this Official Statement are made subject to all of the provisions of such statues, documents and Order. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

This Official Statement was approved by the Commissioners Court of the Issuer for distribution in accordance with the provisions of the Rule.

RANDALL COUNTY, TEXAS

Ernie Houdashell
County Judge
Randall County, Texas

APPENDIX A

FINANCIAL INFORMATION OF THE ISSUER

(This appendix contains quantitative financial information and operating data with respect to the Issuer. The information is only a partial representation and does not purport to be complete. For further and more complete information, reference should be made to the original documents, which can be obtained from various sources, as noted.)

FINANCIAL INFORMATION OF THE ISSUER

ASSESSED VALUATION **TABLE 1**

2017 Actual Market Value of Taxable Property (100% of Actual)		$ 11,842,838,516
Less Exemptions:		
Optional Over-65 and/or Disabled	$ 99,116,527	
Disabled and Deceased Veterans Exemption	71,744,026	
Freeport Exemption	55,110,604	
Pollution Exemption	545,442	
Loss to Agricultural Use	563,051,974	
10% Homestead Cap Loss	16,537,199	
Solar / Wind / Charitable / Other	2,684,618	
Totally Exempt Property	959,737,346	1,768,527,736
2017 Certified Net Taxable Assessed Valuation		$ 10,074,310,780
Less Adjustments:		
Value Loss due to Over 65/Disabled Freeze		400,384,472
2017 Freeze Adjusted Net Taxable Assessed Valuation		$ 9,673,926,308

Source: Potter-Randall Appraisal District

GENERAL OBLIGATION BONDED DEBT **TABLE 2**

General Obligation Debt Principal Outstanding: (As March 31, 2018)		
Certificates of Obligation, Series 2009	$	1,980,000
Certificates of Obligation, Series 2010		8,955,000
General Obligation Refunding Bonds, Series 2013		3,430,000
Certificates of Obligation, Series 2013		5,040,000
General Obligation Refunding Bonds, Series 2015		4,525,000
Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2016		8,300,000
General Obligation Refunding Bonds, Series 2017		9,300,000
Total General Obligation Debt Principal Outstanding:	$	41,530,000
Current Issue General Obligation Debt Principal		
Certificates of Obligation, Series 2018 (the "Certificates")	$	7,590,000
Total General Obligation Debt Principal Outstanding Following Issuance of the Certificates:	$	49,120,000
General Obligation Interest and Sinking Fund Balance as of February 28, 2018.	$	3,449,070
Ratio of General Obligation Debt Principal to 2017 Adjusted Net Taxable Assessed Valuation		0.51%
2017 Net Taxable Assessed Valuation[(a)]	$	9,673,926,308
Population: 1980 - 98,637; 1990 -97,874; 2000 - 113,546; 2010 - 121,073; Current Estimate -		132,501
Per Capita 2017 Net Taxable Assessed Valuation -		$73,010
Per Capita General Obligation Debt Principal -		$371

(a) See "AD VALOREM TAX PROCEDURES" and "COUNTY APPLICATION OF THE PROPERTY TAX CODE" in the Official Statement for a description of the Issuer's taxation procedures.

Sources: Texas Municipal Reports, U.S. Census Website and information received from the Issuer.

Capital Leases:

The County has entered into four capital leases for mobile communication systems, an armored vehicle, road and bridge equipment, and a Robotex Avatar III Robot. The obligations under capital lease have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at an interest rate of 2.89%, 3.24%, 2.975% and 0% respectively. The cost of the equipment financed by these capital lease obligations is $3,030,852 and accumulated depreciation of $970,332.

Commitments under capitalized lease and asset purchase agreements for mobile communication systems an armored vehicle, road and bridge equipment, and a Robotex Avatar III Robot provide for minimum future rental payments as of September 30, 2017, as follows:

Fiscal Year Ending	Rental Payments
2018	$ 542,027
2019	542,027
2020	202,587
2021	130,657
2022	130,657
Total Future Minimum Lease Payments	$1,547,955
Less Amount Representing Interest	(93,092)
Future Minimum Payments	$1,454,863

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS **TABLE 4**

Fiscal Year 30-Sep	Currently Outstanding Debt Service	The Certificates Principal	The Certificates Interest	The Certificates Total	Combined Debt Service
2018	$ 4,049,901.67				$ 4,049,901.67
2019	4,016,215.50	$ 915,000.00	$ 285,732.82	$ 1,200,732.82	5,216,948.32
2020	4,011,841.50	995,000.00	203,303.13	1,198,303.13	5,210,144.63
2021	3,542,593.50	1,025,000.00	173,625.00	1,198,625.00	4,741,218.50
2022	3,644,878.50	1,060,000.00	142,350.00	1,202,350.00	4,847,228.50
2023	3,640,308.50	1,090,000.00	110,100.00	1,200,100.00	4,840,408.50
2024	3,636,730.50	465,000.00	86,775.00	551,775.00	4,188,505.50
2025	3,644,000.00	480,000.00	71,100.00	551,100.00	4,195,100.00
2026	3,668,743.00	500,000.00	52,400.00	552,400.00	4,221,143.00
2027	3,670,745.00	520,000.00	32,000.00	552,000.00	4,222,745.00
2028	3,664,118.00	540,000.00	10,800.00	550,800.00	4,214,918.00
2029	3,664,688.00	-	-	-	3,664,688.00
2030	950,592.50	-	-	-	950,592.50
2031	948,655.00	-	-	-	948,655.00
2032	946,152.50	-	-	-	946,152.50
2033	948,085.00	-	-	-	948,085.00
2034	944,277.50	-	-	-	944,277.50
2035	553,005.00	-	-	-	553,005.00
2036	551,610.00	-	-	-	551,610.00
	$ 50,697,141.17	$ 7,590,000.00	$ 1,168,185.95	$ 8,758,185.95	$ 59,455,327.12

TAX ADEQUACY **TABLE 5**

2017 Adjusted Net Taxable Assessed Valuation	$ 9,673,926,308
Maximum Annual Debt Service Requirements (Fiscal Year Ending September 30, 2019)	$ 5,216,948
Indicated Maximum Interest and Sinking Fund Tax Rate at 98% Collections	$ 0.05503

Note: Above computation is exclusive of investment earnings, delinquent tax collections and penalties and interest on delinquent tax collections.

GENERAL OBLIGATION PRINCIPAL REPAYMENT SCHEDULE — TABLE 6

Fiscal Year Ending 9/30	Principal Repayment Schedule: Principal Outstanding	The Certificates	Total	Bonds Unpaid at End of Year	Percent of Principal Retired (%)
2018	$ 2,960,000	$ -	$ 2,960,000	$ 43,160,000	6.42%
2019	2,905,000	915,000	3,820,000	39,340,000	14.70%
2020	2,970,000	995,000	3,965,000	35,375,000	23.30%
2021	2,580,000	1,025,000	3,605,000	31,770,000	31.11%
2022	2,760,000	1,060,000	3,820,000	27,950,000	39.40%
2023	2,855,000	1,090,000	3,945,000	24,005,000	47.95%
2024	2,950,000	465,000	3,415,000	20,590,000	55.36%
2025	3,045,000	480,000	3,525,000	17,065,000	63.00%
2026	3,160,000	500,000	3,660,000	13,405,000	70.93%
2027	3,250,000	520,000	3,770,000	9,635,000	79.11%
2028	335,000	540,000	875,000	8,760,000	81.01%
2029	3,430,000	-	3,430,000	5,330,000	88.44%
2030	810,000	-	810,000	4,520,000	90.20%
2031	830,000	-	830,000	3,690,000	92.00%
2032	850,000	-	850,000	2,840,000	93.84%
2033	875,000	-	875,000	1,965,000	95.74%
2034	895,000	-	895,000	1,070,000	97.68%
2035	530,000	-	530,000	540,000	98.83%
2036	540,000	-	540,000	-	100.00%
	$ 38,530,000	$ 7,590,000	$ 46,120,000		

PROPERTY TAX RATES AND COLLECTIONS — TABLE 7

Tax Roll Year	Certified Net Taxable Assessed Valuation [(a)]	Tax Rate	Total Tax Levy	% Collections: Current	% Collections: Total	Fiscal Year Ending
2007	$ 6,531,614,380	$ 0.34957	$ 22,847,846	97.94%	99.92%	9-30-08
2008	6,921,597,385	0.36062	24,956,935	97.96%	99.90%	9-30-09
2009	7,167,057,969	0.36062	25,848,710	98.03%	99.87%	9-30-10
2010	7,270,950,394	0.36890	26,855,555	98.32%	99.86%	9-30-11
2011	7,415,939,459	0.37756	28,017,657	98.39%	99.87%	9-30-12
2012	7,625,244,505	0.38430	29,297,839	98.49%	99.87%	9-30-13
2013	7,810,865,347	0.39241	30,645,706	98.66%	99.85%	9-30-14
2014	8,148,180,045	0.39914	32,503,801	98.70%	99.84%	9-30-15
2015	8,524,967,163	0.40605	34,641,894	98.78%	99.76%	9-30-16
2016	8,892,668,852	0.41473	36,911,773	99.53%	100.60%	9-30-17
2017	9,673,926,308	0.41473	40,120,675	(In Process)		9-30-18

(a) *Represents Freeze Adjusted Net Taxable Assessed Valuation.*

Source: Texas Comptroller of Public Accounts, The Potter-Randall Appraisal District, Issuer's 2017 Comprehensive Annual Financial Report and other information from the Issuer.

TAX RATE DISTRIBUTION **TABLE 8**

Fund	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Maintenance & Operations Fund	$0.37339	$0.36696	$0.36405	$0.35162	$0.34977
Interest & Sinking Fund	0.04134	0.04777	0.04200	0.04752	0.04264
TOTAL	$0.41473	$0.41473	$0.40605	$0.39914	$0.39241

Source: Potter-Randall Appraisal District and the Issuer.

TAXABLE ASSESSED VALUATION FOR TAX YEARS 2008-18 **TABLE 9**

Tax Year	Certified Net Taxable Assessed Valuation [(a)]	Change From Preceding Year Amount ($)	Percent
2008-09	$ 6,921,597,385	$ 389,983,005	5.97%
2009-10	7,167,057,969	245,460,584	3.55%
2010-11	7,270,950,394	103,892,425	1.45%
2011-12	7,415,939,459	144,989,065	1.99%
2012-13	7,625,244,505	209,305,046	2.82%
2013-14	7,810,865,347	185,620,842	2.43%
2014-15	8,148,180,045	337,314,698	4.32%
2015-16	8,524,967,163	376,787,118	4.62%
2016-17	8,892,668,852	367,701,689	4.31%
2017-18	9,673,926,308	781,257,456	8.79%

(a) Represents Freeze Adjusted Net Taxable Assessed Valuation.
Source: Issuer's Comprehensive Annual Financial Reports, Potter-Randall Appraisal District and other information from the Issuer.

PRINCIPAL TAXPAYERS 2017-2018 **TABLE 10**

Name	Type of Property	2017 Net Taxable Assessed Valuation	% of Total 2017 Net Taxable Assessed Valuation
Astra Wind LLC	Wind Turbines	$ 158,791,950	1.64%
Southwestern Public Service	Electric - Utility	110,351,477	1.14%
Affiliated Foods, Inc.	Food Distributor	91,948,695	0.95%
Case Newport LP	Apartment Complexes	66,586,876	0.69%
Burlington Northern Santa Fe Railway Co.	Railroad	64,147,293	0.66%
Owens Corning	Industrial	61,962,945	0.64%
Wal-Mart Stores, Inc.	Retail Store	56,922,685	0.59%
Atmos Energy	Gas - Utility	35,500,351	0.37%
Lone Star Dairy Products LLC	Dairy	27,529,351	0.28%
Tigris LTD	Apartment Complexes	26,495,973	0.27%
	Total	$ 700,237,596	7.24%

Based on a 2017 Net Taxable Assessed Valuation of $ 9,673,926,308

Source: Potter-Randall Appraisal District and the Issuer.

CLASSIFICATION OF ASSESSED VALUATION

TABLE 11

Category	2017-2018	% of Total	2016-2017	% of Total	2015-2016	% of Total	2014-2015	% of Total	2013-2014	% of Total
Real, Residential, Single Family	$ 7,487,029,561	63.22%	$ 6,924,959,507	63.33%	$ 6,610,071,969	63.00%	$ 6,271,732,361	63.15%	$ 5,959,421,072	63.14%
Real, Residential, Multi-Family	389,504,481	3.29%	340,855,873	3.12%	355,379,518	3.39%	327,907,391	3.30%	292,953,989	3.10%
Real, Vacant Lots/Tract	141,373,660	1.19%	139,516,078	1.28%	140,547,714	1.34%	138,411,010	1.39%	129,015,842	1.37%
Real Acreage (Qualified / Non Qualified Land)	606,245,780	5.12%	580,372,690	5.31%	578,270,406	5.51%	502,067,537	5.06%	492,327,022	5.22%
Farm and Ranch Improvements	47,100,354	0.40%	41,475,218	0.38%	45,750,860	0.44%	34,425,200	0.35%	33,471,422	0.35%
Real, Commercial	949,620,273	8.02%	902,013,901	8.25%	820,304,241	7.82%	794,630,740	8.00%	761,419,756	8.07%
Real, Industrial	179,814,570	1.52%	20,465,615	0.19%	20,465,615	0.20%	20,460,146	0.21%	20,435,072	0.22%
Real & Tangible Personal, Utilities	260,743,133	2.20%	238,459,399	2.18%	221,050,465	2.11%	209,704,193	2.11%	198,035,139	2.10%
Tangible Personal, Commercial	530,706,849	4.48%	525,220,959	4.80%	498,145,248	4.75%	477,961,058	4.81%	446,593,513	4.73%
Tangible Personal, Industrial	196,464,164	1.66%	196,849,824	1.80%	187,088,476	1.78%	185,569,752	1.87%	179,903,939	1.91%
Tangible Personal, Mobile Homes	26,345,484	0.22%	27,054,339	0.25%	28,621,602	0.27%	26,431,546	0.27%	28,165,112	0.30%
Real Residential, Inventory	12,511,159	0.11%	10,678,152	0.10%	12,926,935	0.12%	10,570,523	0.11%	50,001,606	0.53%
Special Inventory	55,641,702	0.47%	55,752,186	0.51%	53,887,202	0.51%	52,051,123	0.52%	46,940,047	0.50%
Totally Exempt Property	959,737,346	8.10%	931,326,556	8.52%	919,496,581	8.76%	878,969,941	8.85%	799,143,519	8.47%
Total Appraised Value	$ 11,842,838,516	100.00%	$ 10,935,000,297	100.00%	$ 10,492,006,832	100.00%	$ 9,930,892,521	100.00%	$ 9,437,827,050	100.00%
Less Exemptions:										
Over-65/Disabled	$ 99,116,527		$ 96,405,585		$ 93,869,483		$ 91,713,395		$ 89,602,276	
Disabled and Deceased Veterans	71,744,026		59,077,115		50,112,151		45,771,294		38,207,697	
Freeport	55,110,604		77,519,256		71,580,859		67,433,356		67,833,042	
Pollution Exemption	545,442		860,633		818,463		949,530		1,016,618	
Productivity Value Loss	563,051,974		538,086,797		543,284,688		462,253,791		434,846,187	
10% Homestead Cap Loss	16,537,199		5,676,038		6,057,633		10,966,487		6,398,261	
Solar/Wind/Charitable/Other	2,684,618		1,190,525		602,301		568,422		418,817	
Totally Exempt Property	959,737,346		931,326,556		921,838,263		883,010,084		803,017,759	
Total Exemptions	$ 1,768,527,736		$ 1,710,142,505		$ 1,688,163,841		$ 1,562,666,359		$ 1,441,340,657	
Net Taxable Assessed Valuation	$ 10,074,310,780		$ 9,224,857,792		$ 8,803,842,991		$ 8,368,226,162		$ 7,996,486,393	
Value Loss to 65/Older Freeze	$ 400,384,472		$ 332,188,940		$ 278,875,828		$ 220,046,117		$ 185,621,046	
Adjusted Net Taxable Valuation	$ 9,673,926,308		$ 8,892,668,852		$ 8,524,967,163		$ 8,148,180,045		$ 7,810,865,347	

Source: Potter-Randall Appraisal District and the Issuer.

Note: Taxable Assessed Valuations are subject to change during the year due to various supplements and protests. Valuations shown in other tables of this Official Statement may not match these certified valuations.

OVERLAPPING DEBT DATA AND INFORMATION

TABLE 12

Taxing Body	Gross Debt Principal		As of	% Overlapping	Amount Overlapping	
Amarillo, City of	$ 140,296,905		1/31/2018	50.49%	$ 70,835,907	
Amarillo Independent School District	219,660,000		1/31/2018	45.41%	99,747,606	
Amarillo Junior College District	58,905,000		1/31/2018	50.20%	29,570,310	
Boatwright-Trew Road District	-		1/31/2018			
Bushland Independent School District	22,900,000		1/31/2018	9.43%	2,159,470	
Canyon, City	17,460,000		1/31/2018	100.00%	17,460,000	
Canyon Independent School District	87,727,196		1/31/2018	100.00%	87,727,196	
Happy, City of	-		1/31/2018		-	
Happy Independent School District	-		1/31/2018		-	
Wildorado Independent School District	11,760,000		1/31/2018	5.51%	647,976	
Total Gross Overlapping Debt Principal					$ 308,148,465	
Randall County	49,120,000	(a)		100.00%	49,120,000	(a)
Total Direct and Overlapping Debt Principal					$ 357,268,465	(a)

Ratio of Direct and Overlapping Debt to 2017 Adjusted Net Taxable Assessed Valuation	3.55%	(a)
Ratio of Direct and Overlapping Debt to 2017 Actual Market Value	3.02%	(a)
Per Capita Direct and Overlapping Debt	$2,696.35	(a)

[a] *Includes the Certificates. (See "Table 2 - General Obligation Bonded Debt" herein.)*
Source: Municipal Advisory Council of Texas

ASSESSED VALUATION AND TAX RATE OF OVERLAPPING ENTITIES

TABLE 13

Governmental Entity	2017 Net Taxable Assessed Valuation	% of Actual	2017 Tax Rate
Amarillo, City of	$ 12,787,774,041	100.00%	$0.36400
Amarillo Independent School District	9,052,955,782	100.00%	1.18900
Amarillo Junior College District	12,914,679,011	100.00%	0.20800
Boatwright - Trew Road District	5,952,253	100.00%	0.00000
Bushland Independent School District	1,284,912,658	100.00%	1.23800
Canyon, City of	733,655,658	100.00%	0.45500
Canyon Independent School District	4,838,759,603	100.00%	1.26500
Happy, City of	14,506,334	100.00%	0.78100
Happy Independent School District	78,348,056	100.00%	1.04000
Wildorado Independent School District	167,070,427	100.00%	1.18200

Source: Municipal Advisory Council of Texas

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS OF DIRECT AND OVERLAPPING GOVERNMENTAL ENTITIES

TABLE 14

Taxing Body	Date of Authorization	Purpose	Amount Authorized	Issued To-Date	Unissued
Amarillo, City of	11/8/2016	Street	$ 89,495,000	$ 12,900,000	$ 76,595,000
	11/8/2016	Public Safety	20,080,000	9,020,000	11,060,000
Amarillo Independent School District	11/7/2017	School Building	100,000,000	60,000,000	40,000,000
Amarillo JCD	None		-	-	-
Bushland Independent School District	None		-	-	-
Canyon, City of	None		-	-	-
Canyon Independent School District	None		-	-	-
Happy, City of	None		-	-	-
Happy Independent School District	None		-	-	-
Randall County	None		-	-	-
Wildorado Independent School District	None		-	-	-
Total Gross Overlapping Debt Principal Authorized but Unissued			$ 209,575,000	$ 81,920,000	$ 127,655,000

Source: Municipal Advisory Council of Texas.

FUND BALANCES

TABLE 15

	As of 9/30/2017	Unaudited As of 02/28/2018
General Fund	$ 12,018,014	$ 34,235,148
Debt Service Fund	173,402	3,449,070
Special Revenue Funds	2,300,789	2,335,360
Capital Projects Fund	2,013,061	814,524
Internal Service Fund	2,876,039	2,945,357
Total	$ 19,381,305	$ 43,779,459

Source: Issuer

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE — TABLE 16

	Fiscal Year Ended September 30				
	2017	**2016**	**2015**	**2014**	**2013**
REVENUES:					
Taxes	$ 32,847,813	$ 31,194,254	$ 28,775,777	$ 27,502,899	$ 26,175,503
Sales and Miscellaneous Taxes	2,057,822	2,082,471	1,993,783	1,973,937	1,832,892
Licenses and Fees	4,339,003	4,361,551	4,354,778	4,212,506	3,951,804
Fines and Forfeitures	1,378,038	1,456,921	1,483,177	1,578,662	1,680,476
Intergovernmental	5,080,916	4,616,926	4,514,613	4,211,628	4,350,474
Interest	226,475	112,598	54,132	52,523	39,661
Miscellaneous	277,161	539,296	401,087	604,159	876,599
Total Revenues	$ 46,207,228	$ 44,364,017	$ 41,577,347	$ 40,136,314	$ 38,907,409
EXPENDITURES:					
Current					
Administrative	$ 4,278,423	$ 3,975,520	$ 3,716,995	$ 3,457,120	$ 3,395,901
Judicial	7,464,781	6,827,698	6,587,240	6,522,383	6,346,517
Elections	414,496	406,854	306,812	406,652	321,019
Financial Administration	2,474,676	2,477,137	2,309,071	2,287,900	2,193,708
Public Facilities	836,045	795,100	784,730	744,592	698114
Public Safety	21,584,575	21,154,959	19,462,064	19,082,433	18,212,231
Road & Bridge	2,719,799	2,530,878	2,603,362	2,388,424	2,839,077
Public Services	230,755	115,690	140,625	157,822	138,726
Environmental Protection	1,500	1,500	1,500	1,500	1,500
Extension Service	373,635	372,479	341,965	353,399	331,796
Capital Outlay	5,596,515	1,797,767	1,466,779	1,831,357	3,441,533
Debt Service (Prin & Int)	411,540	389,933	318,001	318,001	318,002
Total Expenditures	$ 46,386,740	$ 40,845,515	$ 38,039,144	$ 37,551,583	$ 38,238,124
Excess of Revenues Over (Under) Expenditures	$ (179,512)	$ 3,518,502	$ 3,538,203	$ 2,584,731	$ 669,285
Other Financing Sources (Uses)					
Proceeds from sales of assets	$ 488,148	$ 41,535	$ 215,179	$ 34,626	$ 61,883
Proceeds from capital leases	664,484	-	327,177	-	2,027,232
Operating Transfers In	-	5,720	-	295,200	90,173
Operating Transfers Out	(2,491,105)	(2,349,482)	(2,490,013)	(2,080,853)	(2,865,207)
Total Other Financing Sources (Uses)	$ (1,338,473)	$ (2,302,227)	$ (1,947,657)	$ (1,751,027)	$ (685,919)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(1,517,985)	1,216,275	1,590,546	833,704	(16,634)
Fund Balances at Beginning of Year	13,535,999	12,319,723	10,729,177	9,895,473	9,912,107
Fund Balances at End of Year	$ 12,018,014	$ 13,535,998	$ 12,319,723	$ 10,729,177	$ 9,895,473

Source: The Issuer's Comprehensive Annual Financial Reports.

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APPENDIX B

GENERAL INFORMATION REGARDING RANDALL COUNTY, TEXAS

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GENERAL INFORMATION REGARDING RANDALL COUNTY, TEXAS

General Information:

Randall County (the "County") is located in the south central part of the Texas Panhandle. The County was officially formed in 1889 and consists of approximately 933 square miles with an estimated 750 miles of roads. It is traversed by Interstate Highway 27 and U.S. Highways 60 and 87. Significant cities are Amarillo and Canyon, the county seat of Randall County. The economy is based on agribusiness, with the principal sources of agricultural income being beef and dairy cattle, horses, milo, sugar beets and barley. The exterior restoration of the1909 Randall County Courthouse was completed in August of 2010.

The County is home to West Texas A&M University, Amarillo College, Buffalo Lake Wildlife Refuge, Palo Duro Canyon State Park, which attracts 350,000 visitors annually and is the second largest canyon in the United States. The biggest museum in the State of Texas, Panhandle Plains Historical Museum, is located on the West Texas A&M University campus and has more than 80,000 visitors annually.

Map of Texas Counties showing location of Randall County

Population Trends

Year	Randall County	Amarillo Metropolitan Statistical Area
Current Estimate	132,501	262,056
2010 Census	120,725	249,881
2000 Census	104,312	226,522
1990 Census	89,673	N/A

Sources: U.S. Census Bureau and the Issuer

Major Employers in the County

Employer	Type of Business	Estimated Number of Employees 2017
Canyon Independent School District	Public Education	1,400
Wal-Mart	Retail Sales	1,332
Affiliated Foods, Inc.	Retail Grocery	1,257
West Texas A&M University	Public University	645
Owens Corning Fiberglass	Fiberglass Manufacturer	567
Randall County	County Government	499
Sitel Corporation	Contact Center	337
Texas Department of Transportation	State Government	302
Atmos Energy	Electric Utility	301
Region 16 Education Service Center	Educational Solutions	301

Source: The Issuer.

Labor Force Statistics

	Randall County		Amarillo MSA	
	December 2017	December 2016	December 2017	December 2016
Civilian Labor Force	70,457	69,818	132,958	131,723
Total Employed	68,816	67,763	129,667	127,620
Total Unemployed	1,641	2,055	3,291	4,103
% Unemployed	2.3	2.9	2.5	3.1
% Unemployed (Texas)	3.7	4.5	3.7	4.5
% Unemployed (United States)	3.9	4.5	3.9	4.5

Source: Texas Workforce Commission, Labor Market Information Department.

APPENDIX C

FORM OF LEGAL OPINION OF BOND COUNSEL

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NORTON ROSE FULBRIGHT

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

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nortonrosefulbright.com

[Closing Date]

IN REGARD to the authorization and issuance of the "Randall County, Texas, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2018", dated May 1, 2018, in the aggregate principal amount of $7,590,000 (the "Certificates"), we have examined into their issuance by the Randall County, Texas (the "County") solely to express legal opinions as to the validity of the Certificates and the exclusion of the interest on the Certificates from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the County, the disclosure of any financial or statistical information or data pertaining to the County and used in the sale of the Certificates, or the sufficiency of the security for or the value or marketability of the Certificates.

THE CERTIFICATES are issued in fully registered form only and in denominations of $5,000 or any integral multiple thereof (within a maturity). The Certificates mature on February 1 in each of the years specified in the Order adopted by the Commissioners Court of the County authorizing the issuance of the Certificates (the "Order"), without right of prior redemption. The Certificates accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Order.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Certificates, including the Order and an examination of the initial Certificate executed and delivered by the County (which we found to be in due form and properly executed); (ii) certifications of officers of the County relating to the expected use and investment of proceeds of the sale of the Certificates and certain other funds of the County and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Certificates, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Certificates have been duly authorized by the County and, when issued in compliance with the provisions of the Order, are valid, legally binding and enforceable obligations of the County payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the County, and are additionally payable from and secured by a limited pledge of the Net Revenues (as defined in the Order) of the County's Library System in the manner and to the extent provided in the Order, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency,

reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with the general principles of equity.

2. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the County with the provisions of the Order relating to sections 141 through 150 of the Code, interest on the Certificates for federal income tax purposes will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof and will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as hereinafter described, corporations. For taxable years that began before January 1, 2018, interest on the Certificates owned by a corporation will be included in such corporation's adjusted current earnings for purposes of computing the alternative minimum tax on such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust ("FASIT"). The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018.

WE EXPRESS NO OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a FASIT, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

APPENDIX D

EXCERPTS FROM RANDALL COUNTY'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

(Independent Auditor's Report, Management Discussion and Analysis, General Financial Statements and Notes to the Financial Statements - not intended to be a complete statement of the Issuer's financial condition. Reference is made to the complete Annual Financial Report for further information.)

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RANDALL COUNTY, TEXAS

Comprehensive Annual
Financial Report

For the Year Ended
September 30, 2017

PREPARED BY: OFFICE OF COUNTY AUDITOR

RANDALL COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2017

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RANDALL COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED SEPTEMBER 30, 2017

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INTRODUCTORY SECTION

COUNTY OF RANDALL
OFFICE OF THE COUNTY AUDITOR
KARON KANTOR

February 12, 2018

The Honorable District Judges of Randall County,
Honorable Members of the Randall County Commissioners' Court and
Citizens of Randall County, Texas:

The County Auditor's Office (Auditor) is pleased to present the Comprehensive Annual Financial Report (CAFR) of Randall County, Texas (County) for the fiscal year ended September 30, 2017. This report is submitted in accordance with Chapter 114, Subchapter B, and Section 114.025 of the Texas Local Government Code (LGC) and has been prepared by the Auditor.

The purpose of this report is to provide the District Judges of Randall County, the Randall County Commissioners' Court, citizens, representatives of financial institutions and others with detailed information concerning the financial condition and performance of the County. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. The report has been prepared using Generally Accepted Accounting Principles (GAAP) and guidelines promulgated by the Governmental Accounting Standards Board (GASB). We believe the information and data contained herein are accurate in all material respects; and are reported in a manner designed to present fairly the financial position and results of operations of the County in accordance with GAAP. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have also been included, beginning with Management's Discussion and Analysis ("MD&A").

This report consists of management's representations regarding the finances of the County. Consequently, County management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements were audited by Doshier, Pickens & Francis, LLC, an independent audit firm. The independent auditor's report is presented as the first component of the financial section

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of this report. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors report.

Profile of Randall County

Randall County, created in 1876 from Bexar County, was incorporated in 1889 and named for Confederate Brigadier General Horace Randal; a clerical error doubled the "l" in the County's name. The County consists of approximately 933 square miles of eastward sloping tableland broken by the Prairie Dog Town Fork of the Red River, which flows through Palo Duro Canyon, and its tributaries, the Palo Duro and Tierra Blanca Creeks.

The County is located in the south central Texas Panhandle with the City of Canyon as its county seat. Due to its strategic location, the County, along with Armstrong, Carson and Potter Counties to the north and east and the cities of Canyon and Amarillo, are designated the "Amarillo Metropolitan Statistical Area" (AMSA) by the Texas Comptroller of Public Accounts and has become a trade-center for the northern panhandle and a five-state area. The County is traversed, along its northern border, east and west by four lane Interstate Highway 40 and from north and south by both four lane Interstate Highway 27 and U.S. Highway 87 and from northeast and southwest by four lane U.S. Highway 60.

County government structure and services

The County has a Commissioners' Court (Court) form of government. The Court is comprised of a County Judge who is the presiding officer of the Court and four Commissioners. The County Judge is elected at large to a four-year term and the Commissioners are elected by precinct. The Commissioners serve four year staggered terms, with two Commissioners elected every two years. The Court's regularly scheduled meetings are held bi-weekly on Tuesday mornings.

The County Auditor is the Chief Financial Officer of the County and is responsible for substantially all county finance and accounting control functions including internal controls. The County Auditor is appointed for a two-year term by the State District Judges of the County.

The County serves an estimated 2017 population of 132,501 and provides a full range of county services normally associated with a Texas county, including administration of general government, adult and juvenile justice programs, assistance to indigents, courts, elections, fire protection, jails, law enforcement, law library, and recording offices, as well as the construction and maintenance of roads, bridges and other infrastructure.

Budget Process

In accordance with Chapter 111 of the Local Government Code, the County prepares an annual operating budget which serves as a financial plan for the new fiscal year beginning October 1. After publishing required public notices and conducting public hearings, the Court annually adopts a budget and establishes the tax rate. For the 2017 fiscal year, the budget was adopted on the category basis for all departments and/or funds. Commissioners' Court may transfer available funds between various departments and categories. However, no transfer may increase the total appropriation of a fund. Chapter 111 of the Local Government Code allows Commissioners' Court to adopt supplemental budgets for limited purposes of spending grant or aid money or for capital projects through the issuance of bonds. This report includes all funds and accounts of the County for which the Court has financial accountability.

Those related entities which the Court has financial accountability control are not included in this report. Based on this criterion, the relationships of the following related entities are disclosed in Note 1 to the basic financial statements:

Potter-Randall Appraisal District
Community Supervision and Corrections Department for Potter, Randall and Armstrong Counties

Factors Affecting Financial Condition

Financial Policies and Long-Term Planning

The financial policies and practices of Randall County include the following:

- A budget policy that follows the Texas Local Government Code §111.003 and requires a balanced budget
- Establishing a budgetary control system of monitoring and utilizing encumbrance accounting to ensure budget compliance
- A policy for deposit, safekeeping and investment of funds that complies with State statutes
- A cost effective purchasing policy that utilizes central purchasing, competitive bidding, and contract administration to maximize savings and comply with legal and statutory provisions
- A policy that sets a goal for the General Fund to maintain an unassigned fund balance that sustains 2-3 months' expenditures (15% - 25%) from October 1 to December 31 of each year when property taxes become due
- A policy on the issuance of long term debt to ensure long-term financial stability
- Maintaining a general fund five-year revenue and expenditure projection as well as debt capacity projections to aid long-term decision making
- Utilizing a 10-year history of financial indicators to identify past trends and gauge the impact of population growth and service demand on revenue sources

Major initiatives

In the previous year, the County created two Reinvestment Zones with economic development incentives. Astra Wind, LLC wind farm is to promote additional development of wind energy while Lone Star Dairy Products new manufacturing plant processes raw milk into various dairy goods. Both projects will increase job growth for the county. The Astra Wind construction project was completed December 31, 2016. Lone Star Dairy was substantially complete in September, 2017. Appraised values will be updated for both projects. Also in September, the county approved a new Reinvestment Zone for an application submitted by Buffalo Wind Energy for the construction of wind turbines for wind energy.

The county purchased and began renovations in December of 2016 to a sixty-four thousand square foot building which will become the new Amarillo Annex located at 4320 S. Western, Amarillo, Texas. This new location will provide additional space for the tax office and future growth for justice courts and election administration. An estimated completion date for the project is February 2018.

Another project in the late planning and early contract preparation stage is between Motorola and AECOM to design and develop a county-wide digital trunked radio communications system for the Sheriff's Department and first responders. The system will include necessary hardware, software and services. Randall County will issue certificates of obligation in the near future for this project at an estimated cost of $8 million.

The County is participating in a cost share agreement with the Texas Department of Transportation for the expansion of Loop 335 around the City of Amarillo, which encompasses a portion of the county. Funding for this multi-million dollar project includes Federal, State and local monies. Once completed, the county anticipates future residential growth to the area.

Local economy

In addition to the diversity of industrial, retail and service industries, the County has long been a leader in the farming and ranching industries, tourism and higher education. Approximately eighty-seven percent (87%) of the County's population lives within the city limits of Amarillo with another approximately eleven percent (11%) living within the city limits of Canyon. The remaining residents live in small villages or communities scattered over the large open land areas made up of many farms and ranches. The entrance to *Palo Duro Canyon State Park*, America's second largest canyon, is located in the County, open all year around, and annually receives over half a million visitors. *Texas*, the musical drama, which will open and celebrate its 53rd season, plays nightly, except Monday, in the *Pioneer Amphitheatre* in Palo Duro Canyon from early June through mid August. *Panhandle-Plains Historical Museum*, Texas' largest history museum, located on the campus of *West Texas A & M University* (WTAMU), in the city of Canyon, has approximately 80,000 visitors each year. WTAMU, founded in 1910, offers 1 doctoral program, 39 masters programs and 60 undergraduate degree programs to approximately 10,169 students annually and is located in the city of Canyon. The park and theatre, museum and university are major contributors to the local economy through employment opportunities, tourism and consumers of local sales and services.

The County's unemployment rate of 2.6% compares favorably to the nation (4.2%) and to the state (4.0%). The County is included in the Amarillo Metropolitan Statistical Area (AMSA). Both the Canyon and Amarillo Economic Development Corporations have been successful in attracting businesses and jobs to the area which, in turn, benefits Randall County's economy.

The AMSA indicators of economic strengths and weaknesses reflect the following:

- Strengths:
    1. Residential starts are up almost 9% from last year
    2. A household survey reflects 300 more people are working now than one year ago
    3. Cotton prices are up 16% over last year

- Weaknesses:
    1. Retail sales are down from one year ago
    2. Sales tax collections fell .3% during the year
    3. General decline in car sales

Independent audit
In accordance with state statute, the County's financial statements have been audited by Doshier, Pickens & Francis, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2017 are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended September 30, 2017 are fairly presented in conformity with GAAP. The opinions rendered by Doshier, Pickens & Francis, LLC, are included in the appropriate sections of this report.

Awards and Acknowledgements
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Randall County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2016. This was the thirteenth consecutive year that Randall County has received this prestigious award. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it for review to GFOA.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of my entire staff and the professional services provided by our independent auditors, Doshier, Pickens & Francis, LLC. I also wish to express my gratitude to the Commissioners' Court and the District Judges for their cooperation, leadership, interest and support in planning and conducting the financial affairs of the County in a responsible and progressive manner. Furthermore, I would like to commend the Court as well as other County officials, department heads and all members of departments who assisted with and contributed to the preparation of this report.

Request for information
This financial report is designed to provide an overview of the County's finances for individuals who are interested in this information. Questions concerning any of the data provided in this report or requests for additional financial information should be addressed to the Randall County Auditor, 501 16th Street, Suite 301, Canyon, Texas 79015 or emailed to auditor@randallcounty.com.

Respectfully submitted,

Karon Kantor

Karon Kantor
Randall County Auditor

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Randall County

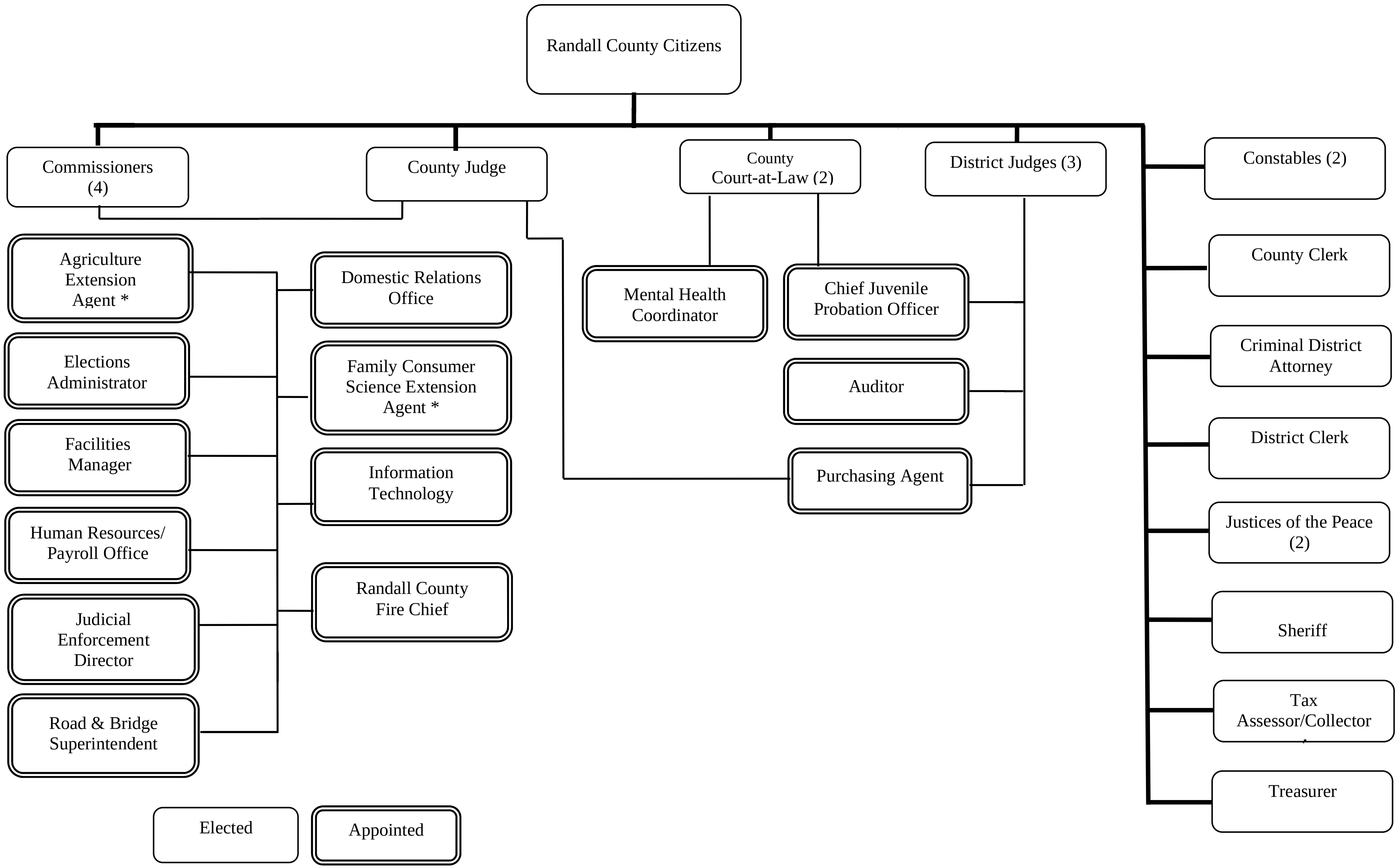
Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO



* Appointed by Texas A & M Extension Service

RANDALL COUNTY, TEXAS

PRINCIPAL COUNTY OFFICIALS

SEPTEMBER 30, 2017

Ernie Houdashell	County Judge
Christy Dyer	Commissioner, Precinct #1
Mark Benton	Commissioner, Precinct #2
Bob Robinson	Commissioner, Precinct #3
Buddy DeFord	Commissioner, Precinct #4
Dan Schaap	Judge, 47th District Court
John B. Board	Judge, 181st District Court
Ana Estevez	Judge, 251st District Court
James Anderson	Judge, County Court-at-Law #1
Ronnie Walker	Judge, County Court-at-Law #2
James A. Farren	Criminal District Attorney
Jo Carter	District Clerk
Renee Calhoun	County Clerk
Christina McMurray	County Tax Assessor/Collector
Glenna Canada	County Treasurer
Joel W. Richardson	County Sheriff
James Amerson	Fire Chief
Tracy Byrd	Justice of Peace, Precinct #1
Clay Houdashell	Justice of Peace, Precinct #4
Chris Tinsley	Constable, Precinct #1
Chris Johnson	Constable, Precinct #4
Karon Kantor	County Auditor
Laurie Jones	Purchasing Agent
C. Joe Barton III, Ph.D.	Chief Juvenile Probation Officer

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FINANCIAL SECTION

DOSHIER, PICKENS & FRANCIS, LLC
CERTIFIED PUBLIC ACCOUNTANTS
301 S. Polk, Suite 800 P.O. Box 9938
Amarillo, TX 79105-5938 806.373.3011
Fax: 806.376.8126 www.dpfcpa.com

To The Honorable County Judge and
Commissioners Comprising the
Commissioners' Court of
Randall County, Texas

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Randall County, Texas as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise Randall County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Randall County, Texas as of September 30, 2017, 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 the management's discussion and analysis (pages 3 – 16), the budgetary comparison schedules for the General Fund and the Youth Center of the High Plains; Schedule of Changes in Net Pension Liability and Related Ratios - TCDRS and the Schedule of Employer Contributions - TCDRS, and Other Post-Employment Benefits – Schedule of Funding Progress (pages 60 – 64) 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 them to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Randall County, Texas' basic financial statements. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2018, on our consideration of Randall County, Texas' internal control over financial reporting and 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 Randall County, Texas' internal control over financial reporting and compliance.

Doshier, Pickens & Francis, L.L.C.

DOSHIER, PICKENS & FRANCIS, LLC
February 12, 2018

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As management of Randall County, Texas (County), we offer readers this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2017. In accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the County has presented comparative data in this narrative.

We encourage the readers of these financial statements to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iv – ix of this report.

Financial Highlights

These financial highlights summarize the County's financial position and operations as presented in more detail in the rest of the Basic Financial Statements, as listed in the accompanying table of contents.

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by approximately $45.6 million (*net position*). Of this amount, approximately $10.1 million (*unrestricted net position*) which could be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by approximately $1 million. Charges for services in all activities increased approximately $726 thousand over prior year. Total operating and capital grants decreased by approximately $383 thousand. General revenues increased by approximately $2.4 million. General property tax increased by approximately $1.6 million to meet operating expenses and debt property tax increased by $665 thousand due to an increase in the debt rate. The County experienced a gain of $305 thousand on disposed assets.
- Total assets for the Randall County Assistance District #1 increased by $306 thousand over the prior year.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately $16.5 million. Of this total amount, approximately $10.7 million is available for spending at the County's discretion. The total available for spending is the unassigned portion of fund balance of the general fund, which is approximately 23% of the total general fund expenditures.

Overview of the Financial Statements

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

Basic Financial Statements

<u>Government-Wide Financial Statements:</u> The government-wide financial statements contain the *statement of net position* and the *statement of activities*, described below:

The *statement of net position* presents information on all of the County's assets and liabilities (including capital assets and short-term and long-term liabilities), with the difference between the two reported as *net position* using the accrual basis. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents a comparison between direct expenses and revenues for each of the County's functions/programs (referred to hereinafter as activities). Direct expenses are those that are specifically associated with an activity and are therefore clearly identifiable with that activity. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not programmatic are presented as general revenues, with certain limited exceptions. The comparison of direct expenses with revenues from activities identifies the extent to which each activity is self-financing or draws from any general revenues the County might generate. The governmental activities (activities that are principally supported by taxes and intergovernmental revenues) of the County include administrative, elections, environmental protection, extension service, financial administration, health and welfare, judicial, public facilities, public safety and road and bridge. Change in net position are reported as soon as the underlying event giving rise to the change occurs (accrual basis), *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, fines, and fees as well as earned but unused vacation leave).

The County includes one separate legal entity, the Randall County Assistance District #1. Although legally separate, this "Component Unit" is important because the County is financially accountable for the entity.

The Government Wide Financial Statements are on pages 17-19 of this report.

<u>Fund financial statements:</u> A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the fund financial statements is on major funds. Major funds are those that meet minimum criteria (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), or those that the County wishes to report as major. Non-major funds are aggregated and shown in a single column (combining schedules of non-major funds are included in the CAFR following other supplementary information). The County funds are divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*:

Governmental funds: Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information could be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements (*modified accrual* versus *accrual* basis of accounting, and *current financial resources* versus *economic resources,* respectively), it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to facilitate the comparison between *governmental funds* and *governmental activities*.

The County maintains thirty-one (31) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Youth Center of the High Plains and the Justice Center/Annex Funds, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of *combining statements* following other supplementary information in the CAFR. A budgetary comparison statement is provided for the general fund, one major special revenue fund and one major capital projects fund in the basic financial statements following the statement of changes in revenues, expenditures, and changes in fund balances. The governmental fund financial statements are located on pages 20-23 of this report.

Proprietary fund financial statements: The County maintains one (1) proprietary fund. Proprietary funds are used to account for the government's business type activities. These funds use the economic resource measurement focus and accrual basis of accounting as presented in the government-wide financial statements. There are two types of proprietary funds: (1) *Enterprise Funds* and (2) *Internal Service Funds*. *Enterprise funds*, which the county does not have, are used in situations where a fund provides services primarily to customers other than the government. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its partially self-funded employee healthcare. The proprietary fund financial statements are located on pages 24-26 of this report.

Fiduciary fund financial statements: The County maintains nine (9) agency funds reported as a fiduciary fund type. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Agency funds are the only type of fiduciary funds included in the County's financial statements. The fiduciary fund financial statements are located on page 27 and individual statements on pages 112-116 of this report.

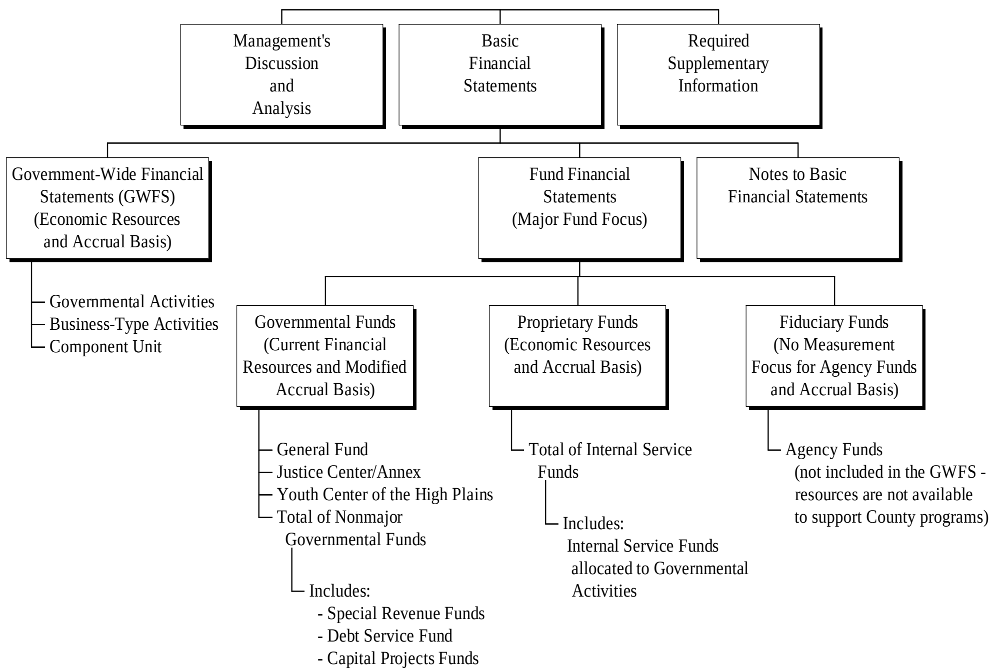
Notes to Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements. The Notes to Basic Financial Statements are located on pages 28-59 of this report.

Required Supplementary Information Other Than MD&A- Following the basic financial statements and the accompanying notes are certain required supplementary information (RSI). Presented in the RSI are trend data relating to the County's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required Supplementary Information is located on pages 60-64.

Other Supplementary Information - The Schedule of Revenues – Budget to Actual and the Schedule of Expenditures – Budget to Actual for the General Fund is presented here to compare budget to actual at the category level of compliance. The Health Care Fund, an internal service fund, Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual is presented for information only since its net financial activity is reported in the governmental activities of the government wide statements. Other Supplementary Information is located on pages 65-75.

Combining Statements and Individual Fund Schedules - The combining statements referred to earlier in connection with non-major governmental funds are presented as well as the individual statements and schedules of budgetary comparison. Individual fund schedules compare budget to actual at the legal level of compliance for all other budgeted funds. Also presented are combining statements of fiduciary agency funds. Combining fund financial statements and individual fund schedules are located on pages 76-116 of the County's CAFR. The Statement of Net Position and Changes in Net Position for the Component Unit can be found on pages 117-118 as well.

Components of the Financial Section



Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by approximately $45.6 million (*net position*) at the close of the most recent fiscal year.

Approximately $31.2 million or 68% of the County's net position are its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding at the close of the fiscal year. The County uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the County's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position is approximately $4.3 million. The majority of this restricted amount is by enabling legislation for state authorized revenues that are expended for a specific purpose. These are identified by major category. Approximately $173 thousand is restricted for debt service.

The remaining balance, approximately $10.1 million (*unrestricted net position)* may be used to meet the County's ongoing obligations to citizens and creditors.

All amounts, unless otherwise indicated, are expressed in thousands of dollars.

September 30, 2017 and 2016
(in 000's)

	Governmental Activities	
	2017	**2016**
Current and other assets	$ 23,496	$ 28,674
Capital assets	74,210	67,559
Total assets	97,706	96,233
Deferred outflows of resources	8,160	9,534
Current liabilities	7,475	7,377
Noncurrent liabilities	51,493	53,671
Total liabilities	58,968	61,048
Deferred inflows of resources	1,262	155
Net position:		
Net investment in capital assets	31,258	22,390
Restricted	4,274	8,650
Unrestricted	10,104	13,524
Total net position	$ 45,636	$ 44,564

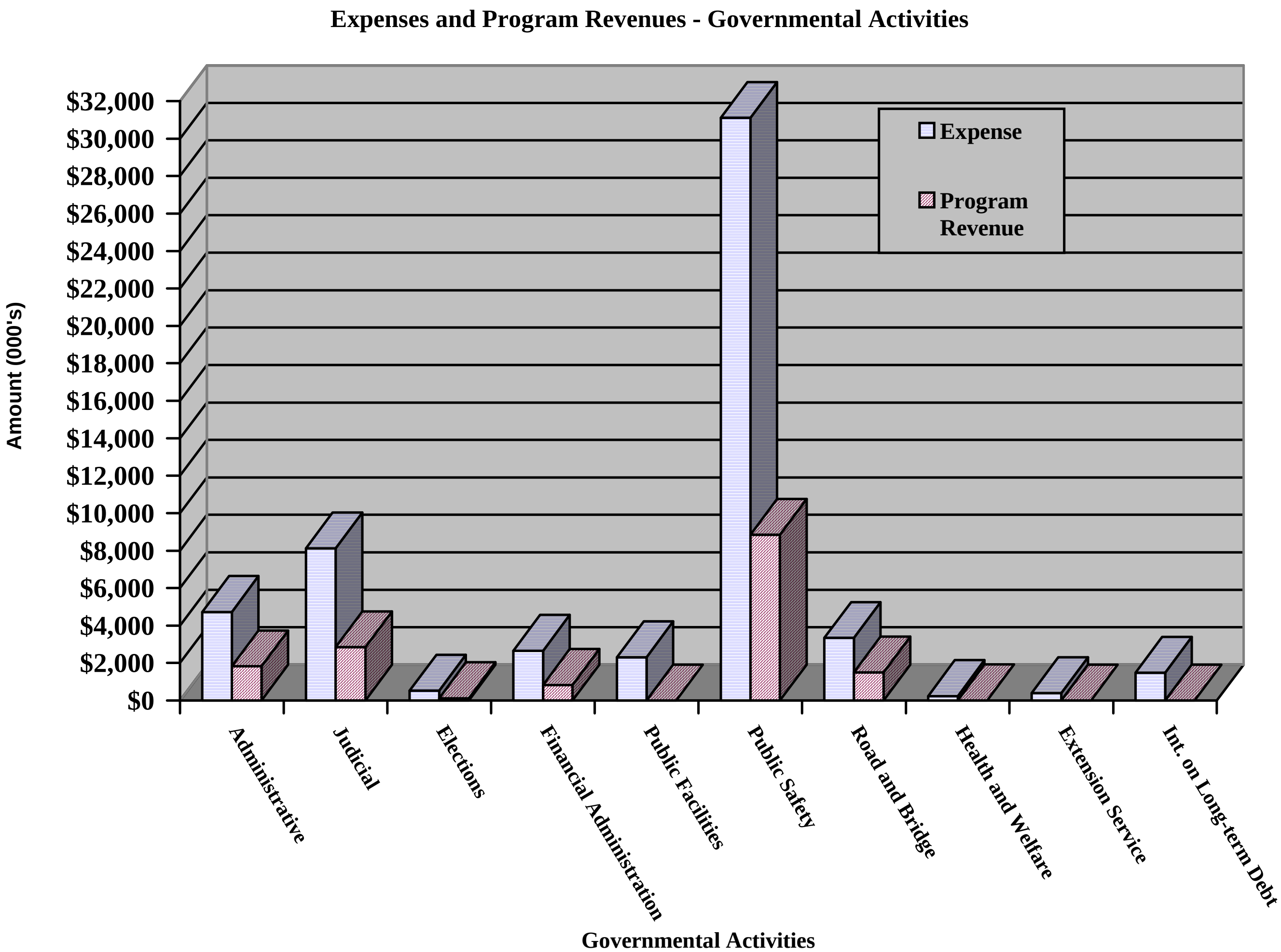
At the end of the current fiscal year, the County is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental activities. During the current fiscal year, the County's net position increased by approximately $1 million.

Governmental Activities. Governmental activities increased the County's total net position. Governmental expenses increased $5.1 million from 2016. Administrative and Judicial expenses increased $421 thousand and $1.1 million, respectively. Commissioners' Court operating expense increased largely due to consulting and engineering expense for subdivision developments. Higher court appointed attorney fees and appointments contributed to the increase in judicial expense as well as position upgrades and a new attorney position in the District Attorney's Office. Public Safety expense increased $2.5 million. The Sheriff's Department salaries and fringe increased due to the addition of four new positions and position upgrades. Inmate medical contributed to the largest operating increase. The Fire Department salaries and fringe increased due to the addition of two new firefighter positions. The Youth Center facility experienced an increase in salaries and fringe for position upgrades. Road and Bridge expenses increased $487 thousand due to the purchase of new road equipment and materials for road maintenance. Program revenues only changed by $343 thousand. Operating and Capital Grants and Contributions decreased $383 thousand and Charges for Services increased by $726 thousand. General revenues for property taxes increased $1.6 million over the prior year due to a growth in the property tax base and a slight tax increase.

Key elements of the increase are as follows:

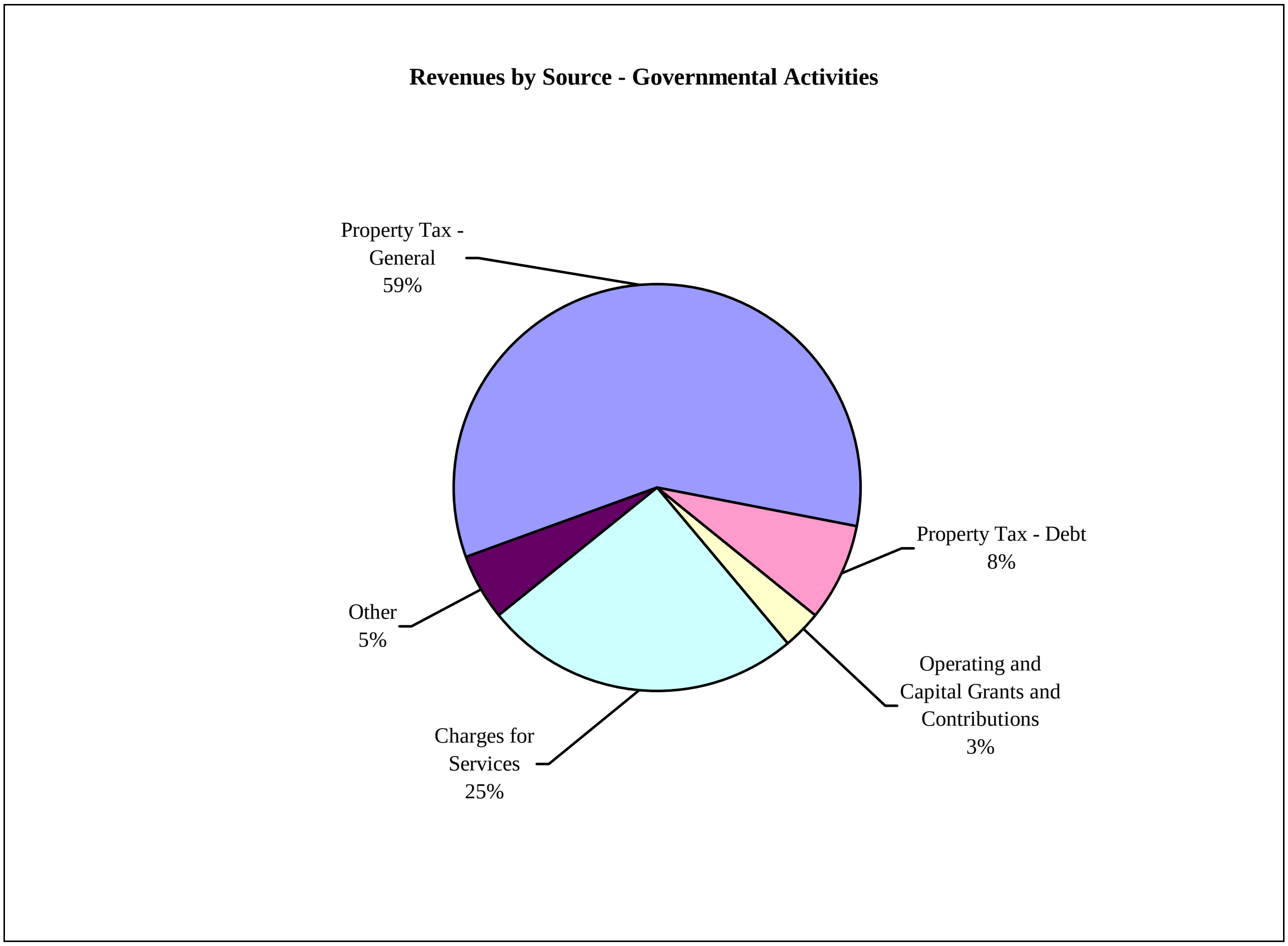
Randall County Changes in Net Position
For the Years Ended September 30, 2017 and 2016
(in 000's)

	Governmental Activities			
	2017		2016	
Revenues:				
Program Revenues				
Charges for services	$	14,176	$	13,450
Operating grants and contributions		1,574		2,009
Capital grants and contributions		212		161
General Revenues				
Property taxes, levied for general purposes		32,807		31,167
Property taxes, levied for debt service		4,271		3,606
Mixed beverage taxes		240		217
Vehicle sales tax		1,818		1,865
Investment earnings		376		180
Miscellaneous		178		511
Gain on disposal of assets		305		37
Transfers		-		-
Total Revenues		55,957	$	53,203
Expenses:				
Governmental Activities				
Administrative		4,726	$	4,305
Judicial		8,116		7,007
Elections		523		464
Financial administration		2,656		2,458
Public facilities		2,309		2,210
Public safety		31,108		28,552
Road and bridge		3,337		2,849
Health and welfare		235		113
Extension services		391		373
Interest on long term debt		1,484		1,391
Total Expenses		54,885		49,722
Change in net position		1,072		3,481
Net Position - beginning of year		44,564		41,083
Prior period adjustment		-		-
Net Position - end of year	$	45,636	$	44,564



The above graph depicts the expenses and program revenues by function/program generated through the County's various governmental activities.

The graph below reflects the sources of the revenues and the percentage each source represents to the total.



Financial Analysis of the County's Funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances approximating $16.5 million. Of that amount, $350 thousand are prepaid items and inventories which are non-spendable. Legislative restrictions have been placed on fees of offices, as well as indigent health care and bail bonds. Approximately $1.2 million are funds which have specific purposes authorized by Commissioners' Court and a Juvenile Board.

The General Fund is the chief operating fund of the County. The General Fund carries out functions assigned by the State of Texas. Property taxes, sales taxes, fees and fines support general fund operations. Intergovernmental revenues, such as jail bed revenue from federal and local sources reimburse their use of the county jail. Other governmental revenues such as federal grants and state aid provide additional support for law enforcement, fire protection, administrative and court expenditures. At the end of the current fiscal year, unassigned fund balance of the General Fund was approximately $10.7 million, while total fund balance approximated $12 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 23% of total General Fund expenditures, while total fund balance represents approximately 26% of that same amount. As the demand for services continues to increase, the General Fund Balance has consistently remained stable over the past several years. It has been the policy of management to maintain the County's unassigned General Fund Balance at a level equaling 2 - 3 months' expenditures or 15% - 25% of annual budgeted expenditures.

Total revenues and transfers to the General Fund increased from the prior year by $1.8 million. Property taxes increased by approximately $1.6 million from the result of reappraisals, growth in the tax base and a slight tax increase. There was no significant change in non-court fees or civil fees. Criminal court fines and fees decreased by $97 thousand from the prior year. Intergovernmental revenue increased by $506 thousand due to an increase in jail bed revenue. Miscellaneous revenues increased by $282 thousand due to an increase in interest earnings and donations to the county.

General Fund expenditures increased approximately 12% from 2016 due to an increase in salaries and fringe benefits, operations for law enforcement, new equipment purchased for the Road Department and the purchase of new voting equipment for Elections. Transfers from the General Fund increased approximately 6% from 2016 largely due to the increase in salaries and fringe benefits for the Youth Center of the High Plains.

The Youth Center of the High Plains is a detention facility utilized by both Randall County and Potter County. Beds are available to surrounding counties as they become available. The cost of operating the Youth Center is supported by the General Fund and Potter County on a 50% basis of expenditures less revenues. Other counties are billed on a daily rate basis. This fund maintains a reserve of $125,000 for unforeseen events.

General Fund Budgetary Highlights

The final amended budget projected a decrease in fund balance of approximately $3.7 million. The Commissioner's Court approved Budget Amendments authorizing $3,707,646 in revenues or expenditures for the following events:

- $124,400 increase in expense for consulting on a trunked radio system for first responders
- $49,943 increase in expense for Justice of the Peace caseload software
- $71,044 increase in expense for the remainder of the Tax Office software and maintenance agreement
- $1,602,837 increase in expense for new voting and polling equipment and training for Elections
- $600,000 increase in revenue and expense for a capital lease for five (5) trucks for the Road Department
- $141,846 increase in revenue and expense from the sale of old equipment to purchase new equipment for the Road Department
- $142,576 increase in revenue and expense for the trade in of four (4) old tractors and for the purchase of four (4) new tractors with cabs for the Road Department
- $975,000 increase in expense for new heavy equipment for the Road Department

General fund actual revenues exceeded budget by $845 thousand. Intergovernmental exceeded estimates by approximately $672 thousand due to an increase in jail bed revenue, grants and state reimbursements. Taxes exceeded estimates by approximately $83 thousand due to efficient tax collections. Interest also exceeded estimates by $126 thousand, while fines and forfeitures came in under budget by $46 thousand.

General Fund expenditures came in under budget by approximately $1.3 million. General fund expenditures were 97% of amended budget due primarily to conscientious budget monitoring and cost saving strategies.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of September 30, 2017 was approximately $74 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, construction in progress, and other improvements.

Major capital assets constructed, purchased, and donated during the current fiscal year were:

- $302,246 for new road construction of Lake Ridge Drive
- $133,235 for a new arc server and networking equipment for the IT Department
- $1,574,288 for new polling and elections equipment for the Elections Department
- $49,750 for the remaining portion of the property tax system for the Tax Office
- $65,589 for a replacement vehicle for the Facilities Department

- $2,568,479 for replacement vehicles and equipment for the Road Department
- $110,200 for five vehicles for the District Attorney's Office
- $166,969 for replacement vehicles and equipment for the Fire Department
- $279,081 for Sheriff's Department replacement vehicles
- $264,527 for equipment for the Sheriff's Department
- $4,695,632 construction in process for the building renovation of the new Amarillo Annex

The table below compares capital assets net of depreciation to prior year and reflects the continuing construction in progress as Randall County expands and renovates its facilities.

Randall County's Capital Assets
September 30, 2017 and 2016
(net of depreciation)
(in 000's)

	Governmental Activities	
	2017	**2016**
Land	$ 3,096	$ 3,096
Roads and bridges	1,491	1,432
Buildings and building improvements	51,134	52,515
Improvements other than buildings	451	490
Vehicles	3,531	2,897
Furniture and equipment	7,986	5,219
Construction in Progress	6,368	1,757
Intangible assets	153	153
Total	$ 74,210	$ 67,559

Additional information on Randall County's capital assets can be found in the Notes to Financial Statements, Note 7 on pages 42-43.

Long-term debt. At the end of the current fiscal year, the County's total long-term debt outstanding was as follows:

Randall County's Outstanding Debt
General Obligation and Revenue Bonds
September 30, 2017 and 2016
(in 000's)

	Governmental Activities	
	2017	**2016**
Certificates of Obligation, Series 2009	10,735	10,835
Certificates of Obligation, Series 2010	8,955	9,015
Certificates of Obligation, Series 2013	5,040	5,270
General Obligation Refunding, Series 2013	3,430	3,460
General Obligation Refunding, Series 2015	4,525	6,505
Certificates of Obligation, Series 2016	8,300	8,685
Deferred Premium	459	483
Capital Lease Obligation	1,455	1,167
Estimated Liability for Compensated Absences	1,359	1,284
Net Pension Liability	10,003	9,709
Net Other Post Employment Benefit Obligation	659	527
Total	$ 54,920	$ 56,940

State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total assessed valuation. The current debt limitation for Randall County is approximately $462 million, which is significantly in excess of Randall County's outstanding general obligation debt of $41 million.

Randall County received its most recent rating of 'AA' from Standard & Poor's Rating Service in August, 2016 for the combination tax and limited-pledged revenue Certificates of Obligation, Series 2016. The County also has a rating of "Aa3" from Moody's Investors Service from May 2010 when Certificates of Obligation, Series 2010 were issued.

Additional information on Randall County's long-term debt is located in Notes to the Financial Statements, Note 9 and 10 on pages 44-47 of this report.

Economic Factors and Next Year's Budget and Rates

A large share of the Randall County population is in the Amarillo MSA and benefit from its diverse job market and solid banking industry. In 2017, there were gains in agriculture with cattle up 6%, wheat prices up 26%, and cotton fared very well with high prices and yields. The biggest strength of the year was employment with a high increase in manufacturing and utility jobs over the previous year thus leading to a stronger and more stable economy. However, a general decline in retail sales caused sales tax collections to remain flat.

Randall County remains faced with the challenge of providing needed services in a growing county while considering the financial burden on its citizens. Additional security officers for the new justice center/annex, upgrades, and additional capital expenditures for the road and bridge department was a priority in preparing Randall County's budget for the fiscal year beginning October 1, 2017 and ending September 30, 2018. After much discussion, the decision was made to leave the county property tax rate the same as the prior year.

After careful consideration regarding maintaining adequate reserves, none of the fund balance of the General Fund was needed to balance the 2018 budget.

Requests for Information

This financial report is designed to provide a general overview of Randall County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Randall County Auditor, 501 16th Street, Suite 301, Canyon, Texas 79015. The County's CAFR may also be obtained from the following website:

http://randallcounty.com/auditor/auditfinancial.html

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Component Unit
ASSETS		
Current assets:		
Cash and cash equivalents	$ 19,939,932	$ 590,192
Investments	500,000	-
Receivables (net of allowances for uncollectible):		
Taxes	377,911	-
Accounts	1,307,673	144,127
Due from other governments	1,005,446	-
Inventories	150,182	-
Prepaid items	214,404	751
Total current assets	23,495,548	735,070
Noncurrent assets:		
Capital assets:		
Land	3,096,332	71,730
Roads and bridges	12,395,330	-
Buildings and improvements	68,466,105	-
Improvements other than buildings	650,769	-
Vehicles	7,808,984	-
Furniture and equipment	15,777,320	-
Construction in progress	6,367,552	-
Intangible assets	153,430	-
Total capital assets	114,715,822	71,730
Less accumulated depreciation	(40,505,650)	-
Total noncurrent assets	74,210,172	71,730
Total assets	97,705,720	806,800
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	203,540	-
Pension contributions	1,883,522	-
Pension economic/demographic losses	33,703	-
Pension deficient earnings	5,498,845	-
Pension assumption changes	540,757	-
Total deferred outflows of resources	8,160,367	-

Continued

The notes to the financial statements are an integral part of this statement.

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

	Governmental Activities	Component Unit
Continuation		
LIABILITIES		
Current liabilities:		
Accounts payable	$ 2,444,050	$ 15,255
Accrued payroll	1,251,176	-
Unearned revenue	81,211	-
Reserve for health claims incurred	15,000	-
Bonds payable, current	2,790,000	-
Capital lease payable, current	501,241	-
Compensated absences, current	135,897	-
Accrued interest	256,930	-
Total current liabilities	7,475,505	15,255
Noncurrent liabilities:		
Bonds payable and net issuance premiums	38,653,562	-
Capital lease payable	953,622	-
Compensated absences	1,223,072	-
Net pension liability	10,002,985	-
Net other post employment benefit obligation	659,433	-
Total noncurrent liabilities	51,492,674	-
Total liabilities	58,968,179	15,255
DEFERRED INFLOWS OF RESOURCES		
Pension economic/demographic gains	1,262,158	-
Total deferred inflows of resources	1,262,158	-
NET POSITION		
Net investment in capital assets	31,258,357	71,730
Restricted for:		
Debt service	173,402	-
By enabling legislation for:		
Special projects	2,094,201	-
Capital projects	1,782,907	-
Indigent health	179,349	-
Bail bonds	43,664	-
Economic Development	-	109,973
Unrestricted	10,103,870	609,842
Total net position	$ 45,635,750	$ 791,545

The notes to the financial statements are an integral part of this statement.

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
Primary Government:						
Governmental activities:						
Administrative	$ 4,725,605	$ 1,444,033	$ 250,310	$ 133,290	$ (2,897,972)	$ -
Judicial	8,116,248	2,688,948	153,393	-	(5,273,907)	-
Elections	522,631	123,350	-	-	(399,281)	-
Financial administration	2,656,490	831,127	-	-	(1,825,363)	-
Public facilities	2,309,392	-	-	-	(2,309,392)	-
Public safety	31,108,428	7,628,254	1,136,949	78,526	(22,264,699)	-
Road and bridge	3,336,893	1,455,805	33,840	-	(1,847,248)	-
Health and welfare	235,275	4,800	-	-	(230,475)	-
Extension services	391,231	-	-	-	(391,231)	-
Interest on long-term debt	1,483,748	-	-	-	(1,483,748)	-
Total governmental activities	54,885,941	14,176,317	1,574,492	211,816	(38,923,316)	-
Total primary government	$ 54,885,941	$ 14,176,317	$ 1,574,492	$ 211,816	(38,923,316)	-
Component Unit:						
Public safety	$ 488,557	$ -	$ -	$ -		$ (488,557)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					32,806,883	-
Property taxes, levied for debt service					4,271,010	-
Mixed beverage taxes					239,609	-
Vehicle sales tax					1,818,213	-
Sales tax					-	791,267
Investment earnings					375,984	3,504
Miscellaneous					178,342	-
Gain on disposal of assets					305,065	-
Total general revenues					39,995,106	794,771
Change in net position					1,071,790	306,214
Net position, beginning					44,563,960	485,331
Net position, ending					$ 45,635,750	$ 791,545

The notes to the financial statements are an integral part of this statement.

RANDALL COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General	Youth Center of the High Plains	Randall County Justice Center/Annex	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 12,057,655	$ 605,270	$ 2,172,707	$ 2,670,644	$ 17,506,276
Investments	500,000	-	-	-	500,000
Taxes receivable, net	377,911	-	-	-	377,911
Due from other governments	701,148	304,298	-	-	1,005,446
Receivables, net	429,451	4,128	-	84,840	518,419
Inventories	143,162	7,020	-	-	150,182
Prepaid items	190,617	4,668	-	4,444	199,729
Total assets	$ 14,399,944	$ 925,384	$ 2,172,707	$ 2,759,928	$ 20,257,963
LIABILITIES					
Accounts payable	$ 945,308	$ 606,180	$ 389,800	$ 156,216	$ 2,097,504
Accrued payroll	1,038,230	182,517	-	30,429	1,251,176
Unearned revenue-other	75,586	-		5,625	81,211
Total liabilities	2,059,124	788,697	389,800	192,270	3,429,891
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	322,806	-		-	322,806
Total deferred inflows of resources	322,806	-		-	322,806
FUND BALANCES					
Nonspendable:					
Inventories	143,162	7,020	-	-	150,182
Prepaid items	190,617	4,668	-	4,444	199,729
Restricted for:					
Debt service	-	-	-	173,402	173,402
Capital projects	-	-	1,782,907	-	1,782,907
Administrative	-	-	-	469,376	469,376
Judicial	-	-	-	479,174	479,174
Elections	-	-	-	103,481	103,481
Public safety	-	-	-	1,042,170	1,042,170
Indigent health	179,349	-		-	179,349
Bail bonds	43,664	-		-	43,664
Assigned to:					
Juvenile probation	782,561	124,999	-	-	907,560
Public safety	-	-		295,611	295,611
Unassigned	10,678,661	-	-	-	10,678,661
Total fund balances	12,018,014	136,687	1,782,907	2,567,658	16,505,266
Total liabilities, deferred inflows of resources, and fund balances	$ 14,399,944	$ 925,384	$ 2,172,707	$ 2,759,928	$ 20,257,963

The notes to the financial statements are an integral part of this statement.

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

Total fund balance, governmental funds	$	16,505,266
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.		74,210,172
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		322,806
Long-term liabilities, including bonds payable, capital lease payable, accrued interest, net pension liability, net other post employment benefit obligation, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(54,973,202)
Pension losses and deficit earnings are shown as deferred outflows of resources in the government-wide financial statements:		
Pension economic/demographic losses		33,703
Pension deficient earnings		5,498,845
Pension assumption changes		540,757
Pension gains and excess earnings are shown as deferred inflows of resources in the government-wide financial statements:		
Pension economic/demographic gains		(1,262,158)
Pension contributions paid after the measurement date, December 31, 2016, and before September 30, 2017 are expensed in the governmental funds and shown as deferred outflows of resources in the government-wide financial statements:		
Pension contributions		1,883,522
The internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.		2,876,039
Net Position of Governmental Activities in the Statement of Net Position	$	45,635,750

The notes to the financial statements are an integral part of this statement.

RANDALL COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General	Youth Center of the High Plains	Randall County Justice Center/Annex	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 32,847,813	$ -	$ -	$ 4,271,010	$ 37,118,823
Sales and miscellaneous taxes	2,057,822	-	-	-	2,057,822
Licenses and fees	4,339,003	-	-	784,504	5,123,507
Fines and forfeitures	1,378,038	-	-	88,060	1,466,098
Intergovernmental	5,080,916	3,120,443	-	1,041,000	9,242,359
Interest	226,475	5,389	54,356	58,895	345,115
Miscellaneous	277,161	30,920	-	920	309,001
Total revenues	46,207,228	3,156,752	54,356	6,244,389	55,662,725
EXPENDITURES					
Current:					
Administrative	4,278,423	-	-	168,061	4,446,484
Judicial	7,464,781	-	-	290,389	7,755,170
Elections	414,496	-	-	55,803	470,299
Financial administration	2,474,676	-	-	13,169	2,487,845
Public facilities	836,045	-	29,633	-	865,678
Public safety	21,584,575	5,437,494	-	1,456,509	28,478,578
Road and bridge	2,719,799	-	-	-	2,719,799
Public services	230,755	-	-	-	230,755
Environmental protection	1,500	-	-	-	1,500
Extension service	373,635	-	-	-	373,635
Capital outlay	5,596,515	-	4,543,244	163,410	10,303,169
Debt service:					
Principal	376,876	-	-	2,785,000	3,161,876
Interest	34,664	-	-	1,423,312	1,457,976
Total expenditures	46,386,740	5,437,494	4,572,877	6,355,653	62,752,764
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(179,512)	(2,280,742)	(4,518,521)	(111,264)	(7,090,039)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	488,148	-	-	-	488,148
Proceeds from capital leases	664,484	-	-	-	664,484
Transfers in	-	2,340,290	-	280,970	2,621,260
Transfers out	(2,491,105)	(53,620)	-	(76,535)	(2,621,260)
TOTAL OTHER FINANCING SOURCES (USES)	(1,338,473)	2,286,670	-	204,435	1,152,632
NET CHANGE IN FUND BALANCES	(1,517,985)	5,928	(4,518,521)	93,171	(5,937,407)
FUND BALANCES - BEGINNING	13,535,999	130,759	6,301,428	2,474,487	22,442,673
FUND BALANCES - ENDING	$ 12,018,014	$ 136,687	$ 1,782,907	$ 2,567,658	$ 16,505,266

The notes to the financial statements are an integral part of this statement.

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

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds	$	(5,937,407)
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. This is the amount by which capital outlays exceeded depreciation in the current period.		6,834,194
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net changes in fund balance.		(183,083)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(40,929)
Internal service fund is used to account for the health self-insurance program of the County. The net income of certain activities of internal service funds is reported with governmental activities.		883,843
Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.		2,496,449
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 the governmental funds.		(2,981,277)
Change in net position of governmental activities	$	1,071,790

The notes to the financial statements are an integral part of this statement.

RANDALL COUNTY, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2017

	Governmental Activities Internal Service Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 2,433,656
Receivables	789,254
Prepaid items	14,675
Total current assets /total assets	$ 3,237,585
LIABILITIES	
Current liabilities:	
Accounts payable - claims	$ 346,546
Reserve for claims incurred but not reported	15,000
Total current liabilities/total liabilities	361,546
NET POSITION	
Unrestricted	2,876,039
Total liabilities and net position	$ 3,237,585

The notes to the financial statements are an integral part of this statement.

RANDALL COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Governmental Activities Internal Service Fund
OPERATING REVENUES	
Healthcare contributions	$ 4,478,209
Miscellaneous revenue	124,216
Total operating revenues	4,602,425
OPERATING EXPENSES	
Operating expenses	3,749,451
Total operating expenses	3,749,451
NET OPERATING INCOME	852,974
NON-OPERATING REVENUES	
Interest	30,869
CHANGE IN NET POSITION	883,843
TOTAL NET POSITION - BEGINNING	1,992,196
TOTAL NET POSITION - ENDING	$ 2,876,039

The notes to the financial statements are an integral part of this statement.

RANDALL COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from internal services provided	$ 4,192,938
Payments for claims	(2,935,076)
Payments to suppliers	(670,048)
Net cash provided by operating activities	587,814
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest from cash deposits	30,869
Net cash provided by investing activities	30,869
NET INCREASE IN CASH	618,683
CASH, BEGINNING	1,814,973
CASH, ENDING	$ 2,433,656
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net operating loss	$ 852,974
Adjustments to reconcile net operating loss to net cash flows from operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(409,487)
(Increase) decrease in prepaid expense	(2,157)
Increase (decrease) in accounts payable	146,484
Net cash provided by operating activities	$ 587,814

The notes to the financial statements are an integral part of this statement.

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

ASSETS		
Cash and cash equivalents	$	3,947,890
Accounts receivable		8,607
Total assets	$	3,956,497
LIABILITIES		
Accounts payable	$	93,848
Due to other governments		2,513,275
Deposits		1,349,374
Total liabilities	$	3,956,497

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Randall County, Texas (County) have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting and reporting policies of the County are described in the following notes to the financial statements.

A. Financial Reporting Entity

The County is a public corporation and a political subdivision of the State of Texas. The County is governed by the Commissioners' Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County provides a variety of services to advance the welfare, morale, comfort, safety and convenience of the County and its citizens.

The definition of the reporting entity is based primarily on the notion of financial accountability. The elected officials governing the County are accountable to their constituents for their public policy decisions, regardless of whether those decisions are carried out directly through the operations of the County or by their appointees through the operations of a separate entity. Therefore, the County is not only financially accountable for the organizations that make up its legal entity, but also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either, it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the County.

Depending upon the significance of the County's financial and operational relationships with various separate entities, the organizations are classified as blended or discretely presented component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

Discretely Presented Component Unit – The Randall County Assistance District #1 (District) was created in December 2011 by Commissioners' Court and supported in Texas Local Government Code Chapter 387 for the purpose of providing firefighting and fire prevention services and the promotion of economic development encompassing all of the County except for those areas within the corporate boundaries of the City of Amarillo, the City of Canyon and the City of Happy. The District is governed by the same Commissioners' Court as the County. The District receives a sales and use tax of one-half of one percent to support the District's operations. Financial information is reported in a separate column from the financial information presented for the primary government itself and presented on the Statement of Net Position and Statement of Activities. There are no separately issued financial statements for the component unit.

Related Organizations – Where the Commissioners' Court is responsible for appointing a majority of the members of a board of another organization, but the County's accountability does not extend beyond making such appointments, disclosure is made in the form of the relation between the County and such organization. Based on the foregoing criteria, the following entities are not part of the County and are not included in the accompanying financial statements:

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

A. Financial Reporting Entity – Continuation

Potter-Randall Appraisal District – The County Commissioners appoint one member to the Appraisal District Board. Funding is based on the total roll values of the participating entities. The County Commissioners have no control over budgeting or operation of the Appraisal District.

Community Supervision and Corrections Department for Potter, Randall and Armstrong Counties – The Community Supervision and Corrections Board is comprised of five District Judges, two County Court-at-Law Judges, and three County Judges. The Department is funded by the State of Texas and fees from participants. The County Commissioners have no control over budgeting, funding or other operations of this Department.

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

Government-wide Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-like activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component unit* for which the primary government is financially accountable. The County has no business-like activities, except the internal service fund.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Fines and forfeitures are recognized when they have been assessed and adjudicated and earned. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Activities demonstrates the degree to which the direct expenses of the County's programs are offset by those programs' revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the program and 2) grants and contributions that are restricted to meeting the operational and/or capital requirements of a particular program. Taxes and other items not included among program revenue are reported instead as *general revenue*. In miscellaneous general revenues are non-program specific contributions including capital assets contributions.

Fiduciary funds are excluded in the government-wide presentation of the financial statements.

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

B. Financial Statement Presentation, Measurement Focus and Basis of Accounting – Continuation

Fund-level Statements

All governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes and other revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on governmental long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Grant and entitlement revenues are also susceptible to accrual. These funds are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds, including internal service and fiduciary funds, including agency funds, are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses. These funds are accounted for using an economic resources measurement focus. The agency funds are custodial in nature and involve no measurement of results of operations.

The accounts of the County are organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

Funds are classified into three categories: Governmental, Proprietary and Fiduciary.

The County reports the following major governmental funds:

General Fund – The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Youth Center of the High Plains – The ***Youth Center of the High Plains Special Revenue Fund*** accounts for billings to other counties for juvenile care services. The revenue is used to operate a juvenile detention center.

Randall County Justice Center / Annex – The ***Randall County Justice Center / Annex Fund*** accounts for bond proceeds which are to be used for the construction of the new Amarillo annex.

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

B. Financial Statement Presentation, Measurement Focus and Basis of Accounting – Continuation

Additionally, the County reports the following fund types:

Special Revenue Funds – ***Special Revenue Funds*** account for the proceeds of specific revenue sources (other than fiduciary funds) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – ***Capital Projects Funds*** account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund – The ***Debt Service Fund*** accounts for the accumulation and disbursement of resources associated with the County's debt obligations. Property taxes and interest income provide the resources necessary to pay the annual principal and interest payments.

Internal Service Fund – The ***Internal Service Fund*** accounts for the financing of services provided by one department to other departments of the County on a cost-reimbursement basis. The Health Self-Insurance program of the County is accounted for as an Internal Service Fund.

Agency Funds – ***Agency Funds*** account for assets received by the governmental unit in its capacity as trustee or agent for the County, other governmental entities or individuals. The receipts and disbursements of such funds are governed by the terms of the statutes, ordinances, regulations or other authority. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The County's ***Agency Funds*** consist of amounts collected by the individual County fee offices for state court costs, state vehicle registration fees, victim restitution payments, merchant hot check fees, inmate trust funds, and District and County Clerk trust beneficiaries.

All of the County's fiduciary funds are agency funds and are reported in the agency fund financial statements. However, because their assets are held in a trustee or agent capacity and therefore not available to support County programs, these funds are not included in the government-wide statements.

C. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, government securities, money market funds, and the Texas Local Government Investment Pool. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

The County records investments at fair value in accordance with provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. All investment income is recognized as revenue in the appropriate fund's statement of revenues, expenditures and changes in fund balance. Deposit and Investment Risk Disclosures are in accordance with GASB Statement No. 40.

The County is required by Government Code Chapter 2256, The Public Funds Investment Act ("Act"), to adopt, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management, and include a list of the types of authorized investments in which the investing entity's funds may be invested, and the maximum allowable stated maturity of any individual investment owned by the entity.

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

C. Deposits and Investments - Continuation

The Act requires an annual audit of investment policies. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the area of investment practices, management has established and reports appropriate policies. The County adheres to the requirements of the Act. Additionally, investment practices of the County are in accordance with local policies.

D. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible. The property tax receivable allowance is equal to 25 percent of outstanding property taxes at September 30, 2017.

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

Payables consist of vendor obligations for goods and services and funds payable to others when the criteria for their release have been met.

E. Inventories and Prepaid Items

Inventories, which consist of road materials, fuel, and food, are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The County uses the consumption method to record its prepaid items which requires reporting these items as assets and deferring the recognition of expenditures until the period in which prepaid items are used or consumed. In the fund financial statements, they are offset by a designation of non-spendable fund balance which indicates they do not represent “available spendable resources”.

F. Inter-fund Transactions

During the course of normal operations, the County has many transactions between funds. The accompanying fund level financial statements reflect as transfers the resources provided and expenditures used to provide services, construct assets and meet employee health claims in excess of budgeted amounts. Inter-fund services provided and used are not eliminated in the government-wide presentation. The effect of all other inter-fund activity has been eliminated in the government-wide financial statements.

G. Capital Assets

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

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

G. Capital Assets – Continuation

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.

Buildings, plant, equipment and infrastructure are depreciated using the straight-line method over the following useful lives:

Assets	Years
Infrastructure (roads and bridges)	20 – 40
Buildings and improvements	10 – 50
Vehicles	6 – 12
Furniture and equipment	5 – 15

H. Deferred Outflows/Inflows of Resources

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 government reports the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Additionally, the government reports deferred amounts related to the pension plan reported in the government-wide statement of net position. These deferred amounts include pension contributions, economic/demographic losses, and deficient earnings.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. Compensated absences are reported in the governmental funds only if they have matured. Vacation and sick leave are accrued when incurred in the government-wide financial statements.

J. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

J. Long-term Obligations – Continuation

bond premium or discount. Bond issuance costs are expensed as incurred. The County has no business-type activities, except the internal service fund.

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 withheld from the actual debt proceeds received are reported as debt service expenditures.

K. Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's Texas County and District Retirement System Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

L. Government-wide Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three categories.

Net Investment in Capital Assets – This amount 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.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, or constitutional provisions.

Unrestricted Net Position – This amount includes all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

M. Governmental Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

Non-spendable Fund Balance – includes amounts that are (a) not in spendable forms, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.

Continued

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continuation

M. Governmental Fund Balances – Continuation

Committed Fund Balance – includes amounts that can only be established, modified, or rescinded by a formal action of the County's highest level of decision-making authority, the Commissioners' Court.

Assigned Fund Balance – includes amounts intended to be used by the County for specific purposes that are neither restricted nor committed. The Commissioners' Court has the authority to determine and designate the purpose for fund balance to be assigned.

Unassigned Fund Balance – this classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

N. Fund Balance Policies

When the County incurs an expenditure for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first, then unrestricted funds. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Committed fund balance amounts may be used for other purposes with appropriate action by the Commissioners' Court to either modify or rescind a fund balance commitment. Commitments are typically done through adoption and amendment of the budget.

The County's highest level of decision-making authority is the Commissioners' Court. The Court has not yet delegated the authority to assign fund balance amounts to a specific individual nor does it have a policy to authorize the assignment of fund balance outside the Court.

O. Funds Balances Restricted

Restricted Fund Balances:

1) Administrative – management, preservation, restoration and technology requirements of public records
2) Judicial – management, preservation and technology requirements for district courts and probation records
3) Elections – for contracted elections for various municipalities and schools as allowed by the Secretary of State
4) Public safety – personnel and equipment for jail and courthouse security
4) Indigent Health – County Indigent Health Plan participation in the State reimbursed program for indigents
5) Bail Bonds – provide organization and training of the Bail Bond Board

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds and capital lease payable	$	(42,898,425)
Accrued interest payable		(256,930)
Deferred charge on refunding		203,540
Net pension liability		(10,002,985)
Net other post employment benefit obligation		(659,433)
Compensated absences		(1,358,969)
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	$	(54,973,202)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	$	10,303,169
Depreciation expense		(3,468,975)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	6,834,194

Another element of that reconciliation states, "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net changes in fund balance." The details of this difference are as follows:

Proceeds from disposal of assets	$	(488,148)
Gain on disposal of assets		305,065
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	(183,083)

Continued

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – Continuation

Another element of that reconciliation states, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this are as follows:

Property tax	$	(40,929)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	(40,929)

Another element of that reconciliation states, "Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is expenditure in the governmental funds, but reduces the liability in the Statement of Net Position." Neither transaction, however, has any effect on net position. The details of this difference are as follows:

Debt Issued:		
Capital leases	$	(664,484)
Proceeds from capital leases		
Repayment of principal		3,161,876
Amortization of bonds premium		25,040
Amortization of refunding charge		(25,983)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	2,496,449

Another element of that reconciliation states, "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." The details of this difference are as follows:

Change in estimated liability for compensated absences	$	(75,012)
Change in accrued interest		(24,829)
Change in net pension liability		(294,201)
Change in deferred outflows of resources - pension contributions		125,339
Change in deferred outflows of resources - pension economic/demographic losses		(16,852)
Change in deferred outflows of resources - pension economic/demographic gains		(1,106,779)
Change in deferred outflows of resources - pension deficient earnings		(1,275,939)
Change in deferred outflows of resources - assumption changes		(180,252)
Change in net other post employment benefit obligation		(132,752)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	(2,981,277)

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for the General Fund, Youth Center of the High Plains, Randall County Justice Center / Annex, County Clerk Archive, County Clerk Preservation, County Clerk Records Management, County Clerk Technology, County Records Management, Criminal District Attorney Check Collection/Disbursement, Criminal District Attorney Forfeiture, Criminal District Attorney State Deposits, District Clerk AGC IV – D, District Clerk Archive, District Clerk Preservation, District Clerk Records Management, District Clerk Technology, Election, Jail Commissary, Justice Center & Courthouse Security, Justice of the Peace Security, Justice of the Peace #1 Technology, Justice of the Peace #4 Technology, Juvenile Probation Department, Law Library, Next Step, Pre-Trial Diversion, Sheriff's Forfeiture, Tax Assessor/Collector Motor Vehicle Inventory Tax, Unclaimed Property, Juvenile Center Improvement, and Debt Service. All annual appropriations lapse at fiscal year-end.

Prior to the beginning of the fiscal year, the County prepares a budget for the next succeeding fiscal year. The budget includes proposed expenditures and the means of financing them. Meetings of the Commissioners' Court are held to discuss the proposed budget. These meetings are open to public discussion and require at least ten days' notice of the meeting.

The appropriated budget is prepared by fund and department on the category level. Transfers of appropriations between department, fund and category require the approval of the Commissioners' Court. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the category level. Supplemental budgetary appropriations in other funds were not considered material.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. The County had no outstanding encumbrances at year-end.

NOTE 4 – DEPOSITS AND INVESTMENTS

The County's demand deposits and bank certificates of deposit are fully covered by collateral held in the County's name by the County's agents. The County's collateral agreements require the market value of securities held by its agents to exceed the total amount of cash and investments held at depository banks at all times.

A reconciliation of cash, as shown in the Governmental Funds, Internal Service Fund and Agency Funds Balance Sheets for the primary government is as follows:

Cash on hand - governmental funds	$	13,900
Carrying amount of bank deposits - governmental funds (0.47% interest rate)		8,095,030
Carrying amount of TexPool deposits - governmental funds (0.29% interest rate)		210,650
Carrying amount of Texas CLASS deposits - governmental funds (0.62% interest rate)		9,186,696
Total governmental funds		17,506,276
Carrying amount of bank deposits - internal service funds		2,433,655
Total internal service funds		2,433,655
Carrying amount of bank deposits - agency funds		3,947,890
Total agency funds		3,947,890
Total	$	23,887,821

The County's investment policies are in accordance with the laws of the State of Texas. The policies identify authorized investments and investment terms, collateral requirements and safekeeping requirements for collateral.

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

Investment Type	Fair Value	Weighted Average Maturity (Days)
Governmental activities		
Certificates of deposit (interest rates from 1.45% - 1.60%)	$ 500,000	
Total fair value	$ 500,000	
Portfolio weighted average maturity		456

Interest Rate Risk

In accordance with its investment policy, the County minimizes the risk of loss due to interest rate fluctuations by limiting the weighted average of its operating fund portfolio to less than 270 days. The maximum allowable maturity shall be no longer than two years.

Continued

NOTE 4 – DEPOSITS AND INVESTMENTS – Continuation

Credit Risk

The County is authorized by statute and by depository contract to invest in obligations of the United States of America, direct obligations of the State of Texas, obligations of state agencies, counties, cities, and other political subdivisions of any state having been rated not less than "A" or its equivalent, certificates of deposit issued by state and national banks that are guaranteed insured or secured by obligations described above having a market value of not less than 110% of the principal amount of the certificates, money market mutual funds regulated by the SEC with a dollar weighted average portfolio maturity of 90 days or less and eligible investment pools organized and operating in compliance with the Public Funds Investment Act that have been approved by the Commissioners' Court.

As of September 30, 2017 the County had $210,650 and $9,186,696 invested with the Texas Treasury Safekeeping Trust Company (TexPool) and the Texas Cooperative Liquid Assets Securities System (Texas CLASS), respectively. The Interlocal Cooperation Act, chapter 791 of the Texas Government Code, and the Public Funds Investment Act, chapter 2256 of the Texas Government Code, provide for the creation of public funds investment pools, such as TexPool and Texas CLASS, through which political subdivisions and other entities may invest public funds.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure.

Texas CLASS is a local government pool emphasizing safety, liquidity, convenience, and competitive yields. Since 1966, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. The pool is governed by a board of trustees, elected annually by its participants.

Both investment pools use amortized cost to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. TexPool and Texas CLASS do not place any limitations or restrictions such as notice periods or maximum transaction amounts, on withdrawals. Both pools have a credit rating of AAAm from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principle. TexPool and Texas CLASS each invest in a quality portfolio of debt securities investments that are legally permissible for local governments in the state.

Concentrations of Credit Risk

The County's policy is to limit the investments in obligations of states, agencies, counties, cities, and other political subdivisions of any state to 50% of the County's portfolio.

Custodial Credit Risk

In accordance with State and County investment policies, County investments are insured, registered, or securities held by the County's agent are in the name of the County.

NOTE 5 – RECEIVABLES

Receivables as of year-end for the County's general, other major and non-major governmental and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Other Governmental	Internal Service Fund	Total
Receivables:				
Accounts	$ 59,507	$ 74,872	$ 789,254	$ 923,633
Fines and fees	18,585,734	130,373	-	18,716,107
Gross receivables	18,645,241	205,245	789,254	19,639,740
Less: allowance for uncollectible	18,215,790	116,277	-	18,332,067
Net total accounts receivable, net	$ 429,451	$ 88,968	$ 789,254	$ 1,307,673

Governmental funds report *deferred inflows of resources* 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 fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were for delinquent property taxes receivable and miscellaneous unearned revenues.

NOTE 6 – INTER-FUND TRANSFERS

	Inter-fund Transfers In	Inter-fund Transfers Out
General Fund (1)	$ -	$ 2,491,105
Special Revenue Funds:		
County Records Management	17,000	-
Courthouse and Justice Center Security	205,000	-
Criminal District Attorney Check Collection/Disbursement (2)	5,350	-
Criminal District Attorney State Deposits	-	5,350
Juvenile Probation Department (3)	-	71,185
Youth Center of the High Plains (4)	2,340,290	53,620
Capital Projects Funds:		
Juvenile Center Improvement (4)	53,620	-
	$ 2,621,260	$ 2,621,260

Continued

NOTE 6 – INTER-FUND TRANSFERS – Continuation

Transfers are: 1) the use of property tax revenues in the General Fund to provide supplemental operating support for the Juvenile and Courthouse Security Funds, 2) for supplemental transfer from the Criminal District Attorney's hot check collections to fund salary and fringe benefits not fully funded by the state, 3) Juvenile Probation revenues from state grants transferred to the County's Youth Center for salaries and operating costs, 4) Youth Center sets aside funds in the Juvenile Center Improvement Fund for future maintenance improvements.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 3,096,332	$ -	$ -	$ -	$ 3,096,332
Construction in progress	1,757,170	4,695,632	-	(85,250)	6,367,552
Intangible assets	153,430	-	-	-	153,430
Total capital assets not being depreciated	5,006,932	4,695,632	-	(85,250)	9,617,314
Capital assets, being depreciated:					
Infrastructure (roads and bridges)	12,131,219	302,246	(38,135)	-	12,395,330
Buildings and improvements	68,466,105	-	-	-	68,466,105
Improvements other than buildings	650,769	-	-	-	650,769
Vehicles	7,323,786	1,445,583	(908,215)	(52,170)	7,808,984
Furniture and equipment	12,929,641	3,859,708	(1,149,449)	137,420	15,777,320
Total capital assets being depreciated	101,501,520	5,607,537	(2,095,799)	85,250	105,098,508
Less accumulated depreciation:					
Infrastructure (roads and bridges)	(10,699,592)	(227,679)	22,810	-	(10,904,461)
Buildings and improvements	(15,951,108)	(1,381,293)	-	-	(17,332,401)
Improvements other than buildings	(160,543)	(39,287)	-	-	(199,830)
Vehicles	(4,426,893)	(737,535)	887,036	-	(4,277,392)
Furniture and equipment	(7,711,255)	(1,083,181)	1,002,870	-	(7,791,566)
Total accumulated depreciation	(38,949,391)	(3,468,975)	1,912,716	-	(40,505,650)
Total capital assets, being depreciated, net	62,552,129	2,138,562	(183,083)	85,250	64,592,858
Governmental activities capital assets, net	$ 67,559,061	$ 6,834,194	$ (183,083)	$ -	$ 74,210,172

Continued

NOTE 7 – CAPITAL ASSETS – Continuation

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

Governmental activities:		
Administrative	$	186,422
Judicial		35,795
Elections		27,298
Financial administration		15,603
Public facilities		1,439,510
Public safety		1,182,435
Road and bridge		573,790
Extension services		8,122
Total depreciation expense - governmental activities	$	3,468,975

	Beginning Balance	Increases	Decreases	Transfers/ Reclassifications	Ending Balance
Component Unit:					
Capital assets, not being depreciated:					
Land	$ 71,730	$ -	$ -	$ -	$ 71,730
Total capital assets not being depreciated	71,730	-	-	-	71,730
Component Unit capital assets, net	$ 71,730	$ -	$ -	$ -	$ 71,730

The County has active construction projects as of September 30, 2017. The projects are as follows:

The County has begun renovating the recently acquired building for a new annex in Amarillo, and has begun the acquisition of a new Justice of the Peace software system. Costs spent to date totaled $6,367,552 and the remaining estimated commitment is $1,680,487 for the annex.

NOTE 8 – LEASES

Capital Lease

The County has entered into four capital leases for mobile communication systems, an armored vehicle, road and bridge equipment, and a Robotex Avatar III Robot. The obligations under capital lease have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at an interest rate of 2.89%, 3.24%, 2.975% and 0% respectively. The cost of the equipment financed by these capital lease obligations is $3,030,852 and accumulated depreciation of $970,332.

Continued

NOTE 8 – LEASES – Continuation

Commitments under capitalized lease and asset purchase agreements for mobile communication systems an armored vehicle, road and bridge equipment, and a Robotex Avatar III Robot provide for minimum future rental payments as of September 30, 2017, as follows:

Year Ending September 30,	
2018	542,027
2019	542,027
2020	202,587
2021	130,657
2022	130,657
Total future minimum lease payments	1,547,955
Less amount representing interest	93,092
Future Minimum Payments	$ 1,454,863

NOTE 9 – GENERAL OBLIGATION AND CERTIFICATES OF OBLIGATION BONDS

During the year ended September 30, 2009, the County issued $11,300,000 of Certificates of Obligation, Series 2009 to provide resources for the purposes of paying contractual obligations incurred for constructing, renovating and equipping new pods at the County's jail facilities and administrative offices at the Randall County Finance Building. Principal payments on the Certificates of Obligation, Series 2009 are made annually, each August 1 with interest payments made semi-annually, each February 1 and August 1 until maturity on August 1, 2029. Interest rates range from 2.00% to 4.70% on the Certificates of Obligation, Series 2009.

During the year ended September 30, 2010, the County issued $9,200,000 of Certificates of Obligation, Series 2010 to provide resources for the purposes of paying contractual obligations incurred for constructing, renovating and equipping new pods at the Youth Center of the High Plains, the 1909 Courthouse, and at the Randall County Finance Building. Principal payments on the Certificates of Obligation, Series 2010 are made annually, each August 1 with interest payments made semi-annually, each February 1 and August 1 until maturity on August 1, 2029. Interest rates range from 2.25% to 4.20% on the Certificates of Obligation, Series 2010.

During the year ended September 30, 2014, the County issued $5,715,000 of Certificates of Obligation, Series 2013 to provide resources for the purposes of paying contractual obligations incurred for acquiring, renovating, and equipping the Multi-Purpose Building, to acquire land for county parking facilities, and renovate elevators for the Randall County Finance Building. Principal payments on the Certificates of Obligation, Series 2013 are made annually, each August 1 with interest payments made semi-annually, each February 1 and August 1 until maturity on August 1, 2034. Interest rates range from 2% to 4% on the Certificates of Obligation, Series 2013.

Continued

NOTE 9 – GENERAL OBLIGATION BONDS – Continuation

During the year ended September 30, 2016, the County issued $8,685,000 of Certificates of Obligation, Series 2016 to provide resources for the purposes of paying contractual obligations incurred for acquiring, renovating, and equipping the Randall County Justice Center/Annex. Principal payments on the Certificates of Obligation, Series 2016 are made annually, each August 1 with interest payments made semi-annually, each February 1 and August 1 until maturity on August 1, 2036. Interest rates range from 2% to 4% on the Certificates of Obligation, Series 2016.

Advance Refunding

During the year ended September 30, 2014, the County issued $3,615,000 of General Obligation Refunding Bonds, Series 2013 with an interest rate of 2.8%. The proceeds were used to advance refund $3,255,000 of outstanding Certificates of Obligations, Series 2005 which had interest rates ranging from 3.5% to 5.0%. The net proceeds of $3,558,145 (after payment of $56,855 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the Certificates of Obligation, Series 2005 are considered defeased and the liability for those bonds has been removed from the statement of net position. Principal payments on the General Obligation Refunding Bonds, Series 2013 are made annually each August 1 with interest payments being made semi-annually each February 1 and August 1 until maturity on August 1, 2025. The County will levy ad valorem tax for the payments of the principal and interest.

The reacquisition price exceeded the net carrying amount of the old debt by $303,145. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. The County advanced refunded the Certificates of Obligation, Series 2005 to reduce its total debt service payments over eleven years by $316,986 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new debt) of $270,108.

During the year ended September 30, 2015, the County issued $8,450,000 of General Obligation Refunding Bonds, Series 2015 with an interest rate of 1.49%. The proceeds were used to advance refund $2,630,000 of outstanding Certificates of Obligations, Series 2005 which had interest rates ranging from 3.5% to 5.0% and $5,740,000 of General Obligation Refunding, Series 2005 which had interest rates ranging from 3.25% to 5.0%. There were no additional proceeds after payment of $80,000 in underwriting fees and other issuance costs. As a result, a portion of the Certificates of Obligation, Series 2005 and General Obligation Refunding, Series 2005 are considered defeased and the liability for those bonds has been removed from the statement of net position. Principal payments on the General Obligation Refunding Bonds, Series 2015 are made annually each August 1 with interest payments made semi-annually, each February 1 and August 1 until maturity on August 1, 2021. The County will levy ad valorem tax for the payments of the principal and interest.

The County advanced refunded the Certificates of Obligation, Series 2005 and General Obligation Refunding, Series 2005 to reduce its total debt service payments over six years by $588,507 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new debt) of $561,359.

Continued

NOTE 9 – GENERAL OBLIGATION BONDS – Continuation

The annual requirements to amortize all debt outstanding as of September 30, 2017, are as follows:

Years Ending September 30,	Total	Certificates of Obligation Series 2009 Principal	Certificates of Obligation Series 2009 Interest	Certificates of Obligation Series 2010 Principal	Certificates of Obligation Series 2010 Interest	General Obligation Refunding Bonds Series 2013 Principal	General Obligation Refunding Bonds Series 2013 Interest
2018	$ 4,165,112	$ 105,000	$ 482,256	$ 60,000	$ 353,678	$ 35,000	$ 96,040
2019	4,161,458	165,000	478,056	1,030,000	351,728	35,000	95,060
2020	4,158,505	170,000	471,456	1,070,000	318,253	35,000	94,080
2021	3,690,678	175,000	464,656	635,000	275,453	630,000	93,100
2022	3,789,384	750,000	457,656	660,000	250,053	645,000	75,460
2023-2027	18,991,712	5,740,000	1,747,279	3,765,000	830,263	2,050,000	115,920
2028-2032	10,469,197	3,630,000	256,464	1,735,000	109,403	-	-
2033-2036	2,996,978	-	-	-	-	-	-
Total	$ 52,423,024	$ 10,735,000	$ 4,357,823	$ 8,955,000	$ 2,488,831	$ 3,430,000	$ 569,660

Certificates of Obligation Series 2013 Principal	Certificates of Obligation Series 2013 Interest	General Obligation Refunding Bonds Series 2015 Principal	General Obligation Refunding Bonds Series 2015 Interest	Certificates of Obligation Series 2016 Principal	Certificates of Obligation Series 2016 Interest
$ 235,000	$ 163,800	$ 2,015,000	$ 67,423	$ 340,000	$ 211,915
240,000	159,100	1,020,000	37,399	345,000	205,115
245,000	154,300	1,030,000	22,201	350,000	198,215
250,000	149,400	460,000	6,854	360,000	191,215
255,000	144,400	-	-	375,000	176,815
1,400,000	584,625	-	-	2,070,000	688,625
1,665,000	319,600	-	-	2,370,000	383,730
750,000	43,350	-	-	2,090,000	113,628
$ 5,040,000	$ 1,718,575	$ 4,525,000	$ 133,877	$ 8,300,000	$ 2,169,258

NOTE 10 – LONG TERM DEBT

Change in long-term debt is summarized below:

	Balance October 1, 2016	Additions	Retirements	Balance September 30, 2017	Due Within One Year
Certificates of Obligation, Series 2009	$ 10,835,000	$ -	$ (100,000)	$ 10,735,000	$ 105,000
Certificates of Obligation, Series 2010	9,015,000	-	(60,000)	8,955,000	60,000
General Obligation Refunding, Series 2013	3,460,000	-	(30,000)	3,430,000	35,000
Certificates of Obligation, Series 2013	5,270,000	-	(230,000)	5,040,000	235,000
General Obligation Refunding, Series 2015	6,505,000	-	(1,980,000)	4,525,000	2,015,000
Certificates of Obligation, Series 2016	8,685,000	-	(385,000)	8,300,000	340,000
Deferred issuance premiums	483,602	-	(25,040)	458,562	-
Total bonds payable	44,253,602	-	(2,810,040)	41,443,562	2,790,000
Capital lease obligation	1,167,255	664,484	(376,876)	1,454,863	501,241
Estimated liability for compensated absences	1,283,957	1,726,378	(1,651,366)	1,358,969	135,897
Net pension liability	9,708,784	294,201	-	10,002,985	-
Net other post employment benefit obligation	526,681	132,752	-	659,433	-
Total	$ 56,940,279	$ 2,817,815	$ (4,838,282)	$ 54,919,812	$ 3,427,138

The County paid interest expense of $1,457,976 during the year ended September 30, 2017.

The OPEB liability is estimated using the actuarial methods and assumptions as further described in Note 16. Typically, the General Fund has been used to liquidate the OPEB liability.

NOTE 11 – COMPENSATED ABSENCES

Regular full-time employees are entitled to vacations of up to 32 days per year based on years of service. Vacation time earned, but not taken, of up to one week may be carried beyond one anniversary year and paid at termination. Sick leave is eligible for up to five (5) days buyout annually and any unused balance is forfeited at termination. Those eligible for retirement are eligible to receive 50% of their Sick Leave balance, at retirement, not to exceed 160 hours. Compensatory time is limited and if not used, it is paid as overtime. Holiday hours are due to be paid within twelve months.

Also for the governmental activities, compensated absences are generally liquidated by the General Fund.

NOTE 12 – RISK MANAGEMENT

The County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, errors and omissions and personnel risks which relate to workers' compensation. The County provides for the management of risks through a combination of self-insurance and traditional insurance. Amounts of coverage for the above types of risk have not been subject to a significant reduction in the past year. The amounts of settlements have not exceeded insurance coverage for the past three fiscal years.

NOTE 13 – HEALTH INSURANCE

The County has maintained a partially self-insured employee health insurance benefit plan for County employees for the 21 years ended September 30, 2017. The Plan accumulates resources to pay the insured healthcare costs for the County employees and their covered dependents and was established with the intent to provide appropriate healthcare insurance to employees and minimize total health insurance cost to the County.

The Plan activities are carried on and accounted for in the Healthcare Insurance Fund, an Internal Service Fund.

The County provided $650 per month for each employee to utilize the insurance coverage for the employee. Employees are required to contribute $25 per month to utilize the employee coverage. Employees may authorize payroll withholding to pay for premium cost for dependent coverage.

The health insurance premiums are paid to the Healthcare Insurance Fund. These inter-fund transactions are treated as operating expenditures by the General Fund as it makes the aggregate premium payments. These premiums are treated as operating revenue by the Healthcare Insurance Fund as they are received or accrued.

A third-party Plan Administrator processes claims and pays bills weekly, gathers experience and cost data, and makes tentative premium calculation using the experience and cost factors it has developed. The administrative fees paid to the Plan Administrator and the services provided by the Administrator are provided by contractual agreement.

Oversight of the Plan is provided by the Healthcare Insurance Committee made up of two of the County Commissioners and various County employees. The Committee makes recommendations to the Commissioners' Court for funding, procedural and coverage changes for the Plan on an annual basis. In 2008, a health care consultant was hired by the Committee to assist with this process.

During the current year, the self-funded Healthcare Insurance Fund had stop-loss coverage in effect for all claims per individual exceeding $100,000 and for an aggregate loss of $1,000,000. This stop-loss insurance coverage is provided by Voya Insurance Company. Voya Insurance Company is a commercial insurer licensed to do business in Texas in accordance with the Texas Insurance Code. The Plan purchases "15/12 month" insurance, re-insurance, and stop-loss insurance to provide protection for claims, or losses, arising in one insurance period that must be paid in the following insurance period.

Continued

NOTE 13 – HEALTH INSURANCE – Continuation

Changes in the Healthcare Insurance Fund's claims liability were as follows:

Balance 10/1/2016	Incurred Claims	Claim Payments	Balance 9/30/2017
$ 200,062	$ 2,935,076	$ 2,788,593	$ 346,545

NOTE 14 – RETIREMENT PLAN

Plan Description

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

Benefits Provided

The Plan provisions are adopted by the governing body of the County (employer), within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the Plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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 that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financial monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Continued

NOTE 14 – RETIREMENT PLAN – Continuation

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	193
Inactive employees entitled to but not yet receiving benefits	365
Active employees	506

Contributions

The County has elected the annually determined contribution rate (ADCR) Plan provisions of the TCDRS Act. The Plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually.

The County contributed using the actuarially determined rate of 9.94% for calendar year 2017, and 9.67% for calendar year 2016. The contribution rate payable by the employee members is 7.0% for fiscal year 2017 as adopted by the governing body of the County. The employee contribution rate and the employer contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the key assumptions and methods used in this analysis:

Inflation	3.00%
Salary increases	General wage inflation component of 3.5% and a merit, promotion and longevity component that on average approximates 1.4% per year for career employees.
Investment rate of return	8.0%
Cost-of-living adjustments	Cost-of-living adjustments for Randall County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

Continued

NOTE 14 – RETIREMENT PLAN – Continuation

Mortality rates were based on the RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.

The actuarial assumptions that determined the total pension liability as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB 68.

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 2016 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

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

Continued

NOTE 14 – RETIREMENT PLAN – Continuation

Discount Rate

The discount rate used to measure the total pension liability was 8.10%. The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.

2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

Therefore, if plan investments in a given future year are greater than projected benefit payments in that year and are invested such that they are expected to earn the long-term rate of return, the discount rate applied to projected benefit payments in that year should be the long-term expected rate of return on plan investments. If future years exist where this is not the case, then an index rate reflecting the yield on a 20-year, tax-exempt municipal bond should be used to discount the projected benefit payments for those years.

The determination of a future date when plan investments are not sufficient to pay projected benefit payments is often referred to as a depletion date projection. A depletion date projection compares projections of the pension plan's fiduciary net position to projected benefit payments and aims to determine a future date, if one exists, when the fiduciary net position is projected to be less than projected benefit payments. If an evaluation of the sufficiency of the projected fiduciary net position compared to projected benefit payments can be made with sufficient reliability without performing a depletion date projection, alternatives methods to determine sufficiency may be applied.

In order to determine the discount rate to be used by the employer we have used an alternative method to determine the sufficiency of the fiduciary net position in all future years. Our alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

1. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods.

2. Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.

3. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.

4. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Continued

NOTE 14 – RETIREMENT PLAN – Continuation

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 8.10%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

Changes in the Net Pension Liability / (Asset)

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2015	$ 95,533,166	$ 85,824,382	$ 9,708,784
Changes for the year:			
Service cost	3,692,616	-	3,692,616
Interest on total pension liability (1)	7,742,132	-	7,742,132
Effect of plan changes (2)	339,421	-	339,421
Effect of economic/demographic gains or losses	(1,432,030)	-	(1,432,030)
Effect of assumptions changes or inputs	-		-
Refund of contributions	(419,008)	(419,008)	-
Benefit payments	(3,513,671)	(3,513,671)	-
Administrative expenses	-	(69,153)	69,153
Member contributions	-	1,772,265	(1,772,265)
Net investment income	-	6,347,752	(6,347,752)
Employer contributions	-	2,444,753	(2,444,753)
Other (3)	-	(447,679)	447,679
Balances as of December 31, 2016	$ 101,942,626	$ 91,939,641	$ 10,002,985

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) No plan changes valued.

(3) Relates to allocation of system-wide items.

Sensitivity of the Net Pension Liability / (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, as well as what the County's net pension liability / (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

Continued

NOTE 14 – RETIREMENT PLAN – Continuation

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	$ 115,865,356	$ 101,942,626	$ 90,426,619
Fiduciary net position	91,939,641	91,939,641	91,939,641
Net pension liability / (asset)	$ 23,925,715	$ 10,002,985	$ (1,513,022)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

Pension Expense / (Income)

	January 1, 2016 to December 31, 2016
Service cost	$ 3,692,616
Interest on total pension liability (1)	7,742,132
Effect of plan changes	339,421
Administrative expenses	69,153
Member contributions	(1,772,265)
Expected investment return net of investment expenses	(6,942,543)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(308,399)
Recognition of assumption changes or inputs	180,252
Recognition of investment gains or losses	1,870,729
Other (2)	447,679
Pension expense / (income)	$ 5,318,775

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Relates to allocation of system-wide items.

Continued

NOTE 14 – RETIREMENT PLAN – Continuation

Deferred Inflows / Outflows of Resources

As of December 31, 2016, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 1,262,158	$ 33,703
Changes of assumptions	-	540,757
Net difference between projected and actual earnings	-	5,498,845
Contributions made subsequent to measurement date	N/A	1,883,522

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended December 31:	
2017	$ 1,742,582
2018	1,742,582
2019	1,493,430
2020	(167,448)
2021	-
Thereafter	-
Total	$ 4,811,146

NOTE 15 – POSTEMPLOYMENT DEFINED BENEFIT GROUP TERM LIFE INSURANCE PLAN

Plan Description

Randall County, Texas participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County & District Retirement System (TCDRS). This plan is referred to as the Group Term Life Fund (GLTF). This optional plan provides group term life insurance coverage to current eligible employees.

The Group Term Life Fund (GTLF) is a separate trust administered by the TCDRS board of trustees. TCDRS issues a public available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the GTLF. This report is available at www.tcdrs.org. TCDRS' CAFR may also be obtained by writing to the Texas County & District System, P.O. Box 2034, Austin, TX 78768-2034, or by calling 800-823-7782.

Continued

NOTE 15 – POSTEMPLOYMENT DEFINED BENEFIT GROUP TERM LIFE INSURANCE PLAN – Continuation

Funding Policy

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. Randall County, Texas contributions to the GTLF for the year ended September 30, 2017, 2016, and 2015, were $40,494, $42,425, and $40,679, respectively, which equaled the contractually required contributions each year.

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The County provides other post-employment benefits (OPEB) to all of its full-time employees through a single-employer self-funded medical plan. The Randall County Healthcare Plan provides that an employee who meets the retirement eligibility requirements of the Texas County and District Retirement System, and who leaves the employ of the County may, upon retirement, elect to remain on the County's group medical and dental plan, as well as to continue existing spouse and dependent coverage. Coverage ceases for the member, the spouse and dependents upon the member becoming eligible for Medicare at age 65. Retirees and their spouse and/or dependents covered by the Randall County Healthcare Plan are eligible for the same health and dental care benefits as active employees, as described in the current health care manual. As of September 30, 2017 there are ten retirees, two spouses, and one dependent with post-employment health insurance benefits.

Funding Policy

The funding requirements of the health plan are established and may be amended by the Randall County Commissioners' Court (Court) whose authority has been assigned by Texas Local Government Code Section 157.102. The County funds the cost associated with OPEB on a current "pay as you go" basis for a single fiscal year through an annual appropriation authorized by the Court during the County's annual budget adoption process. Premiums are determined annually by estimating the amount needed to cover projected claims. The retiree contributes 100% of the total monthly premium prescribed in the current health plan for active employees and their spouse and/or dependents.

Annual OPEB Cost

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Continued

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – Continuation

The annual OPEB cost for the fiscal year ending September 30, 2017, is as follows:

Annual required contribution	$ 150,617
Interest on OPEB obligation	21,067
Adjustment to ARC	(20,523)
Annual OPEB cost (expense) end of year	151,161
Net estimated employer contributions	(18,409)
Increase in net OPEB obligation	132,752
Net OPEB obligation (asset) - beginning of year	526,681
Net OPEB obligation (asset) - end of year	$ 659,433

The County's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2017 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
September 30, 2015	$ 170,482	$ 14,573	8.5 %	$ 363,312
September 30, 2016	146,605	(16,764)	(11.4)	526,681
September 30, 2017	151,161	18,409	12.2	659,433

Funded Status and Funding Progress

Under the reporting parameters, the County's retiree health care plan is 0.0% funded with the actuarial accrued liability exceeding the actuarial assets by $1,553,418 at March 31, 2016. The covered payroll (annual payroll of active employees, for the fiscal year ended September 30, 2017, covered by the plan) was $26,602,824. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 5.84%.

Actuarial Methods and Assumptions

The Individual Entry Age Normal Cost Method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Continued

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – Continuation

Significant methods and assumptions were as follows:

Inflation rate	2.50% per annum
Investment rate of return	4.00%, per annum net of expenses
Actuarial cost method	Individual Entry Age Normal Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Salary growth	3.00% per annum
Medical trend	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 14 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additional Disclosures

Texas Local Government Code 175.101 requires counties to make available continued health benefit coverage under certain circumstances to retirees and their dependents beyond the end of an individual's employment with the County by permitting covered employees to purchase continued health benefits coverage in retirement. Texas Law does not require counties to fund all or any portion of such coverage.

GASB 45 requires governmental organizations to recognize an actuarially calculated accrued liability for OPEB even though it may not have a legally enforceable obligation to pay OPEB benefits. Information and amounts presented in this statement relative to OPEB expense, related liabilities (assets), note disclosures, and supplementary information are intended to achieve compliance with the requirements of GAAP and does not constitute or imply that the County has made a commitment or is legally obligated to fund OPEB benefits.

NOTE 17 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

The County is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the management of the County the outcome of these lawsuits will not have a material adverse effect on the accompanying basic financial statements and accordingly, no provision for losses has been recorded.

The County participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2017, may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Continued

NOTE 17 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS – Continuation

In May 2017, the County entered into an agreement with the Texas Department of Transportation to contribute right-of-way or funds for the purchase of right-of-way for the expansion of Loop 335. The County is committed for $949,207, which represents 10% of the expected cost of the right-of-way. Payments are to begin in November of 2017, and are scheduled through November 2021.

At the November 28, 2017 Commissioners' Court meeting, the Court approved a resolution to issue General Obligation Refunding Bonds, Series 2017 for the redemption of the Certificates of Obligation, Series 2009. The par amount of the Series 2017 bonds are $9,300,000. The expected net par value savings on the Series 2009 certificates of obligation is $849,156. The series 2017 bonds will mature on August 1, 2029, and will have a 2.700% interest rate.

NOTE 18 – TAX ABATEMENT AGREEMENTS

The County has entered into a tax abatement agreement which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code with Astra Wind, LLC. The Company is to develop a 164.2 megawatt wind powered electric generating facility in Randall County costing approximately $190,000,000. The County will abate 100% of the ad valorem taxes on this development for a period of ten years beginning on January 1 of the year following completion of the development. During this ten year tax abatement period, the Company will pay the County $2,000 per megawatt of turbine nameplate capacity. The development has been completed as of December 31, 2016.

The County has entered into a tax abatement agreement which is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code with Lone Star Products, LLC. The Company is to develop a new milk powder processing, specialty drying and milk ingredient facility in Randall County costing approximately $75,000,000. The County will abate 100% of the ad valorem on this development for a period of ten years beginning on January 1 of the year following completion of the development. Starting in the second year of this ten year tax abatement period, the Company will begin to pay the County an amount in lieu of the ad valorem taxes. This amount begins at $76,200 per year and increases to $123,800 in year ten. The development has not been completed as of the year end.

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