

JACKSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

September 30, 2019

Jackson County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2019

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FINANCIAL SECTION

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

P.O. Box 366 / 442 West Oaklawn
Pleasanton, Texas 78064
Phone: (830) 569-8781 ~ Fax: (830) 569-6776
E-mail: beyerandco@sbcglobal.net

111 North Odem
Sinton, Texas 78387

Please reply to Pleasanton address

INDEPENDENT AUDITOR'S REPORT

To the County Judge and Commissioner's Court
Jackson County, Texas

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Road and Bridge funds and the Flood Control fund 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 on pages 3–11, the Public Employees Retirement System Information and OPEB on pages 76–80, and the non-major budgetary comparison information on pages 103-123 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Beyer & Co.

BEYER & COMPANY
Certified Public Accountants
June 5, 2020

Management's Discussion and Analysis

As management of Jackson County, Texas, we offer readers of Jackson County, Texas' financial statements this narrative overview and analysis of the financial activities of Jackson County, Texas for the fiscal year ended September 30, 2019.

Financial Highlights

- . The assets of Jackson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$14,272,488 (net position). Of this amount, \$4,277,385 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net position increased by \$268,820. This increase is attributable an increase in ad valorem taxes of \$592,479 and an increase in sales taxes of \$195,529.
- . As of the close of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$7,372,302, an increase of \$966,552 in comparison with the prior year. Approximately 64% of this total amount, \$4,752,405 is available for spending at the government's discretion (unassigned fund balance).
- . At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,757,583, or 54 percent of total general fund expenditures, the restricted fund balance for the road and bridge fund was \$412,247, or 15 percent of total road and bridge fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Jackson County, Texas' basic financial statements. Jackson County, Texas' 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.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of Jackson County, Texas' finances, in a manner like a private-sector business.

The statement of net position presents information on all of Jackson County, Texas' assets, and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Jackson County, Texas is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements distinguish functions of Jackson County, Texas that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Jackson County, Texas include general administration, public safety, environmental protection, public transportation, health and welfare, public facilities, legal, elections, financial administration, conservation, capital projects, and culture and recreation. The business-type activities of Jackson County, Texas include an airport fund, and a commissary fund.

The government-wide financial statements include only Jackson County, Texas itself (known as the primary government).

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Jackson County, Texas, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds:

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Jackson County, Texas maintains twenty-six (26) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge Fund, the Flood Control Fund, and the District Clerk Reserve Fund, all of which are considered to be major funds. Data from the other twenty-two (22) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Jackson County, Texas adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund, road and bridge fund, the flood control fund and all the other special revenue funds for which budgets were adopted.

The basic governmental fund financial statements can be found on pages 14-21 of this report. The basic proprietary fund financial statements can be found on pages 22-25 of this report.

Jackson County, Texas also has three agency funds and one trust fund presented in this report. Such funds are not included in the county wide statement but are shown separately on pages 26-27.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-75 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Jackson County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 76-80 of this report.

The combining statements referred to earlier in connection with the general fund, the major road and bridge funds, the non-major governmental funds, and the non-major proprietary funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 81-102 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 103-123 of this report.

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 Jackson County, Texas, assets exceeded liabilities by \$14,272,488 at the close of the most recent fiscal year.

A large portion of Jackson County, Texas' net position (58 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Jackson County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jackson County, Texas' investment in its 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.

JACKSON COUNTY, TEXAS NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$9,079,151	\$8,203,412	\$30,361	\$8,577	\$9,109,512	\$8,211,989
Capital Assets	7,600,822	7,962,098	765,197	822,106	8,366,019	8,784,204
Total Assets	16,679,973	16,165,510	795,558	830,683	17,475,531	16,996,193
Total Deferred Outflows of Resources	2,120,144	890,037			2,120,144	890,037
Long-Term Liabilities	4,928,408	2,813,524		0	4,928,408	2,813,524
Other Liabilities	391,789	402,475	2,990	4,760	394,779	407,235
Total Liabilities	5,320,197	3,215,999	2,990	4,760	5,323,187	3,220,759
Total Deferred Inflows of Resources		661,803			0	661,803
Net Assets						
Invested in Capital Assets, Net of Related Debt	7,532,016	7,860,379	765,197	822,106	8,297,213	8,682,485
Restricted	1,697,890	1,332,463		0	1,697,890	1,332,463
Unrestricted	4,250,014	3,984,903	27,371	3,817	4,277,385	3,988,720
Total Net Assets	\$13,479,920	\$13,177,745	\$792,568	\$825,923	\$14,272,488	\$14,003,668

An additional portion of Jackson County, Texas' net position (12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$4,277,385) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental and business activities. For the prior fiscal year, Jackson County, Texas reported positive balances in net position, for the government, as well as for its separate governmental and business activities.

The government's total net position increased by \$302,175. This increase is attributable an increase in ad valorem taxes of \$592,479 and an increase in sales taxes of \$195,529.

There was an increase of \$365,427 in restricted net position reported in connection with Jackson County, Texas' government-type activities. This increase is mainly due to a Coastal Impact Assistance grant of \$342,604.

**JACKSON COUNTY, TEXAS
CHANGE IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$1,910,370	\$1,839,291	\$22,517	\$13,894	\$1,932,887	\$1,853,185
Operating Grants and Contributions	967,968	818,932		0	967,968	818,932
Capital Grants and Contributions		0	17,400	8,038	17,400	8,038
General Revenues						
Maintenance and Operations Taxes	9,388,289	8,795,810			9,388,289	8,795,810
Sales Tax	1,641,290	1,445,761			1,641,290	1,445,761
Other Taxes	49,904	41,200			49,904	41,200
Unrestricted Investment Earnings	210,362	138,256	951	103	211,313	138,359
Miscellaneous	303,739	234,375			303,739	234,375
Total Revenue	14,471,922	13,313,625	40,868	22,035	14,512,790	13,335,660
Expenses:						
General Administration	1,562,688	1,554,277			1,562,688	1,554,277
Judicial	1,456,073	1,351,895			1,456,073	1,351,895
Legal	7,661	8,247			7,661	8,247
Financial Administration	969,194	861,454			969,194	861,454
Public Facilities	593,988	479,490			593,988	479,490
Public Safety	4,239,387	3,637,598	5,635	9,959	4,245,022	3,647,557
Public Transportation	3,121,314	2,846,564			3,121,314	2,846,564
Environmental Protections	1,697,789	1,580,410			1,697,789	1,580,410
Culture and Recreation	291,851	368,981	106,083	106,886	397,934	475,867
Health and Welfare	97,916	104,608			97,916	104,608
Conservation - Agriculture	91,350	92,498			91,350	92,498
Interest and Fiscal Charges	3,041	0			3,041	0
Total Expenses	14,132,252	12,886,022	111,718	116,845	14,243,970	13,002,867
Increase in Net Position Before Transfers and Special Items	339,670	427,603	(70,850)	(94,810)	268,820	332,793
Transfers	(37,495)	(8,987)	37,495	8,987	0	0
Increase in Net Position	302,175	418,616	(33,355)	(85,823)	268,820	332,793
Net Position at 9/30/2018 - Restated	13,177,745	12,759,129	825,923	911,746	14,003,668	13,670,875
Net Position at 9/30/2019	\$13,479,920	\$13,177,745	\$792,568	\$825,923	\$14,272,488	\$14,003,668

Governmental activities increased Jackson County, Texas' net position by \$302,175, thereby accounting for 100 percent of the total increase in the net position of Jackson County, Texas. This increase is attributable an increase in ad valorem taxes of \$592,479 and an increase in sales taxes of \$195,529.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$1,562,688	\$323,851	\$137,153	\$0
Judicial	1,456,073	546,921	78,574	
Legal	7,661			
Financial Administration	969,194	217,993		
Public Facilities	593,988			
Public Safety	4,239,387	79,744	684,490	
Public Transportation	3,121,314	579,389	20,897	
Environmental Protection	1,697,789	158,853		
Culture and Recreation	291,851	3,619	35,628	
Health and Welfare	97,916		11,226	
Conservation - Agriculture	91,350			
Interest and Fiscal Charges	3,041			
Total Government Activities	<u>\$14,132,252</u>	<u>\$1,910,370</u>	<u>\$967,968</u>	<u>\$0</u>

Revenues by Source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$1,910,370	13.20%
Operating Grants and Contributions	967,968	6.69%
Maintenance and Operations Taxes	9,388,289	64.88%
Sales Tax	1,641,290	11.34%
Other Taxes	49,904	0.34%
Unrestricted Investment Earnings	210,362	1.45%
Miscellaneous	303,739	2.10%
	<u>\$14,471,922</u>	<u>100.00%</u>

Business-Type Activities:

Business-type activities (commissary and airport fund) decreased the County's net position by \$33,355. This decrease is attributable to depreciation of \$69,704 in the airport fund.

Expenses and Program Revenues - Business Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Business-Type Activities:				
Airport	\$106,083	\$12,167		\$17,400
Jail Commissary	5,635	10,350		
Total Business-Type Activities:	<u>\$111,718</u>	<u>\$22,517</u>	<u>\$0</u>	<u>\$17,400</u>

Revenues by Source - Business-Type Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$22,517	55.10%
Capital Grants and Contributions	17,400	42.58%
Unrestricted Investment Earnings	951	2.32%
	<u>\$40,868</u>	<u>100.00%</u>

Business-type activities:

Business-type activities decreased the County's net position by \$33,355.

- . Demand for services for business-type activities increased by \$8,623.
- . Total grant proceeds increased by \$9,362.
- . Total expenses decreased by \$5,127.

Financial Analysis of the Government's Funds

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

Governmental funds:

The focus of Jackson County, Texas' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Jackson County, Texas' financing requirements. 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, Jackson County, Texas' governmental funds reported combined ending fund balances of \$7,372,302, an increase of \$966,552 in comparison with the prior year. Approximately 64 percent of this total amount (\$4,752,405) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Jackson County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,757,583, while total fund balance reached \$5,725,494. 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 54 percent of total general fund expenditures, while total fund balance represents 64 percent of that same amount.

The fund balance of Jackson County, Texas' general fund increased by \$600,712 during the current fiscal year. Key factors in this increase are as follows: This increase is attributable an increase in ad valorem taxes of \$580,895 and an increase in sales taxes of \$195,529.

The road and bridge fund had a total fund balance of \$430,992. As a measure of the road and bridge fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 15 percent of that same amount. The fund balance of the road and bridge fund decreased by \$55,399 during the current year. Key factors in this decrease is as follows: The road and bridge expenditures increased by \$171,220.

The flood control fund had no fund balance. It is not useful to compare both unassigned fund balance and total fund balance to total fund expenditures because the fund is intermediary in nature.

The district clerk reserve fund had no fund balance. It is not useful to compare both unassigned fund balance and total fund balance to total fund expenditures because there was no fund balance at September 30, 2019 year. The fund had only assets and liabilities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase of \$98,950. The major increase is in the Sheriff department which increased by \$77,190. This included such items as overtime, fuel, repairs, and capital expenditures.

Capital Asset and Debt Administration

Capital assets:

Jackson County, Texas' investment in capital assets for its governmental activities and business-type activities as of September 30, 2019, amounts to \$8,366,019 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total decrease in Jackson County, Texas' investment in capital assets for the current fiscal year was 4.76 percent (4.54 percent decrease for governmental activities and 6.92 percent decrease for business-type activities). The County had a sewer improvement construction project during the year ended September 30, 2019.

JACKSON COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$397,779	\$397,779	\$70,254	\$70,254	\$468,033	\$468,033
Construction in Progress	31,966	9,425	0	0	31,966	9,425
Building and Improvements	1,921,688	2,060,108	82,114	91,386	2,003,802	2,151,494
Machinery and Equipment	2,138,049	2,128,379	46,473	37,474	2,184,522	2,165,853
Infrastructure	3,111,340	3,366,407	566,356	622,992	3,677,696	3,989,399
Total	<u>\$7,600,822</u>	<u>\$7,962,098</u>	<u>\$765,197</u>	<u>\$822,106</u>	<u>\$8,366,019</u>	<u>\$8,784,204</u>

Long-term debt:

At the end of the current fiscal year, Jackson County, Texas had no bonded debt.

Economic Factors

As a result of the spread of the COVID-19 coronavirus and the impact on the oil & gas industry, ranching, and farming, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the County. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's business office, at Jackson County, Texas, 411 N. Wells, Room 201, Edna, Texas 77957.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<i>ASSETS</i>			
Cash and Cash Equivalents	\$7,428,545	\$25,907	\$7,454,452
Receivables (net of allowance for uncollectibles)	1,563,715	1,152	1,564,867
Prepaid Items	86,891	3,302	90,193
Capital assets not being depreciated:			
Land	397,779	70,254	468,033
Construction in Progress	31,966		31,966
Total Capital assets being depreciated, net			
Building and Improvements	1,921,688	82,114	2,003,802
Machinery and Equipment	2,138,049	46,473	2,184,522
Infrastructure	3,111,340	566,356	3,677,696
Total Assets	<u>\$16,679,973</u>	<u>\$795,558</u>	<u>\$17,475,531</u>
<i>DEFERRED OUTFLOWS OF RESOURCES</i>			
GASB 68-Contributions (after 12/31/18)	623,009	0	623,009
GASB 68-Net difference between projected and actual earnings	1,412,547	0	1,412,547
GASB 68-Differences between expected and actual experience	15,783	0	15,783
GASB 68-Changes of assumptions	68,805	0	68,805
Total Deferred Outflows of Resources	<u>2,120,144</u>	<u>0</u>	<u>2,120,144</u>
<i>LIABILITIES:</i>			
Accounts Payable	\$130,761	\$530	\$131,291
Due to Others	131,117		131,117
Accrued Wages Payables	128,745		128,745
Deferred Revenues	1,166	2,460	3,626
Noncurrent Liabilities:			
Due within one year	193,577		193,577
Due in more than one year	4,734,831		4,734,831
Total Liabilities	<u>5,320,197</u>	<u>2,990</u>	<u>5,323,187</u>
<i>NET POSITION</i>			
Invested in Capital Assets, Net of Related Debt	7,532,016	765,197	8,297,213
Restricted			
General Administration	137,609		137,609
Judicial	311,254		311,254
Legal	3,781		3,781
Permanent Improvement	151,092		151,092
Public Safety	681,907		681,907
Public Transportation	412,247		412,247
Unrestricted	4,250,014	27,371	4,277,385
Total Net Position	<u>\$13,479,920</u>	<u>\$792,568</u>	<u>\$14,272,488</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Revenue and	Revenue and
						Changes in Net Position	Changes in Net Position
					Business- Type Activities	Total	
Primary government							
Government Activities:							
General Administration	\$1,562,688	\$323,851	\$137,153	\$0	(\$1,101,684)		(\$1,101,684)
Judicial	1,456,073	546,921	78,574		(830,578)		(830,578)
Legal	7,661				(7,661)		(7,661)
Financial Administration	969,194	217,993			(751,201)		(751,201)
Public Facilities	593,988				(593,988)		(593,988)
Public Safety	4,239,387	79,744	684,490		(3,475,153)		(3,475,153)
Public Transportation	3,121,314	579,389	20,897		(2,521,028)		(2,521,028)
Environmental Protection	1,697,789	158,853			(1,538,936)		(1,538,936)
Culture and Recreation	291,851	3,619	35,628		(252,604)		(252,604)
Health and Welfare	97,916		11,226		(86,690)		(86,690)
Conservation - Agriculture	91,350				(91,350)		(91,350)
Interest and Fiscal Charges	3,041				(3,041)		(3,041)
Total Government Activities	<u>14,132,252</u>	<u>1,910,370</u>	<u>967,968</u>	<u>0</u>	<u>(11,253,914)</u>	<u>0</u>	<u>(11,253,914)</u>
Business-Type Activities:							
Airport	106,083	12,167		17,400		(76,516)	(76,516)
Jail Commissary	5,635	10,350				4,715	4,715
Total Business-Type Activities:	<u>111,718</u>	<u>22,517</u>	<u>0</u>	<u>17,400</u>	<u>0</u>	<u>(71,801)</u>	<u>(71,801)</u>
Total Primary Government	<u>\$14,243,970</u>	<u>\$1,932,887</u>	<u>\$967,968</u>	<u>\$17,400</u>	<u>(11,253,914)</u>	<u>(71,801)</u>	<u>(11,325,715)</u>
General Revenues							
Property Taxes, Levies for General Purposes					9,388,289		9,388,289
Sales Taxes					1,641,290		1,641,290
Other Taxes					49,904		49,904
Unrestricted Investment Earnings					210,362	951	211,313
Miscellaneous					303,739		303,739
Transfers					(37,495)	37,495	0
Total General Revenues					<u>11,556,089</u>	<u>38,446</u>	<u>11,594,535</u>
Change in Net Position					302,175	(33,355)	268,820
Net Position - Beginning - Restated					<u>13,177,745</u>	<u>825,923</u>	<u>14,003,668</u>
Net Position - Ending					<u>\$13,479,920</u>	<u>\$792,568</u>	<u>\$14,272,488</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	Road and Bridge	Flood Control	District Clerk Reserve	Other Governmental Funds	Total Governmental Funds
<i>ASSETS</i>						
Cash and Cash Equivalents	\$5,636,708	\$450,748		\$127,329	\$1,213,760	\$7,428,545
Receivables (net of allowance for uncollectibles)	748,001	3,491	104,605		19,779	875,876
Prepaid Insurance	66,819	19,178			894	86,891
Due from Others	16,686				0	16,686
Total Assets	<u>\$6,468,214</u>	<u>\$473,417</u>	<u>\$104,605</u>	<u>\$127,329</u>	<u>\$1,234,433</u>	<u>\$8,407,998</u>
<i>LIABILITIES AND FUND BALANCES:</i>						
<i>Liabilities</i>						
Accounts Payable	\$94,342	\$21,308	\$1,578		\$13,533	\$130,761
Due to Others				127,329	3,788	131,117
Accrued Wages Payable	106,332	21,117			1,296	128,745
Deferred Revenues	1,166					1,166
Total Liabilities	<u>201,840</u>	<u>42,425</u>	<u>1,578</u>	<u>127,329</u>	<u>18,617</u>	<u>391,789</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>						
Deferred Property Taxes	<u>540,880</u>		<u>103,027</u>			<u>643,907</u>
<i>Fund Balances:</i>						
<i>Non-Spendable</i>						
Prepaid Items	66,819	18,745			894	86,458
<i>Restricted</i>						
Judicial					311,254	311,254
Legal					3,781	3,781
Permanent Improvement	151,092					151,092
Public Safety					681,907	681,907
Public Transportation		412,247				412,247
<i>Committed</i>						
Construction	750,000				0	750,000
General Administration					137,609	137,609
Culture and Recreation					50,279	50,279
Health and Welfare					8,171	8,171
Public Safety					27,099	27,099
Unassigned	4,757,583				(5,178)	4,752,405
Total Fund Balance	<u>5,725,494</u>	<u>430,992</u>	<u>0</u>	<u>0</u>	<u>1,215,816</u>	<u>7,372,302</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$6,468,214</u>	<u>\$473,417</u>	<u>\$104,605</u>	<u>\$127,329</u>	<u>\$1,234,433</u>	<u>\$8,407,998</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Total Fund Balances - governmental funds balance sheet	\$7,372,302
Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	7,600,822
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,791,297
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	643,907
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(4,928,408)
Net Position of governmental activities - statement of Net Position	<u>\$13,479,920</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Road and Bridge	Flood Control	District Clerk Reserve	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>						
Taxes						
Property	\$8,059,943	\$0	\$1,321,100			\$9,381,043
Sales	1,641,290					1,641,290
Other	49,904					49,904
Intergovernmental	339,973	20,897			551,600	912,470
Licenses and Permits		579,389				579,389
Charges for Services	658,903				174,636	833,539
Fines and Forfeitures	430,010					430,010
Interest	156,716	39,396			14,250	210,362
Miscellaneous	106,258	119,575			81,385	307,218
Total Revenues	<u>11,442,997</u>	<u>759,257</u>	<u>1,321,100</u>	<u>0</u>	<u>821,871</u>	<u>14,345,225</u>
<i>EXPENDITURES</i>						
Current:						
General Administration	1,431,601				43,500	1,475,101
Judicial	1,405,506				35,884	1,441,390
Legal					7,661	7,661
Financial Administration	929,418					929,418
Public Facilities	409,493				34,421	443,914
Public Safety	3,953,641				271,708	4,225,349
Public Transportation		2,711,362				2,711,362
Environmental Protection	363,866		1,321,100			1,684,966
Culture and Recreation	191,532				8,462	199,994
Health and Welfare	79,594				50	79,644
Conservation - Agriculture	86,425					86,425
Debt Service						
Principal Retirement	32,913	19,872				52,785
Interest and Fiscal Charges	3,041	128				3,169
Total Expenditures	<u>8,887,030</u>	<u>2,731,362</u>	<u>1,321,100</u>	<u>0</u>	<u>401,686</u>	<u>13,341,178</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,555,967</u>	<u>(1,972,105)</u>	<u>0</u>	<u>0</u>	<u>420,185</u>	<u>1,004,047</u>
<i>OTHER FINANCING SOURCES (USES):</i>						
Operating Transfers In	0	2,417,051			1,054	2,418,105
Operating Transfers Out	(1,955,255)	(500,345)				(2,455,600)
Total Other Financing Sources (Uses)	<u>(1,955,255)</u>	<u>1,916,706</u>	<u>0</u>	<u>0</u>	<u>1,054</u>	<u>(37,495)</u>
Net Changes in Fund Balances	600,712	(55,399)	0	0	421,239	966,552
Fund Balances - Beginning	5,124,782	486,391			794,577	6,405,750
Fund Balances - Ending	<u>\$5,725,494</u>	<u>\$430,992</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,215,816</u>	<u>\$7,372,302</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2019

Net Changes in Fund Balances - total governmental funds	\$966,552
Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(361,276)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This is the change in these amounts this year.	140,587
GASB 68	
Deferred Outflow of Resources-Contributions (after 12/31/19). This is the change in these amounts this year.	22,451
Net difference between projected and actual earnings. This is the change in these amounts this year.	1,846,390
Deferred Outflow-Changes of assumptions. This is the change in these amounts this year.	(95,533)
Deferred Outflow-Differences between expected and actual experience. This is the change in these amounts this year.	(109,358)
(Increase) decrease in Compensated absences from beginning of period to end of period.	(13,571)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	7,246
Net Pension Payable. This is the change in these amounts this year.	(2,150,325)
Net OPEB Payable. This is the change in these amounts this year.	16,099
Repayment of loan principal is an expenditure in the funds but not an expense in the SOA.	32,913
Change in Net Position of governmental activities - statement of activities	<u>\$302,175</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<i>REVENUES</i>				
Taxes				
Property	\$8,030,808	\$8,030,808	\$8,079,314	\$48,506
Sales	1,000,000	1,000,000	1,658,903	658,903
Other	48,920	48,920	48,591	(329)
Intergovernmental	113,359	204,731	275,764	71,033
Charges for Services	605,769	605,769	659,292	53,523
Fines and Forfeitures	381,600	381,600	430,010	48,410
Interest	136,617	136,617	156,539	19,922
Miscellaneous	71,600	79,529	106,449	26,920
Total Revenues	<u>10,388,673</u>	<u>10,487,974</u>	<u>11,414,862</u>	<u>926,888</u>

EXPENDITURES

Current:

General Administration				
Commissioner's Court	371,694	372,394	366,946	5,448
County Clerk	405,031	405,276	399,190	6,086
County Judge	197,675	199,076	199,052	24
Non-Departmental	527,322	466,761	463,170	3,591
Judicial				
Court Expense	221,700	195,637	175,617	20,020
Criminal District Attorney	502,049	502,344	436,245	66,099
District Clerk	287,693	287,827	280,551	7,276
District Court	79,542	77,230	67,462	9,768
Jury	39,615	39,615	25,299	14,316
Justice of the Peace No. 1	226,073	226,162	217,700	8,462
Justice of the Peace No. 2	209,049	209,043	187,910	21,133
Financial Administration				
County Auditor	321,394	321,535	317,824	3,711
County Treasurer	177,300	177,374	170,020	7,354
Tax Assessor-Collector	440,721	444,018	438,563	5,455
Public Facilities				
County Services Building	111,500	111,500	28,525	82,975
Public Facilities	384,729	392,725	381,472	11,253

(continued)

(continued)

Public Safety				
Adult Probation	2,500	2,582	2,581	1
Emergency Management	44,137	44,980	39,488	5,492
Constable No. 1	124,105	124,105	80,849	43,256
Constable No. 2	126,552	126,574	84,935	41,639
Corrections	1,446,489	1,470,338	1,470,287	51
Disaster	0	0	183,621	(183,621)
D.P.S./License and Weight	1,445	3,945	3,615	330
D.P.S./Troopers	1,100	622	81	541
EMS/Jaws of Life	0	0	0	0
Fire	14,250	14,250	5,600	8,650
Permitting and Inspections	68,601	68,765	68,746	19
Law Enforcement Agreement	141,409	185,521	158,516	27,005
Sheriff	1,758,846	1,836,036	1,805,227	30,809
T.J.P.C.	51,117	53,706	44,184	9,522
Environmental Protection				
Sanitation	351,677	367,405	366,825	580
Culture and Recreation				
County Library	186,036	192,365	187,177	5,188
Parks	4,086	4,676	4,648	28
Health and Welfare				
Gulf Bend Mental Health	49,594	49,594	49,594	0
Senior Citizens Center	30,000	30,000	30,000	0
Conservation - Agriculture				
Agriculture Extension Service	97,669	97,669	84,539	13,130
U.S. Soil Conservation	2,500	2,500	2,500	0
Debt Service				
Principal Retirement	32,913	32,913	32,913	0
Interest and Fiscal Charges	3,041	3,041	3,041	0
Total Expenditures	<u>9,041,154</u>	<u>9,140,104</u>	<u>8,864,513</u>	<u>275,591</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>1,347,519</u>	<u>1,347,870</u>	<u>2,550,349</u>	<u>1,202,479</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	<u>(1,955,082)</u>	<u>(1,955,255)</u>	<u>(1,955,255)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,955,082)</u>	<u>(1,955,255)</u>	<u>(1,955,255)</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$607,563)</u>	<u>(\$607,385)</u>	<u>595,094</u>	<u>\$1,202,479</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Cash			49	
Changes in Receivables			14,795	
Changes in Prepaid Expenses			12,058	
Changes in Due to/from Others			808	
Changes in Accounts Payable			(9,986)	
Changes in Accrued Wages Payable			(25,543)	
Changes in Deferred Revenue			13,437	
Net Changes in Fund Balances - Modified Accrual Basis			<u>600,712</u>	
Fund Balances - Beginning			<u>5,124,782</u>	
Fund Balances - Ending			<u><u>\$5,725,494</u></u>	

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

JACKSON COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$20,936	\$20,896	\$20,897	\$1
Licenses and Permits	568,450	568,450	579,297	10,847
Interest	25,110	25,110	39,397	14,287
Miscellaneous	500	49,355	119,574	70,219
Total Revenues	<u>614,996</u>	<u>663,811</u>	<u>759,165</u>	<u>95,354</u>
EXPENDITURES				
Current				
Public Transportation	<u>3,308,614</u>	<u>3,063,051</u>	<u>2,715,775</u>	<u>347,276</u>
Total Expenditures	<u>3,308,614</u>	<u>3,063,051</u>	<u>2,715,775</u>	<u>347,276</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,693,618)</u>	<u>(2,399,240)</u>	<u>(1,956,610)</u>	<u>442,630</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,377,836	2,382,836	2,417,051	34,215
Operating Transfers Out	<u>(461,130)</u>	<u>(495,345)</u>	<u>(500,345)</u>	<u>(5,000)</u>
Total Other Financing Sources (Uses)	<u>1,916,706</u>	<u>1,887,491</u>	<u>1,916,706</u>	<u>29,215</u>
Net Changes in Fund Balances	<u>(\$776,912)</u>	<u>(\$511,749)</u>	<u>(39,904)</u>	<u>\$471,845</u>
Reconciliation from cash basis to modified accrual				
Changes in officers fees and sales tax receivable			91	
Changes in Prepaid Insurance			2,605	
Loan Payment to General Fund			(20,000)	
Changes in Accounts Payable			5,907	
Changes in Accrued Wages Payable			<u>(4,098)</u>	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(55,399)</u>	
Fund Balances - Beginning			<u>486,391</u>	
Fund Balances - Ending			<u>\$430,992</u>	

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

JACKSON COUNTY, TEXAS
 FLOOD CONTROL
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$1,322,509	\$1,322,509	\$1,324,391	\$1,882
Other				0
Total Revenues	<u>1,322,509</u>	<u>1,322,509</u>	<u>1,324,391</u>	<u>1,882</u>
EXPENDITURES				
Current				
Environmental Protection	<u>1,322,509</u>	<u>1,322,509</u>	<u>1,324,391</u>	<u>(1,882)</u>
Total Expenditures	<u>1,322,509</u>	<u>1,322,509</u>	<u>1,324,391</u>	<u>(1,882)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0		0
Operating Transfers Out	0	0		0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>\$0</u>	<u>\$0</u>	<u>0</u>	<u>\$0</u>
Reconciliation from cash basis to modified accrual				
Changes in Officers Fees and Sales Tax Receivable			(3,290)	
Changes in Accounts Payable			<u>3,290</u>	
Net Changes in Fund Balances-Modified Accrual Basis			0	
Fund Balances - Beginning			<u>0</u>	
Fund Balances - Ending			<u>\$0</u>	

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$21,740	\$4,832	\$4,167	\$1,198	\$25,907
Receivables (net of allowance for uncollectibles)			1,152	0	1,152
Prepaid Insurance	3,302	2,547	0	0	3,302
Total Current Assets	25,042	7,379	5,319	1,198	30,361
Noncurrent Assets					
Capital Assets					
Land	70,254	70,254			70,254
Construction in Progress		0			0
Buildings and Improvements	362,446	362,446			362,446
Machinery and Equipment	80,114	80,645			80,114
Infrastructure	1,385,254	1,385,254			1,385,254
Total Capital Assets	1,898,068	1,898,599	0	0	1,898,068
Less Accumulated Depreciation	(1,132,871)	(1,076,493)			(1,132,871)
Total Capital Assets (net of accumulated depreciation)	765,197	822,106	0	0	765,197
Total Noncurrent Assets	765,197	822,106	0	0	765,197
TOTAL ASSETS	\$790,239	\$829,485	\$5,319	\$1,198	\$795,558
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities					
Current Liabilities(Payable from Current Assets)					
Accounts Payable		\$0	\$530	\$1,206	\$530
Accrued Wages Payable					0
Deferred Revenue	2,460	3,554			2,460
Total Current Liabilities	2,460	3,554	530	1,206	2,990
TOTAL LIABILITIES	2,460	3,554	530	1,206	2,990
Invested in Capital Assets, Net of Related Debt	765,197	822,106			765,197
Unrestricted	22,582	3,825	4,789	(8)	27,371
TOTAL NET POSITION	\$787,779	\$825,931	\$4,789	(\$8)	\$792,568

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
OPERATING REVENUES:					
Charges for Services	\$5,768	\$5,768	\$10,350	\$8,126	\$16,118
Miscellaneous	6,399				6,399
TOTAL OPERATING REVENUES	12,167	5,768	10,350	8,126	22,517
OPERATING EXPENSES					
Personal Services	0	0			0
Supplies	276	216	5,635	7,319	5,911
Other Services and Charges	36,103	21,593	0	2,640	36,103
Depreciation	69,704	85,077			69,704
TOTAL OPERATING EXPENSES	106,083	106,886	5,635	9,959	111,718
OPERATING INCOME (LOSS)	(93,916)	(101,118)	4,715	(1,833)	(89,201)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	869	103	82	0	951
TOTAL NON-OPERATING REVENUES (EXPENSES)	869	103	82	0	951
Income Before Transfers	(93,047)	(101,015)	4,797	(1,833)	(88,250)
Federal Grant	17,400	8,038			17,400
Transfers In	37,495	8,987	0	0	37,495
Change in Net Position	(38,152)	(83,990)	4,797	(1,833)	(33,355)
Total Net Position - Beginning	825,931	909,921	(8)	1,825	825,923
Total Net Position - Ending	\$787,779	\$825,931	\$4,789	(\$8)	\$792,568

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
Cash flows from Operating Activities					
Receipts from Customers and Users	\$11,073	\$5,557	\$9,198	\$8,710	\$20,271
Payments to Suppliers	(37,134)	(21,867)	(6,311)	(9,089)	(43,445)
Payments to Employees	0	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	(26,061)	(16,310)	2,887	(379)	(23,174)
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	37,495	8,987	0	0	37,495
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	37,495	8,987	0	0	37,495
Cash Flows from Capital and Related Financing Activities					
Federal Grant	17,400	8,038	0	0	17,400
Net Cash Provided(Used) By Capital and Related Financing Activities	17,400	8,038	0	0	17,400
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets	(12,795)	0	0	0	(12,795)
Net Cash Provided (Used) By Capital and Related Financing Activities	(12,795)	0	0	0	(12,795)
Cash Flows from Investing Activities					
Interest Received	869	103	82	0	951
Net Cash Provided(Used) By Investing Activities	869	103	82	0	951
Net Increase (Decrease) in Cash Equivalents	16,908	818	2,969	(379)	19,877
Cash and Cash Equivalents at Beginning of Year	4,832	4,014	1,198	1,577	6,030
Cash and Cash Equivalents at End of Year	\$21,740	\$4,832	\$4,167	\$1,198	\$25,907

(continued)

(continued)

Reconciliation of Operating Income to Net Cash
Provided(Used) By Operating Activities

Operating Income (Loss)	(\$93,916)	(\$101,118)	\$4,715	(\$1,833)	(\$89,201)
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Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation	69,704	85,077	0	0	69,704
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Changes in Current Items

Decrease(Increase) in Accounts Receivable	0	882	(1,152)	584	(1,152)
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Decrease(Increase) in Prepaid Insurance	(755)	(58)	0	0	(755)
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Increase(Decrease) in Accounts Payable	0	0	(676)	870	(676)
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Increase(Decrease) in Accrued Wages Payable	0	0	0	0	0
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Increase(Decrease) in Deferred Revenue	(1,094)	(1,093)	0	0	(1,094)
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Net Cash Provided(Used) by Operating
Activities

	<u>(\$26,061)</u>	<u>(\$16,310)</u>	<u>\$2,887</u>	<u>(\$379)</u>	<u>(\$23,174)</u>
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Noncash Investing, Capital and Financing Activities:

State Grant	<u>\$17,400</u>	<u>\$8,038</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,400</u>
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Note: The above funds are all Enterprise Funds

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

JACKSON COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Agency Funds	Investment Trust Fund <u>Brackenridge</u> School Fund
ASSETS		
Cash and Cash Equivalents	\$633,082	\$50,000
Receivables (net of allowance for uncollectibles)	0	
Total Assets	<u>\$633,082</u>	<u>\$50,000</u>
LIABILITIES		
Accounts Payable	0	0
Due to Others	633,082	0
Total Liabilities	<u>633,082</u>	<u>0</u>
NET POSITION		
Held in Trust-Unexpendable	0	50,000
Held in Trust-Educational Purposes	0	0
Total Net Position	<u>\$0</u>	<u>\$50,000</u>

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

JACKSON COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Investment Trust Fund <u>Brackenridge School Fund</u>
ADDITIONS	
Contributions:	
Private Donations	\$0
Total Contributions	<u>0</u>
Investment Earnings:	
Interest Received	0
Total Investment Earnings	<u>0</u>
Less Investment Expense	<u>0</u>
Net Investment Earnings	<u>0</u>
TOTAL ADDITIONS	<u>0</u>
DEDUCTIONS	
Culture and Recreation-Libraries	0
Total Deductions	<u>0</u>
Change in Net Position	0
Net Position-Beginning	50,000
Net Position-Ending	<u><u>\$50,000</u></u>

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

JACKSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

I. Summary of Significant Accounting Policies

A. Reporting entity

Jackson County operates under a County Judge – Commissioners’ Court type of government and provides the following services throughout the County: public safety (fire, ambulance, and law enforcement), environmental protections (sanitation), public transportation (highways and roads), health and welfare, culture and recreation, conservation (agriculture), public facilities, judicial and legal, election functions, and general and financial administrative services. The accounting policies of Jackson County, Texas, (the County) conform to generally accepted accounting principles.

The accounts of the County are organized 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

B. Government-Wide and Fund Financial Statements

The County’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the County accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the County’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the County are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities, which are presented as internal balances and eliminated in the total primary government column. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, sales tax, intergovernmental revenues and charges for services. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The government reports the following major governmental funds:

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

The road and bridge fund accounts for the activities of the government's road and bridge operations. The flood control fund accounts for the activities of the government's environmental protection operations. The district clerk reserve fund accounts for monies held by the district clerk.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport Fund are charges to customers for sales, rentals, and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The government reports the following major proprietary funds: The airport fund accounts for airport activities.

C. Fiduciary Fund Types

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide statements. The County's fiduciary funds include the following: The County Officer Accounts, the Trust Investment fund, and the State Fees fund are both used to account for the fines and fees collected and remitted by the County Officers in the course of their operations.

D. Assets, Liabilities, and Net Assets or Equity

a. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Government and the District to invest in obligations of the U.S. Treasury. Investments for the Government are reported at fair value. For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

b. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 2 percent of the current outstanding property taxes at September 30, 2019 and 10 percent of the delinquent outstanding property taxes at September 30, 2019. Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

c. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for in the Balance Sheet. In the General Fund, disbursements for supplies and materials are considered to be expenditures at the time of purchase. There were no inventory items at September 30, 2019. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

d. Restricted Assets

There were no restricted assets at September 30, 2019.

e. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost as follows and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Property and Equipment with a dollar value greater or equal to \$500 but less than \$1,000 are considered inventoried assets. These assets are inventoried for security purposes in the Fixed Asset System but not capitalized for depreciation purposes.

Buildings/Building Improvements	\$5,000
Improvements Other Than Buildings	\$5,000
Infrastructure	\$125,000
Machinery, Equipment, and Other Assets	\$1,000
Leasehold Improvements	\$5,000

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County had a sewer improvement construction project during the year ended September 30, 2019.

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

<i>Assets</i>	<i>Years</i>
Buildings	30-40
Building Improvements	20-40
System Infrastructure	15-45
Vehicles	5-10
Office Equipment	5-10
Computer Equipment	5

f. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in government-wide financial statements.

g. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

h. Fund Balances – Governmental Funds

As of September 30, 2019, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of Commissioners' Court. Commissioners' Court is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Commissioners' Court.

Unassigned — all other spendable amounts.

As of September 30, 2019, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$86,458
Restricted	
Judicial	311,254
Legal	3,781
Permanent Improvement	151,092
Public Safety	681,907
Public Transportation	412,247
Committed	
Construction	750,000
General Administration	137,609
Culture and Recreation	50,279
Health and Welfare	8,171
Public Safety	27,099
Unassigned	<u>4,752,405</u>
Total Fund Balance	<u><u>\$7,372,302</u></u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is 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, as needed, unless Commissioners' Court or the finance committee has provided otherwise in its commitment or assignment actions.

In fiscal year 2011, the Commissioners' Court adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned fund balance at fiscal year-end to be at least equal to 18 to 25 percent of the subsequent year's budgeted General Fund expenditures.

i. Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

j. 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 only has one item that qualifies for reporting in this category. It is deferred under GASB 68.

The County reports unearned revenue on its fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period (fund financial statements). Unearned revenues also arise when resources are unearned by the County and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the applicable financial statement and revenue is recognized. Pursuant to GASB 65 we have included deferred ad valorem taxes as deferred inflows in the fund financial statements.

k. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$4,928,408 difference are as follows:

GASB 75-Other Post-Employment Benefits	\$2,185,992
GASB 68-Pension Liability	2,513,930
Capital Lease Payable	68,806
Compensated Absences	<u>159,680</u>
Total	<u>\$4,928,408</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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. The details of this \$7,600,822 difference are as follows:

Capital Assets Not Being Depreciated	\$429,745
Capital Assets Being Depreciated	21,170,000
Depreciation Expense	(13,998,923)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$7,600,822</u>

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectible.)" The details of this \$643,907 difference are as follows:

Property Taxes Receivable	\$703,671
Allowance for Doubtful Accounts	<u>(59,764)</u>
Net	<u>\$643,907</u>

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets. (continued)

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$2,791,297 difference are as follows:

Fines Receivable	\$3,333,723
Allowance for Doubtful Accounts	(2,647,232)
Interdepartmental Loan	(16,686)
GASB 68	
Deferred Outflow of Resources-Contributions (after 12/31/18)	623,009
Net difference between projected and actual earnings	1,412,547
Changes of assumptions	68,805
Differences between expected and actual experience	15,783
GASB 34 Receivables	<u>1,348</u>
Net	<u><u>\$2,791,297</u></u>

B. Explanation of certain differences between the governmental fund statement of revenues, 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 funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this (\$361,276) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$31,966
Capital Outlay - Additions - Being Depreciated	640,819
Capital Outlay - Deletions	(10,812)
Depreciation Expense	(1,023,249)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u><u>(\$361,276)</u></u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

The original budget is adopted by the Commissioners' Court and filed with the County Clerk. Amendments are made during the year on approval by the Commissioners' Court.

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. She usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court. The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash. When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the line item. Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is not in conformity with generally accepted accounting principles (GAAP). Budgets for the 2019 fiscal year were adopted for the General Fund, the Road and Bridge Funds, the Flood Control Fund, and other applicable non- major governmental funds.

B. Excess of Expenditures over Appropriations

For the year ended September 30, 2019, expenditures did not exceed appropriations in any fund except for the flood control fund whereby actual expenditures of \$1,324,391 exceeded the final budgeted expenditures of \$1,322,509 by \$1,882.

C. Deficit fund equity

The county had no deficit fund balances at September 30, 2019 except for the Community Development Grant fund which had a deficit balance of \$5,178. This deficit is expected to be liquidated by future resources of the fund.

IV. Detailed Notes on All Funds

A. Deposits and investments

Legal and Contractual Provisions Governing Deposits and Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the County has adopted a deposit and investment policy. That policy does address the following risks:

Deposits:

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government has a deposit policy for custodial credit risk. As of September 30, 2019, the government's bank balance of \$864,468 was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent. The fair market value of the securities pledged is \$6,303,569 and the FDIC coverage is \$260,304.

Investments:

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, through which political subdivisions and other entities may invest public funds.

TexPool and Texas Class use amortized cost to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. TexPool does not place any limitations or restrictions such as notice periods or maximum transaction amounts, on withdrawals.

All funds participate in a pooling of cash and investment income in order to maximize investment opportunities. Each fund may liquidate its equity in the pool on demand.

The County’s investments are authorized by County resolutions, bond ordinances, and State statutes. The County is authorized to invest in obligations of the U.S. Government and its agencies or instrumentalities; direct obligations of Texas and its agencies and instrumentalities; 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 rating; insured or collateralized certificates of deposit; fully collateralized repurchase agreements; and government pools.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County’s investments by fair value level are classified in Level 2 of the fair value hierarchy and are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. The County has no Level 1 investments (investments valued using prices quoted in active markets for identical securities) or Level 3 investments (investments valued using significant unobservable inputs). As of September 30, 2019, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$360,647	Less than 1 year	Less than 1 year
Texas Class	\$6,863,611	Less than 1 year	Less than 1 year

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

Concentration of credit risk: The County places no limit on the amount the County may invest in any one issuer. Texpool (5% of portfolio) and Texas Class (95% of portfolio).

Credit Risk. The County’s investment policy is to apply the “prudent investor” standard: “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” The County’s investments were rated as follows: As of December 31, 2019, the local investment pool - Texpool (5% of portfolio) was rated AAAM by Standard and Poor’s and Texas Class (95% of portfolio) was rated AAAM by Standard and Poor’s.

B. Receivables

Receivables as of September 30, 2019 for the government's individual major funds and non- major, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities					Total
	General Fund	Road and Bridge	Flood Control	Other Governmental Funds	Jail Commissary	
<u>Receivables</u>						
Ad Valorem Taxes	\$590,889		\$112,782			\$703,671
Sales Tax	125,426					125,426
Fines	3,333,723					3,333,723
Intergovernmental	1,348					1,348
Other	81,695	3,491	1,578	19,779	1,152	107,695
Gross Receivables	4,133,081	3,491	114,360	19,779	1,152	4,271,863
Less: Allowance for Uncollectibles	2,697,241		9,755			2,706,996
Net Total Receivables	\$1,435,840	\$3,491	\$104,605	\$19,779	\$1,152	\$1,564,867

C. Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$397,779			\$397,779
Construction in Progress	9,425	31,966	9,425	31,966
Total capital assets not being depreciated:	407,204	31,966	9,425	429,745
Capital assets being depreciated:				
Building and Improvements	6,315,173	52,754		6,367,927
Machinery, Equipment and Vehicles	9,345,345	588,065	444,259	9,489,151
Infrastructure	5,312,922			5,312,922
Total capital assets being depreciated:	20,973,440	640,819	444,259	21,170,000
Less: Accumulated Depreciation for:				
Building and Improvements	4,255,065	191,174		4,446,239
Machinery, Equipment and Vehicles	7,216,966	577,008	442,872	7,351,102
Infrastructure	1,946,515	255,067		2,201,582
Total Accumulated Depreciation	13,418,546	1,023,249	442,872	13,998,923
Total Capital Assets Depreciated, Net	7,554,894	(382,430)	1,387	7,171,077
Governmental Activities capital assets, Net	\$7,962,098	(\$350,464)	\$10,812	\$7,600,822

	Beginning Balances	Increases	Decreases	Ending Balances
Business Type Activities:				
Capital assets not being depreciated:				
Land	\$70,254	\$0	\$0	\$70,254
Construction in Progress	0			0
Total capital assets not being depreciated:	70,254	0	0	70,254
Capital assets being depreciated:				
Building and Improvements	362,446			362,446
Machinery, Equipment and Vehicles	80,645	12,795	13,326	80,114
Infrastructure	1,385,254			1,385,254
Total capital assets being depreciated:	1,828,345	12,795	13,326	1,827,814
Less: Accumulated Depreciation for:				
Building and Improvements	271,060	9,272		280,332
Machinery, Equipment and Vehicles	43,171	3,796	13,326	33,641
Infrastructure	762,262	56,636		818,898
Total Accumulated Depreciation	1,076,493	69,704	13,326	1,132,871
Total Capital Assets Depreciated, Net	751,852	(56,909)	0	694,943
Business Type Activities capital assets, Net	\$822,106	(\$56,909)	\$0	\$765,197

Construction commitments

The County had a sewer improvement construction project during the year ended September 30, 2019.

Capital asset depreciation for the year ended September 30, 2019 was as follows:

Governmental Activities	
General Administration	\$63,067
Judicial	16,702
Financial Administration	14,317
Public Facilities	161,069
Public Safety	238,825
Public Transportation	414,544
Culture and Recreation	84,838
Health and Welfare	29,887
Total Depreciation Expense – Governmental Activities	<u>\$1,023,249</u>
Business-Type Activities	
Culture and Recreation	<u>\$69,704</u>
Total Depreciation Expense – Business-Type Activities	<u>\$69,704</u>

D. Interfund Receivables, Payables, and Transfers Due

to/from other funds:

There were no interfund balances as of September 30, 2019.

There were no advances at September 30, 2019.

The following are transfers for the year ended September 30, 2019.

TRANSFER OUT	TRANSFER IN			TOTAL
	ROAD AND BRIDGE FUNDS	NON-MAJOR GOVERN- MENTAL FUNDS	AIRPORT FUND	
GENERAL FUNDS	\$1,916,706	\$1,054	\$37,495	\$1,955,255
ROAD AND BRIDGE FUNDS	500,345			500,345
TOTALS	\$2,417,051	\$1,054	\$37,495	\$2,455,600

The transfer from the general to the road and bridge fund is for road and bridge operations. The transfer from the general fund (permanent improvement) to the general fund is for general fund operations. The transfer from the road and bridge funds (general road and bridge) to the road and bridge funds is for road and bridge operations.

The transfers to and from the road and bridge fund are recurring transfers.

The remaining transfers are non-recurring transfers.

E. Leases Operating Leases:

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$25,999 for the year ended September 30, 2019. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2020	\$22,459
2021	21,662
2022	21,662
2023	7,990
2024	<u>722</u>
Total	\$74,495

Rent expenditures were \$8,664 for the year ended September 30, 2019. Sublease rental income was \$0 for the year ended September 30, 2019. Rental income was \$13,394 for the year ended September 30, 2019.

F. Long-Term Debt

Capital Leases: The government has entered one capital lease agreement as lessee for financing the acquisition of machinery and equipment; as set forth below. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The security pledged for the capital lease is the equipment financed.

Assets acquired through capital leases are as follows:

ASSET	Governmental Activities	
	VOTING EQUIPMENT	TOTAL
COST	\$137,673	\$137,673
ACCUMULATED DEPRECIATION	16,915	16,915
NET ASSET	<u>\$120,758</u>	<u>\$120,758</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019, were as follows:

YEAR	Governmental Activities	
	VOTING EQUIPMENT	Total
2020	\$35,964	\$35,964
2021	35,964	35,964
TOTAL MINIMUM LEASE PAYMENTS	<u>71,928</u>	<u>71,928</u>
LESS: AMOUNT REPRESENTING INTEREST	3,121	3,121
PRESENT VALUE OF NET MINIMUM LEASE PAYMENTS	<u>\$68,807</u>	<u>\$68,807</u>

The above debt is to be serviced by the General Fund.

The activity for the year ended September 30, 2019, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
Capital Lease Payable	\$101,719		32,913	\$68,806	\$33,897	\$34,909
GASB 68 Pension Payable	363,605	2,150,325		2,513,930		2,513,930
GASB 75 Payable	2,202,091		16,099	2,185,992		2,185,992
Compensated Absences	146,109	159,680	146,109	159,680	159,680	0
	<u>\$2,813,524</u>	<u>\$2,310,005</u>	<u>\$195,121</u>	<u>\$4,928,408</u>	<u>\$193,577</u>	<u>\$4,734,831</u>
Grand Total	<u>\$2,813,524</u>	<u>\$2,310,005</u>	<u>\$195,121</u>	<u>\$4,928,408</u>	<u>\$193,577</u>	<u>\$4,734,831</u>

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2019-20 year is \$159,680.

The government-wide statement of activities includes \$193,577 as "noncurrent liabilities, due within one year".

The total amount of interest expensed in 2018-2019 is \$3,041.

The debt included GASB 68 and GASB 75 debt which are both discussed below.

The schedule above does not include a loan from the general fund to the equipment replacement fund No. 3 of \$90,760. This loan is not in the County-wide statements. The commissioner will make payments of \$20,000/year. Interest is 0.35%. The balance at September 30, 2019 is \$ 16,686.

V. Other Information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Claim liabilities are estimated considering the effects of inflation, recent claim settlement trends (including frequency and amounts of payouts) and other economic and social factors (including the effects of specific, incremental claim adjustment expense, salvage and subrogation).

On Monday, May 28, 2019, Jackson County, Texas was the victim of a Ransomware Attack. The perpetrators entered through a workstation, most likely embedded in an email. From the workstation the Jackson County SO Server was infected which also hosts the County Judge, District Attorney and District Clerk's Office and other files. The hackers did send a ransom demand in bitcom which was in excess of \$300,000. The County decided that it would not be paid. The County has since recovered from this attack and has implemented new procedures, including a firewall. The County contracted with Tyler to host both the County Clerks Record software and the Auditor/Treasurer's financial software beginning October 1, 2019. The financial software, Incode, was not transitioned from disaster hosting to 'regular' hosting until 2020.

Changes in accrued liabilities for these claims follow:

	Year ended <u>09/30/20</u>	Year ended <u>09/30/19</u>
Unpaid claims, beginning of fiscal year	\$ -0-	\$ -0-
Incurred claims (including IBNRs)		
Claim payments	<u>-0-</u>	<u>-0-</u>
Unpaid claims, end of fiscal year	<u>\$ -0-</u>	<u>\$ -0-</u>

1. General Liability Insurance

The County is insured for general, police officers and automobile liability. The County has joined with other governments in the Texas Association of Counties Risk Management Pool.

The County pays an annual premium to Risk Management for auto vehicle insurance coverage. The agreement with Risk Management provides that Risk Management will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 to \$300,000 for each insurance event. The County anticipates no contingent losses. Texas Association of Counties Risk Management Pool has published its own financial report that can be obtained from the Texas Association of Counties Risk Management Pool. The County continues to carry commercial fidelity bonds for elected officials and for management.

2. Property and Casualty Insurance

Property, casualty, mobile equipment insurance is provided by Texas Association of Counties Risk Management Pool.

3. Workers' Compensation Insurance

The County insures against workers' compensation claims through Texas Association of Counties Risk Management Pool.

4. Group Health and Life Insurance

The County maintains a group health insurance plan for active employees and their eligible dependents. Costs are recorded in the fund from which the employees' compensation is paid.

5. Unemployment Compensation Insurance

The County insures for unemployment compensation claims through an agreement with the Texas Workforce Commission (TWC).

B. Related Party Transaction

Monica Foster – Tax A/C- husband owns RJ Foster Electric. Expenditures for the year 2019 were \$326.54. No amounts were owed to either party as of September 30, 2019.

Jennifer Cranek – Library Clerk – does contract work for County. Expenditures for the year 2019 were \$600.00. No amounts were owed to either party as of September 30, 2019.

C. Subsequent Events

There were no subsequent events requiring reporting.

D. Contingent Liabilities

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

The County was not a defendant in any lawsuit at September 30, 2019.

E. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year. The County had a prior period adjustment whereby governmental activities' Net Assets was restated downward by \$101,719 due to the inclusion of a 2018 capital lease for voting equipment.

There is no effect on the changes in net position for the current year for either the GASB 34 or the GASB 75 restatements. The effect on prior year changes in net position is undeterminable for either the GASB 34 or the GASB 75 restatements.

These restatements had the corresponding effect on the beginning net assets, as follows:

	Net Position, as Previously Reported	CAPITAL LEASE RESTATEMENT	Net Position As Restated
Governmental Activities:			
Net Position	\$13,279,464	(\$101,719)	\$13,177,745
Total Governmental Activities	<u>\$13,279,464</u>	<u>(\$101,719)</u>	<u>\$13,177,745</u>

F. Tax Abatements

State law allows governments to enter into agreements for tax abatements which is anticipated to result in industry expansions and future revenues for the District. Under these agreements a company is exempt from paying a portion if not all property taxes to the District for a certain period. In return the company agrees to construct or expand new industry in the District and employ a certain number of workers.

On November 18, 2015, the County entered into an agreement pursuant to Chapter 312, Texas Tax Code, also known as the Property Redevelopment and Tax Abatement Act, with Formosa Plastics Corporation, Texas for the construction and operation of a project facility located in the Reinvestment Zone. Each agreement provides for the recapturing of property tax revenue lost as a result of the agreement if the owner defaults.

The gross taxes abated during the 2019 year amounted to \$133,602.

The terms of the agreement are as follows:

1. The Abatement shall extend for a period of seven (7) tax years beginning on the Abatement Start Date (the "Abatement Period") and shall apply to all Eligible Property Value for each tax year in the Abatement Period. The original abatement period was amended to add an additional year of abatement through December 31, 2022 due to permitting delays.
2. The abatement shall be 100%.
3. In consideration for the Abatement, Owner agrees to create at least 140 employment positions relating to the project, by the Completion Date, and to maintain no fewer than sixty (60) permanent employment positions throughout the remainder of the Abatement Period.
4. Owner agrees to make a capital investment of at least \$100 million.

On July 6, 2011, the County entered into an agreement pursuant to Chapter 312, Texas Tax Code, also known as the Property Redevelopment and Tax Abatement Act, with DCP Midstream, LP for the construction and operation of a project facility located in the Reinvestment Zone. Each agreement provides for the recapturing of property tax revenue lost as a result of the agreement if the owner defaults.

The gross taxes abated during the 2019 year amounted to \$55,273.50.

The terms of the agreement are as follows:

1. The Abatement shall extend for a period of ten (10) tax years beginning on the Abatement Start Date (the "Abatement Period") and shall apply to all Eligible Property Value for each tax year in the Abatement Period.
2. The abatement shall be 70%.
3. In consideration for the Abatement, Owner agrees to create at least 10 employment positions relating to the project, by the Completion Date, and to maintain no fewer than ten (10) permanent employment positions throughout the remainder of the Abatement Period.
4. Owner agrees to make a capital investment of at least \$100 million.

G. Reinvestment Zones

State law allows governments to enter into agreements for tax abatements which is anticipated to result in industry expansions and future revenues for the District. Under these agreements a company is exempt from paying a portion if not all property taxes to the District for a certain period. In return the company agrees to construct or expand new industry in the District and employ a certain number of workers.

On September 25, 2018, the County entered into an agreement pursuant to the Texas Tax Code, authorizing Jackson County, Texas to designate Reinvestment Zones in areas of the County that do not include areas in the taxing jurisdiction of a municipality, to enter into tax abatement agreements with regard to properties located in Reinvestment Zones, and to enter into tax abatement agreements with regard to properties for which a municipality has given tax abatement incentives by agreement.

The terms of the agreement are as follows:

1. The Abatement must be authorized by the Commissioners Court.
2. The abatement must be authorized for properties located within a municipal Reinvestment Zone when the municipality has entered into a tax abatement agreement. Such an agreement must be in compliance with all applicable requirements set forth in the Code.
3. Authorized Facilities: Tax abatement may be granted for New Facilities or for the Expansion or Modernization of existing Facilities. The economic life of a Facility or improvements thereto must exceed the life of the tax abatement agreement.
4. Eligible Property: Tax abatement may be granted for improvements to owned real property or real property subject to a Lease and for Personal Property located on such real property to the extent allowed by state law.

Authorized Facilities may be granted abatement on all or a portion of the increased taxable value of eligible property over the base year value for a period not to exceed ten (10) years.

H. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)	Net Pension Liability / (Asset)	
	December 31, 2017	December 31, 2018
Total pension liability	\$24,664,155	\$25,645,721
Fiduciary net position	24,300,550	23,131,791
Net pension liability/(asset)	363,605	2,513,930
Fiduciary net position as a % of total pension liability	98.53%	90.20%
Pensionable covered payroll	\$4,716,270	\$4,856,160
Net Pension liability as a % of covered payroll	7.71%	51.77%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Note: Rounding differences may exit above or in other tables in this report.

Discount Rate

Discount rate	8.10%	8.10%
Long-term expected rate of return, net of investment expense	8.10%	8.10%
Municipal bond rate	Does not apply	Does not apply

Other Key Actuarial Assumptions

All actuarial assumptions that determined the total pension liability as of December 31, 2018 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASS 68.

See Appendix B of this report (Actuarial Methods and Assumptions Used for GASB Calculations) for a listing of key assumptions used in the calculation of the total pension liability and other GASS 68 metrics.

See Appendix C (Actuarial Methods and Assumptions Used for Funding Valuation) of this report for a full description of the actuarial assumptions used in the funding valuation.

	Beginning Date	Ending Date
Valuation date	December 31, 2017	December 31, 2018
Measurement date	December 31, 2017	December 31, 2018
Employer's fiscal year	October 1, 2018	September 30, 2019

Long-Term Expected Rate of Return

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 2019 information for a 10-year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2013 - December 31, 2016 for more details.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
U.S. Equities	Dow Jones U.S. Total Stock Market Index	10.50%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	18.00%	8.40%
Global Equities	MSCI World (net) Index	2.50%	5.70%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	10.00%	5.40%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	7.00%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	1.60%
Strategic Credit	FTSE High-yield Cash-Pay Capped Index	12.00%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.00%	7.95%
Distressed Debt	Cambridge Associates Distressed Securities Index	2.00%	7.20%
REIT Equities	67% FTSE NAREIT Equity REITs Index + S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ^(S)	6.00%	6.30%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.00%	3.90%

Depletion of Plan Assets / GASB Discount Rate

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, alternative 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%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

As additional documentation for auditing purposes, we have shown the projection of the Fiduciary Net Position in the following exhibit ("Projection of Fiduciary Net Position").

Projection of Fiduciary Net Position

Calendar Year Ending	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
2019	\$23,131,791	\$774,888	\$1,678,773	\$23,132	\$1,836,862	\$24,041,636
2020	24,041,636	775,638	1,658,046	24,042	1,911,376	25,046,562
2021	25,046,562	800,767	1,757,955	25,047	1,989,765	26,054,092
2022	26,054,092	820,538	1,879,155	26,054	2,067,308	27,036,730
2023	27,036,730	847,358	1,981,585	27,037	2,143,860	28,019,325
2024	28,019,325	869,363	2,077,010	28,019	2,220,495	29,004,154
2025	29,004,154	856,232	2,189,495	29,004	2,295,239	29,937,126
2026	29,937,126	847,449	2,274,516	29,937	2,367,047	30,847,170
2027	30,847,170	841,603	2,354,898	30,847	2,437,301	31,740,329
2028	31,740,329	836,090	2,425,915	31,740	2,506,572	32,625,335
2038	37,277,938	475,249	3,038,181	37,278	2,916,255	37,593,982
2048	38,061,870	67,781	3,118,146	38,062	2,960,365	37,933,809
2058	38,050,777	13,346	2,612,058	38,051	2,977,403	38,391,416
2068	48,108,594	802	1,691,793	48,109	3,827,734	50,197,228
2078	83,628,146	0	821,481	83,628	6,737,937	89,460,974
2088	172,012,052	0	226,917	172,012	13,917,134	185,530,258
2098	369,422,095	0	19,273	369,422	29,907,754	398,941,155

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2017	\$24,664,155	\$24,300,550	\$363,605
Changes of the year:			
Service cost	552,733		552,733
Interest on total pension liability	1,984,125		1,984,125
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	(83,605)		(83,605)
Effect of assumptions changes or inputs	0		0
Refund of contributions	(137,548)	(137,548)	0
Benefit payments	(1,334,140)	(1,334,140)	0
Administrative expenses		(18,580)	18,580
Member contributions		339,931	(339,931)
Net investment income		(460,224)	460,224
Employer contributions		459,392	(459,392)
Other	0	(17,591)	17,591
Balances as of December 31, 2018	\$25,645,721	\$23,131,791	\$2,513,930

Sensitive Analysis

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$28,602,285	\$25,645,721	\$23,124,221
Fiduciary net position	23,131,791	23,131,791	23,131,791
Net pension liability/(asset)	\$5,470,494	\$2,513,930	(\$7,570)

Pension Expense / (Income)

Pension Expense / (Income)	January 1, 2018 to December 31, 2018
Service cost	\$552,733
Interest on total pension liability	1,984,125
Effect of plan changes	0
Administrative expenses	18,580
Member contributions	(339,931)
Expected investment return net of investment expenses	(1,940,208)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	25,753
Recognition of assumption changes or inputs	95,534
Recognition of investment gains or losses	554,042
Other	17,591
Pension expense	\$968,218

As of December 31, 2017, the deferred inflows and outflows of resources are as follows:

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$62,704	\$78,487
Changes of assumptions	0	68,805
Net difference between projected and actual earnings	0	1,412,547
Contributions made subsequent to measurement date	N/A	Employer determined

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 ending December 31:	
2019	\$577,509
2020	265,673
2021	173,865
2022	480,088
2023	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

	Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2018	
	Original Amount (a)	Date Established (b)	Original Recognition Period (c)	Amount Recognized for 2018 (a) / (c)	Inflows	Outflows
Investment (gains) or losses						
	\$2,400,432	12/31/2018	5.0	\$480,086	\$0	\$1,920,346
	(1,426,587)	12/31/2017	5.0	(285,317)	855,953	0
	132,014	12/31/2016	5.0	26,403	0	52,805
	1,476,742	12/31/2015	5.0	295,348	0	295,349
	187,609	12/31/2014	5.0	37,522	0	0
Economic/demographic (gains) or losses						
	(83,605)	12/31/2018	4.0	(20,901)	62,704	0
	124,003	12/31/2017	4.0	31,001	0	62,001
	65,947	12/31/2016	4.0	16,487	0	16,486
	(3,334)	12/31/2015	4.0	(834)	0	0
	(429,134)	12/31/2014	4.0	0	0	0
Assumption changes or inputs						
	0	12/31/2018	4.0	0	0	0
	137,609	12/31/2017	4.0	34,402	0	68,805
	0	12/31/2016	4.0	0	0	0
	244,526	12/31/2015	4.0	61,132	0	0
	0	12/31/2014	4.0	0	0	0

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31					
	2018	2017	2016	2015	2014	2013 - 2009
Total Pension Liability						
Service cost	\$552,733	\$528,956	\$544,447	\$497,657	\$498,637	N/A
Interest on total pension liability	1,984,125	1,879,839	1,767,233	1,674,524	1,613,900	N/A
Effect of plan changes	0	0	0	(65,301)	0	N/A
Effect of assumption changes or inputs	0	137,609	0	244,526	0	N/A
Effect of economic/demographic (gains) or losses	(83,605)	124,003	65,947	(3,334)	(429,134)	N/A
Benefit payments/refunds of contributions	<u>(1,471,688)</u>	<u>(1,344,204)</u>	<u>(1,158,335)</u>	<u>(1,119,594)</u>	<u>(928,820)</u>	<u>N/A</u>
Net change in total pension liability	981,566	1,326,204	1,219,292	1,228,477	754,583	<u>N/A</u>
Total pension liability, beginning	<u>24,664,155</u>	<u>23,337,951</u>	<u>22,118,660</u>	<u>20,890,183</u>	<u>20,135,600</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$25,645,721</u>	<u>\$24,664,155</u>	<u>\$23,337,951</u>	<u>\$22,118,660</u>	<u>\$20,890,183</u>	<u>N/A</u>
Fiduciary Net Position						
Employer contributions	\$459,392	\$439,556	\$454,474	\$428,369	\$418,687	N/A
Member contributions	339,931	330,139	320,056	301,975	291,045	N/A
Investment income net of investment expenses	(460,224)	3,163,407	1,518,446	196,576	1,408,935	N/A
Benefit payments/refunds of contributions	(1,471,688)	(1,344,204)	(1,158,335)	(1,119,594)	(928,820)	N/A
Administrative expenses	(18,580)	(16,161)	(16,477)	(14,775)	(15,556)	N/A
Other	<u>(17,591)</u>	<u>(7,852)</u>	<u>88,704</u>	<u>122,276</u>	<u>(380,061)</u>	<u>N/A</u>
Net change in fiduciary net position	(1,168,759)	2,564,887	1,206,867	(85,174)	794,230	N/A
Fiduciary net position, beginning	<u>24,300,550</u>	<u>21,735,663</u>	<u>20,528,796</u>	<u>20,613,970</u>	<u>19,819,740</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$23,131,791</u>	<u>\$24,300,550</u>	<u>\$21,735,663</u>	<u>\$20,528,796</u>	<u>\$20,613,970</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$2,513,930</u>	<u>\$363,605</u>	<u>\$1,602,288</u>	<u>\$1,589,864</u>	<u>\$276,212</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	90.20%	98.53%	93.13%	92.81%	98.68%	N/A
Pensionable covered payroll	\$4,856,160	\$4,716,270	\$4,572,224	\$4,313,925	\$4,157,786	N/A
Net pension liability/(asset) as % of covered payroll	51.77%	7.71%	35.04%	36.85%	6.64%	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2009	\$302,175	\$302,175	\$0	\$3,949,998	7.7%
2010	331,062	331,062	0	3,719,799	8.9%
2011	312,071	312,071	0	3,641,428	8.6%
2012	351,529	351,529	0	3,743,664	9.4%
2013	389,073	389,073	0	3,982,357	9.8%
2014	418,687	418,687	0	4,157,786	10.1%
2015	428,369	428,369	0	4,313,925	9.9%
2016	454,474	454,474	0	4,572,224	9.9%
2017	439,556	439,556	0	4,716,270	9.3%
2018	459,392	459,392	0	4,856,160	9.5%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.9 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule.

Appendix A— GASB 68 Plan Description for Jackson County

A description of the pension plan pursuant to Paragraph 40 of GASB Statement No. 68 is as follows:

- a. Jackson County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCDRS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 150%) and is then converted to an annuity.
 - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCDRS Act. They may be amended as of Jan. 1 each year, but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Jackson County contribution rate is based on the TCDRS funding policy adopted by the TCDRS Board of Trustees and must conform with the TCDRS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2017 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

Members	Dec. 31, 2017	Dec. 31, 2018
Number of inactive employees entitled to but not yet receiving benefits:	75	80
Number of active employees:	119	117
Average monthly salary:	\$3,288	\$3,359
Average age:	49.19	49.26
Average length of service in years:	12.07	12.41
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	94	97
Average monthly benefit:	\$1,186	\$1,163

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2018 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Jackson County December 31, 2018 Summary Valuation Report for further details.

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

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported,
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	5 years
Smoothing period	Non-asymptotic
Recognition	None
method Corridor	Same as funding valuation: See Appendix C
Inflation	Same as funding valuation: See Appendix C
Salary Increases	8.10% (Gross of administrative expenses)
Investment Rate of Return	
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Jackson 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.
Retirement Age	Same as funding valuation: See Appendix C
Turnover	Same as funding valuation: See Appendix C
Mortality	Same as funding valuation: See Appendix C

Appendix C—Actuarial Methods and Assumptions Used for Funding Valuation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2018 financial reporting metrics are the same as those used in the December 31, 2018 actuarial valuation analysis for Jackson County.

The following is a description of the assumptions used in the December 31, 2018 actuarial valuation analysis for Jackson County. This information may also be found in the Jackson County December 31, 2018 Summary Valuation Report.

Economic Assumptions

TCDRS system-wide economic assumptions:

Real rate of return	5.25%
Inflation	2.75%
Long-term investment return	8.00%

The assumed long-term investment return of 8% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 8% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee. (See Table 1 for Merit Salary Increases.)

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	2.75%

The payroll growth assumption is for the aggregate covered payroll of an employer.

Table 1
Merit Salary Increase

Years of Service	Entry Age			
	Before 30	Ages 30-39	Ages 40-49	50 and later
0	5.00%	4.50%	4.00%	3.50%
1	4.25	3.75	3.25	2.75
2	3.85	3.35	2.85	2.35
3	3.50	3.00	2.50	2.00
4	3.15	2.65	2.25	1.85
5	2.90	2.55	2.15	1.70
6	2.65	2.30	1.95	1.55
7	2.45	2.10	1.75	1.40
8	2.30	1.95	1.60	1.25
9	2.15	1.80	1.45	1.10
10	2.00	1.70	1.40	1.05
11	1.90	1.50	1.25	1.00
12	1.80	1.50	1.15	0.95
13	1.70	1.40	1.05	0.90
14	1.60	1.30	0.95	0.85
15	1.50	1.23	0.90	0.80
16	1.40	1.15	0.85	0.75
17	1.30	1.05	0.80	0.70
18	1.23	0.97	0.75	0.65
19	1.15	0.90	0.70	0.60
20	1.10	0.85	0.65	0.55
21	1.05	0.80	0.60	0.50
22	1.00	0.75	0.55	0.50
23	0.95	0.70	0.50	0.50
24	0.90	0.65	0.50	0.50
25	0.85	0.60	0.50	0.50
26	0.80	0.60	0.50	0.50
27	0.75	0.60	0.50	0.50
28	0.70	0.60	0.50	0.50
29	0.65	0.60	0.50	0.50
30 & up	0.60	0.60	0.50	0.50

Demographic Assumptions

TCDRS system-wide demographic assumptions:

Replacement of Terminated Members — New employees are assumed to replace any terminated members and have similar entry ages.

Disability — The rates of disability used in this valuation are illustrated in Table 2. Members who become disabled are eligible to commence benefit payments regardless of age. Rates of disability are in a custom table based on TCDRS experience.

Table 2
Annual Rates of Disability

Age	Work Related Male and Female	All Other Causes Male and Female	Age	Work Related Male and Female	All Other Causes Male and Female
less than			43	0.004%	0.058%
25	0.000%	0.000%	44	0.004	0.063
25	0.000	0.000	45	0.004	0.069
26	0.000	0.000	46	0.005	0.076
27	0.000	0.000	47	0.006	0.084
28	0.000	0.008	48	0.007	0.095
29	0.000	0.008	49	0.009	0.109
30	0.000	0.009	50	0.010	0.125
31	0.000	0.010	51	0.012	0.142
32	0.000	0.010	52	0.013	0.162
33	0.000	0.011	53	0.015	0.183
34	0.000	0.014	54	0.018	0.203
35	0.001	0.018	55	0.018	0.222
36	0.001	0.022	56	0.018	0.238
37	0.002	0.028	57	0.018	0.250
38	0.002	0.033	58	0.018	0.259
39	0.002	0.038	59	0.018	0.270
40	0.002	0.042	60 & Above	0.018	0.000
41	0.003	0.047			
42	0.003	0.053			

Mortality

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Family Composition — For current retirees, beneficiary information is supplied by TCDRS. For purposes of calculating the Survivor Benefit for current depositing and non-depositing members, male members are assumed to have a female beneficiary who is three years younger. Female members are assumed to have a male beneficiary who is three years older.

Service Retirement — Members eligible for service retirement are assumed to retire at the rates shown in Table 3.

Table 3
Annual Rates of Service Retirement

Age	Male	Female	Age	Male	Female
40-44	4.5%	4.5%	62	20.0%	20.0%
45-49	9.0	9.0	63	15.0	15.0
50	10.0	10.0	64	15.0	15.0
51	9.0	9.0	65	25.0	25.0
52	9.0	9.0	66	25.0	25.0
53	9.0	9.0	67	22.0	22.0
54	10.0	10.0	68	20.0	20.0
55	10.0	10.0	69	20.0	20.0
56	10.0	10.0	70	22.0	22.0
57	10.0	10.0	71	22.0	22.0
58	12.0	12.0	72	22.0	22.0
59	12.0	12.0	73	22.0	22.0
60	12.0	12.0	74	22.0	22.0
61	12.0	12.0			

Employer-specific demographic assumptions:

Other Terminations of Employment — The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement are illustrated in Table 4. The rates vary by length of service, entry-age group (age at hire) and gender. No termination after eligibility for retirement is assumed.

Table 4
Annual Rates of Termination

Years of Service	Entry Age 20		Entry Age 30		Entry Age 40		Entry Age 50	
	Male	Female	Male	Female	Male	Female	Male	Female
0	30.1%	32.6%	25.0%	27.2%	21.3%	23.0%	20.1%	21.7%
1	20.5	22.3	17.3	18.7	14.7	15.9	13.9	14.9
2	15.3	16.6	13.0	14.0	11.0	12.0	10.4	11.3
3	12.2	13.1	10.4	11.3	8.8	9.5	8.3	9.0
4	10.0	10.9	8.6	9.4	7.4	7.9	6.9	7.5
5	8.9	9.7	7.7	8.5	6.6	7.2	6.2	6.8
6	7.9	8.6	6.9	7.5	5.9	6.4	5.5	6.0
7	7.0	7.7	6.2	6.8	5.3	5.8	5.0	5.4
8	5.9	6.3	5.2	5.6	4.4	4.8	4.1	4.5
9	5.6	6.0	5.0	5.4	4.2	4.6	4.1	4.3
10	5.0	5.3	4.5	4.9	3.8	4.1	3.6	3.9
11	4.3	4.7	4.0	4.3	3.4	3.7	3.2	3.4
12	4.0	4.2	3.6	4.0	3.1	3.3	2.9	3.2
13	3.5	3.8	3.2	3.6	2.8	3.1	2.6	2.9
14	3.2	3.3	3.0	3.2	2.5	2.7	2.3	2.5
15	2.7	3.0	2.6	2.8	2.2	2.4	2.1	2.3
16	2.3	2.5	2.3	2.4	1.9	2.1	1.8	2.0
17	2.1	2.3	2.0	2.2	1.7	1.8	1.6	1.7
18	1.8	1.9	1.7	1.9	1.4	1.6	1.4	1.5
19	1.5	1.7	1.5	1.7	1.4	1.4	1.3	1.4
20	1.4	1.6	1.4	1.6	1.2	1.3	1.2	1.3
21	1.3	1.5	1.3	1.5	1.1	1.2	1.1	1.2
22	1.2	1.4	1.2	1.4	1.0	1.1	1.0	1.1
23	1.1	1.3	1.1	1.3	0.9	1.0	0.9	1.0
24	1.1	1.2	1.1	1.2	0.9	1.0	0.9	0.9
25	1.0	1.1	1.0	1.1	0.8	0.9	0.8	0.9
26	1.0	1.0	1.0	1.0	0.8	0.9	0.8	0.8
27	0.9	0.9	0.9	0.9	0.7	0.8	0.7	0.7
28	0.9	0.8	0.9	0.8	0.7	0.8	0.7	0.7
29	0.8	0.7	0.8	0.7	0.6	0.7	0.6	0.6
30 & Later	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Withdrawals — Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to your plan are shown in Table 5. For non-depositing members who are not vested, 100% are assumed to elect a withdrawal.

Table 5
Probability of Withdrawal

Years of Service	Probability	Years of Service	Probability
0	100%	15	40
1	100	16	38
2	100	17	36
3	100	18	33
4	100	19	30
5	100	20	28
6	100	21	26
7	100	22	24
8	47	23	22
9	46	24	20
10	45	25	18
11	44	26	16
12	43	27	14
13	42	28	12
14	41	29	10

I. Summary of GASB 75 Group Insurance Policy

The following projected information is provided for development of the GASB 75 disclosure for the fiscal year ending September 30, 2019 and a measurement date of September 30, 2019. The projections are based on the census information, benefit schedules and costs from the FY2018 actuarial valuation. To the extent the actual data differs for FY2019 these projections may not be representative of current liabilities and costs developed for GASB 75. GASB 75 does not provide precise instructions for developing interim period values. These projections were developed on a basis we believe to be consistent with GASB 75.

A new actuarial valuation may be required if there are significant changes in the benefits being valued under GASB 75. In addition, GASB 75 may require a new valuation if there are significant changes in the municipal bond rate used to develop the discount rate. For these projections we have used the discount rate of 4.06% from the September 30, 2018 actuarial valuation since no new valuation has been prepared. The following is the development of the Net OPEB Liability (NOL).

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Total OPEB Liability October 1, 2018	2,202,091	0	2,202,091
Service Cost	119,299	0	119,299
Interest Cost	84,932	0	84,932
Changes of Benefit Terms	0	0	0
Differences between expected and actual experience	0	0	0
Changes in assumptions	0	0	0
Other changes	0	0	0
Contributions - employer	0	0	0
Net investment income	0	0	0
Benefit payments	(220,330)	0	(220,330)
Administrative Expense	0	0	0
Net change in total OPEB liability	(16,099)	0	(16,099)
Total OPEB Liability September 30, 2019	2,185,992	0	2,185,992

Total OPEB Expense

Part of the disclosure is the Total OPEB Expense included in the financial statements each year. This expense includes the service cost, interest cost and the amortized amount of each base required by GASB 75.

Total OPEB Expense	FY 2019
Service Cost as of October 1, 2018	119,299
Interest Cost	84,932
Changes of benefit terms	0
Current Recognized Deferred Outflows/(Inflows)	0
(Other changes, if significant)	0
Difference of Projected Investment Earnings	0
Total OPEB Expense as of September 30, 2019	204,231

Schedule of Deferred Inflows/Outflows

GASB 75 requires disclosure of the deferred inflows/ outflows resulting from the changes in the Total OPEB Liability each year. Included will be a schedule showing the original amortization amount, the years to be amortized, and the remaining balance.

Schedule of Deferred Inflows/Outflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	0	0
Changes of Assumptions/inputs	0	0
Net differences between projected and actual investments	0	0
Total	0	0

Projection of Net Inflows (Outflows)

Fiscal Year	Net Inflows (Outflows)
2020	0
2021	0
2022	0
2023	0
2024+	0

Sensitivity Analysis of the Trend and Discount Rate

GASB75 requires a sensitivity analysis of the trend and discount rates used in the valuation. The sensitivity is plus or minus 1 % from the base rates used in the valuation. The values shown are as of September 30, 2019.

Trend	Total OPEB Liability	% Difference
1% Decrease 4.00%	1,978,013	-9.5%
Current Trend 5.00%	2,185,992	
1% Increase 6.00%	2,430,663	11.2%

Discount Rate	Total OPEB Liability	% Difference
1% Increase 5.06%	2,012,058	-8.0%
Current Discount Rate 4.06%	2,185,992	
1% Decrease 3.06%	2,380,974	8.9%

ACTUARIAL ASSUMPTIONS

No changes were made in the actuarial assumptions since the projections are based on the assumptions shown in the September 30, 2018 valuation report.

The data used in the roll forward of the September 30, 2018 valuation results remain unchanged from that used in the FY2018 GASB 75 actuarial valuation report. The data reflects the plan census as of September 30, 2018.

Since the September 30, 2018 valuation results were rolled forward there are no liability gains or losses for the projection period.

It is our understanding that no significant changes have been made in the plan eligibility or plan provisions since the September 30, 2018 actuarial valuation.

The employer reported \$93,306.81 in direct contributions made for retirees for FY2019.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31					
	2018	2017	2016	2015	2014	2013 - 2009
Total Pension Liability						
Service cost	\$552,733	\$528,956	\$544,447	\$497,657	\$498,637	N/A
Interest on total pension liability	1,984,125	1,879,839	1,767,233	1,674,524	1,613,900	N/A
Effect of plan changes	0	0	0	(65,301)	0	N/A
Effect of assumption changes or inputs	0	137,609	0	244,526	0	N/A
Effect of economic/demographic (gains) or losses	(83,605)	124,003	65,947	(3,334)	(429,134)	N/A
Benefit payments/refunds of contributions	<u>(1,471,688)</u>	<u>(1,344,204)</u>	<u>(1,158,335)</u>	<u>(1,119,594)</u>	<u>(928,820)</u>	<u>N/A</u>
Net change in total pension liability	981,566	1,326,204	1,219,292	1,228,477	754,583	<u>N/A</u>
Total pension liability, beginning	<u>24,664,155</u>	<u>23,337,951</u>	<u>22,118,660</u>	<u>20,890,183</u>	<u>20,135,600</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$25,645,721</u>	<u>\$24,664,155</u>	<u>\$23,337,951</u>	<u>\$22,118,660</u>	<u>\$20,890,183</u>	<u>N/A</u>
Fiduciary Net Position						
Employer contributions	\$459,392	\$439,556	\$454,474	\$428,369	\$418,687	N/A
Member contributions	339,931	330,139	320,056	301,975	291,045	N/A
Investment income net of investment expenses	(460,224)	3,163,407	1,518,446	196,576	1,408,935	N/A
Benefit payments/refunds of contributions	(1,471,688)	(1,344,204)	(1,158,335)	(1,119,594)	(928,820)	N/A
Administrative expenses	(18,580)	(16,161)	(16,477)	(14,775)	(15,556)	N/A
Other	<u>(17,591)</u>	<u>(7,852)</u>	<u>88,704</u>	<u>122,276</u>	<u>(380,061)</u>	<u>N/A</u>
Net change in fiduciary net position	(1,168,759)	2,564,887	1,206,867	(85,174)	794,230	N/A
Fiduciary net position, beginning	<u>24,300,550</u>	<u>21,735,663</u>	<u>20,528,796</u>	<u>20,613,970</u>	<u>19,819,740</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$23,131,791</u>	<u>\$24,300,550</u>	<u>\$21,735,663</u>	<u>\$20,528,796</u>	<u>\$20,613,970</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$2,513,930</u>	<u>\$363,605</u>	<u>\$1,602,288</u>	<u>\$1,589,864</u>	<u>\$276,212</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	90.20%	98.53%	93.13%	92.81%	98.68%	N/A
Pensionable covered payroll	\$4,856,160	\$4,716,270	\$4,572,224	\$4,313,925	\$4,157,786	N/A
Net pension liability/(asset) as % of covered payroll	51.77%	7.71%	35.04%	36.85%	6.64%	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2009	\$302,175	\$302,175	\$0	\$3,949,998	7.7%
2010	331,062	331,062	0	3,719,799	8.9%
2011	312,071	312,071	0	3,641,428	8.6%
2012	351,529	351,529	0	3,743,664	9.4%
2013	389,073	389,073	0	3,982,357	9.8%
2014	418,687	418,687	0	4,157,786	10.1%
2015	428,369	428,369	0	4,313,925	9.9%
2016	454,474	454,474	0	4,572,224	9.9%
2017	439,556	439,556	0	4,716,270	9.3%
2018	459,392	459,392	0	4,856,160	9.5%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	11.9 years (based on contribution rate calculated in 12/31/2017 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment Rate of Return	8.00%, net of administrative and investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018: No changes in plan provisions were reflected in the Schedule.

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2018 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Jackson County December 31, 2018 Summary Valuation Report for further details.

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

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported,
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	5 years
Smoothing period	Non-asymptotic
Recognition	None
method Corridor	Same as funding valuation: See Appendix C
Inflation	Same as funding valuation: See Appendix C
Salary Increases	8.10% (Gross of administrative expenses)
Investment Rate of Return	
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Jackson 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.
Retirement Age	Same as funding valuation: See Appendix C
Turnover	Same as funding valuation: See Appendix C
Mortality	Same as funding valuation: See Appendix C

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Fiscal Year	2019	2018
Service Cost	119,299	114,644
Interest	84,932	90,215
Plan Amendments	0	0
Experience (Gain)/Loss	0	0
Assumption Changes	0	0
Benefit Payments	(220,330)	(220,330)
TOL@BOY	2,202,091	2,217,562
TOL@EOY (a)	2,185,992	2,202,091
FNP@BOY	0	0
FNP@BOY (b)	0	0
NOL (a) – (b)	2,185,992	2,202,091
FNP as Percentage of NOL	0.00%	0.00%
Covered Payroll	4,510,172	4,510,172
NOL as Percentage of Payroll	48.47%	48.82%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - GENERAL FUND
 SEPTEMBER 30, 2019

	General Fund	Permanent Improvement Funds	Total General Funds
<i>ASSETS</i>			
Cash and Cash Equivalents	\$4,752,302	\$884,406	\$5,636,708
Receivables (net of allowance for uncollectibles)	748,001		748,001
Prepaid Items	66,819		66,819
Due from Others		16,686	16,686
Total Assets	<u>\$5,567,122</u>	<u>\$901,092</u>	<u>\$6,468,214</u>
LIABILITIES AND FUND BALANCES:			
Accounts Payable	\$94,342		\$94,342
Accrued Wages Payable	106,332		106,332
Deferred Revenues	1,166		1,166
Total Liabilities	<u>201,840</u>	<u>0</u>	<u>201,840</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	<u>540,880</u>		<u>540,880</u>
Fund Balances:			
Non-Spendable			
Prepaid Items	66,819		66,819
Restricted			
Permanent Improvement		151,092	151,092
Committed			
Construction		750,000	750,000
Unassigned	4,757,583		4,757,583
Total Fund Balance	<u>4,824,402</u>	<u>901,092</u>	<u>5,725,494</u>
Total Liabilities and Fund Balances	<u>\$5,567,122</u>	<u>\$901,092</u>	<u>\$6,468,214</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - GENERAL FUND
 YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Permanent Improvement Funds	Total General Funds
<i>REVENUES</i>			
Taxes			
Property	\$8,059,943		\$8,059,943
Sales	1,641,290		1,641,290
Other	49,904		49,904
Intergovernmental	339,973		339,973
Charges for Services	658,903		658,903
Fines and Forfeitures	430,010		430,010
Interest	134,401	22,315	156,716
Miscellaneous	106,258		106,258
Total Revenues	<u>11,420,682</u>	<u>22,315</u>	<u>11,442,997</u>
<i>EXPENDITURES</i>			
Current:			
General Administration			
Commissioner's Court	368,252		368,252
County Clerk	398,937		398,937
County Judge	198,260		198,260
Election			0
Non-Departmental	466,152		466,152
Judicial			
Court Expense	180,316		180,316
Criminal District Attorney	443,939		443,939
District Clerk	281,202		281,202
District Court	67,968		67,968
Jury	25,299		25,299
Justice of the Peace No. 1	218,264		218,264
Justice of the Peace No. 2	188,518		188,518
Financial Administration			
County Auditor	318,771		318,771
County Treasurer	170,363		170,363
Tax Assessor-Collector	440,284		440,284
Public Facilities			
County Services Building		28,525	28,525
Public Facilities	380,968		380,968
Public Safety			
Adult Probation	2,775		2,775
Ambulance			0
Emergency Management	39,549		39,549
Constable No. 1	81,140		81,140
Constable No. 2	85,095		85,095
Corrections	1,468,708		1,468,708

(continued)

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Disaster	183,621		183,621
D.P.S./License and Weight	3,514		3,514
D.P.S./Troopers	128		128
EMS/Jaws of Life	81		81
Fire	5,600		5,600
Permitting and Inspections	68,962		68,962
Law Enforcement Agreement	160,352		160,352
Sheriff	1,808,972		1,808,972
T.J.P.C.	45,144		45,144
Enviromental Protection			
Sanitation	363,866		363,866
Culture and Recreation			
County Library	186,978		186,978
Fairgrounds			0
Parks	4,554		4,554
Health and Welfare			
Gulf Bend Mental Health	49,594		49,594
Senior Citizens Center	30,000		30,000
Conservation - Agriculture			
Agriculture Extension Service	83,925		83,925
U.S. Soil Conservation	2,500		2,500
Debt Service			
Principal Retirement	32,913		32,913
Interest and Fiscal Charges	3,041		3,041
Total Expenditures	<u>8,858,505</u>	<u>28,525</u>	<u>8,887,030</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>2,562,177</u>	<u>(6,210)</u>	<u>2,555,967</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In			0
Operating Transfers Out	<u>(1,955,255)</u>		<u>(1,955,255)</u>
Total Other Financing Sources (Uses)	<u>(1,955,255)</u>	<u>0</u>	<u>(1,955,255)</u>
Net Changes in Fund Balances	606,922	(6,210)	600,712
Fund Balances - Beginning	4,217,480	907,302	5,124,782
Fund Balances - Ending	<u>\$4,824,402</u>	<u>\$901,092</u>	<u>\$5,725,494</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND
 SEPTEMBER 30, 2019

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Bridge Replacement Fund
<i>ASSETS</i>					
Cash and Cash Equivalents	\$68,761	\$90,174	\$29,924	\$12,805	\$137,267
Receivables (net of allowance for uncollectibles)					
Prepaid Insurance	6,290	3,658	3,929	4,868	
Total Assets	<u>\$75,051</u>	<u>\$93,832</u>	<u>\$33,853</u>	<u>\$17,673</u>	<u>\$137,267</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$2,686	\$2,656	\$3,216	\$12,750	
Accrued Wages Payable	4,560	5,689	4,274	6,594	
Total Liabilities	<u>7,246</u>	<u>8,345</u>	<u>7,490</u>	<u>19,344</u>	<u>0</u>
Fund Balances:					
Non-Spendable					
Prepaid Items	6,290	3,658	3,929	4,868	
Restricted					
Public Transportation	61,515	81,829	22,434	(6,539)	137,267
Total Fund Balance	<u>67,805</u>	<u>85,487</u>	<u>26,363</u>	<u>(1,671)</u>	<u>137,267</u>
Total Liabilities and Fund Balances	<u>\$75,051</u>	<u>\$93,832</u>	<u>\$33,853</u>	<u>\$17,673</u>	<u>\$137,267</u>

The accompanying notes are an integral part of this statement.

Highway Fund	Lateral Road No. 1	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
\$21,966		\$1,467	\$2,809	\$3,168	\$82,407	\$450,748
						\$0
3,491						3,491
433						19,178
\$25,890	\$0	\$1,467	\$2,809	\$3,168	\$82,407	\$473,417
						\$21,308
						21,117
0	0	0	0	0	0	42,425
						18,745
25,890		1,467	2,809	3,168	82,407	412,247
25,890	0	1,467	2,809	3,168	82,407	430,992
\$25,890	\$0	\$1,467	\$2,809	\$3,168	\$82,407	\$473,417

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2019

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Bridge Replacement Fund
<i>REVENUES</i>					
Intergovernmental					
Licenses and Permits					
Interest	7,841	8,297	6,252	10,212	3,255
Miscellaneous	61,762	29,513	17,122	11,178	
Total Revenues	69,603	37,810	23,374	21,390	3,255
<i>EXPENDITURES</i>					
Current:					
Public Transportation					
Road and Bridge	561,049	565,673	463,334	940,406	
Debt Service					
Principal Retirement					
Interest and Fiscal Charges					
Total Expenditures	561,049	565,673	463,334	940,406	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(491,446)	(527,863)	(439,960)	(919,016)	3,255
<i>OTHER FINANCING SOURCES (USES):</i>					
Operating Transfers In	517,587	561,269	439,153	764,042	50,000
Operating Transfers Out		(5,000)			
Total Other Financing Sources (Uses)	517,587	556,269	439,153	764,042	50,000
Net Changes in Fund Balances	26,141	28,406	(807)	(154,974)	53,255
Fund Balances - Beginning	41,664	57,081	27,170	153,303	84,012
Fund Balances - Ending	\$67,805	\$85,487	\$26,363	(\$1,671)	\$137,267

Highway Fund	Lateral Road No. 1	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
	\$20,897					\$20,897
579,389						579,389
		153	460	75	2,851	39,396
						119,575
579,389	20,897	153	460	75	2,851	759,257
105,467	20,897	18,708	30,000		5,828	2,711,362
				19,872		19,872
				128		128
105,467	20,897	18,708	30,000	20,000	5,828	2,731,362
473,922	0	(18,555)	(29,540)	(19,925)	(2,977)	(1,972,105)
		20,000	25,000	20,000	20,000	2,417,051
(461,130)					(34,215)	(500,345)
(461,130)	0	20,000	25,000	20,000	(14,215)	1,916,706
12,792	0	1,445	(4,540)	75	(17,192)	(55,399)
13,098		22	7,349	3,093	99,599	486,391
\$25,890	\$0	\$1,467	\$2,809	\$3,168	\$82,407	\$430,992

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2019

SPECIAL REVENUE

	Abandoned Motor Vehicles	Child Abuse Prevention	Child Welfare	Coastal Impact Assistance	Commissary Telephone
ASSETS					
Cash and Cash Equivalents	\$5,065	\$303	\$8,171	\$608,671	\$20,259
Receivables (net of allowance for uncollectibles)					6,840
Prepaid Insurance					
TOTAL ASSETS	\$5,065	\$303	\$8,171	\$608,671	\$27,099
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$276				
Accrued Wages Payable					
Due to Other Funds					
Total Liabilities	276	0	0	0	0
Fund Balances					
Non-Spendable					
Prepaid Insurance					
Restricted					
General Administration					
Judicial					
Legal					
Public Safety	4,789	303		608,671	
Committed					
Culture and Recreation					
Health and Welfare			8,171		
Public Safety					27,099
Unassigned					
Total Fund Balances	4,789	303	8,171	608,671	27,099
TOTAL LIABILITIES AND FUND BALANCES	\$5,065	\$303	\$8,171	\$608,671	\$27,099

(continued)

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

SPECIAL REVENUE

Community Development Grant	County Clerk Records Management	County Records Management	Courthouse Security	District Attorney Forfeiture	District Attorney Hot Check	District Clerk Records Management
(\$358)	\$126,624	\$5,480	\$2,956	\$295,998	\$7,512	\$12,176
				52	57	
-358	126,624	5,480	2,956	296,050	7,569	12,176
4,820			\$67	51 188		
4,820	0	0	67	239	3,788	0
				52		
	126,624	5,480		295,759		12,176
			2,889		3,781	
(5,178)						
(5,178)	126,624	5,480	2,889	295,811	3,781	12,176
(\$358)	\$126,624	\$5,480	\$2,956	\$296,050	\$7,569	\$12,176

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2019
 (continued)

	SPECIAL REVENUE				
	Elections Administration	Historical Commission	Justice Court Tech	Juvenile Probation Discretion	Juvenile Probation
ASSETS					
Cash and Cash Equivalents	\$4,055	\$33,438	\$3,319	\$2,899	\$1,475
Receivables (net of allowance for uncollectibles)					12,882
Prepaid Insurance		786			56
TOTAL ASSETS	\$4,055	\$34,224	\$3,319	\$2,899	\$14,413
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable					\$6,946
Accrued Wages Payable					1,108
Due to Other Funds					
Total Liabilities	0	0	0	0	8,054
Fund Balances					
Non-Spendable					
Prepaid Insurance		786			56
Restricted					
General Administration	4,055				
Judicial			3,319		
Legal					
Public Safety				2,899	6,303
Committed					
Culture and Recreation		33,438			
Health and Welfare					
Public Safety					
Unassigned					
Total Fund Balances	4,055	34,224	3,319	2,899	6,359
TOTAL LIABILITIES AND FUND BALANCES	\$4,055	\$34,224	\$3,319	\$2,899	\$14,413

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

SPECIAL REVENUE

Law Enforcement Officers	Law Library	Mediation Fund	Memorial Library	Sheriff Forfeiture	Non-Major Governmental Funds
\$3,076	\$9,192	\$1,450	\$8,522	\$53,477	\$1,213,760
					19,779
					894
\$3,076	\$9,192	\$1,450	\$8,522	\$53,477	\$1,234,433
	\$873			\$500	\$13,533
					1,296
					3,788
0	873	0	0	500	18,617
					894
		1,450			137,609
					311,254
					3,781
3,076				52,977	681,907
	8,319		8,522		50,279
					8,171
					27,099
					(5,178)
3,076	8,319	1,450	8,522	52,977	1,215,816
\$3,076	\$9,192	\$1,450	\$8,522	\$53,477	\$1,234,433

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	SPECIAL REVENUE				
	Abandoned Motor Vehicles	Child Abuse Prevention	Child Welfare	Coastal Impact Assistance	Commissary Telephone
<i>REVENUES</i>					
Intergovernmental				\$342,604	
Charges for Services	4,330	926			44,453
Interest			203		
Miscellaneous					
Total Revenues	4,330	926	203	342,604	44,453
<i>EXPENDITURES</i>					
Current:					
General Administration					
Records Management					
Judicial					
Judicial					
Legal					
Law Library					
Public Facilities					
Public Facilities					
Public Safety					
Courthouse Security					
Juvenile Probation					
Sheriff	3,511	1,001			50,498
Culture and Recreation					
Historical Commission					
Library					
Health and Welfare					
Child Welfare			50		
Total Expenditures	3,511	1,001	50	0	50,498
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	819	(75)	153	342,604	(6,045)
<i>OTHER FINANCING SOURCES (USES):</i>					
Operating Transfers In					
Total Other Financing Sources (Uses)				0	0
Net Changes in Fund Balances	819	(75)	153	342,604	(6,045)
Fund Balances - Beginning	3,970	378	8,018	266,067	33,144
Fund Balances - Ending	\$4,789	\$303	\$8,171	\$608,671	\$27,099

(continued)

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

SPECIAL REVENUE

Community Development Grant	County Clerk Records Management	County Records Management	Courthouse Security	District Attorney Forfeiture	District Attorney Hot Check	District Clerk Records Management
\$29,070	67,582 2,472	7,015	15,013	6,894 72,822	581	5,720
29,070	70,054	7,015	15,013	79,716	581	5,720
	28,754	9,730		22,984		5,016
34,421			23,013			
34,421	28,754	9,730	23,013	22,984	0	5,016
(5,351)	41,300	(2,715)	(8,000)	56,732	581	704
173						
173	0	0	0	0	0	0
(5,178)	41,300	(2,715)	(8,000)	56,732	581	704
0	85,324	8,195	10,889	239,079	3,200	11,472
(\$5,178)	\$126,624	\$5,480	\$2,889	\$295,811	\$3,781	\$12,176

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019
 (continued)

	SPECIAL REVENUE				
	Elections Administration	Historical Commission	Justice Court Tech	Juvenile Probation Discretion	Juvenile Probation
<i>REVENUES</i>					
Intergovernmental					\$179,926
Charges for Services	2,424		10,314	2,644	
Interest		835			1,072
Miscellaneous					
Total Revenues	2,424	835	10,314	2,644	180,998
<i>EXPENDITURES</i>					
Current:					
General Administration					
Records Management					
Judicial					
Judicial			12,900		
Legal					
Law Library					
Public Facilities					
Public Facilities					
Public Safety					
Courthouse Security					
Juvenile Probation				1,050	182,440
Sheriff					
Culture and Recreation					
Historical Commission		1,581			
Library					
Health and Welfare					
Child Welfare					
Total Expenditures	0	1,581	12,900	1,050	182,440
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,424	(746)	(2,586)	1,594	(1,442)
<i>OTHER FINANCING SOURCES (USES):</i>					
Operating Transfers In		881			
Total Other Financing Sources (Uses)	0	881	0	0	0
Net Changes in Fund Balances	2,424	135	(2,586)	1,594	(1,442)
Fund Balances - Beginning	1,631	34,089	5,905	1,305	7,801
Fund Balances - Ending	\$4,055	\$34,224	\$3,319	\$2,899	\$6,359

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

SPECIAL REVENUE

Law Enforcement Officers	Law Library	Mediation Fund	Memorial Library	Sheriff Forfeiture	Non-Major Governmental Funds
					\$551,600
3,930	9,704				174,636
			1,438	1,336	14,250
			6,031	2,532	81,385
3,930	9,704	0	7,469	3,868	821,871
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
	7,661				7,661
					34,421
					23,013
4,761				5,434	183,490
					65,205
					1,581
			6,881		6,881
					50
4,761	7,661	0	6,881	5,434	401,686
					43,500
					35,884
</					

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2019

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$4,167	\$1,198	\$4,167	\$1,198
Receivables (net of allowance for uncollectibles)	1,152		1,152	0
Total Current Assets	<u>5,319</u>	<u>1,198</u>	<u>5,319</u>	<u>1,198</u>
TOTAL ASSETS	<u>\$5,319</u>	<u>\$1,198</u>	<u>\$5,319</u>	<u>\$1,198</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Current Liabilities(Payable from Current Assets)				
Accounts Payable	530	1,206	530	1,206
Accrued Wages Payable			0	0
Total Current Liabilities	<u>530</u>	<u>1,206</u>	<u>530</u>	<u>1,206</u>
TOTAL LIABILITIES	<u>530</u>	<u>1,206</u>	<u>530</u>	<u>1,206</u>
Invested in Capital Assets, Net of Related debt				
Unrestricted	4,789	(8)	4,789	(8)
TOTAL NET POSITION	<u>\$4,789</u>	<u>(\$8)</u>	<u>\$4,789</u>	<u>(\$8)</u>

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
OPERATING REVENUES:				
Charges for Services	\$10,350	\$8,126	\$10,350	\$8,126
TOTAL OPERATING REVENUES	10,350	8,126	10,350	8,126
OPERATING EXPENSES				
Personal Services			0	0
Supplies	5,635	7,319	5,635	7,319
Other Services and Charges		2,640	0	2,640
Depreciation			0	0
TOTAL OPERATING EXPENSES	5,635	9,959	5,635	9,959
OPERATING INCOME (LOSS)	4,715	(1,833)	4,715	(1,833)
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	82		82	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	82	0	82	0
Income Before Transfers	4,797	(1,833)	4,797	(1,833)
Transfers In			0	0
Change in Net Position	4,797	(1,833)	4,797	(1,833)
Total Net Position - Beginning	(8)	1,825	(8)	1,825
Total Net Position - Ending	\$4,789	(\$8)	\$4,789	(\$8)

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
Cash flows from Operating Activities				
Receipts from Customers and Users	\$9,198	\$8,710	\$9,198	\$8,710
Payments to Suppliers	(6,311)	(9,089)	(6,311)	(9,089)
Payments to Employees	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	2,887	(379)	2,887	(379)
Cash Flows from Non-Capital and Related Financing Activities				
Transfers In			0	0
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	0	0	0	0
Cash Flows from Investing Activities				
Interest Received	82	0	82	0
Net Cash Provided(Used) By Investing Activities	82	0	82	0
Net Increase (Decrease) in Cash Equivalents	2,969	(379)	2,969	(379)
Cash and Cash Equivalents at Beginning of Year	1,198	1,577	1,198	1,577
Cash and Cash Equivalents at End of Year	\$4,167	\$1,198	\$4,167	\$1,198

(continued)

(continued)

Reconciliation of Operating Income to Net Cash
Provided(Used) By Operating Activities

Operating Income (Loss)	\$4,715	(\$1,833)	\$4,715	(\$1,833)
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Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation			0	0
--------------	--	--	---	---

Changes in Current Items

Decrease(Increase) in Accounts Receivable	(1,152)	584	(1,152)	584
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Increase(Decrease) in Accounts Payable	(676)	870	(676)	870
--	-------	-----	-------	-----

Increase(Decrease) in Accrued Wages Payable	0	0	0	0
---	---	---	---	---

Net Cash Provided(Used) by Operating Activities	<u>\$2,887</u>	<u>(\$379)</u>	<u>\$2,887</u>	<u>(\$379)</u>
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Noncash Investing, Capital and Financing Activities:

Borrowing from Capital Debt	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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Note: The above funds are all Enterprise Funds

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Agency Funds			Total
	Trust Investment	State Fees	County Officer Accounts	
ASSETS				
Cash and Cash Equivalents	\$48,961	\$98,606	\$485,515	\$633,082
Receivables (net of allowance for uncollectibles)	0	0	0	0
Total Assets	\$48,961	\$98,606	\$485,515	\$633,082
LIABILITIES				
Accounts Payable				\$0
Due to Others	48,961	98,606	485,515	633,082
Total Liabilities	\$48,961	\$98,606	\$485,515	\$633,082

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>TRUST INVESTMENT</u>		BALANCE	BALANCE
	10/1/2018	ADDITIONS	DEDUCTIONS	9/30/2019
ASSETS				
Cash and Cash Equivalents	\$41,302	\$7,659		\$48,961
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$41,302	\$7,659	\$0	\$48,961

LIABILITIES:				
Accounts Payable				
Due to Others	\$41,302	\$7,659	\$0	\$48,961
Total Liabilities	\$41,302	\$7,659	\$0	\$48,961

	<u>STATE FEES</u>		BALANCE	BALANCE
	10/1/2018	ADDITIONS	DEDUCTIONS	9/30/2019
ASSETS				
Cash and Cash Equivalents	\$76,468	\$22,138		\$98,606
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$76,468	\$22,138	\$0	\$98,606

LIABILITIES:				
Accounts Payable				
Due to Others	\$76,468	\$22,138	\$0	\$98,606
Total Liabilities	\$76,468	\$22,138	\$0	\$98,606

	<u>COUNTY OFFICER ACCOUNTS</u>		BALANCE	BALANCE
	10/1/2018	ADDITIONS	DEDUCTIONS	9/30/2019
ASSETS				
Cash and Cash Equivalents	\$429,956	\$55,559		\$485,515
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$429,956	\$55,559	\$0	\$485,515

LIABILITIES:				
Accounts Payable				
Due to Others	\$429,956	\$55,559	\$0	\$485,515
Total Liabilities	\$429,956	\$55,559	\$0	\$485,515

	<u>TOTAL</u>	BALANCE			BALANCE
		10/1/2018	ADDITIONS	DEDUCTIONS	9/30/2019
ASSETS					
Cash and Cash Equivalents		\$547,726	\$85,356	\$0	\$633,082
Receivables (net of allowance for uncollectibles)		0	0	0	0
Total Assets		<u>\$547,726</u>	<u>\$85,356</u>	<u>\$0</u>	<u>\$633,082</u>
LIABILITIES:					
Accounts Payable		\$0	\$0	\$0	\$0
Due to Others		547,726	85,356	0	633,082
Total Liabilities		<u>\$547,726</u>	<u>\$85,356</u>	<u>\$0</u>	<u>\$633,082</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- BUDGET AND ACTUAL

JACKSON COUNTY, TEXAS
 ABANDONED MOTOR VEHICLES
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$500	\$500	\$4,330	\$3,830
Miscellaneous				0
Total Revenues	<u>500</u>	<u>500</u>	<u>4,330</u>	<u>3,830</u>
EXPENDITURES				
Current				
Public Safety	5,100	5,100	3,510	1,590
Total Expenditures	<u>5,100</u>	<u>5,100</u>	<u>3,510</u>	<u>1,590</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,600)</u>	<u>(4,600)</u>	820	5,420
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$4,600)</u>	<u>(\$4,600)</u>	820	<u>\$5,420</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>(1)</u>	
Net Changes in Fund Balances-Modified Accrual Basis			819	
Fund Balances - Beginning			<u>3,970</u>	
Fund Balances - Ending			<u>\$4,789</u>	

JACKSON COUNTY, TEXAS
 CHILD ABUSE PREVENTION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$850	\$850	\$925	\$75
Total Revenues	850	850	925	75
EXPENDITURES				
Current				
Public Safety	1,000	1,000	1,000	0
Total Expenditures	1,000	1,000	1,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150)	(150)	(75)	75
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(150)	(150)	(75)	75
Fund Balances - Beginning	378	378	378	
Fund Balances - Ending	\$228	\$228	\$303	\$75

JACKSON COUNTY, TEXAS
 COASTAL IMPACT ASSISTANCE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$31,200	\$31,200	\$342,604	\$311,404
Total Revenues	31,200	31,200	342,604	311,404
EXPENDITURES				
Current				
Culture and Recreation	296,982	296,982		296,982
Total Expenditures	296,982	296,982	0	296,982
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,782)	(265,782)	342,604	608,386
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(265,782)	(265,782)	342,604	608,386
Fund Balances - Beginning	266,067	266,067	266,067	
Fund Balances - Ending	\$285	\$285	\$608,671	\$608,386

JACKSON COUNTY, TEXAS
 CHILD WELFARE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$100	\$100	\$203	\$103
Miscellaneous				0
Total Revenues	100	100	203	103
EXPENDITURES				
Current				
Health and Welfare	2,500	2,500	50	2,450
Total Expenditures	2,500	2,500	50	2,450
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,400)	(2,400)	153	2,553
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(2,400)	(2,400)	153	2,553
Fund Balances - Beginning	8,018	8,018	8,018	
Fund Balances - Ending	\$5,618	\$5,618	\$8,171	\$2,553

JACKSON COUNTY, TEXAS
 COMMISSARY TELEPHONE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$40,000	\$40,000	\$44,048	\$4,048
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>44,048</u>	<u>4,048</u>
EXPENDITURES				
Current				
Public Safety	63,925	63,925	50,648	13,277
Total Expenditures	<u>63,925</u>	<u>63,925</u>	<u>50,648</u>	<u>13,277</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,925)</u>	<u>(23,925)</u>	<u>(6,600)</u>	<u>17,325</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$23,925)</u>	<u>(\$23,925)</u>	<u>(6,600)</u>	<u>\$17,325</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			405	
Changes in Accounts Payable			<u>150</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(6,045)</u>	
Fund Balances - Beginning			<u>33,144</u>	
Fund Balances - Ending			<u>\$27,099</u>	

JACKSON COUNTY, TEXAS
 COMMUNITY DEVELOPMENT GRANT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental		\$29,070	\$29,070	\$0
Interest				0
Total Revenues	0	29,070	29,070	0
EXPENDITURES				
Current				
General Administration		29,274	29,601	(327)
Total Expenditures	0	29,274	29,601	(327)
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(204)	(531)	(327)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In		173	173	
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	173	173	0
Net Changes in Fund Balances - Cash Basis	0	(31)	(358)	(327)
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			(4,820)	
Net Changes in Fund Balances - Modified Accrual Basis			(5,178)	
Fund Balances - Beginning			0	
Fund Balances - Ending			(\$5,178)	

JACKSON COUNTY, TEXAS
 COUNTY CLERK RECORDS MANAGEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$69,250	\$69,250	\$67,582	(\$1,668)
Interest			2,473	2,473
Total Revenues	69,250	69,250	70,055	805
EXPENDITURES				
Current				
General Administration	47,684	47,684	28,755	18,929
Total Expenditures	47,684	47,684	28,755	18,929
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,566	21,566	41,300	19,734
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	21,566	21,566	41,300	19,734
Fund Balances - Beginning	85,324	85,324	85,324	
Fund Balances - Ending	\$106,890	\$106,890	\$126,624	\$19,734

JACKSON COUNTY, TEXAS
 COUNTY RECORDS MANAGEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$8,100	\$8,100	\$7,015	(\$1,085)
Total Revenues	8,100	8,100	7,015	(1,085)
EXPENDITURES				
Current				
General Administration	15,613	15,613	9,730	5,883
Total Expenditures	15,613	15,613	9,730	5,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,513)	(7,513)	(2,715)	4,798
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(7,513)	(7,513)	(2,715)	4,798
Fund Balances - Beginning	8,195	8,195	8,195	
Fund Balances - Ending	\$682	\$682	\$5,480	\$4,798

JACKSON COUNTY, TEXAS
 COURTHOUSE SECURITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental				\$0
Charges for Services	13,025	13,025	15,013	1,988
Total Revenues	<u>13,025</u>	<u>13,025</u>	<u>15,013</u>	<u>1,988</u>
EXPENDITURES				
Current				
Public Safety	24,718	24,718	22,978	1,740
Total Expenditures	<u>24,718</u>	<u>24,718</u>	<u>22,978</u>	<u>1,740</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,693)</u>	<u>(11,693)</u>	<u>(7,965)</u>	<u>3,728</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$11,693)</u>	<u>(\$11,693)</u>	<u>(7,965)</u>	<u>\$3,728</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			<u>(35)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(8,000)</u>	
Fund Balances - Beginning			<u>10,889</u>	
Fund Balances - Ending			<u>\$2,889</u>	

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY FORFEITURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$3,900	\$3,900	\$6,893	\$2,993
Miscellaneous	2,500	2,500	72,822	70,322
Total Revenues	6,400	6,400	79,715	73,315
EXPENDITURES				
Current				
Judicial	30,225	30,225	22,893	7,332
Total Expenditures	30,225	30,225	22,893	7,332
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,825)	(23,825)	56,822	80,647
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances - Cash Basis	(\$23,825)	(\$23,825)	56,822	\$80,647
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			(2)	
Changes in Accounts Payable			(47)	
Changes in Accrued Wages Payable			(41)	
Net Changes in Fund Balances - Modified Accrual Basis			56,732	
Fund Balances - Beginning			239,079	
Fund Balances - Ending			\$295,811	

JACKSON COUNTY, TEXAS
 DISTRICT ATTORNEY HOT CHECK
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$300	\$300	\$524	\$224
Total Revenues	<u>300</u>	<u>300</u>	<u>524</u>	<u>224</u>
EXPENDITURES				
Current				
Judicial	2,535	2,535		2,535
Total Expenditures	<u>2,535</u>	<u>2,535</u>	<u>0</u>	<u>2,535</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,235)</u>	<u>(2,235)</u>	<u>524</u>	<u>2,759</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$2,235)</u>	<u>(\$2,235)</u>	<u>524</u>	<u>\$2,759</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			<u>57</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>581</u>	
Fund Balances - Beginning			<u>3,200</u>	
Fund Balances - Ending			<u><u>\$3,781</u></u>	

JACKSON COUNTY, TEXAS
 DISTRICT CLERK RECORDS MANAGEMENT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$6,000	\$6,000	\$5,720	(\$280)
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>5,720</u>	<u>(280)</u>
EXPENDITURES				
Current				
General Administration	6,657	6,657	6,141	516
Total Expenditures	<u>6,657</u>	<u>6,657</u>	<u>6,141</u>	<u>516</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(657)</u>	<u>(657)</u>	<u>(421)</u>	<u>236</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$657)</u>	<u>(\$657)</u>	<u>(421)</u>	<u>\$236</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>1,125</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>704</u>	
Fund Balances - Beginning			<u>11,472</u>	
Fund Balances - Ending			<u>\$12,176</u>	

JACKSON COUNTY, TEXAS
 ELECTION ADMINISTRATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services			\$2,424	\$2,424
Total Revenues	0	0	2,424	2,424
EXPENDITURES				
Current				
General Administration	2,100	2,100		2,100
Total Expenditures	2,100	2,100	0	2,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,100)	(2,100)	2,424	4,524
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(2,100)	(2,100)	2,424	4,524
Fund Balances - Beginning	1,631	1,631	1,631	
Fund Balances - Ending	(\$469)	(\$469)	\$4,055	\$4,524

JACKSON COUNTY, TEXAS
HISTORICAL COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$500	\$500	\$835	\$335
Miscellaneous	100	100		(100)
Total Revenues	<u>600</u>	<u>600</u>	835	235
EXPENDITURES				
Current				
Culture and Recreation	34,292	34,292	1,108	33,184
Total Expenditures	<u>34,292</u>	<u>34,292</u>	1,108	33,184
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(33,692)</u>	<u>(33,692)</u>	(273)	33,419
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	881	881	881	0
Operating Transfers Out				
Total Other Financing Sources (Uses)	<u>881</u>	<u>881</u>	881	0
Net Changes in Fund Balances - Cash Basis	<u>(\$32,811)</u>	<u>(\$32,811)</u>	608	<u>\$33,419</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			<u>(473)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			135	
Fund Balances - Beginning			<u>34,089</u>	
Fund Balances - Ending			<u>\$34,224</u>	

JACKSON COUNTY, TEXAS
 JUSTICE COURT TECHNOLOGY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$8,020	\$8,020	\$10,314	\$2,294
Total Revenues	8,020	8,020	10,314	2,294
EXPENDITURES				
Current				
Judicial	13,222	13,222	12,900	322
Total Expenditures	13,222	13,222	12,900	322
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,202)	(5,202)	(2,586)	2,616
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(5,202)	(5,202)	(2,586)	2,616
Fund Balances - Beginning	5,905	5,905	5,905	
Fund Balances - Ending	\$703	\$703	\$3,319	\$2,616

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION DISCRETION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$900	\$900	2,644	\$1,744
Total Revenues	900	900	2,644	1,744
EXPENDITURES				
Current				
Public Safety	1,050	1,050	1,050	0
Total Expenditures	1,050	1,050	1,050	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150)	(150)	1,594	1,744
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(150)	(150)	1,594	1,744
Fund Balances - Beginning	1,305	1,305	1,305	
Fund Balances - Ending	\$1,155	\$1,155	\$2,899	\$1,744

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$176,676	\$205,463	\$156,326	(\$49,137)
Interest	25	25	1,071	1,046
Total Revenues	<u>176,701</u>	<u>205,488</u>	<u>157,397</u>	<u>(48,091)</u>
EXPENDITURES				
Current				
Public Safety	182,175	210,963	184,657	26,306
Total Expenditures	<u>182,175</u>	<u>210,963</u>	<u>184,657</u>	<u>26,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,474)</u>	<u>(5,475)</u>	<u>(27,260)</u>	<u>(21,785)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$5,474)</u>	<u>(\$5,475)</u>	<u>(27,260)</u>	<u>(\$21,785)</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			25,100	
Changes in Prepaid Insurance			(44)	
Changes in Accounts Payable			329	
Changes in Accrued Wages Payable			433	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(1,442)</u>	
Fund Balances - Beginning			<u>7,801</u>	
Fund Balances - Ending			<u><u>\$6,359</u></u>	

JACKSON COUNTY, TEXAS
 LAW ENFORCEMENT OFFICERS EDUCATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$3,898	\$3,931	\$3,930	(\$1)
Total Revenues	3,898	3,931	3,930	(1)
EXPENDITURES				
Current				
Public Safety	7,905	7,938	4,761	3,177
Total Expenditures	7,905	7,938	4,761	3,177
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,007)	(4,007)	(831)	3,176
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(4,007)	(4,007)	(831)	3,176
Fund Balances - Beginning	3,907	3,907	3,907	
Fund Balances - Ending	(\$100)	(\$100)	\$3,076	\$3,176

JACKSON COUNTY, TEXAS

LAW LIBRARY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$8,000	\$8,000	\$9,703	\$1,703
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>9,703</u>	<u>1,703</u>
EXPENDITURES				
Current				
Legal	7,630	7,630	7,878	(248)
Total Expenditures	<u>7,630</u>	<u>7,630</u>	<u>7,878</u>	<u>(248)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>370</u>	<u>370</u>	<u>1,825</u>	<u>1,455</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>\$370</u>	<u>\$370</u>	<u>1,825</u>	<u>\$1,455</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>218</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>2,043</u>	
Fund Balances - Beginning			<u>6,276</u>	
Fund Balances - Ending			<u>\$8,319</u>	

JACKSON COUNTY, TEXAS
 MEMORIAL LIBRARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$1,050	\$1,050	\$1,438	\$388
Miscellaneous	5,400	5,400	6,031	631
Total Revenues	<u>6,450</u>	<u>6,450</u>	<u>7,469</u>	<u>1,019</u>
EXPENDITURES				
Current				
Culture and Recreation	8,600	8,600	6,961	1,639
Total Expenditures	<u>8,600</u>	<u>8,600</u>	<u>6,961</u>	<u>1,639</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,150)</u>	<u>(2,150)</u>	<u>508</u>	<u>2,658</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$2,150)</u>	<u>(\$2,150)</u>	<u>508</u>	<u>\$2,658</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>80</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>588</u>	
Fund Balances - Beginning			<u>7,934</u>	
Fund Balances - Ending			<u>\$8,522</u>	

JACKSON COUNTY, TEXAS
 SHERIFF FORFEITURE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest	\$800	\$800	\$1,336	\$536
Miscellaneous			2,533	2,533
Total Revenues	800	800	3,869	3,069
EXPENDITURES				
Current				
Public Safety	3,112	5,595	5,585	10
Total Expenditures	3,112	5,595	5,585	10
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,312)	(4,795)	(1,716)	3,079
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				
Operating Transfers Out				
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances - Cash Basis	(\$2,312)	(\$4,795)	(1,716)	\$3,079
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			150	
Net Changes in Fund Balances - Modified Accrual Basis			(1,566)	
Fund Balances - Beginning			54,543	
Fund Balances - Ending			\$52,977	