

JACKSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

September 30, 2015



Jackson County, Texas  
Annual Financial Report  
For the Fiscal Year Ended September 30, 2015

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FINANCIAL SECTION

**BEYER & Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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INDEPENDENT AUDITOR'S REPORT

To the Commissioner's Court  
Jackson County, Texas

**Report on the Financial Statements**

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, 2015, and the related notes to the financial statements, which collectively comprise Jackson County, Texas' basic financial statements as listed in the table of contents.

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

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

***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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Change in Accounting Principle

As discussed in Note G to the financial statements, in 2015 the County adopted new accounting guidance, *GASB Statement No. 68 Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

## 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 64–68, the major budgetary comparison information on page 69, and the budgetary comparison information on pages 86-106 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' 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2016, on our consideration of Jackson County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jackson County, Texas' internal control over financial reporting and compliance.

*Wayne R. Beyer*

BEYER & COMPANY  
Certified Public Accountants  
May 8, 2016



## 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, 2015.

### Financial Highlights

- . The assets of Jackson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$17,718,216 (net assets). Of this amount, \$6,002,169 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net assets decreased by \$263,675. This decrease is attributable to a reduction in sales tax revenues of \$230,755.
- . As of the close of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$7,392,163, a decrease of \$823,739 in comparison with the prior year. Approximately 80% of this total amount, \$5,890,395 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 \$5,890,395, or 78 percent of total general fund expenditures, the fund balance for the road and bridge fund was \$702,199, or 25 percent of total road and bridge fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is 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 similar to a private-sector business.

The statement of net assets presents information on all of Jackson County, Texas' assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 funds, the District Clerk reserve fund, and the Coastal Impact Assistance 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, and all the other special revenue funds for which budgets were adopted.

The basic governmental fund financial statements can be found on pages 14-20 of this report. The basic proprietary fund financial statements can be found on pages 21-24 of this report.

Jackson County, Texas also has four 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 25-26.

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 27-63 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 64-68 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 69-85 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 86-106 of this report.

The single audit information can be found on pages 107-114 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets 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 \$17,718,216 at the close of the most recent fiscal year.

A large portion of Jackson County, Texas' net assets (59 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 ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$8,549,517	\$9,718,927	\$13,134	\$25,785	\$8,562,651	\$9,744,712
Capital Assets	9,297,431	8,092,724	1,112,405	1,215,593	10,409,836	9,308,317
Total Assets	17,846,948	17,811,651	1,125,539	1,241,378	18,972,487	19,053,029
Total Deferred Outflows of Resources	666,239	494,967			666,239	494,967
Long-Term Liabilities	1,048,391	939,188	0	0	1,048,391	939,188
Other Liabilities	548,335	626,616	1,933	301	550,268	626,917
Total Liabilities	1,596,726	1,565,804	1,933	301	1,598,659	1,566,105
Total Deferred Inflows of Resources	321,851				321,851	0
Net Assets						
Invested in Capital Assets, Net of Related Debt	9,297,431	8,092,724	1,112,405	1,215,593	10,409,836	9,308,317
Restricted	1,306,211	1,312,155	0	0	1,306,211	1,312,155
Unrestricted	5,990,968	7,335,935	11,201	25,484	6,002,169	7,361,419
Total Net Assets	\$16,594,610	\$16,740,814	\$1,123,606	\$1,241,077	\$17,718,216	\$17,981,891

An additional portion of Jackson County, Texas' net assets (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$6,002,169) 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 activities. For the prior fiscal year, Jackson County, Texas reported positive balances in net assets, both for the government as a whole, as well as for its separate governmental activities. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in all three categories of net assets for its governmental activities.

The government's total net assets decreased by \$263,675. This decrease is attributable to a reduction in sales tax revenues of \$230,755.

There was a decrease of \$5,944 in restricted net assets reported in connection with Jackson County, Texas' government-type activities. This decrease is immaterial.

*Governmental activities:*

Governmental activities decreased Jackson County, Texas' net assets by \$146,204, thereby accounting for 55 percent of the total decline in the net assets of Jackson County, Texas.

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$1,820,643	\$1,996,767	\$14,572	\$20,499	\$1,835,215	\$2,017,266
Operating Grants and Contributions	535,113	295,256	0	0	535,113	295,256
Capital Grants and Contributions	928,538	223,422	2,319	25,232	930,857	248,654
General Revenues						
Maintenance and Operations Taxes	6,180,899	5,450,712			6,180,899	5,450,712
Sales Tax	946,208	1,176,963			946,208	1,176,963
Other Taxes	55,590	38,359			55,590	38,359
Unrestricted Investment Earnings	40,169	39,159	13	40	40,182	39,199
Miscellaneous	196,301	273,299			196,301	273,299
Total Revenue	10,703,461	9,493,937	16,904	45,771	10,720,365	9,539,708
Expenses:						
General Administration	1,225,605	1,292,800	0	0	1,225,605	1,292,800
Judicial	1,379,317	1,165,367			1,379,317	1,165,367
Legal	20,748	29,879			20,748	29,879
Financial Administration	794,469	723,048			794,469	723,048
Public Facilities	836,587	570,787			836,587	570,787
Public Safety	3,373,370	2,505,545	9,199	9,515	3,382,569	2,515,060
Public Transportation	2,440,070	2,978,831			2,440,070	2,978,831
Environmental Protections	350,772	310,079			350,772	310,079
Culture and Recreation	274,931	293,115	112,176	120,946	387,107	414,061
Health and Welfare	78,337	79,431			78,337	79,431
Conservation - Agriculture	88,459	84,047			88,459	84,047
Interest and Fiscal Charges	0	1,055			0	1,055
Total Expenses	10,862,665	10,033,984	121,375	130,461	10,984,040	10,164,445
Increase in Net Assets Before Transfers and Special Items	(159,204)	(540,047)	(104,471)	(84,690)	(263,675)	(624,737)
Transfers	13,000	0	(13,000)	0	0	0
Increase in Net Assets	(146,204)	(540,047)	(117,471)	(84,690)	(263,675)	(624,737)
Net Assets at 9/30/2013	16,740,814	17,280,861	1,241,077	1,325,767	17,981,891	18,606,628
Net Assets at 9/30/2014	\$16,594,610	\$16,740,814	\$1,123,606	\$1,241,077	\$17,718,216	\$17,981,891

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$1,225,605	\$314,637	\$19,019	\$0
Judicial	1,379,317	467,002	25,087	
Legal	20,748			
Financial Administration	794,469	148,852		
Public Facilities	836,587			
Public Safety	3,373,370	121,768	211,422	
Public Transportation	2,440,070	605,325	278,051	
Environmental Protections	350,772	151,171		
Culture and Recreation	274,931	11,888	1,534	928,538
Health and Welfare	78,337			
Conservation - Agriculture	88,459			
Interest and Fiscal Charges	0			
Total Government Activities	<u>\$10,862,665</u>	<u>\$1,820,643</u>	<u>\$535,113</u>	<u>\$928,538</u>

Revenues by Source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$1,820,643	17.01%
Operating Grants and Contributions	535,113	5.00%
Capital Grants and Contributions	928,538	8.68%
Maintenance and Operations Taxes	6,180,899	57.75%
Sales Tax	946,208	8.84%
Other Taxes	55,590	0.52%
Unrestricted Investment Earnings	40,169	0.38%
Miscellaneous	196,301	1.83%
	<u>\$10,703,461</u>	<u>100.00%</u>

The decrease in governmental activities total net assets is attributable to a reduction in sales tax revenues of \$230,755.



*Business-Type Activities:*

Business-type activities (commissary and airport fund) in Jackson County represented 44 percent of the total decline in the net assets of Jackson County, Texas. A discussion regarding these is below.

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	\$112,176	\$3,983		\$2,319
Jail Commissary	9,199	10,589		
Total Business-Type Activities:	\$121,375	\$14,572	\$0	\$2,319

Revenues by Source - Business-Type Activities

	REVENUES	%
Charges for Services	\$14,572	86.20%
Capital Grants and Contributions	2,319	13.72%
Unrestricted Investment Earnings	13	0.08%
	\$16,904	100.00%

Business-type activities:

Business-type activities decreased the County's net assets by \$117,471.

- . Demand for services for business-type activities decreased by \$5,927.
- . Transfers out increased by \$13,000.
- . Total grant proceeds decreased by \$22,913.
- . Total expenses decreased by \$9,086.

## 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. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$7,392,163, a decrease of \$823,739 in comparison with the prior year. Approximately 80 percent of this total amount (\$5,890,395) 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 \$5,890,395, while total fund balance reached \$6,065,708. 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 78 percent of total general fund expenditures, while total fund balance represents 81 percent of that same amount.

The fund balance of Jackson County, Texas' general fund decreased by \$805,074 during the current fiscal year. Key factors in this decrease are as follows: This decrease is attributable to a reduction in sales tax revenues of \$230,755, an increase in expenditures in the county services building of \$144,026, and an increase in expenditures in sanitation of \$193,639.

The road and bridge fund had a total fund balance of \$702,199. 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 25 percent of that same amount. The fund balance of the road and bridge fund increased by \$45,090 during the current year. Key factors in this increase are as follows: This increase is attributable to careful budget management.

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, 2015 year. The fund had only assets and liabilities. There is no analysis of the coastal impact assistance fund because this fund is a capital projects fund and a comparison to the preceding year would be illusory.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase of \$79,381. This increase was applied ratably except for the sheriff department which increased by \$39,772 and justice of the peace No. 2 which increased by \$21,525. The total general fund actual expenditures of \$7,500,725 were less than the budgeted expenditures of \$7,827,760 by \$327,035.

## 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, 2015, amounts to \$10,409,836 (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 increase in Jackson County, Texas' investment in capital assets for the current fiscal year was 11.83 percent (14.89 percent increase for governmental activities and 8.49 percent decrease for business-type activities). The County had Coastal Impact Assistance Program projects and a Texas Parks and Wildlife – boat ramp project during the year ended September 30, 2015.

#### JACKSON COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$429,877	\$429,877	\$70,254	\$70,254	\$500,131	\$500,131
Construction in Progress	157,819	400,803	0	0	157,819	400,803
Building and Improvements	2,592,609	2,390,801	120,464	130,194	2,713,073	2,520,995
Machinery and Equipment	2,378,346	2,351,597	48,684	53,465	2,427,030	2,405,062
Infrastructure	3,738,780	2,519,646	873,003	961,680	4,611,783	3,481,326
Total	\$9,297,431	\$8,092,724	\$1,112,405	\$1,215,593	\$10,409,836	\$9,308,317

Additional information on Jackson County, Texas' capital assets can be found in note IV C on page 40 and 41 of this report.

### *Long-term debt:*

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

### Future Outlook

The County expects its finances to remain approximately the same as in the past. Inflation will play a factor but will affect both revenues and expenditures equally. There are no major events planned in the future.

## 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, 2015

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$7,589,715	\$8,693	\$7,598,408
Receivables (net of allowance for uncollectibles)	882,219	2,986	885,205
Prepaid Items	77,583	1,455	79,038
Capital assets not being depreciated:			
Land	429,877	70,254	500,131
Construction in Progress	157,819		157,819
Total Capital assets being depreciated, net			
Building and Improvements	2,592,609	120,464	2,713,073
Machinery and Equipment	2,378,346	48,684	2,427,030
Infrastructure	3,738,780	873,003	4,611,783
<b>Total Assets</b>	<b>\$17,846,948</b>	<b>\$1,125,539</b>	<b>\$18,972,487</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow of Resources-Contributions (after 12/31/14)	516,152	0	516,152
Deferred Outflow-Investment Experience	150,087	0	150,087
Total Deferred Inflows of Resources	666,239	0	666,239
<b>LIABILITIES:</b>			
Accounts Payable	\$138,927	\$1,933	\$140,860
Due to Others	156,085		156,085
Accrued Wages Payables	230,631		230,631
Deferred Revenues	22,692		22,692
Noncurrent Liabilities:			
Due within one year	144,453		144,453
Due in more than one year	903,938		903,938
Total Liabilities	1,596,726	1,933	1,598,659
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow-Actual Experience vs. Assumption	321,851	0	321,851
Total Deferred Inflows of Resources	321,851	0	321,851
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	9,297,431	1,112,405	10,409,836
Restricted			
General Administration	116,920		116,920
Judicial	274,155		274,155
Legal	1,839		1,839
Permanent Improvement	112,419		112,419
Public Safety	112,480		112,480
Public Transportation	688,398		688,398
Unrestricted	5,990,968	11,201	6,002,169
<b>Total Net Position</b>	<b>\$16,594,610</b>	<b>\$1,123,606</b>	<b>\$17,718,216</b>

The accompanying notes are an integral part of this statement.



JACKSON COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government							
Government Activities:							
General Administration	\$1,225,605	\$314,637	\$19,019		(\$891,949)		(\$891,949)
Judicial	1,379,317	467,002	25,087		(887,228)		(887,228)
Legal	20,748				(20,748)		(20,748)
Financial Administration	794,469	148,852			(645,617)		(645,617)
Public Facilities	836,587				(836,587)		(836,587)
Public Safety	3,373,370	121,768	211,422		(3,040,180)		(3,040,180)
Public Transportation	2,440,070	605,325	278,051		(1,556,694)		(1,556,694)
Environmental Protection	350,772	151,171			(199,601)		(199,601)
Culture and Recreation	274,931	11,888	1,534	928,538	667,029		667,029
Health and Welfare	78,337				(78,337)		(78,337)
Conservation - Agriculture	88,459				(88,459)		(88,459)
Total Government Activities	10,862,665	1,820,643	535,113	928,538	(7,578,371)	0	(7,578,371)
Business-Type Activities:							
Airport	112,176	3,983		2,319		(105,874)	(105,874)
Jail Commissary	9,199	10,589				1,390	1,390
Total Business-Type Activities:	121,375	14,572	0	2,319	0	(104,484)	(104,484)
Total Primary Government	\$10,984,040	\$1,835,215	\$535,113	\$930,857	(7,578,371)	(104,484)	(7,682,855)
General Revenues							
Property Taxes, Levies for General Purposes					6,180,899		6,180,899
Sales Taxes					946,208		946,208
Other Taxes					55,590		55,590
Unrestricted Investment Earnings					40,169	13	40,182
Miscellaneous					196,301		196,301
Transfers					13,000	(13,000)	0
Total General Revenues					7,432,167	(12,987)	7,419,180
Change in Net Position					(146,204)	(117,471)	(263,675)
Net Position - Beginning					16,740,814	1,241,077	17,981,891
Net Position - Ending					\$16,594,610	\$1,123,606	\$17,718,216

The accompanying notes are an integral part of this statement.



FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015

	General Fund	Road and Bridge	District Clerk Reserve	Coastal Impact Assistance	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$6,061,909	\$730,528	\$152,373	\$21,384	\$623,521	\$7,589,715
Receivables (net of allowance for uncollectibles)	600,348	52,232		736	10,110	663,426
Prepaid Insurance	62,894	13,801			888	77,583
Due from Other Funds	5,332					5,332
<b>Total Assets</b>	<b>\$6,730,483</b>	<b>\$796,561</b>	<b>\$152,373</b>	<b>\$22,120</b>	<b>\$634,519</b>	<b>\$8,336,056</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>Liabilities</b>						
Accounts Payable	\$86,886	\$46,490		\$230	\$5,321	\$138,927
Due to Other Funds		5,332				5,332
Due to Others			152,373		3,712	156,085
Accrued Wages Payable	183,863	42,540			4,228	230,631
Deferred Revenues	3,800			18,892		22,692
<b>Total Liabilities</b>	<b>274,549</b>	<b>94,362</b>	<b>152,373</b>	<b>19,122</b>	<b>13,261</b>	<b>553,667</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Property Taxes	390,226					390,226
<b>Fund Balances:</b>						
<b>Non-Spendable</b>						
Prepaid Items	62,894	13,801			888	77,583
<b>Restricted</b>						
General Administration					116,920	116,920
Judicial					274,155	274,155
Legal					1,839	1,839
Permanent Improvement	112,419					112,419
Public Safety				2,998	109,482	112,480
Public Transportation		688,398				688,398
<b>Committed</b>						
Culture and Recreation					42,302	42,302
Health and Welfare					9,094	9,094
Public Safety					66,578	66,578
Unassigned	5,890,395					5,890,395
<b>Total Fund Balance</b>	<b>6,065,708</b>	<b>702,199</b>	<b>0</b>	<b>2,998</b>	<b>621,258</b>	<b>7,392,163</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$6,730,483</b>	<b>\$796,561</b>	<b>\$152,373</b>	<b>\$22,120</b>	<b>\$634,519</b>	<b>\$8,336,056</b>

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, 2015

Total Fund Balances - governmental funds balance sheet \$7,392,163

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.	9,297,431
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	563,181
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	390,226
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(1,048,391)

Net Position of governmental activities - statement of Net Position \$16,594,610

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, 2015

	General Fund	Road and Bridge	District Clerk Reserve	Coastal Impact Assistance	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes						
Property	\$6,180,899	\$0			\$0	\$6,180,899
Sales	938,228					938,228
Other	55,590					55,590
Intergovernmental	152,669	278,051		928,538	296,294	1,655,552
Licenses and Permits		605,325				605,325
Charges for Services	577,382				187,489	764,871
Fines and Forfeitures	443,246					443,246
Interest	35,796	3,472			901	40,169
Miscellaneous	151,092	37,886			7,323	196,301
Total Revenues	<u>8,534,902</u>	<u>924,734</u>	<u>0</u>	<u>928,538</u>	<u>492,007</u>	<u>10,880,181</u>
<b>EXPENDITURES</b>						
Current:						
General Administration	1,235,313				50,608	1,285,921
Judicial	1,304,929				32,760	1,337,689
Legal					20,461	20,461
Financial Administration	760,471					760,471
Public Facilities	539,143					539,143
Public Safety	2,873,442				243,135	3,116,577
Public Transportation		2,756,539				2,756,539
Environmental Protection	476,773					476,773
Culture and Recreation	180,485			984,797	7,850	1,173,132
Health and Welfare	78,000				337	78,337
Conservation - Agriculture	85,389					85,389
Capital Outlay						
Capital Outlay					177,158	177,158
Total Expenditures	<u>7,533,945</u>	<u>2,756,539</u>	<u>0</u>	<u>984,797</u>	<u>532,309</u>	<u>11,807,590</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,000,957</u>	<u>(1,831,805)</u>	<u>0</u>	<u>(56,259)</u>	<u>(40,302)</u>	<u>(927,409)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Other Financing Sources - Note Payable		90,670				90,670
Operating Transfers In	115,200	2,373,772		25,023	7,783	2,521,778
Operating Transfers Out	(1,921,231)	(587,547)			0	(2,508,778)
Total Other Financing Sources (Uses)	<u>(1,806,031)</u>	<u>1,876,895</u>	<u>0</u>	<u>25,023</u>	<u>7,783</u>	<u>103,670</u>
Net Changes in Fund Balances	(805,074)	45,090	0	(31,236)	(32,519)	(823,739)
Fund Balances - Beginning	6,870,782	657,109		34,234	653,777	8,215,902
Fund Balances - Ending	<u>\$6,065,708</u>	<u>\$702,199</u>	<u>\$0</u>	<u>\$2,998</u>	<u>\$621,258</u>	<u>\$7,392,163</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, 2015

Net Changes in Fund Balances - total governmental funds (\$823,739)

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.	1,204,707
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.	(275,370)
Deferred Outflow of Resources-Contribution. This is the change in these amounts this year.	21,185
Deferred Outflow-Investment Experience. This is the change in these amounts this year.	150,087
Deferred Outflow-Actual Experience vs. Assumption. This is the change in these amounts this year.	(321,851)
(Increase) decrease in Compensated absences from beginning of period to end of period.	(8,814)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	7,980
Increase in debt due to the implementation of GASB 45 - Other Post Employment Benefits.	(140,037)
Net Pension Payable. This is the change in these amounts this year.	39,648

Change in Net Position of governmental activities - statement of activities (\$146,204)

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<i>REVENUES</i>				
Taxes				
Property	\$6,104,926	\$6,104,926	\$6,183,378	\$78,452
Sales	850,000	850,000	959,498	109,498
Other	29,140	29,140	52,341	23,201
Intergovernmental	96,220	114,107	143,351	29,244
Charges for Services	569,580	569,580	578,282	8,702
Fines and Forfeitures	458,750	458,750	443,246	(15,504)
Interest	35,653	35,653	35,828	175
Miscellaneous	56,960	143,477	151,700	8,223
Total Revenues	8,201,229	8,305,633	8,547,624	241,991

*EXPENDITURES*

Current:

General Administration				
Commissioners Court	319,058	321,258	321,257	1
County Clerk	359,142	377,071	343,381	33,690
County Judge	163,579	165,703	163,956	1,747
Non-Departmental	465,833	407,074	404,366	2,708
Judicial				
Court Expense	160,700	178,513	175,163	3,350
Criminal District Attorney	400,232	413,722	406,197	7,525
District Clerk	233,707	235,487	234,668	819
District Court	73,090	77,978	76,942	1,036
Jury	24,134	32,539	32,217	322
Justice of the Peace No. 1	169,161	168,356	167,374	982
Justice of the Peace No. 2	162,394	183,919	182,334	1,585
Financial Administration				
County Auditor	277,014	277,014	269,288	7,726
County Treasurer	155,470	155,470	152,178	3,292
Tax Assessor-Collector	367,350	367,492	336,679	30,813
Public Facilities				
County Services Building	284,270	284,270	144,026	140,244
Public Facilities	410,233	415,467	395,894	19,573

(continued)



(continued)

Public Safety				
Adult Probation	2,500	2,500	2,360	140
Civil Defense	39,497	53,187	54,947	(1,760)
Constable No. 1	74,896	74,896	72,038	2,858
Constable No. 2	76,137	77,577	74,822	2,755
Corrections	1,214,345	1,198,300	1,173,467	24,833
D.P.S./License and Weight	22,380	22,870	22,412	458
D.P.S./Troopers	2,400	2,400	1,660	740
EMS/Jaws of Life	11,875	11,875	8,273	3,602
Fire	14,250	14,250	11,200	3,050
Flood Plain Permit	48,873	48,873	42,688	6,185
L.N.R.A.	62,684	61,177	60,371	806
Sheriff	1,303,602	1,343,374	1,329,430	13,944
T.J.P.C.	26,530	26,530	26,154	376
Environmental Protection				
Sanitation	473,635	477,278	475,562	1,716
Culture and Recreation				
County Library	176,057	177,989	175,352	2,637
Parks	1,820	1,820	1,472	348
Health and Welfare				
Gulf Bend Mental Health	38,000	38,000	38,000	0
Senior Citizens Center	40,000	40,000	40,000	0
Conservation - Agriculture				
Agriculture Extension Service	91,531	91,531	82,597	8,934
U.S. Soil Conservation	2,000	2,000	2,000	0
Total Expenditures	<u>7,748,379</u>	<u>7,827,760</u>	<u>7,500,725</u>	<u>327,035</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>452,850</u>	<u>477,873</u>	<u>1,046,899</u>	<u>569,026</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	115,200	115,200	115,200	0
Operating Transfers Out	(1,896,125)	(1,921,231)	(1,921,231)	0
Total Other Financing Sources (Uses)	<u>(1,780,925)</u>	<u>(1,806,031)</u>	<u>(1,806,031)</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$1,328,075)</u>	<u>(\$1,328,158)</u>	<u>(759,132)</u>	<u>\$569,026</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			(11,909)	
Changes in Prepaid Insurance			4,770	
Changes in Accounts Payable			(20,745)	
Changes in Accrued Wages Payable			(18,058)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(805,074)</u>	
Fund Balances - Beginning			<u>6,870,782</u>	
Fund Balances - Ending			<u>\$6,065,708</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 - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$21,612	\$314,095	\$417,399	\$103,304
Licenses and Permits	568,278	568,278	605,015	36,737
Interest	3,120	3,120	3,472	352
Miscellaneous	32,692	41,192	37,886	(3,306)
Total Revenues	<u>625,702</u>	<u>926,685</u>	<u>1,063,772</u>	<u>137,087</u>
<b>EXPENDITURES</b>				
Current				
Public Transportation	3,271,376	3,376,740	2,872,868	503,872
Total Expenditures	<u>3,271,376</u>	<u>3,376,740</u>	<u>2,872,868</u>	<u>503,872</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(2,645,674)</u>	<u>(2,450,055)</u>	<u>(1,809,096)</u>	<u>640,959</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Capital Assets	90,670	90,670	90,670	0
Operating Transfers In	2,194,976	2,194,976	2,373,772	178,796
Operating Transfers Out	(408,751)	(587,547)	(587,547)	0
Total Other Financing Sources (Uses)	<u>1,876,895</u>	<u>1,698,099</u>	<u>1,876,895</u>	<u>178,796</u>
Net Changes in Fund Balances	<u>(\$768,779)</u>	<u>(\$751,956)</u>	67,799	<u>\$819,755</u>
Reconciliation from cash basis to modified accrual				
Changes in Officers Fees and Sales Tax Receivable			(139,038)	
Changes in Prepaid Insurance			659	
Changes in Accounts Payable			119,973	
Changes in Accrued Wages Payable			(4,303)	
Net Changes in Fund Balances-Modified Accrual Basis			<u>45,090</u>	
Fund Balances - Beginning			<u>657,109</u>	
Fund Balances - Ending			<u>\$702,199</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, 2015

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$6,329	\$19,780	\$2,364	\$1,275	\$8,693
Receivables (net of allowance for uncollectibles)	2,986	3,334			2,986
Prepaid Insurance	1,455	1,396	0	0	1,455
<b>Total Current Assets</b>	<b>10,770</b>	<b>24,510</b>	<b>2,364</b>	<b>1,275</b>	<b>13,134</b>
Noncurrent Assets					
Capital Assets					
Land	70,254	70,254			70,254
Construction in Progress	0	0			0
Buildings and Improvements	362,446	362,446			362,446
Machinery and Equipment	86,245	86,745			86,245
Infrastructure	1,385,254	1,385,254			1,385,254
<b>Total Capital Assets</b>	<b>1,904,199</b>	<b>1,904,699</b>	<b>0</b>	<b>0</b>	<b>1,904,199</b>
Less Accumulated Depreciation	(791,794)	(689,106)			(791,794)
<b>Total Capital Assets (net of accumulated depreciation)</b>	<b>1,112,405</b>	<b>1,215,593</b>	<b>0</b>	<b>0</b>	<b>1,112,405</b>
<b>Total Noncurrent Assets</b>	<b>1,112,405</b>	<b>1,215,593</b>	<b>0</b>	<b>0</b>	<b>1,112,405</b>
<b>TOTAL ASSETS</b>	<b>\$1,123,175</b>	<b>\$1,240,103</b>	<b>\$2,364</b>	<b>\$1,275</b>	<b>\$1,125,539</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>					
Liabilities					
Current Liabilities(Payable from Current Assets)					
Accounts Payable	\$1,933		\$0	\$301	\$1,933
Accrued Wages Payable					0
Compensated Absences					0
<b>Total Current Liabilities</b>	<b>1,933</b>	<b>0</b>	<b>0</b>	<b>301</b>	<b>1,933</b>
<b>TOTAL LIABILITIES</b>	<b>1,933</b>	<b>0</b>	<b>0</b>	<b>301</b>	<b>1,933</b>
Invested in Capital Assets, Net of Related Debt Unrestricted	1,112,405 8,837	1,215,593 24,510			1,112,405 11,201
<b>TOTAL NET POSITION</b>	<b>\$1,121,242</b>	<b>\$1,240,103</b>	<b>\$2,364</b>	<b>\$974</b>	<b>\$1,123,606</b>

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, 2015

	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	\$3,983	\$12,703	\$10,589	\$7,796	\$14,572
<b>TOTAL OPERATING REVENUES</b>	<b>3,983</b>	<b>12,703</b>	<b>10,589</b>	<b>7,796</b>	<b>14,572</b>
OPERATING EXPENSES					
Personal Services	0	0			0
Supplies	211	211	7,544	7,954	7,755
Other Services and Charges	8,777	17,221	1,655	1,561	10,432
Depreciation	103,188	103,514			103,188
<b>TOTAL OPERATING EXPENSES</b>	<b>112,176</b>	<b>120,946</b>	<b>9,199</b>	<b>9,515</b>	<b>121,375</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(108,193)</b>	<b>(108,243)</b>	<b>1,390</b>	<b>(1,719)</b>	<b>(106,803)</b>
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	13	38	0	2	13
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>13</b>	<b>38</b>	<b>0</b>	<b>2</b>	<b>13</b>
Income Before Transfers	(108,180)	(108,205)	1,390	(1,717)	(106,790)
Federal Grant	2,319	25,232			2,319
Transfers In	(13,000)		0	0	(13,000)
Change in Net Position	(118,861)	(82,973)	1,390	(1,717)	(117,471)
Total Net Position - Beginning	1,240,103	1,323,076	974	2,691	1,241,077
Total Net Position - Ending	\$1,121,242	\$1,240,103	\$2,364	\$974	\$1,123,606

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, 2015

	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	\$4,331	\$119,673	\$10,589	\$7,796	\$14,920
Payments to Suppliers	(7,114)	(134,518)	(9,500)	(10,674)	(16,614)
Payments to Employees	0	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	(2,783)	(14,845)	1,089	(2,878)	(1,694)
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	(13,000)	0	0	0	(13,000)
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	(13,000)	0	0	0	(13,000)
Cash Flows from Capital and Related Financing Activities					
State Grant	2,319	25,232	0	0	2,319
Net Cash Provided(Used) By Capital and Related Financing Activities	2,319	25,232	0	0	2,319
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets		(13,683)	0	0	0
Net Cash Provided (Used) By Capital and Related Financing Activities	0	(13,683)	0	0	0
Cash Flows from Investing Activities					
Interest Received	13	38	0	2	13
Net Cash Provided(Used) By Investing Activities	13	38	0	2	13
Net Increase (Decrease) in Cash Equivalents	(13,451)	(3,258)	1,089	(2,876)	(12,362)
Cash and Cash Equivalents at Beginning of Year	19,780	23,038	1,275	4,151	21,055
Cash and Cash Equivalents at End of Year	\$6,329	\$19,780	\$2,364	\$1,275	\$8,693

(continued)

(continued)

Reconciliation of Operating Income to Net Cash

Provided(Used) By Operating Activities

Operating Income (Loss)	(\$108,193)	(\$108,243)	\$1,390	(\$1,719)	(\$106,803)
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Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation	103,188	103,514	0	0	103,188
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Changes in Current Items

Decrease(Increase) in Accounts Receivable	348	106,970	0	0	348
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Decrease(Increase) in Prepaid Insurance	(59)	(43)	0	0	(59)
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Increase(Decrease) in Accounts Payable	1,933	(117,043)	(301)	(1,159)	1,632
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Increase(Decrease) in Accrued Wages Payable	0	0	0	0	0
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Increase(Decrease) in Compensated Absences Payable	0	0	0	0	0
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Net Cash Provided(Used) by Operating	<u>(\$2,783)</u>	<u>(\$14,845)</u>	<u>\$1,089</u>	<u>(\$2,878)</u>	<u>(\$1,694)</u>
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Activities

Noncash Investing, Capital and Financing Activities:

State Grant	<u>\$2,319</u>	<u>\$25,232</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,319</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, 2015

	Agency Funds	Trust Fund <u>Brackenridge</u> School Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$723,009	\$50,000
Receivables (net of allowance for uncollectibles)	2,523	
Total Assets	<u>\$725,532</u>	<u>\$50,000</u>
<b>LIABILITIES</b>		
Accounts Payable	0	0
Due to Others	725,532	0
Total Liabilities	<u>725,532</u>	<u>0</u>
<b>NET POSITION</b>		
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, 2015

	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	<u>50,000</u>
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, 2015

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.

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.

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 other taxes. 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 district clerk reserve fund accounts for monies held by the district clerk.

The coastal impact assistance grant fund accounts for monies used for capital grants.

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 presents 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.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The government reports the following major proprietary funds:

The airport fund accounts for airport activities.

C. Assets, Liabilities, and Net Assets or Equity

1. 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.

2. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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, 2015 and 10 percent of the delinquent outstanding property taxes at September 30, 2015.

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.

3. 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, 2015. 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.

C. Assets, Liabilities, and Net Assets or Equity (continued)

4. Restricted Assets

There were no restricted assets at September 30, 2015.

5. 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. Infrastructure items such as roads, highways, and bridges are not included. 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	\$50,000
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 finished an airport project and had road and bridge construction during the year ended September 30, 2015.

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

## 6. 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.

## 7. 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.

8. Fund Balances – Governmental Funds

As of September 30, 2015, 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, 2015, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$77,583
Restricted	
General Administration	116,920
Judicial	274,155
Legal	1,839
Permanent Improvement	112,419
Public Safety	112,480
Public Transportation	688,398
Committed	
Culture and Recreation	42,302
Health and Welfare	9,094
Public Safety	66,578
Unassigned	<u>5,890,395</u>
Total Fund Balance	<u>\$7,392,163</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.



9. 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.

10. 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 the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

11. 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, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$1,048,391 difference are as follows:

GASB 45-Other Post Employment Benefits	\$627,726
GASB 68-Pension Liability	276,212
Compensated Absences	144,453
	<u>\$1,048,391</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 9,297,431 difference are as follows:

Capital Assets Not Being Depreciated	\$587,696
Capital Assets Being Depreciated	20,292,788
Depreciation Expense	(11,583,053)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$9,297,431</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 \$390,226 difference are as follows:

Property Taxes Receivable	\$424,685
Allowance for Doubtful Accounts	<u>(34,459)</u>
Net	<u>\$390,226</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 \$563,181 difference are as follows:

Fines Receivable	\$538,764
Allowance for Doubtful Accounts	(230,016)
Grants Receivable	715
Interdepartmental Loan	(90,670)
Deferred Outflow of Resources-Contributions (after 12/31/14)	516,152
Deferred Outflow-Investment Experience	150,087
Deferred Outflow-Actual Experience vs. Assumption	<u>(321,851)</u>
Net	<u><u>\$563,181</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 \$1,204,707 difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$1,360,897
Capital Outlay - Additions - Being Depreciated	810,846
Capital Outlay - Deletions	(24,930)
Depreciation Expense	(942,106)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u><u>\$1,204,707</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. He 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 2015 fiscal year were adopted for the General Fund, the Road and Bridge Funds, and other applicable non-major governmental funds.

#### B. Excess of Expenditures over Appropriations

For the year ended September 30, 2015, expenditures did not exceed appropriations in any fund.

#### C. Deficit fund equity

The county had no deficit fund balances at September 30, 2015.

#### 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 compliance with the requirements of the Act and with local policies.

###### Policies Governing Deposits and Investments:

The County has adopted a deposit and investment policy and the county addresses the following risks:

*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, 2015, the government's bank balance of \$7,826,353 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, in the government's name. The fair market value of the securities pledged is \$21,754,091 and the FDIC coverage is \$277,217.

*Interest rate risk:* In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than twelve months.

*Credit risk:* State law limits investments in commercial paper and corporate bonds to the top two rating issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of September 30, 2015 the local investment pool, Texpool, (approximately 43% of portfolio) was rated AAAM by Standard and Poor's and Texas CLASS (approximately 57% of portfolio) was rated AAAM by Standard and Poor's.

A. Deposits and Investments (continued)

*Concentration of credit risk:* The County places no limit on the amount the County may invest in any one issuer. Approximately 43 percent of the County's investments are in Texpool and 57 percent of the County's investments are in Texas CLASS.

*Custodial credit risk – investments:* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of September 30, 2015, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$389,205	Less than 1 year	Less than 1 year
Texas Class	\$505,885	Less than 1 year	Less than 1 year

The County participates in two Local Government Investment Pools:

The State Comptroller oversees TexPool, with a third party managing the daily operations of the pool under contract. The Texas Class account is covered by insurance provided by Texas Class. The County invests in TexPool to provide its liquidity needs. TexPool is a local government investment pool established in conformity with the Inter-local Cooperation Act Chapter 791 of the Texas Government Code and the Public Investment Act Chapter 2256 of the Code. TexPool is a 2(a) 7 like funds meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily and the fund seeks to maintain a constant net asset value of \$1.00, although this cannot be guaranteed. TexPool is rated AAAM and must maintain a weighted average maturity not to exceed 60 days. At September 30, 2015 TexPool had a weighted average maturity of 34 and 28 days respectively. The County considers the holdings in this fund to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder short of a significant change in value. The TexPool fund is within the Governmental Activities.

The County also invests in Texas Class. Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. Texas CLASS carries a letter of credit that ensures the integrity of the fund, making it the only investment pool in Texas backed by a letter of credit. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated ['AAAm' by Standard and Poor's Ratings Services](#). The 'AAAm' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management.

B. Receivables

Receivables as of September 30, 2015 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	Coastal Impact Assistance	Other Governmental Funds	Proprietary Funds	
<u>Receivables</u>						
Ad Valorem Taxes	424,685	\$0	\$0	\$0	\$0	\$424,685
Sales Tax						0
Fines	538,764					538,764
Intergovernmental	14,676		736			15,412
Other	105,491	52,232		10,110	2,986	170,819
Gross Receivables	1,083,616	52,232	736	10,110	2,986	1,149,680
Less: Allowance for Uncollectibles	264,475					264,475
Net Total Receivables	\$819,141	\$52,232	\$736	\$10,110	\$2,986	\$885,205

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent Property Taxes Receivable (General Fund)-Net	\$390,226
Other	<u>22,692</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$412,918</u>

There was no unearned revenue reported in the governmental funds during the year.

## C. Capital Assets

Capital asset activity for the year ended September 30, 2015 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$429,877	\$0	\$0	\$429,877
Construction in Progress	400,803	1,360,897	1,603,881	157,819
Total capital assets not being depreciated:	830,680	1,360,897	1,603,881	587,696
Capital assets being depreciated:				
Building and Improvements	5,880,807	390,455	4,677	6,266,585
Machinery, Equipment and Vehicles	8,752,346	606,966	279,780	9,079,532
Infrastructure	3,529,365	1,417,306	0	4,946,671
Total capital assets being depreciated:	18,162,518	2,414,727	284,457	20,292,788
Less: Accumulated Depreciation for:				
Building and Improvements	3,490,006	183,970	0	3,673,976
Machinery, Equipment and Vehicles	6,400,749	559,964	259,527	6,701,186
Infrastructure	1,009,719	198,172	0	1,207,891
Total Accumulated Depreciation	10,900,474	942,106	259,527	11,583,053
Total Capital Assets Depreciated, Net	7,262,044	1,472,621	24,930	8,709,735
Governmental Activities capital assets, Net	\$8,092,724	\$2,833,518	\$1,628,811	\$9,297,431
<b>Business Type Activities:</b>				
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	0	0	362,446
Machinery, Equipment and Vehicles	86,745	0	500	86,245
Infrastructure	1,385,254	0	0	1,385,254
Total capital assets being depreciated:	1,834,445	0	500	1,833,945
Less: Accumulated Depreciation for:				
Building and Improvements	232,252	9,730	0	241,982
Machinery, Equipment and Vehicles	33,280	4,781	500	37,561
Infrastructure	423,574	88,677	0	512,251
Total Accumulated Depreciation	689,106	103,188	500	791,794
Total Capital Assets Depreciated, Net	1,145,339	(103,188)	0	1,042,151
Business Type Activities capital assets, Net	\$1,215,593	(\$103,188)	\$0	\$1,112,405



## Construction commitments

The County finished an airport project and had road and bridge construction during the year ended September 30, 2015.

Capital asset depreciation for the year ended September 30, 2015 was as follows:

Governmental Activities	
General Administration	\$55,967
Judicial	13,976
Legal	287
Financial Administration	9,597
Public Facilities	153,046
Public Safety	261,645
Public Transportation	358,237
Environmental Protection	29,602
Culture and Recreation	59,386
Conservation - Agriculture	363
Total Depreciation Expense – Governmental Activities	<u>\$942,106</u>
Business-Type Activities	
Culture and Recreation	\$103,188
Total Depreciation Expense – Business-Type Activities	<u>\$103,188</u>

D. Interfund Receivables, Payables, and Transfers

Due to/from other funds:

The interfund balances as of September 30, 2015 was \$5,332 owed from the equipment replacement fund No. 3 to the general fund.

There were no advances at September 30, 2015.

The following are transfers for the year ended September 30, 2015.

	TRANSFER IN				TOTAL
	GENERAL FUND	ROAD AND BRIDGE FUND	COASTAL IMPACT ASSISTANCE	NON-MAJOR GOVERN- MENTAL FUNDS	
<b>TRANSFER OUT</b>					
GENERAL FUND	\$102,200	\$1,786,225	25,023	\$7,783	\$1,921,231
ROAD AND BRIDGE FUNDS		587,547			587,547
AIRPORT FUND	13,000				13,000
TOTALS	\$115,200	\$2,373,772	\$25,023	\$7,783	\$2,521,778

The transfer from the general to the road and bridge fund is for road and bridge operations. The transfer from the road and bridge funds to the road and bridge funds is for road and bridge operations. The transfer from the general fund to the proprietary fund is for airport operations. The transfer from the general fund to the coastal impact operations fund is for a grant.

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 \$24,223 for the year ended September 30, 2015. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2016	\$25,058
2017	25,058
2018	20,922
2019	11,108
2020	<u>717</u>
Total	<u>\$82,863</u>

F. Long-Term Debt

The activity for the year ended September 30, 2015, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
<u>Governmental Activities:</u>						
GASB 68 Pension Payable	\$315,860		\$39,648	\$276,212		\$276,212
GASB 45 Payable	487,689	140,037		627,726		627,726
Compensated Absences	135,639	144,453	135,639	144,453	144,453	0
	<u>\$939,188</u>	<u>\$284,490</u>	<u>\$175,287</u>	<u>\$1,048,391</u>	<u>\$144,453</u>	<u>\$903,938</u>
<u>Business-Type Activities:</u>						
Compensated Absences	0	0	0	\$0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Grand Total	<u>\$939,188</u>	<u>\$284,490</u>	<u>\$175,287</u>	<u>\$1,048,391</u>	<u>\$144,453</u>	<u>\$903,938</u>

The general fund, the road and bridge fund, and the airport fund are used to service the compensated absences. The estimated amount due in the 2015-16 year is \$144,453.

The government-wide statement of activities includes \$144,453 as "noncurrent liabilities, due within one year".

There was no interest expended in the 2014-2015 year.

The debt included GASB 68 and GASB 45 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 shown in the funds as part of the receivables in the general fund and as other financing sources in the equipment replacement fund No. 3; but not in the County-wide statements. The commissioner will make payments of \$20,000/year. Interest is 0.35%.

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).

Changes in accrued liabilities for these claims follow:

	Year ended <u>09/30/14</u>	Year ended <u>09/30/15</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 together 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 carries 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

There were no related party transactions requiring disclosure.

C. Subsequent Events

The County approved a \$750,000 set aside. The general fund will transfer \$750,000 to the permanent improvement fund and the \$750,000 will be set aside for the construction of a new correctional facility.

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, 2015.

**E. Post Employment Benefits Other than Pension Benefits**

In order to receive health insurance funding through Jackson County an employee must be a full time employee covered under the County's group insurance shall be eligible for continued group insurance coverage only upon retirement from the County.

Effective January 1, 2005, in order to be eligible for the insurance retirement benefit, a person must be a regular full time employee of Jackson County for the last eight (8) consecutive years, and must be eligible to retire from County service by meeting the County's and TCDRS's eligibility requirement for retirement benefits. Those eligible shall include regular, full time employees who are paid from the general fund of the County, from a special fund of the County, or from special grants paid through the County.

Jackson County will pay a percentage of the retired employee's premium until the retired employee reaches the age of sixty five (65) and/or becomes eligible for Medicare benefits due to a Medicare eligibility such as a disability, based upon years of service to Jackson County, as follows:

<b>YEARS OF SERVICE</b>	<b>COUNTY PORTION</b>
8 to 19	50%
20 to 24	75%
25 to 30	80%
30 or more	100%

The County's group insurance will be the primary insurance until a retiree is eligible for Medicare and will cease when a retiree becomes Medicare eligible. At that time, Medicare will become the primary insurance for the retiree.

If dependent coverage is desired, the retiree will be responsible for one hundred percent (100%) of the premium.

The County elected to implement prospectively.

The County also will have an actuarial review done every two years.

## Funding Policy and Annual OPEB Cost

The County's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2008 as required by GASB. The annual OPEB cost for the fiscal year ending September 30, 2015, is as follows:

Annual Required Contribution (ARC):	\$188,777
Interest on Net OPEB Obligation	24,772
Adjustment to Annual Required Contribution	<u>(33,060)</u>
Annual OPEB Cost (expense)	<u>180,489</u>
Contributions Made	<u>103,259</u>
Increase in Net OPEB	<u>77,230</u>
Net OPEB Obligation, Beginning of Year - 9/30/2014	<u>550,496</u>
Net OPEB Obligation, End of Year - 9/30/2015	<u><u>\$627,726</u></u>
Net OPEB Obligation Reported by Governmental Funds	<u>\$627,726</u>
Total Net OPEB Obligation	<u><u>\$627,726</u></u>

Accounting Year <u>Ending</u>	Annual OPEB Cost	Percentage of OPEB Contributed	Net OPEB Obligation
9-30-13	180,845	65.27	487,689
9-30-14	180,845	65.27	550,496
9-30-15	180,489	57.21	627,726

## Funding status and funding progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
9/30/2015	\$0	\$1,968,848	\$1,968,848	00.0%	\$4,341,312	45.35%

Under the reporting parameters, the County's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$1,968,848 at September 30, 2015.



## Actuarial method and assumptions

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

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

### *Actuarial Methods and Assumptions*

Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of payroll
Growth Rate	3.0% per annum

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

F. 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 were increased by \$771,312. The restatement was a result of the County implementing GASB 68.

These restatements had a corresponding effect on the beginning net assets.

	<b>Net Assets, as Previously Reported</b>	<b>GASB 68 RESTATEMENT</b>	<b>Net Assets As Restated</b>
<b>Governmental Activities:</b>			
Net Assets	\$10,305,129	\$771,312	\$11,076,441
<b>Total Governmental Activities</b>	<b>\$10,305,129</b>	<b>\$771,312</b>	<b>\$11,076,441</b>

## G. Summary of TCDRS Funding Policy

### **Introduction**

The funding policy governs how the Texas County & District Retirement System (TCDRS) determines the employer contributions required to ensure that benefits provided to TCDRS members are funded in a reasonable and equitable manner. The goals of TCDRS' funding policy are to fully fund benefits over the course of employees' careers to ensure intergenerational equity, and to balance rate and benefit stability with the need for the plan funding to be reflective of current plan conditions.

This policy documents the current funding policies in effect for the Dec. 31, 2014 actuarial valuation as established by state law, administrative rule and action by the TCDRS Board of Trustees (the board). The policy serves as a comprehensive funding overview and complies with the GASB reporting requirements for an agent multiple-employer plan.

### **TCDRS funding overview**

TCDRS is a model for responsible, disciplined funding. TCDRS does not receive any state funding. As an agent, multiple-employer plan, each participating employer in the system funds its plan independently. A combination of three elements funds each employer's plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Each employer has the opportunity to make additional contributions in excess of its annual required contribution rate either by adopting an elected rate that is higher than the required rate or by making additional contributions on an ad hoc basis. Employers may make additional contributions to pay down their liabilities faster, pre-fund benefit enhancements and/or buffer against future adverse experience.

In addition, employers annually review their plans and may adjust benefits and costs based on their local needs and budgets. Although accrued benefits may not be reduced, employers may reduce future benefit accruals and immediately reduce costs.

### **Methodology for determining employer contribution rates**

The board hires independent outside consulting actuaries to conduct an annual valuation to measure the funding status and to determine the required employer contribution rate for each employer plan. In order to calculate the employer contribution rate, the actuary does the following:

- Studies each employer's adopted plan of benefits and the profile of its plan participants, and uses assumptions established by the board to estimate future benefit payments.
- Discounts the estimate of future benefit payments to the present based on the long-term rate of investment return to determine the present value of future benefits.
- Compares the present value of future benefits with the plan's assets to determine the difference that needs to be funded based on the funding policy.

The valuation of each employer plan is based on the system funding policy and the assets, benefits and participant profile of each participating employer plan. The four key components in the determination of employer contribution rates are: the actuarial cost method, amortization policy, the asset valuation method and the actuarial assumptions. The employer rate for the 2014 and 2015 years is 10.07% and 9.93%, respectively.

#### ***Actuarial cost method***

TCDRS has adopted the replacement life entry age cost method, a conservative cost method and an industry standard. The goal of this cost method is to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin. Under this approach, benefits are funded in advance as a level percentage of pay. This portion of the contribution rate is called the normal cost rate and generally remains stable from year to year.

### *Amortization policy*

The portion of the contribution rate that funds any remaining unfunded amounts for benefits that are not covered by the normal cost is called the unfunded actuarial accrued liability (UAAL) rate. UAAL amounts occur when benefit enhancements are adopted that have not been funded in advance, or when actual investment or demographic experience varies from the actuarial assumptions (actuarial gains and losses). UAAL amounts are amortized on a level-percentage-of-covered-payroll basis over a closed period with a layered approach. The closed periods ensure all unfunded liabilities are financed over no more than 20 years from the time they occur. Each year new layers are established to amortize changes in the UAAL due to actuarial gains or losses, as well as any plan benefit changes elected by an employer for that year.

Benefit enhancements are amortized over a 15-year closed period. All other changes in the UAAL are amortized over 20-year closed periods. These amortization periods are generally more conservative than those of most other public retirement plans and are stricter than the minimum amortization period required under state law.

For newly participating districts that have five or fewer employees who are all within five years of retirement eligibility, any initial UAAL and any subsequent adoption of prior service credits are amortized over a five-year closed amortization period. This ensures that benefits are appropriately funded over the current generation of employees.

Notwithstanding the layered approach, the total UAAL payment may not be less than the required payment obtained by amortizing the entire UAAL over a 20-year period.

If a plan is overfunded, the overfunded actuarial accrued liability (OAAL) is calculated annually using a 30- year open amortization period.

### *Asset valuation method*

When determining the actuarial value of assets used for measuring a plan's funded status, TCDRS smoothes each year's actuarial investment gains and losses and recognizes them over a five-year period to better reflect the system's long-term investment horizons and to keep employer contribution rates more stable. As actuarial asset investment gains and losses are recognized, they become part of the actuarial gains and losses for the year and are funded according to the amortization policy. The five-year period helps stabilize employer rates while still ensuring that rates are reflective of current market conditions.

In addition, the board has the ability to set aside reserves from investment earnings that are used to help offset future negative economic cycles. These reserves are held separately and are not counted as part of a participating employer's plan assets until they are passed through to employers when determined necessary by the board. Reserves help maintain rate stability for employers. In addition, reserves ensure that employers do not adopt benefit increases based on a temporarily lower plan cost at a high point in a market cycle and, conversely, are not as pressured to immediately reduce benefit levels during a low point in a market cycle.

### *Actuarial assumptions*

Demographic and economic assumptions are used to estimate employer liabilities and to determine the amount of funding required from employer contributions as opposed to investment earnings. These assumptions reflect a long-term perspective of 30 years or more. Examples of key economic assumptions include long-term investment return, long-term inflation and annual payroll increase.

Demographic assumptions are the actuary's best estimate of what will happen to TCDRS members and retirees. Examples of demographic assumptions are employment termination rates, retirement rates and retiree mortality rates. A complete listing of all actuarial assumptions can be found in the annual system-wide valuation report.

### **Oversight**

The board has established review policies to ensure that actuarial assumptions are appropriate and that the methodology for determining employer contribution rates is being correctly applied.

### ***Review of actuarial assumptions***

TCDRS' actuarial assumptions are periodically reviewed and revised as deemed necessary to reflect best estimates of future experience. Every four years, the TCDRS consulting actuary conducts an investigation of experience. TCDRS assumptions are compared to plan experience and future expectations, and changes to the assumptions are recommended as needed. The board adopts actuarial assumptions to be used in the valuation based on the results of this study.

An actuarial audit of every investigation of experience is required and must be performed by an independent auditing actuary to review the consulting actuary's analysis, conclusions and recommendations for accuracy, appropriateness and reasonableness. These audits alternate between a peer review and a full replication audit of the investigation of experience. In a peer review audit of the investigation, the reviewing actuary uses the raw results of the investigation for demographic assumptions as calculated by the consulting actuary to test the conclusions and recommendations. In addition, the reviewing actuary independently analyzes economic assumptions to test the results and recommendations of the consulting actuary. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the investigation, in addition to performing all of the steps of a peer review, the auditing actuary fully replicates the calculation of the investigation's raw results.

### ***Review of employer contribution rates***

In order to test accuracy and ensure that the actuarial methods and assumptions are being correctly applied, an audit of the valuation is required every four years. These audits are conducted by an independent reviewing actuary and alternate between a peer review and a full replication audit of the valuation. In the peer review audit of the valuation, the actuary uses a sample of participant data and TCDRS plans to test the results of the valuation. The reviewing actuary also examines the consulting actuary's methods and assumptions for reasonableness and internal consistency. In a full replication audit of the valuation, the auditing actuary performs all the steps of a peer review audit but instead of analyzing sample data and plans, the auditing actuary fully replicates the original actuarial valuation.

### ***Review and modification of funding policy***

The board will review this policy on a regular basis and may modify this policy at its discretion. Modifications to the policy may be submitted for consideration to the board by staff and/or outside consulting actuaries as circumstances warrant.

## Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	December 31, 2013	December 31, 2014
Total pension liability	\$20,135,600	\$20,890,183
Fiduciary net position	19,819,740	20,613,970
Net pension liability / (asset)	315,860	276,212
Fiduciary net position as a % of total pension liability	98.43%	98.68%
Pensionable covered payroll	\$3,982,857	\$4,157,786
Net pension liability as a % of covered payroll	7.93%	6.64

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 exist above or in other tables in this report.*

*Payroll is calculated based on contributions as reported to TCDRS.*

Discount rate		
Long-term expected rate of return, net of investment expense	8.10%	8.10%
Municipal bond rate <sup>1</sup>	Does not apply	Does not apply

### Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2014 were based on the results of an actuarial experience study for the period January 1, 2009 - December 31, 2012, except where required to be different by GASB 68.

See Appendix A 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 GASB 68 metrics.

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

Valuation date	Dec. 31, 2013	Dec. 31, 2014
Measurement date	Dec. 31, 2013	Dec. 31, 2014
Reporting date	Employer Beg. Fiscal Year	Employer FYE



## **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.

## Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) – (b)
Balances as of December 31, 2013	\$20,135,600	\$19,819,740	\$315,860
Changes for the year:			
Service cost	498,637		498,637
Interest on total pension liability	1,613,900		1,613,900
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	(429,134)		(429,134)
Effect of assumptions changes or inputs	0		0
Refund of contributions	(57,571)	(57,571)	0
Benefit payments	(871,249)	(871,249)	0
Administrative expenses		(15,556)	15,556
Member contributions		291,045	(291,045)
Net investment income		1,408,935	(1,408,935)
Employer contributions		418,687	(418,687)
Other	0	(380,061)	380,061
Balances as of December 31, 2014	\$20,890,183	\$20,613,970	\$276,212

### Sensitivity Analysis

The following presents the net pension liability of the county/district, 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	Current Discount Rate	1% Increase
7.10%	8.10%	9.10%

Total pension liability	\$23,300,304	\$20,890,183	\$18,885,135
Fiduciary net position	20,613,970	20,613,970	20,613,970
Net pension liability / (asset)	\$2,686,334	\$276,212	(\$1,728,835)

**Pension Expense / (Income)**

**January 1, 2014 to  
December 31, 2014**

**Pension Expense / (Income)**

Service cost	\$498,637
Interest on total pension liability	1,613,900
Effect of plan changes	0
Administrative expenses	15,556
Member contributions	(291,045)
Expected investment return net of investment expenses	(1,596,544)
Recognition of deferred inflows/outflows of resources	(107,284)
Recognition of economic/demographic gains or losses	0
Recognition of assumption changes or inputs	37,522
Recognition of investment gains or losses	380,061
Other	
Pension expense / (income)	<hr/> \$550,803

As of December 31, 2014, the deferred inflows and outflows of resources are as follows:

<b>Deferred Inflows / Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$321,851	\$0
Changes of assumptions	0	0
Net difference between projected and actual earnings	0	150,087
Contributions made subsequent to measurement date	NIA	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 ended December 31:

<b>2015</b>	<b>\$(69,662)</b>
<b>2016</b>	<b>(69,662)</b>
<b>2017</b>	<b>(69,662)</b>
<b>2018</b>	<b>37,522</b>
2019	0
Thereafter	0

### Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 12/31/2014 Expense	Balance of Deferred Inflows 12/31/2014	Balance of Deferred Outflows 12/31/2014
Investment (gains) or losses	\$187,609	12/31/2014	5.0	\$37,522	\$0	\$150,187
Economic/ demographic (gains) or losses	(429,134)	12/31/2014	4.0	(107,284)	(321,851)	0
Assumption changes or inputs	0	12/31/2014	4.0	0	0	0

## 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 2015 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009 – December 31, 2013 for more details.

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
USEquities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities -Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USO (net) Index	11.00%	5.35%
International Equities -Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USO (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

*Employees covered by benefit terms.*

Actuarial Valuation and Measurement Date, December 31,

2013

2014

**Membership**

Number of

- Inactive employees or beneficiaries currently receiving benefits
- Inactive employees entitled to but not yet receiving benefits
- Active employees
- Total

84

76

121

281

84

76

121

281





REQUIRED SUPPLEMENTARY INFORMATION

## Schedule of Changes in Net Pension Liability and Related Ratios

Year Ended December 31

	2014	2013	2012	2011	2010	2009	2008			
<b>Total Pension Liability</b>										
Interest on total pension liability	1,613,900	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(429,134)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(928,820)</u>	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	754,583	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	20,135,600	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	<u>20,890,183</u>	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fiduciary Net Position</b>										
Member contributions	291,045	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	1,408,935	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(928,820)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(15,556)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(380,061)</u>	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	794,230	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	19,819,740	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	<u>20,613,970</u>	<u>N/A</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability / (asset), ending = (a) - (b)		<u>b/A</u>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	98.68%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$4,157,786	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	6.64%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67168, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.*

### Schedule of Employer Contributions

<b>Year Ending December 31</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2005	Not Available	Not Available	Not Available	Not Available	Not Available
2006	\$239,891	\$239,891	0	\$3,152,317	7.6%
2007	258,067	258,067	0	3,334,193	7.7%
2008	258,275	258,275	0	3,577,211	7.2%
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%

*Payroll is calculated based on contributions as reported to TCDRS.*

## Appendix A - Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASS analysis were the same as those used in the December 31, 2014 funding valuation (see Appendix B, following, for details), except as noted below and throughout this report. Please see the employer summary actuarial valuation report as of December 31, 2014 for further details.

Following are the key assumptions and methods used in this GASS analysis.

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation: See Appendix B
Salary Increases	Same as funding valuation: See Appendix B
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Wilson County are not considered to be substantively automatic under GASS 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASS calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Same as funding valuation: See Appendix B
Turnover	Same as funding valuation: See Appendix B
Mortality	Same as funding valuation: See Appendix B

## Appendix B-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, 2014 financial reporting metrics are the same as those used in the December 31, 2014 actuarial valuation analysis for Wilson County.

Following is a description of the assumptions used in the December 31, 2014 actuarial valuation analysis for Wilson County. This information may also be found in the Wilson County December 31, 2014 Summary Valuation Report.

### Economic Assumptions

TCDRS system-wide economic assumptions:

Real rate of return	5.0%
Inflation	3.0%
Long-term investment return	8.0%

The long-term investment return of 8% is net of investment expenses and is expected to enable the system to credit interest at the nominal annual rates shown below to the following major funds:

Subdivision Accumulation Fund	9%
Employees Saving Fund	7%
Current Service Annuity Reserve Fund	7%

Assuming interest will be credited at these nominal annual rates to the various funds, we have then assumed the following:

An annual rate of 9% for calculating the actuarial accrued liability and normal cost contributions rate for the retirement plan of each participating employer.

An annual rate of 7% required under the TCDRS Act for: (1) accumulating current service credit and multiple matching credit after the valuation date; (2) accumulating prior service credit after the valuation date; (3) determining the amount of the monthly benefit at future dates of retirement or disability; and (4) calculating the actuarial accrued liability of the system-wide Current Service Annuity Reserve Fund.

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 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee. (See Table 1 for Merit Salary Increases.)

Employer-specific economic assumptions:

Growth in membership	0.0%
Payroll growth	3.5%

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

JACKSON COUNTY, TEXAS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SEPTEMBER 30, 2015

ANALYSIS OF FUNDING PROGRESS

OTHER POST EMPLOYMENT RETIREMENT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
9/30/2013	\$0	\$2,051,704	\$2,051,704	00.0%	\$3,568,438	57.50%
9/30/2014	N/A					
9/30/2015	\$0	\$1,968,848	\$1,968,848	00.0%	\$4,341,312	45.35%

JACKSON COUNTY, TEXAS  
 COASTAL IMPACT ASSISTANCE  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$922,800	\$926,801	\$937,115	\$10,314
Total Revenues	<u>922,800</u>	<u>926,801</u>	<u>937,115</u>	<u>10,314</u>
<b>EXPENDITURES</b>				
Current				
Culture and Recreation	978,318	1,007,342	997,898	9,444
Total Expenditures	<u>978,318</u>	<u>1,007,342</u>	<u>997,898</u>	<u>9,444</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(55,518)</u>	<u>(80,541)</u>	<u>(60,783)</u>	<u>19,758</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	25,023	25,023	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>25,023</u>	<u>25,023</u>	<u>0</u>
Net Changes in Fund Balances	<u>(55,518)</u>	<u>(55,518)</u>	<u>(35,760)</u>	<u>19,758</u>
Reconciliation from cash basis to modified accrual:				
Changes in Grants Receivable			(8,577)	
Changes in Accounts Payable			<u>13,101</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(31,236)</u>	
Fund Balances - Beginning			<u>34,234</u>	
Fund Balances - Ending			<u><u>\$2,998</u></u>	





COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



JACKSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET - GENERAL FUND  
 SEPTEMBER 30, 2015

	General Fund	Permanent Improvement Funds	Total General Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$6,040,160	\$21,749	\$6,061,909
Receivables (net of allowance for uncollectibles)	509,678	90,670	600,348
Prepaid Items	62,894		62,894
Due from Other Funds	5,332		5,332
Total Assets	<u>\$6,618,064</u>	<u>\$112,419</u>	<u>\$6,730,483</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
Accounts Payable	\$86,886		\$86,886
Accrued Wages Payable	183,863		183,863
Deferred Revenues	3,800		3,800
Total Liabilities	<u>274,549</u>	<u>0</u>	<u>274,549</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Property Taxes	<u>390,226</u>		<u>390,226</u>
<b>Fund Balances:</b>			
Non-Spendable			
Prepaid Items	62,894		62,894
Restricted			
Permanent Improvement		112,419	112,419
Unassigned	5,890,395		5,890,395
Total Fund Balance	<u>5,953,289</u>	<u>112,419</u>	<u>6,065,708</u>
Total Liabilities and Fund Balances	<u>\$6,618,064</u>	<u>\$112,419</u>	<u>\$6,730,483</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, 2015

	General Fund	Permanent Improvement Funds	Total General Funds
<i>REVENUES</i>			
Taxes			
Property	\$6,180,899		\$6,180,899
Sales	938,228		938,228
Other	55,590		55,590
Intergovernmental	152,669		152,669
Charges for Services	577,382		577,382
Fines and Forfeitures	443,246		443,246
Interest	35,444	352	35,796
Miscellaneous	151,092		151,092
Total Revenues	8,534,550	352	8,534,902

*EXPENDITURES*

Current:

General Administration			
Commissioner's Court	322,373		322,373
County Clerk	344,959		344,959
County Judge	164,058		164,058
Election			0
Non-Departmental	403,923		403,923
Judicial			
Court Expense	169,166		169,166
Criminal District Attorney	441,959		441,959
District Clerk	234,565		234,565
District Court	76,110		76,110
Jury	31,557		31,557
Justice of the Peace No. 1	168,284		168,284
Justice of the Peace No. 2	183,288		183,288
Financial Administration			
County Auditor	269,397		269,397
County Treasurer	151,900		151,900
Tax Assessor-Collector	339,174		339,174
Public Facilities			
County Services Building		144,026	144,026
Public Facilities	395,117		395,117
Public Safety			
Adult Probation	2,199		2,199
Ambulance			0
Civil Defense	54,929		54,929
Constable No. 1	71,892		71,892
Constable No. 2	74,894		74,894
Corrections	1,173,859		1,173,859
D.P.S./License and Weight	22,352		22,352
D.P.S./Troopers	1,489		1,489
EMS/Jaws of Life	8,267		8,267
Fire	6,300		6,300
Flood Plain Permit	42,485		42,485
L.N.R.A.	60,553		60,553
Sheriff	1,328,069		1,328,069
T.J.P.C.	26,154		26,154

(continued)

(continued)

Environmental Protection			
Sanitation	476,773		476,773
Culture and Recreation			
County Library	179,013		179,013
Fairgrounds			0
Parks	1,472		1,472
Health and Welfare			
Gulf Bend Mental Health	38,000		38,000
Senior Citizens Center	40,000		40,000
Conservation - Agriculture			
Agriculture Extension Service	83,389		83,389
U.S. Soil Conservation	2,000		2,000
Total Expenditures	<u>7,389,919</u>	<u>144,026</u>	<u>7,533,945</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>1,144,631</u>	<u>(143,674)</u>	<u>1,000,957</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		115,200	115,200
Operating Transfers Out	<u>(1,921,231)</u>		<u>(1,921,231)</u>
Total Other Financing Sources (Uses)	<u>(1,921,231)</u>	<u>115,200</u>	<u>(1,806,031)</u>
Net Changes in Fund Balances	<u>(776,600)</u>	<u>(28,474)</u>	<u>(805,074)</u>
Fund Balances - Beginning	<u>6,729,889</u>	<u>140,893</u>	<u>6,870,782</u>
Fund Balances - Ending	<u>\$5,953,289</u>	<u>\$112,419</u>	<u>\$6,065,708</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND  
 SEPTEMBER 30, 2015

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Bridge Replacement Fund	Highway Fund	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
<b>ASSETS</b>															
Cash and Cash Equivalents	\$49,793	\$84,522	\$32,203	\$215,501	\$7,975	\$2,013					\$33,039	\$70,786	\$28,800	\$205,896	\$730,528
Receivables (net of allowance for uncollectibles)						52,232									52,232
Prepaid Insurance	4,396	2,677	2,904	3,824											13,801
<b>Total Assets</b>	<b>\$54,189</b>	<b>\$87,199</b>	<b>\$35,107</b>	<b>\$219,325</b>	<b>\$7,975</b>	<b>\$54,245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,039</b>	<b>\$70,786</b>	<b>\$28,800</b>	<b>\$205,896</b>	<b>\$796,561</b>
<b>LIABILITIES AND FUND BALANCES:</b>															
<b>Liabilities:</b>															
Accounts Payable	\$7,741	\$15,880	\$5,476	\$12,526		\$4,867									\$46,490
Due to Other Funds													5,332		5,332
Accrued Wages Payable	8,266	11,392	12,575	10,307											42,540
<b>Total Liabilities</b>	<b>16,007</b>	<b>27,272</b>	<b>18,051</b>	<b>22,833</b>	<b>0</b>	<b>4,867</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,332</b>	<b>0</b>	<b>94,362</b>
<b>Fund Balances:</b>															
Non-Spendable															
Prepaid Items	4,396	2,677	2,904	3,824											13,801
Restricted															
Public Transportation	33,786	57,250	14,152	192,668	7,975	49,378					33,039	70,786	23,468	205,896	688,398
<b>Total Fund Balance</b>	<b>38,182</b>	<b>59,927</b>	<b>17,056</b>	<b>196,492</b>	<b>7,975</b>	<b>49,378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,039</b>	<b>70,786</b>	<b>23,468</b>	<b>205,896</b>	<b>702,199</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$54,189</b>	<b>\$87,199</b>	<b>\$35,107</b>	<b>\$219,325</b>	<b>\$7,975</b>	<b>\$54,245</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,039</b>	<b>\$70,786</b>	<b>\$28,800</b>	<b>\$205,896</b>	<b>\$796,561</b>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS  
 YEAR ENDED SEPTEMBER 30, 2015

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Bridge Replacement Fund	Highway Fund	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
<b>REVENUES</b>															
Intergovernmental						\$257,107	\$5,236	\$5,236	\$5,236	\$5,236					\$278,051
Licenses and Permits						605,325									605,325
Interest	639	788	431	1,190							54	172	1	197	3,472
Miscellaneous	6,455	6,983	1,290	11,708							7,400			4,050	37,886
Total Revenues	7,094	7,771	1,721	12,898	0	862,432	5,236	5,236	5,236	5,236	7,454	172	1	4,247	924,734
<b>EXPENDITURES</b>															
Current:															
Public Transportation															
Road and Bridge	578,452	651,316	361,780	522,550	42,025	425,419	5,236	5,236	5,236	5,236		19,765	90,758	43,530	2,756,539
Debt Service															
Principal Retirement															0
Interest and Fiscal Charges															0
Total Expenditures	578,452	651,316	361,780	522,550	42,025	425,419	5,236	5,236	5,236	5,236	0	19,765	90,758	43,530	2,756,539
Excess (Deficiency) of Revenues Over (Under)															
Expenditures	(571,358)	(643,545)	(360,059)	(509,652)	(42,025)	437,013	0	0	0	0	7,454	(19,593)	(90,757)	(39,283)	(1,831,805)
<b>OTHER FINANCING SOURCES (USES):</b>															
Other Financing Sources - Note Payable															
Operating Transfers In	466,528	516,382	404,765	677,301	50,000						20,000	20,000	90,670	170,000	90,670
Operating Transfers Out			(28,796)	(150,000)		(408,751)							48,796		(587,547)
Total Other Financing Sources (Uses)	466,528	516,382	375,969	527,301	50,000	(408,751)	0	0	0	0	20,000	20,000	139,466	170,000	1,876,895
Net Changes in Fund Balances	(104,830)	(127,163)	15,910	17,649	7,975	28,262	0	0	0	0	27,454	407	48,709	130,717	45,090
Fund Balances - Beginning	143,012	187,090	1,146	178,843	0	21,116	0	0	0		5,585	70,379	(25,241)	75,179	657,109
Fund Balances - Ending	\$38,182	\$59,927	\$17,056	\$196,492	\$7,975	\$49,378	\$0	\$0	\$0	\$0	\$33,039	\$70,786	\$23,468	\$205,896	\$702,199

JACKSON COUNTY, TEXAS  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2015

	SPECIAL REVENUE															
	ABANDONED MOTOR VEHICLES	CHILD ABUSE PREVEN- TION	CHILD WELFARE	COMMISSARY TELEPHONE	COMMUNITY DEVELOPMENT GRANT	COUNTY CLERK RECORDS MANAGEMENT	COUNTY RECORDS MANAGEMENT	COURTHOUSE SECURITY	DISTRICT ATTORNEY FORFEITURE	DISTRICT ATTORNEY HOT CHECK	DISTRICT CLERK RECORDS MANAGEMENT	ELECTIONS ADMINIS- TRATION	HISTORICAL COMMISSION	JUSTICE COURT TECH	JUVENILE PROBATION DISCRETION	JUVENILE PROBATION
ASSETS																
Cash and Cash Equivalents	\$8,351	\$1,087	\$9,094	\$58,269	\$0	\$94,079	\$21,122	\$58,387	\$267,183	\$6,036	\$2,945	\$864	\$32,751	\$4,357	\$1,983	\$8,526
Receivables (net of allowance for uncollectibles)				8,804						1,306						
Prepaid Insurance								55				778				55
<b>TOTAL ASSETS</b>	<b>\$8,351</b>	<b>\$1,087</b>	<b>\$9,094</b>	<b>\$67,073</b>	<b>\$0</b>	<b>\$94,079</b>	<b>\$21,122</b>	<b>\$58,387</b>	<b>\$267,238</b>	<b>\$7,342</b>	<b>\$2,945</b>	<b>\$864</b>	<b>\$33,529</b>	<b>\$4,357</b>	<b>\$1,983</b>	<b>\$8,581</b>
LIABILITIES AND FUND BALANCES																
Liabilities																
Accounts Payable	\$102			\$495	\$0	\$151		\$33		\$1,791						\$2,749
Bank Overdraft																
Deferred Revenues										3,712						
Accrued Wages Payable						444			330							3,454
<b>Total Liabilities</b>	<b>102</b>	<b>0</b>	<b>0</b>	<b>495</b>	<b>0</b>	<b>595</b>	<b>0</b>	<b>33</b>	<b>330</b>	<b>5,503</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,203</b>
Fund Balances																
Non-Spendable																
Prepaid Insurance									55				778			55
Restricted																
General Administration						93,484	21,122					864				
Judicial									266,853		2,945			4,357		
Legal										1,839						
Public Safety	8,249	1,087						58,354							1,983	2,323
Committed																
Culture and Recreation													32,751			
Health and Welfare			9,094													
Public Safety				66,578												
Unassigned																
<b>Total Fund Balances</b>	<b>8,249</b>	<b>1,087</b>	<b>9,094</b>	<b>66,578</b>	<b>0</b>	<b>93,484</b>	<b>21,122</b>	<b>58,354</b>	<b>266,908</b>	<b>1,839</b>	<b>2,945</b>	<b>864</b>	<b>33,529</b>	<b>4,357</b>	<b>1,983</b>	<b>2,378</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$8,351</b>	<b>\$1,087</b>	<b>\$9,094</b>	<b>\$67,073</b>	<b>\$0</b>	<b>\$94,079</b>	<b>\$21,122</b>	<b>\$58,387</b>	<b>\$267,238</b>	<b>\$7,342</b>	<b>\$2,945</b>	<b>\$864</b>	<b>\$33,529</b>	<b>\$4,357</b>	<b>\$1,983</b>	<b>\$8,581</b>

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



SPECIAL REVENUE							
LAW ENFORCEMENT OFFICERS ASSOCIATION	LAW LIBRARY	MAURITZ CAMP FUND	MEDIATION FUND	MEMORIAL LIBRARY	SHERIFF FORFEITURE	NON-MAJOR GOVERNMENTAL FUNDS	
\$2,435	\$1,365	\$14	\$1,450	\$8,172	\$35,051	\$623,521	
							10,110
							888
<u>\$2,435</u>	<u>\$1,365</u>	<u>\$14</u>	<u>\$1,450</u>	<u>\$8,172</u>	<u>\$35,051</u>	<u>\$634,519</u>	
							\$5,321
							0
							3,712
							4,228
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,261</u>	
							888
			1,450				116,920
							274,155
							1,839
2,435					35,051		109,482
	1,365	14		8,172			42,302
							9,094
							66,578
							0
<u>2,435</u>	<u>1,365</u>	<u>14</u>	<u>1,450</u>	<u>8,172</u>	<u>35,051</u>	<u>621,258</u>	
<u>\$2,435</u>	<u>\$1,365</u>	<u>\$14</u>	<u>\$1,450</u>	<u>\$8,172</u>	<u>\$35,051</u>	<u>\$634,519</u>	

JACKSON COUNTY, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	SPECIAL REVENUE															
	CHILD ABANDONED	CHILD ABUSE	CHILD WELFARE	COMMISARY TELEPHONE	COMMUNITY DEVELOPMENT GRANT	COUNTY CLERK RECORDS MANAGEMENT	COUNTY RECORDS MANAGEMENT	COURTHOUSE SECURITY	DISTRICT ATTORNEY FORFEITURE	DISTRICT ATTORNEY HOT CHECK	DISTRICT CLERK RECORDS MANAGEMENT	ELECTIONS ADMINIS- TRATION	HISTORICAL COMMISSION	JUSTICE COURT TECH	JUVENILE PROBATION DISCRETION	JUVENILE PROBATION
	MOTOR VEHICLES	PREVEN- TION														
<b>REVENUES</b>																
Intergovernmental					\$177,158											\$119,136
Charges for Services	2,455	1,038		57,034		74,278	7,809	13,533		1,511	5,643			8,584	4,282	
Interest			19						564				67			39
Miscellaneous													1,385			
Total Revenues	2,455	1,038	19	57,034	177,158	74,278	7,809	13,533	564	1,511	5,643	0	1,452	8,584	4,282	119,175
<b>EXPENDITURES</b>																
Current:																
General Administration																
Records Management						38,948	6,375				5,285					
Elections																
Judicial																
Judicial									25,465					7,295		
Legal																
Check Collection										5,059						
Law Library																
Public Safety																
Courthouse Security								16,110								
Juvenile Probation															1,975	126,805
Sheriff	18,506	1,500		53,110												
Culture and Recreation																
Historical Commission													1,203			
Library																
Parks																
Health and Welfare																
Child Welfare			337													
Capital Outlay																
Capital Outlay					177,158											
Total Expenditures	18,506	1,500	337	53,110	177,158	38,948	6,375	16,110	25,465	5,059	5,285	0	1,203	7,295	1,975	126,805
Excess (Deficiency) of Revenues Over (Under)																
Expenditures	(16,051)	(462)	(318)	3,924	0	35,330	1,434	(2,577)	(24,901)	(3,548)	358	0	249	1,289	2,307	(7,630)
<b>OTHER FINANCING SOURCES (USES):</b>																
Operating Transfers In														1,100		
Operating Transfers Out																
Total Other Financing Sources (Uses)					0									1,100		
Net Changes in Fund Balances	(16,051)	(462)	(318)	3,924	0	35,330	1,434	(2,577)	(24,901)	(3,548)	358	0	1,349	1,289	2,307	(7,630)
Fund Balances - Beginning	24,300	1,549	9,412	62,654	0	58,154	19,688	60,931	291,809	5,387	2,587	864	32,180	3,068	(324)	10,008
Fund Balances - Ending	\$8,249	\$1,087	\$9,094	\$66,578	\$0	\$93,484	\$21,122	\$58,354	\$266,908	\$1,839	\$2,945	\$864	\$33,529	\$4,357	\$1,983	\$2,378

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

SPECIAL REVENUE							
LAW ENFORCEMENT OFFICERS ASSOCIATION						NON-MAJOR GOVERNMENTAL FUNDS	
LAW	MAURITZ						
OFFICERS	CAMP	MEDIATION	MEMORIAL	SHERIFF			
ASSOCIATION	FUND	FUND	LIBRARY	FORFEITURE			
							\$296,294
3,492	7,830						187,489
		16		119	77		901
				5,938			7,323
3,492	7,830	16	0	6,057	77		492,007
							50,608
							0
							32,760
							5,059
	15,402						15,402
							16,110
							128,780
5,005		11,381			8,743		98,245
							1,203
				6,647			6,647
							0
							337
							177,158
5,005	15,402	11,381	0	6,647	8,743		532,309
(1,513)	(7,572)	(11,365)	0	(590)	(8,666)		(40,302)
	6,683						7,783
							0
	6,683				0		7,783
(1,513)	(889)	(11,365)	0	(590)	(8,666)		(32,519)
3,948	2,254	11,379	1,450	8,762	43,717		653,777
\$2,435	\$1,365	\$14	\$1,450	\$8,172	\$35,051		\$621,258

JACKSON COUNTY, TEXAS  
 COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS  
 SEPTEMBER 30, 2015

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$2,364	\$1,275	\$2,364	\$1,275
Total Current Assets	2,364	1,275	2,364	1,275
<b>TOTAL ASSETS</b>	<b>\$2,364</b>	<b>\$1,275</b>	<b>\$2,364</b>	<b>\$1,275</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>				
Liabilities				
Current Liabilities(Payable from Current Assets)				
Accounts Payable	0	301	0	301
Accrued Wages Payable			0	0
Total Current Liabilities	0	301	0	301
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>301</b>	<b>0</b>	<b>301</b>
Invested in Capital Assets, Net of Related debt				
Unrestricted	2,364	974	2,364	974
<b>TOTAL NET POSITION</b>	<b>\$2,364</b>	<b>\$974</b>	<b>\$2,364</b>	<b>\$974</b>

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, 2015

	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	\$10,589	\$7,796	\$10,589	\$7,796
<b>TOTAL OPERATING REVENUES</b>	<b>10,589</b>	<b>7,796</b>	<b>10,589</b>	<b>7,796</b>
OPERATING EXPENSES				
Personal Services			0	0
Supplies	7,544	7,954	7,544	7,954
Other Services and Charges	1,655	1,561	1,655	1,561
Depreciation			0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>9,199</b>	<b>9,515</b>	<b>9,199</b>	<b>9,515</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,390</b>	<b>(1,719)</b>	<b>1,390</b>	<b>(1,719)</b>
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	0	2	0	2
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>
Income Before Transfers	1,390	(1,717)	1,390	(1,717)
Transfers In			0	0
Change in Net Position	1,390	(1,717)	1,390	(1,717)
Total Net Position - Beginning	974	2,691	974	2,691
<b>Total Net Position - Ending</b>	<b>\$2,364</b>	<b>\$974</b>	<b>\$2,364</b>	<b>\$974</b>

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, 2015

	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	\$10,589	\$7,796	\$10,589	\$7,796
Payments to Suppliers	(9,500)	(10,674)	(9,500)	(10,674)
Payments to Employees	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	1,089	(2,878)	1,089	(2,878)
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	0	2	0	2
Net Cash Provided(Used) By Investing Activities	0	2	0	2
Net Increase (Decrease) in Cash Equivalents	1,089	(2,876)	1,089	(2,876)
Cash and Cash Equivalents at Beginning of Year	1,275	4,151	1,275	4,151
Cash and Cash Equivalents at End of Year (continued)	\$2,364	\$1,275	\$2,364	\$1,275

(continued)

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

Operating Income (Loss)	\$1,390	(\$1,719)	\$1,390	(\$1,719)
-------------------------	---------	-----------	---------	-----------

Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation			0	0
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Changes in Current Items

Increase(Decrease) in Accounts Payable	(301)	(1,159)	(301)	(1,159)
--	-------	---------	-------	---------

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

Net Cash Provided(Used) by Operating	\$1,089	(\$2,878)	\$1,089	(\$2,878)
--------------------------------------	---------	-----------	---------	-----------

Activities

	0	0	0	0
--	---	---	---	---

Noncash Investing, Capital and Financing Activities:

Borrowing from Capital Debt	\$0	\$0	\$0	\$0
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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, 2015

	Agency Funds				Total
	Trust Investment	State Fees	County-Wide Drainage District	County Officer Accounts	
<b>ASSETS</b>					
Cash and Cash Equivalents	\$104,708	\$82,366	\$0	\$535,935	\$723,009
Receivables (net of allowance for uncollectibles)	0	0	2,523	0	2,523
Total Assets	\$104,708	\$82,366	\$2,523	\$535,935	\$725,532
<b>LIABILITIES</b>					
Accounts Payable			\$2,523		\$0
Due to Others	104,708	82,366	0	535,935	725,532
Total Liabilities	\$104,708	\$82,366	\$2,523	\$535,935	\$725,532

JACKSON COUNTY, TEXAS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>TRUST INVESTMENT</u>			BALANCE 9/30/2015
	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$102,231	\$2,477	\$0	\$104,708
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$102,231	\$2,477	\$0	\$104,708

<b>LIABILITIES:</b>				
Accounts Payable				
Due to Others	\$102,231	\$2,477	\$0	\$104,708
Total Liabilities	\$102,231	\$2,477	\$0	\$104,708

	<u>STATE FEES</u>			BALANCE 9/30/2015
	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$73,798	\$8,568	\$0	\$82,366
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$73,798	\$8,568	\$0	\$82,366

<b>LIABILITIES:</b>				
Accounts Payable				
Due to Others	\$73,798	\$8,568	\$0	\$82,366
Total Liabilities	\$73,798	\$8,568	\$0	\$82,366

	<u>COUNTY-WIDE DRAINAGE DISTRICT</u>			BALANCE 9/30/2015
	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$0	\$1,204,925	\$1,204,925	\$0
Receivables (net of allowance for uncollectibles)	3,208	2,523	3,208	2,523
Total Assets	\$3,208	\$1,207,448	\$1,208,133	\$2,523

<b>LIABILITIES:</b>				
Accounts Payable	\$0	\$2,523	\$0	\$2,523
Due to Others	3,208	1,204,925	1,208,133	0
Total Liabilities	\$3,208	\$1,207,448	\$1,208,133	\$2,523

<u>COUNTY OFFICER ACCOUNTS</u>	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2015
<b>ASSETS</b>				
Cash and Cash Equivalents	\$556,044	\$0	\$20,109	\$535,935
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$556,044</u>	<u>\$0</u>	<u>\$20,109</u>	<u>\$535,935</u>

<b>LIABILITIES:</b>				
Accounts Payable				
Due to Others	\$556,044	\$0	\$20,109	\$535,935
Total Liabilities	<u>\$556,044</u>	<u>\$0</u>	<u>\$20,109</u>	<u>\$535,935</u>

<u>TOTAL</u>	BALANCE 10/1/2014	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2015
<b>ASSETS</b>				
Cash and Cash Equivalents	\$732,073	\$1,215,970	\$1,225,034	\$723,009
Receivables (net of allowance for uncollectibles)	3,208	2,523	3,208	2,523
Total Assets	<u>\$735,281</u>	<u>\$1,218,493</u>	<u>\$1,228,242</u>	<u>\$725,532</u>

<b>LIABILITIES:</b>				
Accounts Payable	\$0	\$2,523	\$0	\$2,523
Due to Others	735,281	1,215,970	1,228,242	723,009
Total Liabilities	<u>\$735,281</u>	<u>\$1,218,493</u>	<u>\$1,228,242</u>	<u>\$725,532</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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$2,000	\$2,000	\$2,455	\$455
Miscellaneous	8,000	8,000	0	(8,000)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>2,455</u>	<u>(7,545)</u>
<b>EXPENDITURES</b>				
Current				
Public Safety	33,600	33,600	19,373	14,227
Total Expenditures	<u>33,600</u>	<u>33,600</u>	<u>19,373</u>	<u>14,227</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,600)</u>	<u>(23,600)</u>	<u>(16,918)</u>	<u>6,682</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>(\$23,600)</u>	<u>(\$23,600)</u>	<u>(\$16,918)</u>	<u>\$6,682</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			867	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(16,051)</u>	
Fund Balances - Beginning			<u>24,300</u>	
Fund Balances - Ending			<u>\$8,249</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$1,000	\$1,000	\$1,038	\$38
Total Revenues	1,000	1,000	1,038	38
<b>EXPENDITURES</b>				
Current				
Public Safety	1,500	1,500	1,500	0
Total Expenditures	1,500	1,500	1,500	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(500)	(462)	38
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	(500)	(500)	(462)	38
Fund Balances - Beginning	1,549	1,549	1,549	0
Fund Balances - Ending	\$1,049	\$1,049	\$1,087	\$38



JACKSON COUNTY, TEXAS  
CHILD WELFARE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Interest	\$20	\$20	\$19	(\$1)
Miscellaneous				0
Total Revenues	20	20	19	(1)
<b>EXPENDITURES</b>				
Current				
Health and Welfare	2,500	2,500	337	2,163
Total Expenditures	2,500	2,500	337	2,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,480)	(2,480)	(318)	2,162
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	(2,480)	(2,480)	(318)	2,162
Fund Balances - Beginning	9,412	9,412	9,412	0
Fund Balances - Ending	\$6,932	\$6,932	\$9,094	\$2,162

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$43,000	\$43,000	\$55,042	\$12,042
Total Revenues	43,000	43,000	55,042	12,042
<b>EXPENDITURES</b>				
Current				
Public Safety	97,644	97,644	52,614	45,030
Total Expenditures	97,644	97,644	52,614	45,030
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,644)	(54,644)	2,428	57,072
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	<u>(\$54,644)</u>	<u>(\$54,644)</u>	2,428	<u>\$57,072</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			1,992	
Decrease(Increase) in Prepaid Insurance			39	
Net Changes in Fund Balances - Modified Accrual Basis			<u>4,459</u>	
Fund Balances - Beginning			62,654	
Fund Balances - Ending			<u>\$67,113</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$177,158	\$177,158	\$177,158	\$0
Total Revenues	177,158	177,158	177,158	0
<b>EXPENDITURES</b>				
Capital Outlay				
Capital Outlay	177,158	177,158	177,158	0
Total Expenditures	177,158	177,158	177,158	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
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	0	0	0	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	\$0	\$0	\$0	\$0

JACKSON COUNTY, TEXAS  
 COUNTY CLERK RECORDS MANAGEMENT  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$44,700	\$44,700	\$74,278	\$29,578
Interest				0
Total Revenues	<u>44,700</u>	<u>44,700</u>	<u>74,278</u>	<u>29,578</u>
<b>EXPENDITURES</b>				
Current				
General Administration	50,085	50,085	38,783	11,302
Total Expenditures	<u>50,085</u>	<u>50,085</u>	<u>38,783</u>	<u>11,302</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,385)</u>	<u>(5,385)</u>	<u>35,495</u>	<u>40,880</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	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 - Cash Basis	<u>(\$5,385)</u>	<u>(\$5,385)</u>	<u>\$35,495</u>	<u>\$40,880</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			(145)	
Changes in Accrued Wages Payable			(20)	
Net Changes in Fund Balances-Modified Accrual Basis			<u>35,330</u>	
Fund Balances - Beginning			58,154	
Fund Balances - Ending			<u>\$93,484</u>	

JACKSON COUNTY, TEXAS  
COUNTY RECORDS MANAGEMENT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$8,500	\$8,500	\$7,809	(\$691)
Total Revenues	8,500	8,500	7,809	(691)
<b>EXPENDITURES</b>				
Current				
General Administration	19,432	19,432	6,380	13,052
Total Expenditures	19,432	19,432	6,380	13,052
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,932)	(10,932)	1,429	12,361
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	<u>(\$10,932)</u>	<u>(\$10,932)</u>	\$1,429	<u>\$12,361</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			5	
Net Changes in Fund Balances - Modified Accrual Basis			1,434	
Fund Balances - Beginning			19,688	
Fund Balances - Ending			<u>\$21,122</u>	

JACKSON COUNTY, TEXAS  
 COURTHOUSE SECURITY  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$12,970	\$12,970	\$13,528	\$558
Total Revenues	12,970	12,970	13,528	558
<b>EXPENDITURES</b>				
Current				
Public Safety	50,610	50,610	16,113	34,497
Total Expenditures	50,610	50,610	16,113	34,497
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,640)	(37,640)	(2,585)	35,055
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$37,640)</u>	<u>(\$37,640)</u>	<u>(\$2,585)</u>	<u>\$35,055</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			8	
Changes in Accrued Wages Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>(2,577)</u>	
Fund Balances - Beginning			60,931	
Fund Balances - Ending			<u>58,354</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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$525	\$525	\$564	\$39
Miscellaneous	5,000	5,000	0	(5,000)
Total Revenues	<u>5,525</u>	<u>5,525</u>	<u>564</u>	<u>(4,961)</u>
<b>EXPENDITURES</b>				
Current				
Judicial	34,972	34,972	25,429	9,543
Total Expenditures	<u>34,972</u>	<u>34,972</u>	<u>25,429</u>	<u>9,543</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(29,447)</u>	<u>(29,447)</u>	<u>(24,865)</u>	<u>4,582</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>(\$29,447)</u>	<u>(\$29,447)</u>	<u>(\$24,865)</u>	<u>\$4,582</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			4	
Changes in Accounts Payable			60	
Changes in Accrued Wages Payable			(100)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(24,901)</u>	
Fund Balances - Beginning			291,809	
Fund Balances - Ending			<u>\$266,908</u>	

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$1,200	\$1,200	\$1,021	(\$179)
Total Revenues	1,200	1,200	1,021	(179)
<b>EXPENDITURES</b>				
Current				
Judicial	5,518	5,518	5,059	459
Total Expenditures	5,518	5,518	5,059	459
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,318)	(4,318)	(4,038)	280
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	<u>(\$4,318)</u>	<u>(\$4,318)</u>	(4,038)	<u>\$280</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			490	
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(3,548)</u>	
Fund Balances - Beginning			5,387	
Fund Balances - Ending			<u>\$1,839</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$4,300	\$4,300	\$5,618	\$1,318
Total Revenues	4,300	4,300	5,618	1,318
<b>EXPENDITURES</b>				
Current				
General Administration	6,302	6,302	5,285	1,017
Total Expenditures	6,302	6,302	5,285	1,017
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,002)	(2,002)	333	2,335
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	(2,002)	(2,002)	333	2,335
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			25	
Net Changes in Fund Balances - Modified Accrual Basis			358	
Fund Balances - Beginning			2,587	
Fund Balances - Ending			\$2,945	

JACKSON COUNTY, TEXAS  
 ELECTION ADMINISTRATION  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
<b>EXPENDITURES</b>				
Current				
General Administration	950	864	0	864
Total Expenditures	950	864	0	864
Excess (Deficiency) of Revenues Over (Under) Expenditures	(950)	(864)	0	864
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	<u>(950)</u>	<u>(864)</u>	0	<u>864</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			0	
Fund Balances - Beginning			864	
Fund Balances - Ending			<u>\$864</u>	

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Interest	\$60	\$60	\$67	\$7
Miscellaneous	100	100	1,385	1,285
Total Revenues	160	160	1,452	1,292
<b>EXPENDITURES</b>				
Current				
Culture and Recreation	26,100	26,100	1,238	24,862
Total Expenditures	26,100	26,100	1,238	24,862
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,940)	(25,940)	214	26,154
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	1,100	1,100	1,100	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	1,100	1,100	1,100	0
Net Changes in Fund Balances	(\$24,840)	(\$24,840)	\$1,314	\$26,154
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance				
Changes in Accounts Payable			35	
Net Changes in Fund Balances - Modified Accrual Basis			1,349	
Fund Balances - Beginning			32,180	
Fund Balances - Ending			\$33,529	

JACKSON COUNTY, TEXAS  
 JUSTICE COURT TECHNOLOGY  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$8,630	\$8,630	\$8,584	(\$46)
Total Revenues	8,630	8,630	8,584	(46)
<b>EXPENDITURES</b>				
Current				
Judicial	12,048	11,697	7,295	4,402
Total Expenditures	12,048	11,697	7,295	4,402
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,418)	(3,067)	1,289	4,356
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	<u>(\$3,418)</u>	<u>(\$3,067)</u>	\$1,289	<u>\$4,356</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			1,289	
Fund Balances - Beginning			3,068	
Fund Balances - Ending			<u>\$4,357</u>	

JACKSON COUNTY, TEXAS  
 JUVENILE PROBATION DISCRETION  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$2,300	\$2,300	4,282	\$1,982
Total Revenues	2,300	2,300	4,282	1,982
<b>EXPENDITURES</b>				
Current				
Public Safety	2,300	1,975	1,975	0
Total Expenditures	2,300	1,975	1,975	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	325	2,307	1,982
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	\$0	\$325	\$2,307	\$1,982
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			0	
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			2,307	
Fund Balances - Beginning			(\$324)	
Fund Balances - Ending			\$1,983	

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$127,980	\$127,980	\$126,190	(\$1,790)
Interest	0	0	39	39
Total Revenues	<u>127,980</u>	<u>127,980</u>	<u>126,229</u>	<u>(1,751)</u>
<b>EXPENDITURES</b>				
Current				
Public Safety	135,480	135,480	128,587	6,893
Total Expenditures	<u>135,480</u>	<u>135,480</u>	<u>128,587</u>	<u>6,893</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,500)</u>	<u>(7,500)</u>	<u>(2,358)</u>	<u>5,142</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>(\$7,500)</u>	<u>(\$7,500)</u>	<u>(2,358)</u>	<u>\$5,142</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(7,054)	
Changes in Prepaid Insurance			(59)	
Changes in Accounts Payable			2,154	
Changes in Accrued Wages Payable			(313)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(7,630)</u>	
Fund Balances - Beginning			10,008	
Fund Balances - Ending			<u>\$2,378</u>	

JACKSON COUNTY, TEXAS  
LAW ENFORCEMENT OFFICERS EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget -
				Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$3,494	\$3,474	\$3,492	\$18
Total Revenues	3,494	3,474	3,492	18
<b>EXPENDITURES</b>				
Current				
Public Safety	7,339	7,319	5,203	2,116
Total Expenditures	7,339	7,319	5,203	2,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,845)	(3,845)	(1,711)	2,134
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	(3,845)	(3,845)	(1,711)	2,134
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			198	
Net Changes in Fund Balances - Modified Accrual Basis			(1,513)	
Fund Balances - Beginning			3,948	
Fund Balances - Ending			\$2,435	

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$7,400	\$7,400	\$7,830	\$430
Total Revenues	7,400	7,400	7,830	430
<b>EXPENDITURES</b>				
Current				
Legal	16,000	16,083	16,083	0
Total Expenditures	16,000	16,083	16,083	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,600)	(8,683)	(8,253)	430
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	6,600	6,683	6,683	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	6,600	6,683	6,683	0
Net Changes in Fund Balances	<u>(\$2,000)</u>	<u>(\$2,000)</u>	(\$1,570)	<u>\$430</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			681	
Changes in Accounts Payable			(889)	
Net Changes in Fund Balances - Modified Accrual Basis			2,254	
Fund Balances - Beginning			\$1,365	
Fund Balances - Ending				



JACKSON COUNTY, TEXAS  
 MAURITZ CAMP  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Interest	\$3	\$3	\$16	\$13
Miscellaneous				0
Total Revenues	3	3	16	13
<b>EXPENDITURES</b>				
Current				
Public Safety	11,381	11,381	11,381	0
Total Expenditures	11,381	11,381	11,381	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,378)	(11,378)	(11,365)	13
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	(11,378)	(11,378)	(11,365)	13
Fund Balances - Beginning	11,379	11,379	11,379	0
Fund Balances - Ending	\$1	\$1	\$14	\$13

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Interest	\$100	\$100	119	\$19
Miscellaneous	6,500	6,500	5,938	(562)
Total Revenues	<u>6,600</u>	<u>6,600</u>	<u>6,057</u>	<u>(543)</u>
<b>EXPENDITURES</b>				
Current				
Culture and Recreation	7,800	7,800	6,782	1,018
Total Expenditures	<u>7,800</u>	<u>7,800</u>	<u>6,782</u>	<u>1,018</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,200)</u>	<u>(1,200)</u>	<u>(725)</u>	<u>475</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>(1,200)</u>	<u>(1,200)</u>	<u>(725)</u>	<u>475</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			135	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(590)</u>	
Fund Balances - Beginning			8,762	
Fund Balances - Ending			<u>\$8,172</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Interest	\$60	\$60	\$77	\$17
Miscellaneous				0
Total Revenues	60	60	77	17
<b>EXPENDITURES</b>				
Current				
Public Safety	8,968	11,393	8,743	2,650
Total Expenditures	8,968	11,393	8,743	2,650
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,908)	(11,333)	(8,666)	2,667
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	<u>(\$8,908)</u>	<u>(\$11,333)</u>	(8,666)	<u>\$2,667</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Receivable				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			(8,666)	
Fund Balances - Beginning			43,717	
Fund Balances - Ending			<u>\$35,051</u>	



SINGLE AUDIT SECTION

JACKSON COUNTY, TEXAS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

SOURCE AND TITLE OF GRANT	FEDERAL CFDA NUMBER	GRANTOR'S/ PASS-THROUGH GRANTOR'S NUMBER	AWARD AMOUNT	PROGRAM EXPEN- TURES
<b>FEDERAL ASSISTANCE</b>				
<b>NON-STIMULUS PROGRAMS</b>				
<b>U.S. Department of Justice</b>				
Passed Through Texas SAVINS Statewide Automated Victim Information Notification (SAVIN) Program (NM)	16.740	1337013 1337014	\$5,551	
Passed Through Direct Bulletproof Vest Partnership Program (NM) Year 2013	16.607	None	2,087	308
Passed Through Direct State Criminal Alien Assistance Program (NM)	16.606		2,398	2,398
Total U.S. Department of Justice				<u>2,706</u>
<b>U.S. Department of Homeland Security</b>				
Passed Through Texas Department of Public Safety Homeland Security Grant Program (NM) SHSP LETPA OPSG - FY 2013 OPSG - FY 2014 OPSG - FY 2015	97.067	None 13-SR 48239-02 14-SR 48239-03 15-SR 48239-04	5,000 75,149 78,477 75,000	5,000 1,045 <u>6,045</u>
Passed Through Texa Department of Public Safety State Homeland Security Program (NM) Fiscal Year 2014	97.073	SR48239-01	11,016	10,757 <u>10,757</u>
Total U.S. Department of Homeland Security				<u>16,802</u>

**Institute of Museum and Library Services**

Passed Through

Texas State Library and Archives Commission

EDGE Implementation - Software (NM)

45.310

None

658

658658

Total Institute of Museum and Library Services

**U.S. Department of the Interior**

Bureau of Ocean Energy Management, Regulations and Enforcement (BOEMRE)

Direct

Coastal Impact Assistance Program (M)

15.426

Bennett Park

F12AF70258

306,882

Administrative

F12AF01290

45,000

723

Carancahua

F12AF00472

612,543

510,524

Mauritz Wastewater

F12AF01294

284,901

270,851

Mauritz Wastewater

F12AF01290-02

16,118

Total U.S. Department of the Interior

782,098**U.S. Department of Transportation**

Passed Through

Texas Department of Transportation-Aviation Division

Airport Improvement Program (NM)

20.106

Ramp

M1413EDDN

50,000

Ramp

M1513EDDN

10,000

2,319

Ramp

M1163EDDN

10,000

Total U.S. Department of Transportation

2,319**U.S. Department of Health and Human Services**

Passed Through

Office of the Attorney General

Child Support Enforcement-Title IV-D (NM)

93.563

None

Fiscal Year 2014

529

Fiscal Year 2015

6,8847,413

Total U.S. Department of Health and Human Services

811,996**TOTAL NON-STIMULUS PROGRAMS**0**TOTAL STIMULUS PROGRAMS**\$811,996

Total Federal Assistance

CFDA=CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE NUMBER

M=MAJOR PROGRAM

NM=NONMAJOR PROGRAM

See Accompanying Notes to Schedule of Federal Financial Assistance

**BEYER & Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Commissioner's Court  
Jackson County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2015, and the related notes to the financial statements, which collectively comprise Jackson County, Texas' basic financial statements and have issued our report thereon dated May 8, 2016.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Wayne R. Beyer".

BEYER & COMPANY  
Certified Public Accountants  
May 8, 2016

**BEYER & Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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Wayne R. Beyer, C.P.A.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Commissioner's Court  
Jackson County, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Jackson County, Texas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Jackson County, Texas' major federal programs for the year ended September 30, 2015. Jackson County, Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Jackson County, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jackson County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jackson County, Texas' compliance.

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

In our opinion, Jackson County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

### **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance.

### **Report on Internal Control over Compliance**

Management of Jackson County, Texas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jackson County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jackson County, Texas' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



BEYER & COMPANY  
Certified Public Accountants  
May 8, 2016

JACKSON COUNTY, TEXAS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

General

The accompanying Schedule of Expenditure of Federal Awards presents the activity of all Jackson County, Texas's Federal grants for the year ended September 30, 2015. This report is intended for the information of Jackson County, Texas, and Federal awarding agencies, and is not intended to be used and should not be used by anyone other than these specified parties.

Basis of Accounting

The Schedule of Expenditure of Federal Awards is presented using the modified accrual basis of accounting.

Non Cash Grants

Jackson County received no non-cash grants for the year ended September 30, 2015.

JACKSON COUNTY, TEXAS  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Federal

There were no prior audit findings for Federal Awards.

JACKSON COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Jackson County, Texas.
2. There were no significant deficiencies disclosed during the audit. There were no material weaknesses disclosed during the audit.
3. There were no instances of noncompliance material to the financial statements of the Jackson County, Texas, which would be required to be reported in accordance with Government Auditing Standards.
4. There were no significant deficiencies over major Federal award programs disclosed during the audit. There were no material weaknesses over major Federal award programs disclosed during the audit.
5. The auditor's report on compliance for the major Federal award programs for Jackson County, Texas expresses an unqualified opinion on all major Federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs: Coastal Impact Assistance Program– CFDA 15.426.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Jackson County did not qualify as a low-risk auditee.
10. Material Weaknesses
  - a. There was no material weakness disclosed during the audit.

**Findings relating to the Financial Statements**

There were no significant deficiencies, material weaknesses, questioned costs, or noncompliances with respect to the Financial Statements.

**Findings and Questioned Costs for Federal Awards**

There were no significant deficiencies, material weaknesses, questioned costs, or noncompliances with respect to federal awards.

