

JACKSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

September 30, 2017

Jackson County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2017

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the County Judge and Commissioners' Court
Jackson County, Texas

We have audited the accompanying financial statements of the governmental activities, the 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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Road and Bridge Fund, and the County Wide Drainage Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–11, the Public Employees Retirement System Information and OPEB on pages 66–71, and the non-major budgetary comparison information on pages 88-108 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 combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wayne R. Beyer

BEYER & COMPANY
Certified Public Accountants
May 4, 2018

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, 2017.

Financial Highlights

- . The assets of Jackson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$15,003,744 (net position). Of this amount, \$4,406,239 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net position decreased by \$1,376,665. This decrease is attributable to depreciation of \$991,660 in the governmental funds, and depreciation of \$102,213 in the airport fund.
- . As of the close of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$5,621,314, a decrease of \$536,631 in comparison with the prior year. Approximately 63% of this total amount, \$3,527,480 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 \$3,527,480, or 46 percent of total general fund expenditures, the fund balance for the road and bridge fund was \$474,550, or 18 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 position presents information on all of Jackson County, Texas' assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Jackson County, Texas is improving or deteriorating.

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

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

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

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

Governmental funds:

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

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

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

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

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

Jackson County, Texas also has 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 26-27.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-65 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 66-71 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 72-87 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 88-108 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Jackson County, Texas, assets exceeded liabilities by \$15,003,744 at the close of the most recent fiscal year.

A large portion of Jackson County, Texas' net position (63 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment); less any related debt used to acquire those assets that are still outstanding. Jackson County, Texas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jackson County, Texas' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

JACKSON COUNTY, TEXAS

NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$6,916,114	\$7,269,103	\$9,546	\$7,496	\$6,925,660	\$7,276,599
Capital Assets	8,506,753	9,075,734	907,183	1,009,396	9,413,936	10,085,130
Total Assets	15,422,867	16,344,837	916,729	1,016,892	16,339,596	17,361,729
Total Deferred Outflows of Resources	1,766,257	2,053,366			1,766,257	2,053,366
Long-Term Liabilities	2,430,187	2,358,170	0	0	2,430,187	2,358,170
Other Liabilities	402,448	458,044	4,983	1,404	407,431	459,448
Total Liabilities	2,832,635	2,816,214	4,983	1,404	2,837,618	2,817,618
Total Deferred Inflows of Resources	264,491	217,068			264,491	217,068
Net Assets						
Invested in Capital Assets, Net of Related Debt	8,506,753	9,075,734	907,183	1,009,396	9,413,936	10,085,130
Restricted	1,183,569	1,233,436	0	0	1,183,569	1,233,436
Unrestricted	4,401,676	5,055,751	4,563	6,092	4,406,239	5,061,843
Total Net Assets	\$14,091,998	\$15,364,921	\$911,746	\$1,015,488	\$15,003,744	\$16,380,409

An additional portion of Jackson County, Texas' net position (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$4,406,239) 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 position, 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 position for its governmental activities.

The government's total net position decreased by \$1,376,665. This decrease is attributable to depreciation of \$991,660 in the governmental funds, and depreciation of \$102,213 in the airport fund.

There was a decrease of \$49,867 in restricted net position reported in connection with Jackson County, Texas' government-type activities. This decrease is immaterial.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2015
Revenues						
Program Revenues						
Charges for Services	\$1,796,285	\$1,826,235	\$14,035	\$14,984	\$1,810,320	\$1,841,219
Operating Grants and Contributions	424,282	477,272	0	0	424,282	477,272
Capital Grants and Contributions	301	0	882	3,577	1,183	3,577
General Revenues						
Maintenance and Operations Taxes	7,723,037	6,227,602			7,723,037	6,227,602
Sales Tax	1,134,164	891,504			1,134,164	891,504
Other Taxes	41,154	46,172			41,154	46,172
Unrestricted Investment Earnings	63,378	36,737	13	10	63,391	36,747
Miscellaneous	225,825	188,241			225,825	188,241
Total Revenue	11,408,426	9,693,763	14,930	18,571	11,423,356	9,712,334
Expenses:						
General Administration	1,537,545	1,450,563	0	0	1,537,545	1,450,563
Judicial	1,336,039	1,338,006			1,336,039	1,338,006
Legal	5,730	7,564			5,730	7,564
Financial Administration	858,057	797,128			858,057	797,128
Public Facilities	510,142	576,423			510,142	576,423
Public Safety	3,638,522	3,370,462	8,284	11,458	3,646,806	3,381,920
Public Transportation	2,760,889	2,663,384			2,760,889	2,663,384
Environmental Protections	1,569,074	306,661			1,569,074	306,661
Culture and Recreation	282,331	239,750	110,388	114,562	392,719	354,312
Health and Welfare	94,743	99,052			94,743	99,052
Conservation - Agriculture	88,277	75,128			88,277	75,128
Total Expenses	12,681,349	10,924,121	118,672	126,020	12,800,021	11,050,141
Increase in Net Position Before Transfers and Special Items	(1,272,923)	(1,230,358)	(103,742)	(107,449)	(1,376,665)	(1,337,807)
Transfers	0	0	0	0	0	0
Increase in Net Position	(1,272,923)	(1,230,358)	(103,742)	(107,449)	(1,376,665)	(1,337,807)
Net Position at 9/30/2016	15,364,921	16,595,279	1,015,488	1,122,937	16,380,409	17,718,216
Net Position at 9/30/2017	\$14,091,998	\$15,364,921	\$911,746	\$1,015,488	\$15,003,744	\$16,380,409

Governmental activities decreased Jackson County, Texas' net position by \$1,272,923, thereby accounting for 92 percent of the total decline in the net position of Jackson County, Texas. This decrease is attributable to depreciation of \$991,660.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$1,537,545	\$334,754	\$20,424	\$0
Judicial	1,336,039	434,456	26,395	
Legal	5,730			
Financial Administration	858,057	209,382	19,274	
Public Facilities	510,142			301
Public Safety	3,638,522	110,971	287,279	
Public Transportation	2,760,889	568,946	46,407	
Environmental Protections	1,569,074	133,945		
Culture and Recreation	282,331	3,831	22,755	
Health and Welfare	94,743		1,748	
Conservation - Agriculture	88,277			
Total Government Activities	<u>\$12,681,349</u>	<u>\$1,796,285</u>	<u>\$424,282</u>	<u>\$301</u>

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$1,796,285	15.75%
Operating Grants and Contributions	424,282	3.72%
Operating Grants and Contributions	301	0.00%
Maintenance and Operations Taxes	7,723,037	67.70%
Sales Tax	1,134,164	9.94%
Other Taxes	41,154	0.36%
Unrestricted Investment Earnings	63,378	0.56%
Miscellaneous	225,825	1.98%
	<u>\$11,408,426</u>	<u>100.00%</u>

Business-Type Activities:

Business-type activities (commissary and airport fund) in Jackson County represented 8 percent of the total decline in the net position of Jackson County, Texas of \$103,742. This decrease is attributable to depreciation of \$102,213 in the airport fund.

Expenses and Program Revenues - Business Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government Business-Type Activities:				
Airport	\$110,388	\$5,478		\$882
Jail Commissary	8,284	8,557		
Total Business-Type Activities:	<u>\$118,672</u>	<u>\$14,035</u>	<u>\$0</u>	<u>\$882</u>

Revenues by Source - Business-Type Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$14,035	94.00%
Capital Grants and Contributions	882	5.91%
Unrestricted Investment Earnings	13	0.09%
	<u>\$14,930</u>	<u>100.00%</u>

Business-type activities:

Business-type activities decreased the County's net position by \$103,742.

- Demand for services for business-type activities decreased by \$949.
- Total grant proceeds decreased by \$2,695.
- Total expenses decreased by \$7,348.

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 \$5,621,314, a decrease of \$536,631 in comparison with the prior year. Approximately 63 percent of this total amount (\$3,527,480) 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 \$3,527,480, while total fund balance reached \$4,588,499. 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 46 percent of total general fund expenditures, while total fund balance represents 59 percent of that same amount.

The fund balance of Jackson County, Texas' general fund decreased by \$482,870 during the current fiscal year. Key factors in this decrease are as follows: This decrease is less than the decrease in the prior year of \$994,339 by \$507,032; this is a result of good budget management.

The road and bridge fund had a total fund balance of \$474,550. 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 18 percent of that same amount. The fund balance of the road and bridge fund decreased by \$58,100 during the current year. Key factors in this decrease are as follows: This decrease is attributable to a decline in revenues of \$111,995.

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

The district clerk reserve fund had no fund balance. It is not useful to compare both unassigned fund balance and total fund balance to total fund expenditures because there was no fund balance at September 30, 2017 year. The fund had only assets and liabilities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund were an increase of \$228,807. The major increase is in the sheriff department which increased by \$210,393.

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, 2017, amounts to \$9,413,936 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and infrastructure items such as roads, highways, and bridges. The total decrease in Jackson County, Texas' investment in capital assets for the current fiscal year was 6.66 percent (6.27 percent decrease for governmental activities and 10.13 percent decrease for business-type activities). The County had no major projects during the year ended September 30, 2017.

JACKSON COUNTY, TEXAS
CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$429,877	\$429,877	\$70,254	\$70,254	\$500,131	\$500,131
Construction in Progress	21,050	2,318	0	0	21,050	2,318
Building and Improvements	2,240,939	2,418,717	101,079	110,772	2,342,018	2,529,489
Machinery and Equipment	2,160,191	2,377,744	40,201	44,044	2,200,392	2,421,788
Infrastructure	3,654,696	3,847,078	695,649	784,326	4,350,345	4,631,404
Total	\$8,506,753	\$9,075,734	\$907,183	\$1,009,396	\$9,413,936	\$10,085,130

Additional information on Jackson County, Texas' capital assets can be found in note IV C on page 42 and 43 of this report.

Long-term debt:

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

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, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$5,736,159	\$5,591	\$5,741,750
Receivables (net of allowance for uncollectibles)	1,159,646	1,466	1,161,112
Prepaid Items	20,309	2,489	22,798
Capital assets not being depreciated:			
Land	429,877	70,254	500,131
Construction in Progress	21,050		21,050
Total Capital assets being depreciated, net			
Building and Improvements	2,240,939	101,079	2,342,018
Machinery and Equipment	2,160,191	40,201	2,200,392
Infrastructure	3,654,696	695,649	4,350,345
Total Assets	\$15,422,867	\$916,729	\$16,339,596
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow of Resources-Contributions (after 12/31/16)	577,294	0	577,294
Deferred Outflow-Net difference between projected and actual earnings	1,066,700	0	1,066,700
Deferred Outflow-Changes of assumptions	122,263	0	122,263
Total Deferred Outflows of Resources	1,766,257	0	1,766,257
LIABILITIES:			
Accounts Payable	\$129,652	\$336	\$129,988
Due to Others	147,209		147,209
Accrued Wages Payables	97,390		97,390
Deferred Revenues	28,197	4,647	32,844
Noncurrent Liabilities:			
Due within one year	200,173		200,173
Due in more than one year	2,230,014		2,230,014
Total Liabilities	2,832,635	4,983	2,837,618
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow-Foundation Grant	205,000	0	205,000
Deferred Inflow-Differences between expected and actual experience	59,491	0	59,491
Total Deferred Inflows of Resources	264,491	0	264,491
NET POSITION			
Invested in Capital Assets, Net of Related Debt	8,506,753	907,183	9,413,936
Restricted			
General Administration	81,969		81,969
Judicial	264,718		264,718
Legal	2,902		2,902
Permanent Improvement	256,690		256,690
Public Safety	118,466		118,466
Public Transportation	458,824		458,824
Unrestricted	4,401,676	4,563	4,406,239
Total Net Position	\$14,091,998	\$911,746	\$15,003,744

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Net (Expense) Revenue and Changes in Net Position Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary government						
Government Activities:						
General Administration	\$1,537,545	\$334,754	\$20,424	\$0	(\$1,182,367)	(\$1,182,367)
Judicial	1,336,039	434,456	26,395		(875,188)	(875,188)
Legal	5,730				(5,730)	(5,730)
Financial Administration	858,057	209,382	19,274		(629,401)	(629,401)
Public Facilities	510,142			301	(509,841)	(509,841)
Public Safety	3,638,522	110,971	287,279		(3,240,272)	(3,240,272)
Public Transportation	2,760,889	568,946	46,407		(2,145,536)	(2,145,536)
Environmental Protection	1,569,074	133,945			(1,435,129)	(1,435,129)
Culture and Recreation	282,331	3,831	22,755		(255,745)	(255,745)
Health and Welfare	94,743		1,748		(92,995)	(92,995)
Conservation - Agriculture	88,277				(88,277)	(88,277)
Total Government Activities	12,681,349	1,796,285	424,282	301	(10,460,481)	(10,460,481)
Business-Type Activities:						
Airport	110,388	5,478		882	(104,028)	(104,028)
Jail Commissary	8,284	8,557			273	273
Total Business-Type Activities:	118,672	14,035	0	882	(103,755)	(103,755)
Total Primary Government	\$12,800,021	\$1,810,320	\$424,282	\$1,183	(10,460,481)	(10,564,236)
General Revenues						
Property Taxes, Levies for General Purposes					7,723,037	7,723,037
Sales Taxes					1,134,164	1,134,164
Other Taxes					41,154	41,154
Unrestricted Investment Earnings					63,378	63,391
Miscellaneous					225,825	225,825
Total General Revenues					9,187,558	9,187,571
Change in Net Position					(1,272,923)	(1,376,665)
Net Position - Beginning					15,364,921	16,380,409
Net Position - Ending					\$14,091,998	\$15,003,744

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Road and Bridge	County Wide Drainage	District Clerk Reserve	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$4,508,798	\$505,406	\$0	\$147,209	\$574,746	\$5,736,159
Receivables (net of allowance for uncollectibles)	678,309	3,400	99,857		5,503	787,069
Prepaid Insurance	54,329	20,600			1,382	76,311
Total Assets	\$5,241,436	\$529,406	\$99,857	\$147,209	\$581,631	\$6,599,539
LIABILITIES AND FUND BALANCES:						
Liabilities						
Accounts Payable	\$81,155	\$38,341	\$2,573	\$0	\$7,583	\$129,652
Due to Others				147,209		147,209
Accrued Wages Payable	79,219	16,515			1,656	97,390
Deferred Revenues	0				14,127	14,127
Total Liabilities	160,374	54,856	2,573	147,209	23,366	388,378
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	492,563		97,284			589,847
Fund Balances:						
Non-Spendable						
Prepaid Items	54,329	15,726			1,382	71,437
Restricted						
Construction	750,000				0	750,000
Judicial					264,718	264,718
Legal					2,902	2,902
Permanent Improvement	256,690					256,690
Public Safety					118,466	118,466
Public Transportation		458,824				458,824
Committed						
General Administration					81,969	81,969
Culture and Recreation					45,003	45,003
Health and Welfare					8,935	8,935
Public Safety					34,890	34,890
Unassigned	3,527,480					3,527,480
Total Fund Balance	4,588,499	474,550	0	0	558,265	5,621,314
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$5,241,436	\$529,406	\$99,857	\$147,209	\$581,631	\$6,599,539

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, 2017

Total Fund Balances - governmental funds balance sheet \$5,621,314

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. 8,506,753

Other long-term assets are not available to pay for current period
expenditures and, therefore, are deferred in the funds. 1,818,341

Property taxes receivable unavailable to pay for current period
expenditures are deferred in the funds (net of allowance for uncollectibles). 575,777

Long-term liabilities, including compensated absences, are not due and payable in the
current period and therefore are not reported in the funds. (2,430,187)

Net Position of governmental activities - statement of Net Position \$14,091,998

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, 2017

	General Fund	Road and Bridge	County Wide Drainage	District Clerk Reserve	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$6,349,275	\$0	\$1,218,141		\$0	\$7,567,416
Sales	1,134,164					1,134,164
Other	40,376		778			41,154
Intergovernmental	382,570	46,407			192,784	621,761
Licenses and Permits		568,946				568,946
Charges for Services	628,103				158,476	786,579
Fines and Forfeitures	386,434					386,434
Interest	55,524	5,712			2,142	63,378
Miscellaneous	89,199	84,832			50,325	224,356
Total Revenues	<u>9,065,645</u>	<u>705,897</u>	<u>1,218,919</u>	<u>0</u>	<u>403,727</u>	<u>11,394,188</u>
EXPENDITURES						
Current:						
General Administration	1,378,242				92,491	1,470,733
Judicial	1,283,596				27,399	1,310,995
Legal					5,730	5,730
Financial Administration	837,787					837,787
Public Facilities	392,129				301	392,430
Public Safety	3,121,398				271,325	3,392,723
Public Transportation		2,561,071				2,561,071
Environmental Protection	344,661		1,218,919			1,563,580
Culture and Recreation	198,378				8,357	206,735
Health and Welfare	82,594				100	82,694
Conservation - Agriculture	86,341					86,341
Debt Service						
Principal Retirement		19,802				19,802
Interest and Fiscal Charges		198				198
Total Expenditures	<u>7,725,126</u>	<u>2,581,071</u>	<u>1,218,919</u>	<u>0</u>	<u>405,703</u>	<u>11,930,819</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,340,519</u>	<u>(1,875,174)</u>	<u>0</u>	<u>0</u>	<u>(1,976)</u>	<u>(536,631)</u>
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	30,958	2,281,823			6,338	2,319,119
Operating Transfers Out	(1,854,347)	(464,749)			(23)	(2,319,119)
Total Other Financing Sources (Uses)	<u>(1,823,389)</u>	<u>1,817,074</u>	<u>0</u>	<u>0</u>	<u>6,315</u>	<u>0</u>
Net Changes in Fund Balances	<u>(482,870)</u>	<u>(58,100)</u>	<u>0</u>	<u>0</u>	<u>4,339</u>	<u>(536,631)</u>
Fund Balances - Beginning	<u>5,071,369</u>	<u>532,650</u>			<u>553,926</u>	<u>6,157,945</u>
Fund Balances - Ending	<u>\$4,588,499</u>	<u>\$474,550</u>	<u>\$0</u>	<u>\$0</u>	<u>\$558,265</u>	<u>\$5,621,314</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, 2017

Net Changes in Fund Balances - total governmental funds (536,631)

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.	(568,981)
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.	(121,383)
Deferred Outflow of Resources-Contributions (after 12/31/16). This is the change in these amounts this year.	1,282
Deferred Outflow-Net difference between projected and actual earnings. This is the change in these amounts this year.	(227,259)
Deferred Outflow-Changes of assumptions. This is the change in these amounts this year.	(61,132)
Deferred Inflow-Differences between expected and actual experience. This is the change in these amounts this year.	157,577
(Increase) decrease in Compensated absences from beginning of period to end of period.	(59,593)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	155,621
Net Pension Payable. This is the change in these amounts this year.	(12,424)

Change in Net Position of governmental activities - statement of activities (\$1,272,923)

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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<i>REVENUES</i>				
Taxes				
Property	\$6,346,574	\$6,346,574	\$6,347,583	\$1,009
Sales	830,000	830,000	1,103,705	273,705
Other	39,620	39,620	42,707	3,087
Intergovernmental	114,247	349,502	391,736	42,234
Charges for Services	572,450	572,450	614,995	42,545
Fines and Forfeitures	399,700	399,700	386,434	(13,266)
Interest	27,033	27,033	55,495	28,462
Miscellaneous	75,200	80,000	86,604	6,604
Total Revenues	8,404,824	8,644,879	9,029,259	384,380

EXPENDITURES

Current:

General Administration				
Commissioners Court	350,480	350,271	348,770	1,501
County Clerk	394,520	394,520	378,233	16,287
County Judge	185,445	183,217	183,105	112
Non-Departmental	547,737	474,579	471,120	3,459
Judicial				
Court Expense	165,200	247,238	246,641	597
Criminal District Attorney	458,605	461,479	420,901	40,578
District Clerk	268,040	268,040	254,838	13,202
District Court	77,543	59,651	58,922	729
Jury	28,955	19,072	12,554	6,518
Justice of the Peace No. 1	187,986	187,986	176,523	11,463
Justice of the Peace No. 2	179,595	179,595	166,335	13,260
Financial Administration				
County Auditor	305,881	300,409	284,950	15,459
County Treasurer	170,854	170,854	163,702	7,152
Tax Assessor-Collector	397,605	399,246	391,228	8,018
Public Facilities				
County Services Building	204,600	204,600	38,929	165,671
Public Facilities	385,132	377,731	352,044	25,687

(continued)

(continued)

Public Safety				
Adult Probation	3,300	3,300	3,072	228
Civil Defense	41,483	41,846	47,065	(5,219)
Constable No. 1	80,446	80,446	76,892	3,554
Constable No. 2	83,677	83,677	80,741	2,936
Corrections	1,306,547	1,332,140	1,300,500	31,640
Disaster	0	0	30,583	(30,583)
D.P.S./License and Weight	3,480	3,480	2,685	795
D.P.S./Troopers	2,300	2,300	2,016	284
EMS/Jaws of Life	7,100	6,950	1,906	5,044
Fire	14,250	14,400	14,400	0
Permitting and Inspections	65,285	65,285	63,355	1,930
L.N.R.A.	66,626	66,626	65,302	1,324
Sheriff	1,474,875	1,685,268	1,383,335	301,933
T.J.P.C.	43,481	59,067	57,271	1,796
Environmental Protection				
Sanitation	346,735	348,042	340,409	7,633
Culture and Recreation				
County Library	185,020	190,275	181,535	8,740
Parks	2,500	2,500	1,904	596
Health and Welfare				
Gulf Bend Mental Health	53,594	53,594	52,594	1,000
Senior Citizens Center	30,000	30,000	30,000	0
Conservation - Agriculture				
Agriculture Extension Service	93,835	93,835	83,142	10,693
U.S. Soil Conservation	2,500	2,500	2,500	0
Total Expenditures	<u>8,215,212</u>	<u>8,444,019</u>	<u>7,770,002</u>	<u>674,017</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>189,612</u>	<u>200,860</u>	<u>1,259,257</u>	<u>1,058,397</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	30,935	30,935	30,958	23
Operating Transfers Out	<u>(1,849,547)</u>	<u>(1,854,347)</u>	<u>(1,854,347)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,818,612)</u>	<u>(1,823,412)</u>	<u>(1,823,389)</u>	<u>23</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$1,629,000)</u>	<u>(\$1,622,552)</u>	<u>(564,132)</u>	<u>\$1,058,420</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			35,030	
Changes in Prepaid Insurance			5,640	
Changes in Accounts Payable			58,728	
Changes in Accrued Wages Payable			(4,066)	
Changes in Deferred Revenue			<u>(14,070)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(482,870)</u>	
Fund Balances - Beginning			<u>5,071,369</u>	
Fund Balances - Ending			<u><u>\$4,588,499</u></u>	

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

JACKSON COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$20,936	\$65,537	\$75,633	\$10,096
Licenses and Permits	580,450	580,450	568,396	(12,054)
Interest	2,960	2,260	5,712	3,452
Miscellaneous	10,442	21,164	84,832	63,668
Total Revenues	<u>614,788</u>	<u>669,411</u>	<u>734,573</u>	<u>65,162</u>
EXPENDITURES				
Current				
Public Transportation	<u>2,939,919</u>	<u>2,363,764</u>	<u>2,560,134</u>	<u>(196,370)</u>
Total Expenditures	<u>2,939,919</u>	<u>2,363,764</u>	<u>2,560,134</u>	<u>(196,370)</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(2,325,131)</u>	<u>(1,694,353)</u>	<u>(1,825,561)</u>	<u>(131,208)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,281,823	1,744,627	2,281,818	537,191
Operating Transfers Out	<u>(464,749)</u>	<u>(464,749)</u>	<u>(464,749)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,817,074</u>	<u>1,279,878</u>	<u>1,817,069</u>	<u>537,191</u>
Net Changes in Fund Balances	<u>(\$508,057)</u>	<u>(\$414,475)</u>	<u>(8,492)</u>	<u>\$405,983</u>
Reconciliation from cash basis to modified accrual				
Changes in Officers Fees and Sales Tax Receivable			(28,676)	
Changes in Prepaid Insurance			1,500	
Loan Payment to General Fund			(20,000)	
Changes in Accounts Payable			(2,988)	
Changes in Accrued Wages Payable			<u>556</u>	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(58,100)</u>	
Fund Balances - Beginning			<u>532,650</u>	
Fund Balances - Ending			<u>\$474,550</u>	

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

JACKSON COUNTY, TEXAS
COUNTY WIDE DRAINAGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$1,234,163	\$1,234,163	\$1,215,567	(\$18,596)
Other	100	100	778	678
Total Revenues	<u>1,234,263</u>	<u>1,234,263</u>	<u>1,216,345</u>	<u>(17,918)</u>
EXPENDITURES				
Current				
Environmental Protection	<u>1,234,263</u>	<u>1,234,263</u>	<u>1,216,345</u>	<u>17,918</u>
Total Expenditures	<u>1,234,263</u>	<u>1,234,263</u>	<u>1,216,345</u>	<u>17,918</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0		0
Operating Transfers Out	0	0		0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>\$0</u>	<u>\$0</u>	<u>0</u>	<u>\$0</u>
Reconciliation from cash basis to modified accrual				
Changes in Officers Fees and Sales Tax Receivable			2,573	
Changes in Accounts Payable			<u>(2,573)</u>	
Net Changes in Fund Balances-Modified Accrual Basis			0	
Fund Balances - Beginning			<u>0</u>	
Fund Balances - Ending			<u>\$0</u>	

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$4,014	\$1,883	\$1,577	\$1,092	\$5,591
Receivables (net of allowance for uncollectibles)	882	333	584	1,861	1,466
Prepaid Insurance	2,489	2,327	0	0	2,489
Total Current Assets	7,385	4,543	2,161	2,953	9,546
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	80,645	80,645			80,645
Infrastructure	1,385,254	1,385,254			1,385,254
Total Capital Assets	1,898,599	1,898,599	0	0	1,898,599
Less Accumulated Depreciation	(991,416)	(889,203)			(991,416)
Total Capital Assets (net of accumulated depreciation)	907,183	1,009,396	0	0	907,183
Total Noncurrent Assets	907,183	1,009,396	0	0	907,183
TOTAL ASSETS	\$914,568	\$1,013,939	\$2,161	\$2,953	\$916,729
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities					
Current Liabilities(Payable from Current Assets)					
Accounts Payable	\$0	\$0	\$336	\$1,404	\$336
Accrued Wages Payable					0
Deferred Revenue	4,647				4,647
Total Current Liabilities	4,647	0	336	1,404	4,983
TOTAL LIABILITIES	4,647	0	336	1,404	4,983
Invested in Capital Assets, Net of Related Debt Unrestricted	907,183 2,738	1,009,396 4,543			907,183 4,563
TOTAL NET POSITION	\$909,921	\$1,013,939	\$1,825	\$1,549	\$911,746

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, 2017

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
OPERATING REVENUES:					
Charges for Services	\$5,478	\$4,342	\$8,557	\$10,642	\$14,035
TOTAL OPERATING REVENUES	5,478	4,342	8,557	10,642	14,035
OPERATING EXPENSES					
Personal Services	0	0			0
Supplies	739	216	7,462	9,225	8,201
Other Services and Charges	7,436	12,006	822	2,233	8,258
Depreciation	102,213	102,340			102,213
TOTAL OPERATING EXPENSES	110,388	114,562	8,284	11,458	118,672
OPERATING INCOME (LOSS)	(104,910)	(110,220)	273	(816)	(104,637)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	10	9	3	1	13
TOTAL NON-OPERATING REVENUES (EXPENSES)	10	9	3	1	13
Income Before Transfers	(104,900)	(110,211)	276	(815)	(104,624)
Federal Grant	882	3,577			882
Transfers In	0	0	0	0	0
Change in Net Position	(104,018)	(106,634)	276	(815)	(103,742)
Total Net Position - Beginning	1,013,939	1,120,573	1,549	2,364	1,015,488
Total Net Position - Ending	\$909,921	\$1,013,939	\$1,825	\$1,549	\$911,746

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, 2017

	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	\$9,576	\$6,995	\$9,834	\$8,781	\$14,763
Payments to Suppliers	(8,337)	(15,027)	(9,352)	(10,054)	(17,689)
Payments to Employees	0	0	0	0	4,647
Net Cash Provided(Used) By Operating Activities:	1,239	(8,032)	482	(1,273)	1,721
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	0	0	0	0	0
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	0	0	0	0	0
Cash Flows from Capital and Related Financing Activities					
State Grant	882	3,577	0	0	882
Net Cash Provided(Used) By Capital and Related Financing Activities	882	3,577	0	0	882
Cash Flows from Capital and Related Financing Activities					
Purchases of Capital Assets		0	0	0	0
Net Cash Provided (Used) By Capital and Related Financing Activities	0	0	0	0	0
Cash Flows from Investing Activities					
Interest Received	10	9	3	1	13
Net Cash Provided(Used) By Investing Activities	10	9	3	1	13
Net Increase (Decrease) in Cash Equivalents	2,131	(4,446)	485	(1,272)	2,616
Cash and Cash Equivalents at Beginning of Year	1,883	6,329	1,092	2,364	2,975
Cash and Cash Equivalents at End of Year	\$4,014	\$1,883	\$1,577	\$1,092	\$5,591

(continued)

(continued)

Reconciliation of Operating Income to Net Cash

Provided(Used) By Operating Activities

Operating Income (Loss)	(\$104,910)	(\$110,220)	\$273	(\$816)	(\$104,637)
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Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation	102,213	102,340	0	0	102,213
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Changes in Current Items

Decrease(Increase) in Accounts Receivable	(549)	2,653	1,277	(1,861)	728
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Decrease(Increase) in Prepaid Insurance	(162)	(872)	0	0	(162)
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Increase(Decrease) in Accounts Payable	0	(1,933)	(1,068)	1,404	(1,068)
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Increase(Decrease) in Accrued Wages Payable	0	0	0	0	0
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Increase(Decrease) in Deferred Revenue	4,647	0	0	0	4,647
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Net Cash Provided(Used) by Operating Activities	<u>\$1,239</u>	<u>(\$8,032)</u>	<u>\$482</u>	<u>(\$1,273)</u>	<u>\$1,721</u>
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Noncash Investing, Capital and Financing Activities:

State Grant	<u>\$882</u>	<u>\$3,577</u>	<u>\$0</u>	<u>\$0</u>	<u>\$882</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, 2017

	Agency Funds	Investment Trust Fund <u>Brackenridge</u> School Fund
ASSETS		
Cash and Cash Equivalents	\$639,184	\$50,000
Receivables (net of allowance for uncollectibles)	0	
Total Assets	<u>\$639,184</u>	<u>\$50,000</u>
LIABILITIES		
Accounts Payable	0	0
Due to Others	639,184	0
Total Liabilities	<u>639,184</u>	<u>0</u>
NET POSITION		
Held in Trust-Unexpendable	0	50,000
Held in Trust-Educational Purposes	0	0
Total Net Position	<u>\$0</u>	<u>\$50,000</u>

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

JACKSON COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Investment Trust Fund
	<u>Brackenridge School Fund</u>
ADDITIONS	
Contributions:	
Private Donations	\$0
Total Contributions	<u>0</u>
Investment Earnings:	
Interest Received	0
Total Investment Earnings	<u>0</u>
Less Investment Expense	<u>0</u>
Net Investment Earnings	<u>0</u>
TOTAL ADDITIONS	<u>0</u>
DEDUCTIONS	
Culture and Recreation-Libraries	0
Total Deductions	<u>0</u>
Change in Net Position	0
Net Position-Beginning	<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, 2017

I. Summary of Significant Accounting Policies

A. Reporting entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

The government reports the following major governmental funds:

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

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

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

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

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

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

C. Fiduciary Fund Types

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

D. Assets, Liabilities, and Net Assets or Equity

a. Deposits and Investments

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

b. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 2 percent of the current outstanding property taxes at September 30, 2017 and 10 percent of the delinquent outstanding property taxes at September 30, 2017. Property is appraised and a lien on such property becomes enforceable as of January 1, subject to certain procedures for rendition, appraisal, appraisal review and judicial review. Traditionally, property taxes are levied October 1, of the year in which assessed or as soon thereafter as practicable. Taxes are due and payable when levied since that is when the County bills the taxpayers. The County begins to collect the taxes as soon as the taxpayers are billed.

c. Inventories and Prepaid Items

Inventories of materials and supplies held by the General Fund are considered immaterial and thus are not accounted for in the Balance Sheet. In the General Fund, disbursements for supplies and materials are considered to be expenditures at the time of purchase. There were no inventory items at September 30, 2017. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

d. Restricted Assets

There were no restricted assets at September 30, 2017.

e. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost as follows and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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 had no major projects during the year ended September 30, 2017.

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

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

f. Compensated Absences

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

g. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

h. Fund Balances – Governmental Funds

As of September 30, 2017, 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, 2017, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$71,437
Restricted	
Construction	750,000
Judicial	264,718
Legal	2,902
Permanent Improvement	256,690
Public Safety	118,466
Public Transportation	458,824
Committed	
General Administration	81,969
Culture and Recreation	45,003
Health and Welfare	8,935
Public Safety	34,890
Unassigned	<u>3,527,480</u>
Total Fund Balance	<u><u>\$5,621,314</u></u>

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

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

i. Comparative data/reclassifications

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

j. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is deferred under GASB 68.

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

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

k. Net position flow assumption

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

II. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$2,430,187 difference are as follows:

GASB 45-Other Post Employment Benefits	\$627,726
GASB 68-Pension Liability	1,602,288
Compensated Absences	<u>200,173</u>
Total	<u>\$2,430,187</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 \$8,506,753 difference are as follows:

Capital Assets Not Being Depreciated	\$450,927
Capital Assets Being Depreciated	21,029,750
Depreciation Expense	(12,973,924)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$8,506,753</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 \$575,777 difference are as follows:

Property Taxes Receivable	\$626,123
Allowance for Doubtful Accounts	<u>(50,346)</u>
Net	<u>\$575,777</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 \$1,818,341 difference are as follows:

Fines Receivable	\$535,716
Allowance for Doubtful Accounts	(172,430)
Interdepartmental Loan	(56,002)
Deferred Outflow of Resources-Contributions (after 12/31/16)	577,294
Deferred Outflow-Net difference between projected and actual earnings	1,066,700
Deferred Outflow-Changes of assumptions	122,263
Deferred Inflow-Differences between expected and actual experience	(59,491)
Deferred Inflow-Marshall Foundation Grant	(205,000)
GASB 34 Receivables	9,291
Net	<u>\$1,818,341</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 (\$568,981) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$18,732
Capital Outlay - Additions - Being Depreciated	423,405
Capital Outlay - Deletions	(19,458)
Depreciation Expense	(991,660)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>(\$568,981)</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 2017 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, 2017, expenditures did not exceed appropriations in any fund except for the road and bridge fund whereby actual expenditures of \$2,560,134 exceeded the final budgeted expenditures of \$2,363,734 by \$196,370 and the probation fund whereby actual expenditures of \$193,061 exceeded the final budgeted expenditures of \$186,145 by \$6,916.

C. Deficit fund equity

The county had no deficit fund balances at September 30, 2017.

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, 2017, the government's bank balance of \$1,539,438 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 \$14,026,981 and the FDIC coverage is \$261,632.

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, 2017 the local investment pool, Texpool, (approximately 7% of portfolio) was rated AAAM by Standard and Poor's and Texas CLASS (approximately 93% 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 7 percent of the County's investments are in Texpool and 93 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, 2017, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$371,740	Less than 1 year	Less than 1 year
Texas Class	\$4,795,929	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, 2017 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, 2017 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	County Wide Drainage	Other Governmental Funds	Proprietary Funds	
<u>Receivables</u>						
Ad Valorem Taxes	\$520,257	\$0	\$105,866	\$0	\$0	\$626,123
Sales Tax	158,248					158,248
Fines	535,716					535,716
Intergovernmental	11,034					11,034
Other	39,825	3,400	2,573	5,503	1,466	52,767
Gross Receivables	1,265,080	3,400	108,439	5,503	1,466	1,383,888
Less: Allowance for Uncollectibles	214,194		8,582			222,776
Net Total Receivables	\$1,050,886	\$3,400	\$99,857	\$5,503	\$1,466	\$1,161,112

C. Capital Assets

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

GENERAL FUND

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$429,877	\$0	\$0	\$429,877
Construction in Progress	2,318	18,732		21,050
Total capital assets not being depreciated:	432,195	18,732	0	450,927
Capital assets being depreciated:				
Building and Improvements	6,284,474	17,049		6,301,523
Machinery, Equipment and Vehicles	9,392,075	343,951	355,931	9,380,095
Infrastructure	5,285,727	62,405		5,348,132
Total capital assets being depreciated:	20,962,276	423,405	355,931	21,029,750
Less: Accumulated Depreciation for:				
Building and Improvements	3,865,757	194,827		4,060,584
Machinery, Equipment and Vehicles	7,014,331	542,046	336,473	7,219,904
Infrastructure	1,438,649	254,787	0	1,693,436
Total Accumulated Depreciation	12,318,737	991,660	336,473	12,973,924
Total Capital Assets Depreciated, Net	8,643,539	(568,255)	19,458	8,055,826
Governmental Activities capital assets, Net	\$9,075,734	(\$549,523)	\$19,458	\$8,506,753

AIRPORT FUND

	Beginning Balances	Increases	Decreases	Ending Balances
Business Type Activities:				
Capital assets not being depreciated:				
Land	\$70,254	\$0	\$0	\$70,254
Construction in Progress	0			0
Total capital assets not being depreciated:	70,254	0	0	70,254
Capital assets being depreciated:				
Building and Improvements	362,446			362,446
Machinery, Equipment and Vehicles	80,645			80,645
Infrastructure	1,385,254			1,385,254
Total capital assets being depreciated:	1,828,345	0	0	1,828,345
Less: Accumulated Depreciation for:				
Building and Improvements	251,674	9,693	0	261,367
Machinery, Equipment and Vehicles	36,601	3,843		40,444
Infrastructure	600,928	88,677		689,605
Total Accumulated Depreciation	889,203	102,213	0	991,416
Total Capital Assets Depreciated, Net	939,142	(102,213)	0	836,929
Business Type Activities capital assets, Net	\$1,009,396	(\$102,213)	\$0	\$907,183

Construction commitments

The County had no major projects during the year ended September 30, 2017.

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

Governmental Activities	
General Administration	\$52,368
Judicial	13,331
Financial Administration	12,000
Public Facilities	152,647
Public Safety	234,309
Public Transportation	410,845
Culture and Recreation	86,763
Health and Welfare	29,192
Conservation - Agriculture	205
Total Depreciation Expense – Governmental Activities	<u>\$991,660</u>
Business-Type Activities	
Culture and Recreation	<u>\$102,213</u>
Total Depreciation Expense – Business-Type Activities	<u>\$102,213</u>

D. Interfund Receivables, Payables, and Transfers Due

to/from other funds:

There were no interfund balances as of September 30, 2017.

There were no advances at September 30, 2017.

The following are transfers for the year ended September 30, 2017.

TRANSFER OUT	TRANSFER IN			TOTAL
	GENERAL FUNDS	ROAD AND BRIDGE FUNDS	NON-MAJOR GOVERNMENTAL FUNDS	
GENERAL FUNDS	\$30,935	\$1,817,074	\$6,338	\$1,854,347
ROAD AND BRIDGE FUNDS		464,749		464,749
NON-MAJOR GOVERNMENTAL FUNDS	23			23
TOTALS	\$30,958	\$2,281,823	\$6,338	\$2,319,119

The transfer from the general to the road and bridge fund is for road and bridge operations. The transfer from the general to the general fund is for general fund operations. The transfer from the road and bridge funds to the road and bridge funds is for road and bridge operations.

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

E. Leases Operating Leases:

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$24,940 for the year ended September 30, 2017. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2018	\$20,922
2019	11,108
2020	717
2021	0
2022	<u>0</u>
Total	<u>\$32,747</u>

Rent expenditures were \$8,664 for the year ended September 30, 2017. Sublease rental income was \$0 for the year ended September 30, 2017.

F. Long-Term Debt

The activity for the year ended September 30, 2017, 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	\$1,589,864	\$12,424		\$1,602,288		\$1,602,288
GASB 45 Payable	627,726			627,726		627,726
Compensated Absences	140,580	200,173	140,580	200,173	200,173	0
	<u>\$2,358,170</u>	<u>\$212,597</u>	<u>\$140,580</u>	<u>\$2,430,187</u>	<u>\$200,173</u>	<u>\$2,230,014</u>
Grand Total	<u>\$2,358,170</u>	<u>\$212,597</u>	<u>\$140,580</u>	<u>\$2,430,187</u>	<u>\$200,173</u>	<u>\$2,230,014</u>

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2017-18 year is \$200,173.

The government-wide statement of activities includes \$200,173 as "noncurrent liabilities, due within one year".

There was no interest expended in the 2016-2017 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 not in the County-wide statements. The commissioner will make payments of \$20,000/year. Interest is 0.35%. The balance at September 30, 2017 is \$56,360.

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>09/30/16</u>	Year ended <u>09/30/17</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

On December 12, 2017, Commissioners Court approved the purchase of election equipment consisting of 8 scanners, 28 voting machines in the amount of \$137,745.52 to be paid over a 4-year contract.

On April 30, 2018, the County received a \$263,700+ direct deposit from GoMesa.

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, 2017.

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:

YEARS OF COUNTY SERVICE	COUNTY PORTION
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 will have an actuarial review done every year beginning in the year ended September 30, 2018.

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 Ending	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. Tax abatements

Pursuant to Section 312.402 of the Texas Tax Code, the County entered into a Tax Abatement Agreement with Formosa Plastics Corporation. The agreement provides for a 100% abatement for the years 2016-2022, in lieu of taxes.

Formosa’s obligation is to maintain a level of not fewer than one hundred forty (140) net new full-time jobs relating to the Project during the remaining terms of this Agreement. Failure to maintain the promised number of jobs shall constitute an event of default. Upon receiving notice of the default from the County, Formosa shall have 30 additional days to employ additional personnel so as to comply with the promised number of employees. Failure to retain a sufficient number of employees after receiving the notice of default may result, in the sole discretion of County, in the full or partial loss of the abatement for the current year in which the default occurred (not the previous year in which the abatement was granted).

The Project Facility and Personal Property to be constructed, erected, and/or installed on the Real Property will have an estimated cost upon completion of at least \$1,000,000,000.

Formosa shall make timely payment of “in Lieu of Taxes” to Jackson County as provided below:

<u>Tax Year</u>	<u>Abatement Percentage</u>	<u>Payment to County in Lieu of Taxes</u>
1 2016	100 %	\$50,000.00
2 2017	100 %	\$50,000.00
3 2018	100 %	\$100,000.00
4 2019	100 %	\$200,000.00
5 2020	100 %	\$650,000.00
6 2021	100 %	\$650,000.00
7 2022	100 %	\$650,000.00
TOTAL		\$2,350,000.00

G. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	<u>December 31, 2015</u>	<u>December 31, 2016</u>
Total pension liability	\$22,118,660	\$23,337,951
Fiduciary net position	20,528,796	21,735,663
Net pension liability/ (asset)	1,589,864	1,602,288
Fiduciary net position as a % of total pension liability	92.81%	93.13%
Pensionable covered payroll ⁽¹⁾	\$4,313,925	\$4,572,224
Net pension liability as a % of covered payroll	36.85%	35.04%

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.

⁽¹⁾ Payroll is calculated based on contributions as reported to TCDRS.

Discount Rate

Discount rate ⁽²⁾	8.10%	8.10%
Long-term expected rate of return, net of investment expense ⁽²⁾	8.10%	8.10%
Municipal bond rate ⁽³⁾	Does not apply	Does not apply

⁽²⁾ This rate reflects the long-term rate of return funding valuation assumption of 8.00%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68.

⁽³⁾ The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply. See page 6 of this report for further details.

Other Key Actuarial Assumptions

Updated mortality assumptions were adopted in 2015. All other actuarial assumptions that determined the total pension liability as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2009 - December 31, 2012, except where required to be different by GASB 68.

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

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

	Beginning Date	Ending Date
Valuation date	December 31, 2015	December 31, 2016
Measurement date	December 31, 2015	December 31, 2016
Employer's fiscal year	October 1, 2016	September 30, 2017

Depletion of Plan Assets / GASB Discount Rate

The discount rate is the single rate of return that, when applied to all projected benefit payments results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

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

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

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

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

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

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, we have used a discount rate of 8.10%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

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

Projection of Fiduciary Net Position*

Calendar Year Ending**	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses*** (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
2017	\$21,735,663	\$708,458	\$1,619,496	\$21,736	\$1,723,547	\$22,526,436
2018	22,526,436	687,918	1,602,012	22,526	1,787,447	23,377,262
2019	23,377,262	683,980	1,678,857	23,377	1,853,122	24,212,130
2020	24,212,130	682,386	1,735,026	24,212	1,918,419	25,053,696
2021	25,053,696	679,826	1,802,616	25,054	1,983,767	25,889,619
2022	25,889,619	661,943	1,899,332	25,890	2,046,893	26,673,234
2023	26,673,234	654,398	1,972,953	26,673	2,107,111	27,435,117
2024	27,435,117	643,562	2,042,425	27,435	2,165,604	28,174,423
2025	28,174,423	634,350	2,118,433	28,174	2,222,074	28,884,240
2026	28,884,240	628,225	2,178,985	28,884	2,276,893	29,581,489
2036	33,198,639	270,517	2,768,113	33,199	2,588,588	33,256,432
2046	31,109,717	62,652	2,892,672	31,110	2,406,267	30,654,854
2056	25,160,502	9,556	2,472,001	25,161	1,939,214	24,612,110
2066	22,273,920	333	1,560,918	22,274	1,741,330	22,432,390
2076	29,738,805	0	717,299	29,739	2,379,177	31,370,944
2086	56,897,357	0	194,792	56,897	4,598,691	61,244,359
2096	121,165,038	0	23,214	121,165	9,808,635	130,829,293

* Projection values include no assumed future cost-of-living adjustments.

** Note that only select years have been shown for formatting purposes

*** Administrative expenses are assumed to be 0.10% of Fiduciary Net Position.

Changes in Net Pension Liability / (Asset)

Changes in Net Pension Liability / (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balances as of December 31, 2015	\$22,118,660	\$20,528,796	\$1,589,864
Changes for the year:			
Service cost	544,447		544,447
Interest on total pension liability ⁽¹⁾	1,767,233		1,767,233
Effect of plan changes ⁽²⁾	0		0
Effect of economic/demographic gains or losses	65,947		65,947
Effect of assumptions changes or inputs	0		0
Refund of contributions	(28,522)	(28,522)	0
Benefit payments	(1,129,813)	(1,129,813)	0
Administrative expenses		(16,477)	16,477
Member contributions		320,056	(320,056)
Net investment income		1,518,446	(1,518,446)
Employer contributions		454,474	(454,474)
Other ⁽³⁾	0	88,704	(88,704)
Balances as of December 31, 2016	\$23,337,951	\$21,735,663	\$1,602,288

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

⁽²⁾ No plan changes valued.

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

Sensitivity Analysis

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$26,003,566	\$23,337,951	\$21,094,465
Fiduciary net position	<u>21,735,663</u>	<u>21,735,663</u>	<u>21,735,663</u>
Net pension liability / (asset)	\$4,267,903	\$1,602,288	(\$641,198)

Pension Expense / (Income)

Pension Expense / (Income)	January 1, 2016 to December 31, 2016
Service cost	\$544,447
Interest on total pension liability ⁽¹⁾	1,767,233
Effect of plan changes	0
Administrative expenses	16,477
Member contributions	(320,056)
Expected investment return net of investment expenses	(1,650,459)
Recognition of deferred inflows/outflows of resources	(91,630)
Recognition of economic/demographic gains or losses	61,132
Recognition of assumption changes or inputs	359,273
Recognition of investment gains or losses	(88,704)
Other ⁽²⁾	(88,704)
	\$597,712
Pension expense / (income)	

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

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

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

Deferred Inflows/ Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$108,951	\$49,460
Changes of assumptions	0	122,263
Net difference between projected and actual earnings	0	1,066,700
Contributions made subsequent to measurement date ⁽³⁾	N/A	Employer determined

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

Year ended December 31:	
2017	\$328,774
2018	436,058
2019	338,238
2020	26,403
2021	0
Thereafter ⁽⁴⁾	0

⁽³⁾ Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as outlined in Appendix D of this report.

⁽⁴⁾ Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation					Balances of Deferred Inflows and Outflows as of 12/31/2016	
Original Amount (a)	Date Established (b)	Original Recognition Period (1) (c)	Amount Recognized for 2016(1) (a) + (c)	Inflows	Outflows	
<i>Investment (gains) or losses</i>						
\$132,014	12/31/2016	5.0	\$26,403	\$0	\$105,611	
1,476,742	12/31/2015	5.0	295,348	0	886,045	
187,609	12/31/2014	5.0	37,522	0	75,044	
 <i>Economic/ demographic (gains) or losses</i>						
65,947	12/31/2016	4.0	16,487	0	49,460	
(3,334)	12/31/2015	4.0	(834)	1,667	0	
(429,134)	12/31/2014	4.0	(107,284)	107,284	0	
 <i>Assumption changes or inputs</i>						
0	12/31/2016	4.0	0	0	0	
244,526	12/31/2015	4.0	61,132	0	122,263	
0	12/31/2014	4.0	0	0	0	

Employer contributions made subsequent to measurement date (2)

-----Employer Determined-----

(1) *Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active, inactive, and retired members.*

(2) *Any eligible employer contributions made subsequent to the measurement date through the employer's fiscal year end should be reflected as deferred outflows as outlined in Appendix D of this report.*

GASB 68 Plan Description for Jackson County

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

- a. Jackson County participates in the Texas County & District Retirement System (TCDRS), which is a statewide, agent multiple-employer, public employee retirement system.
- b. A brief description of benefit terms:
 - 1) All full- and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.
 - 2) The plan provides retirement, disability and survivor benefits.
 - 3) TCDRS is a savings-based plan. For the county's plan, 7% of each employee's pay is deposited into his or her TCERS account. By law, employee accounts earn 7% interest on beginning of year balances annually. At retirement, the account is matched at an employer set percentage (current match is 150%) and is then converted to an annuity.
 - 4) There are no automatic COLAs. Each year, the county may elect an ad hoc COLA for its retirees (if any). There are two COLA types, each limited by actual inflation.
 - 5) Benefit terms are established under the TCERS Act. They may be amended as of Jan. 1 each year but must remain in conformity with the Act.
- c. Membership information is shown in the chart below.
- d. The county's contribution rate is calculated annually on an actuarial basis, although the employer may elect to contribute at a higher rate. The Jackson County contribution rate is based on the TCERS funding policy adopted by the TCERS Board of Trustees and must conform with the TCERS Act. The employee contribution rates are set by the county and are currently 7%. Contributions to the pension plan from the county for 2016 are shown in the Schedule of Employer Contributions.
- e. The most recent comprehensive annual financial report for TCERS can be found at the following link, www.tcdrs.org.

Membership Information

Members	Dec. 31, 2015	Dec. 31, 2016
Number of inactive employees entitled to but not yet receiving benefits:	74	73
Number of active employees:	121	117
Average monthly salary*:	\$2,967	\$3,088
Average age*:	48.93	49.03
Average length of service in years*:	12.23	11.63

Inactive Employees (or their Beneficiaries) Receiving Benefits

Number of benefit recipients:	88	95
Average monthly benefit:	\$1,061	\$1,169

**Averages reported for active employees. They differ from the prior year's report, which included all active and inactive members. Average service includes all proportionate service.*

Contributions Made Subsequent to Measurement Date

GASB Statement No. 71 ("GASB 71"), *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, requires employer contributions made between the measurement date, which is the date used to determine an employer's net pension liability ("NPL"), and the employer's fiscal year end be reported as a deferred outflow of resources ("DOoR"). The statement "requires a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability."

For GASB valuation purposes, TCDRS' consulting actuary will compute each participating employer's NPL as of Dec. 31 of each year. Employers that have a fiscal year end other than Dec. 31 will need to account for pension contributions (employer; not employee contributions or group term life premiums) made between Dec. 31 and the employer's fiscal year end as a DOoR. These contributions will not be reported to you as part of this GASB report; employers can access their monthly employer activity statements, which display employer contributions to the retirement plan via the TCDRS Employer Portal.

Summary of TCDRS Funding Policy

Texas County & District Retirement System Funding Policy

Effective as of the Dec. 31, 2014 valuation

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, 2016 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 4%, 5%, 6% or 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.

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 smooths 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.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service cost	\$544,447	\$497,657	\$498,637	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,767,233	1,674,524	1,613,900	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	(65,301)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	0	244,526	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	65,947	(3,334)	(429,134)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(1,158,335)</u>	<u>(1,119,594)</u>	<u>(928,820)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in total pension liability	1,219,292	1,228,477	754,583	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>22,118,660</u>	<u>20,890,183</u>	<u>20,135,600</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$23,337,951</u>	<u>\$22,118,660</u>	<u>\$20,890,183</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary Net Position										
Employer contributions	\$454,474	\$428,369	\$418,687	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	320,056	301,975	291,045	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	1,518,446	196,576	1,408,935	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,158,335)	(1,119,594)	(928,820)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(16,477)	(14,775)	(15,556)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>88,704</u>	<u>122,276</u>	(380,061)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in fiduciary net position	1,206,867	(85,174)	794,230	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>20,528,796</u>	<u>20,613,970</u>	<u>19,819,740</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$21,735,663</u>	<u>\$20,528,796</u>	<u>\$20,613,970</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability/ (asset), ending= (a) - (b)	<u>\$1,602,288</u>	<u>\$1,589,864</u>	<u>\$276,212</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	93.13%	92.81%	98.68%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$4,572,224	\$4,313,925	\$4,157,786	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	35.04%	36.85%	6.64%	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 67/68, 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

Year Ending December 31	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽²⁾	Actual Contribution as a % of Covered Payroll
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%
2015	428,369	428,369	0	4,313,925	9.9%
2016	454,474	454,474	0	4,572,224	9.9%

⁽¹⁾ TCDRS calculates actuarially determined contributions on a calendar year basis. GASB Statement No. 68 indicates the employer should report employer contribution amounts on a fiscal year basis.

⁽²⁾ Payroll is calculated based on contributions as reported to TCDRS.

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	13.1 years (based on contribution rate calculated in 12/31/2016 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions. 2016: No changes in plan provisions.

**Only changes effective 2015 and later are shown in the Notes to Schedule.*

Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2016 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Jackson County December 31, 2016 Summary Valuation Report for further details.

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

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal ⁽¹⁾
Amortization Method	
Recognition of economic/demographic gains or losses	Straight-Line amortization over Expected Working Life
Recognition of assumptions changes or inputs	Straight-Line amortization over Expected Working Life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	Same as funding valuation: See Appendix C
Salary Increases	Same as funding valuation: See Appendix C
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Jackson County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Same as funding valuation: See Appendix C
Turnover	Same as funding valuation: See Appendix C
Mortality	Same as funding valuation: See Appendix C

⁽¹⁾ Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

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, 2016 financial reporting metrics are the same as those used in the December 31, 2016 actuarial valuation analysis for Jackson County.

Following is a description of the assumptions used in the December 31, 2016 actuarial valuation analysis for Jackson County. This information may also be found in the Jackson County December 31, 2016 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 assumed long-term investment return of 8% is net after investment and administrative expenses. It is assumed returns will equal the nominal annual rate of 8% for calculating the actuarial accrued liability and the normal cost contribution rate for the retirement plan of each participating employer.

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (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 for funding calculations	3.0%

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

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	5.35%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - GENERAL FUND
 SEPTEMBER 30, 2017

	General Fund	Permanent Improvement Funds	Total General Funds
<i>ASSETS</i>			
Cash and Cash Equivalents	\$3,558,468	\$950,330	\$4,508,798
Receivables (net of allowance for uncollectibles)	621,949	56,360	678,309
Prepaid Items	54,329		54,329
Due from Other Funds			0
Total Assets	<u>\$4,234,746</u>	<u>\$1,006,690</u>	<u>\$5,241,436</u>
<i>LIABILITIES AND FUND BALANCES:</i>			
Accounts Payable	\$81,155		\$81,155
Accrued Wages Payable	79,219		79,219
Deferred Revenues			0
Total Liabilities	<u>160,374</u>	<u>0</u>	<u>160,374</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>			
Deferred Property Taxes	<u>492,563</u>		<u>492,563</u>
<i>Fund Balances:</i>			
Non-Spendable			
Prepaid Items	54,329		54,329
Restricted			
Construction		750,000	750,000
Permanent Improvement		256,690	256,690
Unassigned	3,527,480		3,527,480
Total Fund Balance	<u>3,581,809</u>	<u>1,006,690</u>	<u>4,588,499</u>
Total Liabilities and Fund Balances	<u>\$4,234,746</u>	<u>\$1,006,690</u>	<u>\$5,241,436</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, 2017

	General Fund	Permanent Improvement Funds	Total General Funds
<i>REVENUES</i>			
Taxes			
Property	\$6,349,275		\$6,349,275
Sales	1,134,164		1,134,164
Other	40,376		40,376
Intergovernmental	382,570		382,570
Charges for Services	628,103		628,103
Fines and Forfeitures	386,434		386,434
Interest	49,248	6,276	55,524
Miscellaneous	89,199		89,199
Total Revenues	9,059,369	6,276	9,065,645

EXPENDITURES

Current:

General Administration			
Commissioner's Court	348,870		348,870
County Clerk	373,509		373,509
County Judge	184,421		184,421
Election			0
Non-Departmental	471,442		471,442
Judicial			
Court Expense	218,183		218,183
Criminal District Attorney	395,570		395,570
District Clerk	256,025		256,025
District Court	58,264		58,264
Jury	12,554		12,554
Justice of the Peace No. 1	176,644		176,644
Justice of the Peace No. 2	166,356		166,356
Financial Administration			
County Auditor	284,944		284,944
County Treasurer	163,964		163,964
Tax Assessor-Collector	388,879		388,879
Public Facilities			
County Services Building		38,929	38,929
Public Facilities	353,200		353,200
Public Safety			
Adult Probation	3,072		3,072
Ambulance			0
Civil Defense	47,033		47,033
Constable No. 1	76,830		76,830
Constable No. 2	80,745		80,745
Corrections	1,294,905		1,294,905
Disaster	30,983		30,983
D.P.S./License and Weight	2,654		2,654
D.P.S./Troopers	2,016		2,016
EMS/Jaws of Life	1,904		1,904
Fire	15,450		15,450
Permitting and Inspections	63,395		63,395
L.N.R.A.	65,305		65,305
Sheriff	1,379,808		1,379,808
T.J.P.C.	57,298		57,298

(continued)

(continued)

Environmental Protection			
Sanitation	344,661		344,661
Culture and Recreation			
County Library	196,569		196,569
Fairgrounds			0
Parks	1,809		1,809
Health and Welfare			
Gulf Bend Mental Health	52,594		52,594
Senior Citizens Center	30,000		30,000
Conservation - Agriculture			
Agriculture Extension Service	83,841		83,841
U.S. Soil Conservation	2,500		2,500
Total Expenditures	<u>7,686,197</u>	<u>38,929</u>	<u>7,725,126</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>1,373,172</u>	<u>(32,653)</u>	<u>1,340,519</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	23	30,935	30,958
Operating Transfers Out	<u>(1,854,347)</u>		<u>(1,854,347)</u>
Total Other Financing Sources (Uses)	<u>(1,854,324)</u>	<u>30,935</u>	<u>(1,823,389)</u>
Net Changes in Fund Balances	<u>(481,152)</u>	<u>(1,718)</u>	<u>(482,870)</u>
Fund Balances - Beginning	<u>4,062,961</u>	<u>1,008,408</u>	<u>5,071,369</u>
Fund Balances - Ending	<u>\$3,581,809</u>	<u>\$1,006,690</u>	<u>\$4,588,499</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND
 SEPTEMBER 30, 2017

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Bridge Replacement Fund	Road and Bridge General	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
ASSETS															
Cash and Cash Equivalents	\$25,970	\$61,416	\$58,299	\$127,318	\$105,525	(\$15,815)					\$1,915	\$29,803	\$30,261	\$80,714	\$505,406
Receivables (net of allowance for uncollectibles)						3,400									3,400
Prepaid Insurance	5,221	3,242	3,123	4,140		4,874									20,600
Total Assets	\$31,191	\$64,658	\$61,422	\$131,458	\$105,525	(\$7,541)	\$0	\$0	\$0	\$0	\$1,915	\$29,803	\$30,261	\$80,714	\$529,406
LIABILITIES AND FUND BALANCES:															
Liabilities:															
Accounts Payable	\$7,405	\$1,059	\$6,965	\$22,912											\$38,341
Accrued Wages Payable	3,593	4,482	3,284	5,156											16,515
Total Liabilities	10,998	5,541	10,249	28,068	0	0	0	0	0	0	0	0	0	0	54,856
Fund Balances:															
Non-Spendable															
Prepaid Items	5,221	3,242	3,123	4,140											15,726
Restricted															
Public Transportation	14,972	55,875	48,050	99,250	105,525	(7,541)					1,915	29,803	30,261	80,714	458,824
Total Fund Balance	20,193	59,117	51,173	103,390	105,525	(7,541)	0	0	0	0	1,915	29,803	30,261	80,714	474,550
Total Liabilities and Fund Balances	\$31,191	\$64,658	\$61,422	\$131,458	\$105,525	(\$7,541)	\$0	\$0	\$0	\$0	\$1,915	\$29,803	\$30,261	\$80,714	\$529,406

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, 2017

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Bridge Replacement Fund	Road and Bridge General	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
<i>REVENUES</i>															
Intergovernmental						\$25,471	\$5,234	\$5,234	\$5,234	\$5,234					\$46,407
Licenses and Permits						568,946									568,946
Interest	907	1,243	979	1,857							35	147	75	469	5,712
Miscellaneous	5,422	25,342	6,804	43,535							2,185			1,544	84,832
Total Revenues	6,329	26,585	7,783	45,392	0	594,417	5,234	5,234	5,234	5,234	2,220	147	75	2,013	705,897
<i>EXPENDITURES</i>															
Current:															
Public Transportation															
Road and Bridge	527,391	572,184	424,052	702,574	1,250	174,243	5,234	5,234	5,234	5,234	34,566	95,201	8,674		2,561,071
Debt Service															
Principal Retirement													19,802		19,802
Interest and Fiscal Charges													198		198
Total Expenditures	527,391	572,184	424,052	702,574	1,250	174,243	5,234	5,234	5,234	5,234	34,566	95,201	28,674	0	2,581,071
Excess (Deficiency) of Revenues Over (Under)															
Expenditures	(521,062)	(545,599)	(416,269)	(657,182)	(1,250)	420,174	0	0	0	0	(32,346)	(95,054)	(28,599)	2,013	(1,875,174)
<i>OTHER FINANCING SOURCES (USES):</i>															
Operating Transfers In	490,735	537,196	424,484	699,408	50,000						20,000	20,000	20,000	20,000	2,281,823
Operating Transfers Out						(464,749)									(464,749)
Total Other Financing Sources (Uses)	490,735	537,196	424,484	699,408	50,000	(464,749)	0	0	0	0	20,000	20,000	20,000	20,000	1,817,074
Net Changes in Fund Balances	(30,327)	(8,403)	8,215	42,226	48,750	(44,575)	0	0	0	0	(12,346)	(75,054)	(8,599)	22,013	(58,100)
Fund Balances - Beginning	50,520	67,520	42,958	61,164	56,775	37,034	0	0	0	0	14,261	104,857	38,860	58,701	532,650
Fund Balances - Ending	\$20,193	\$59,117	\$51,173	\$103,390	\$105,525	(\$7,541)	\$0	\$0	\$0	\$0	\$1,915	\$29,803	\$30,261	\$80,714	\$474,550

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2017

	SPECIAL REVENUE														
	ABANDONED MOTOR VEHICLES	CHILD ABUSE PREVEN- TION	CHILD WELFARE	COASTAL IMPACT ASSISTANCE	COMMISSARY TELEPHONE	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
ASSETS															
Cash and Cash Equivalents	\$6,204	\$486	\$8,935	\$659	\$29,427	\$71,739	\$7,149	\$55,570	\$251,451	\$6,476	\$9,571	\$1,631	\$32,379	\$3,874	\$200
Receivables (net of allowance for uncollectibles)					5,463				20	20					
Prepaid Insurance									53				1,185		
TOTAL ASSETS	\$6,204	\$486	\$8,935	\$659	\$34,890	\$71,739	\$7,149	\$55,570	\$251,524	\$6,496	\$9,571	\$1,631	\$33,564	\$3,874	\$200
LIABILITIES AND FUND BALANCES															
Liabilities															
Accounts Payable	\$302							\$33	\$38	\$3,594					
Accrued Wages Payable									160						
Deferred Revenues															
Total Liabilities	302	0	0	0	0	0	0	33	198	3,594	0	0	0	0	0
Fund Balances															
Non-Spendable															
Prepaid Insurance									53				1,185		
Restricted															
General Administration						71,739	7,149				1,631				
Judicial									251,273					3,874	
Legal										2,902					
Public Safety	5,902	486		659				55,537							200
Committed															
Culture and Recreation													32,379		
Health and Welfare			8,935												
Public Safety					34,890										
Unassigned															
Total Fund Balances	5,902	486	8,935	659	34,890	71,739	7,149	55,537	251,326	2,902	9,571	1,631	33,564	3,874	200
TOTAL LIABILITIES AND FUND BALANCES	\$6,204	\$486	\$8,935	\$659	\$34,890	\$71,739	\$7,149	\$55,570	\$251,524	\$6,496	\$9,571	\$1,631	\$33,564	\$3,874	\$200

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

SPECIAL REVENUE							CAPITAL PROJECTS	NON-MAJOR GOVERNMENTAL FUNDS
JUVENILE PROBATION	LAW ENFORCEMENT OFFICERS ASSOCIATION	LAW LIBRARY	MEDIATION FUND	MEMORIAL LIBRARY	SHERIFF FORFEITURE	COMMUNITY DEVELOPMENT GRANT		
\$23,265	\$3,424	\$4,834	\$1,450	\$7,805	\$48,217	\$0	\$574,746	
144							5,503	
\$23,409	\$3,424	\$4,834	\$1,450	\$7,805	\$48,217	\$0	\$581,631	
\$3,601				\$15			\$7,583	
1,496							1,656	
14,127							14,127	
19,224	0	0	0	15	0	0	23,366	
144							1,382	
			1,450				81,969	
							264,718	
4,041	3,424				48,217		2,902	
		4,834		7,790			118,466	
							45,003	
							8,935	
							34,890	
							0	
4,185	3,424	4,834	1,450	7,790	48,217	0	558,265	
\$23,409	\$3,424	\$4,834	\$1,450	\$7,805	\$48,217	\$0	\$581,631	

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	SPECIAL REVENUE														
	CHILD			COUNTY				DISTRICT		DISTRICT					
	ABANDONED MOTOR VEHICLES	ABUSE PREVEN- TION	CHILD WELFARE	COASTAL IMPACT ASSISTANCE	COMMISSARY TELEPHONE	COUNTY 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
<i>REVENUES</i>															
Intergovernmental				\$659											
Charges for Services	620	956			31,503	73,170	9,117	13,186		874	6,555			7,863	1,365
Interest			23						1,456				192		
Miscellaneous									25,426				785		
Total Revenues	620	956	23	659	31,503	73,170	9,117	13,186	26,882	874	6,555	0	977	7,863	1,365
<i>EXPENDITURES</i>															
Current:															
General Administration															
Records Management						78,010	11,353				3,128				
Elections															
Judicial															
Judicial									22,963					4,436	
Legal															
Check Collection										4					
Law Library															
Public Facilities															
Public Facilities															
Public Safety															
Courthouse Security								13,703							
Juvenile Probation															1,752
Sheriff	5,698	1,000		8,984	42,486										
Culture and Recreation															
Historical Commission													2,083		
Library															
Health and Welfare															
Child Welfare			100												
Total Expenditures	5,698	1,000	100	8,984	42,486	78,010	11,353	13,703	22,963	4	3,128	0	2,083	4,436	1,752
Excess (Deficiency) of Revenues Over (Under)															
Expenditures	(5,078)	(44)	(77)	(8,325)	(10,983)	(4,840)	(2,236)	(517)	3,919	870	3,427	0	(1,106)	3,427	(387)
OTHER FINANCING SOURCES (USES):															
Operating Transfers In				4,800										1,538	
Operating Transfers Out					(23)										
Total Other Financing Sources (Uses)				4,800	(23)									1,538	
Net Changes in Fund Balances	(5,078)	(44)	(77)	(3,525)	(11,006)	(4,840)	(2,236)	(517)	3,919	870	3,427	0	432	3,427	(387)
Fund Balances - Beginning	10,980	530	9,012	4,184	45,896	76,579	9,385	56,054	247,407	2,032	6,144	1,631	33,132	447	587
Fund Balances - Ending	\$5,902	\$486	\$8,935	\$659	\$34,890	\$71,739	\$7,149	\$55,537	\$251,326	\$2,902	\$9,571	\$1,631	\$33,564	\$3,874	\$200

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

SPECIAL REVENUE							CAPITAL PROJECTS	NON-MAJOR GOVERN- MENTAL FUNDS
JUVENILE PROBATION	LAW ENFORCEMENT OFFICERS ASSOCIATION	LAW LIBRARY	MEDIATION FUND	MEMORIAL LIBRARY	SHERIFF FORFEITURE	COMMUNITY DEVELOPMENT GRANT		
\$191,824						\$301	\$192,784	
	3,934	9,333					158,476	
48				327	96		2,142	
				5,749	18,365		50,325	
191,872	3,934	9,333	0	6,076	18,461	301	403,727	
							92,491	
							0	
							27,399	
							4	
		5,726					5,726	
						301	301	
							13,703	
192,049	3,145				2,508		193,801	
							63,821	
							2,083	
				6,274			6,274	
							100	
192,049	3,145	5,726	0	6,274	2,508	301	405,703	
(177)	789	3,607	0	(198)	15,953	0	(1,976)	
							6,338	
							(23)	
		0			0	0	1,515	
(177)	789	3,607	0	(198)	15,953	0	(461)	
4,362	2,635	1,227	1,450	7,988	32,264	0	553,926	
\$4,185	\$3,424	\$4,834	\$1,450	\$7,790	\$48,217	\$0	\$558,265	

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2017

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$1,577	\$1,092	\$1,577	\$1,092
Receivables (net of allowance for uncollectibles)	584	1,861	584	1,861
Total Current Assets	<u>2,161</u>	<u>2,953</u>	<u>2,161</u>	<u>2,953</u>
TOTAL ASSETS	<u>\$2,161</u>	<u>\$2,953</u>	<u>\$2,161</u>	<u>\$2,953</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Current Liabilities(Payable from Current Assets)				
Accounts Payable	336	1,404	336	1,404
Accrued Wages Payable			0	0
Total Current Liabilities	<u>336</u>	<u>1,404</u>	<u>336</u>	<u>1,404</u>
TOTAL LIABILITIES	<u>336</u>	<u>1,404</u>	<u>336</u>	<u>1,404</u>
Invested in Capital Assets, Net of Related debt				
Unrestricted	1,825	1,549	1,825	1,549
TOTAL NET POSITION	<u>\$1,825</u>	<u>\$1,549</u>	<u>\$1,825</u>	<u>\$1,549</u>

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	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	\$8,557	\$10,642	\$8,557	\$10,642
TOTAL OPERATING REVENUES	8,557	10,642	8,557	10,642
OPERATING EXPENSES				
Personal Services			0	0
Supplies	7,462	9,225	7,462	9,225
Other Services and Charges	822	2,233	822	2,233
Depreciation			0	0
TOTAL OPERATING EXPENSES	8,284	11,458	8,284	11,458
OPERATING INCOME (LOSS)	273	(816)	273	(816)
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	3	1	3	1
TOTAL NON-OPERATING REVENUES (EXPENSES)	3	1	3	1
Income Before Transfers	276	(815)	276	(815)
Transfers In			0	0
Change in Net Position	276	(815)	276	(815)
Total Net Position - Beginning	1,549	2,364	1,549	2,364
Total Net Position - Ending	\$1,825	\$1,549	\$1,825	\$1,549

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, 2017

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
Cash flows from Operating Activities				
Receipts from Customers and Users	\$9,834	\$8,781	\$9,834	\$8,781
Payments to Suppliers	(9,352)	(10,054)	(9,352)	(10,054)
Payments to Employees	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	482	(1,273)	482	(1,273)
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	3	1	3	1
Net Cash Provided(Used) By Investing Activities	3	1	3	1
Net Increase (Decrease) in Cash Equivalents	485	(1,272)	485	(1,272)
Cash and Cash Equivalents at Beginning of Year	1,092	2,364	1,092	2,364
Cash and Cash Equivalents at End of Year (continued)	\$1,577	\$1,092	\$1,577	\$1,092

(continued)

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

Operating Income (Loss)	\$273	(\$816)	\$273	(\$816)
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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

Decrease(Increase) in Accounts Receivable	1,277	(1,861)	1,277	(1,861)
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Increase(Decrease) in Accounts Payable	(1,068)	1,404	(1,068)	1,404
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Increase(Decrease) in Accrued Wages Payable	0	0	0	0
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Net Cash Provided(Used) by Operating Activities	<u>\$482</u>	<u>(\$1,273)</u>	<u>\$482</u>	<u>(\$1,273)</u>
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Noncash Investing, Capital and Financing Activities:

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

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

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Agency Funds				Total
	Trust Investment	State Fees	County-Wide Drainage District	County Officer Accounts	
ASSETS					
Cash and Cash Equivalents	\$56,397	\$68,115	\$0	\$514,672	\$639,184
Receivables (net of allowance for uncollectibles)	0	0	0	0	0
Total Assets	\$56,397	\$68,115	\$0	\$514,672	\$639,184
LIABILITIES					
Accounts Payable			\$0		\$0
Due to Others	56,397	68,115	0	514,672	639,184
Total Liabilities	\$56,397	\$68,115	\$0	\$514,672	\$639,184

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	<u>TRUST INVESTMENT</u>			
	BALANCE 10/1/2016	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2017
ASSETS				
Cash and Cash Equivalents	\$76,030	\$0	\$19,633	\$56,397
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$76,030</u>	<u>\$0</u>	<u>\$19,633</u>	<u>\$56,397</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$76,030	\$0	\$19,633	\$56,397
Total Liabilities	<u>\$76,030</u>	<u>\$0</u>	<u>\$19,633</u>	<u>\$56,397</u>

	<u>STATE FEES</u>			
	BALANCE 10/1/2016	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2017
ASSETS				
Cash and Cash Equivalents	\$107,227	\$0	\$39,112	\$68,115
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$107,227</u>	<u>\$0</u>	<u>\$39,112</u>	<u>\$68,115</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$107,227	\$0	\$39,112	\$68,115
Total Liabilities	<u>\$107,227</u>	<u>\$0</u>	<u>\$39,112</u>	<u>\$68,115</u>

	<u>COUNTY-WIDE DRAINAGE DISTRICT</u>			
	BALANCE 10/1/2016	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2017
ASSETS				
Cash and Cash Equivalents	\$0	\$0	\$0	\$0
Receivables (net of allowance for uncollectibles)	2,109		2,109	0
Total Assets	<u>\$2,109</u>	<u>\$0</u>	<u>\$2,109</u>	<u>\$0</u>

LIABILITIES:				
Accounts Payable	\$2,109		\$2,109	\$0
Due to Others	0	0	0	0
Total Liabilities	<u>\$2,109</u>	<u>\$0</u>	<u>\$2,109</u>	<u>\$0</u>

<u>COUNTY OFFICER ACCOUNTS</u>	BALANCE			BALANCE
	10/1/2016	ADDITIONS	DEDUCTIONS	9/30/2017
ASSETS				
Cash and Cash Equivalents	\$494,435	\$20,237	\$0	\$514,672
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$494,435</u>	<u>\$20,237</u>	<u>\$0</u>	<u>\$514,672</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$494,435	\$20,237	\$0	\$514,672
Total Liabilities	<u>\$494,435</u>	<u>\$20,237</u>	<u>\$0</u>	<u>\$514,672</u>

<u>TOTAL</u>		BALANCE			BALANCE
		10/1/2016	ADDITIONS	DEDUCTIONS	9/30/2017
ASSETS					
Cash and Cash Equivalents		\$677,692	\$20,237	\$58,745	\$639,184
Receivables (net of allowance for uncollectibles)		2,109	0	2,109	0
Total Assets		<u>\$679,801</u>	<u>\$20,237</u>	<u>\$60,854</u>	<u>\$639,184</u>

LIABILITIES:					
Accounts Payable		\$2,109	\$0	\$2,109	\$0
Due to Others		677,692	20,237	58,745	639,184
Total Liabilities		<u>\$679,801</u>	<u>\$20,237</u>	<u>\$60,854</u>	<u>\$639,184</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$2,000	\$2,000	\$620	(\$1,380)
Miscellaneous				0
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>620</u>	<u>(1,380)</u>
EXPENDITURES				
Current				
Public Safety	6,827	6,827	5,779	1,048
Total Expenditures	<u>6,827</u>	<u>6,827</u>	<u>5,779</u>	<u>1,048</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,827)</u>	<u>(4,827)</u>	<u>(5,159)</u>	<u>(332)</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>(\$4,827)</u>	<u>(\$4,827)</u>	<u>(\$5,159)</u>	<u>(\$332)</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			81	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(5,078)</u>	
Fund Balances - Beginning			10,980	
Fund Balances - Ending			<u>\$5,902</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$975	\$975	\$956	(\$19)
Total Revenues	975	975	956	(19)
EXPENDITURES				
Current				
Public Safety	1,000	1,000	1,000	0
Total Expenditures	1,000	1,000	1,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25)	(25)	(44)	(19)
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	(25)	(25)	(44)	(19)
Fund Balances - Beginning	530	530	530	0
Fund Balances - Ending	\$505	\$530	\$486	(\$19)

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$100	\$100	\$659	\$559
Total Revenues	100	100	659	559
EXPENDITURES				
Current				
Culture and Recreation	4,270	9,070	8,984	86
Total Expenditures	4,270	9,070	8,984	86
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,170)	(8,970)	(8,325)	645
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	4,800	4,800	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	4,800	4,800	0
Net Changes in Fund Balances	(4,170)	(4,170)	(3,525)	645
Reconciliation from cash basis to modified accrual:				
Changes in Grants Receivable				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			(3,525)	
Fund Balances - Beginning			4,184	
Fund Balances - Ending			\$659	

JACKSON COUNTY, TEXAS
CHILD WELFARE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$17	\$17	\$23	\$6
Miscellaneous				0
Total Revenues	17	17	23	6
EXPENDITURES				
Current				
Health and Welfare	2,500	2,500	100	2,400
Total Expenditures	2,500	2,500	100	2,400
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,483)	(2,483)	(77)	2,406
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	(2,483)	(2,483)	(77)	2,406
Fund Balances - Beginning	9,012	9,012	9,012	0
Fund Balances - Ending	\$6,529	\$6,529	\$8,935	\$2,406

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$36,000	\$36,000	\$33,389	(\$2,611)
Total Revenues	<u>36,000</u>	<u>36,000</u>	<u>33,389</u>	<u>(2,611)</u>
EXPENDITURES				
Current				
Public Safety	76,202	76,202	42,486	33,716
Total Expenditures	<u>76,202</u>	<u>76,202</u>	<u>42,486</u>	<u>33,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,202)</u>	<u>(40,202)</u>	<u>(9,097)</u>	<u>31,105</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out			(23)	(23)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(23)</u>	<u>(23)</u>
Net Changes in Fund Balances	<u>(\$40,202)</u>	<u>(\$40,202)</u>	<u>(9,120)</u>	<u>\$31,082</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(1,886)	
Decrease(Increase) in Prepaid Insurance				
Net Changes in Fund Balances - Modified Accrual Basis			<u>(11,006)</u>	
Fund Balances - Beginning			45,896	
Fund Balances - Ending			<u>\$34,890</u>	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$62,700	\$62,700	\$73,170	\$10,470
Interest				0
Total Revenues	<u>62,700</u>	<u>62,700</u>	<u>73,170</u>	<u>10,470</u>
EXPENDITURES				
Current				
General Administration	96,433	96,433	78,010	18,423
Total Expenditures	<u>96,433</u>	<u>96,433</u>	<u>78,010</u>	<u>18,423</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(33,733)</u>	<u>(33,733)</u>	<u>(4,840)</u>	<u>28,893</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><u>(\$33,733)</u></u>	<u><u>(\$33,733)</u></u>	<u><u>(\$4,840)</u></u>	<u><u>\$28,893</u></u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable				
Changes in Accrued Wages Payable				
Net Changes in Fund Balances-Modified Accrual Basis			<u>(4,840)</u>	
Fund Balances - Beginning			<u>76,579</u>	
Fund Balances - Ending			<u><u>\$71,739</u></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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget -
				Positive (Negative)
REVENUES				
Charges for Services	\$8,100	\$8,100	\$9,117	\$1,017
Total Revenues	<u>8,100</u>	<u>8,100</u>	<u>9,117</u>	<u>1,017</u>
EXPENDITURES				
Current				
General Administration	12,671	12,671	11,353	1,318
Total Expenditures	<u>12,671</u>	<u>12,671</u>	<u>11,353</u>	<u>1,318</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,571)</u>	<u>(4,571)</u>	<u>(2,236)</u>	<u>2,335</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>(\$4,571)</u>	<u>(\$4,571)</u>	<u>(\$2,236)</u>	<u>\$2,335</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>(2,236)</u>	
Fund Balances - Beginning			<u>9,385</u>	
Fund Balances - Ending			<u>\$7,149</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$12,850	\$12,850	\$13,186	\$336
Total Revenues	12,850	12,850	13,186	336
EXPENDITURES				
Current				
Public Safety	52,510	52,510	14,760	37,750
Total Expenditures	52,510	52,510	14,760	37,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,660)	(39,660)	(1,574)	38,086
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>(\$39,660)</u>	<u>(\$39,660)</u>	<u>(\$1,574)</u>	<u>\$38,086</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			1,057	
Changes in Accrued Wages Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>(517)</u>	
Fund Balances - Beginning			56,054	
Fund Balances - Ending			<u>55,537</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$450	\$450	\$1,456	\$1,006
Miscellaneous	2,500	2,500	25,426	22,926
Total Revenues	<u>2,950</u>	<u>2,950</u>	<u>26,882</u>	<u>23,932</u>
EXPENDITURES				
Current				
Judicial	30,301	30,301	23,025	7,276
Total Expenditures	<u>30,301</u>	<u>30,301</u>	<u>23,025</u>	<u>7,276</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(27,351)</u>	<u>(27,351)</u>	<u>3,857</u>	<u>31,208</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>(\$27,351)</u>	<u>(\$27,351)</u>	<u>\$3,857</u>	<u>\$31,208</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			20	
Changes in Prepaid Insurance			2	
Changes in Accounts Payable			25	
Changes in Accrued Wages Payable			15	
Net Changes in Fund Balances - Modified Accrual Basis			<u>3,919</u>	
Fund Balances - Beginning			247,407	
Fund Balances - Ending			<u>\$251,326</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$1,100	\$1,100	\$854	(\$246)
Total Revenues	1,100	1,100	854	(246)
EXPENDITURES				
Current				
Judicial	1,765	1,765	4	1,761
Total Expenditures	1,765	1,765	4	1,761
Excess (Deficiency) of Revenues Over (Under) Expenditures	(665)	(665)	850	1,515
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	(\$665)	(\$665)	850	\$1,515
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			20	
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			870	
Fund Balances - Beginning			2,032	
Fund Balances - Ending			\$2,902	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$5,400	\$5,400	\$6,555	\$1,155
Total Revenues	<u>5,400</u>	<u>5,400</u>	<u>6,555</u>	<u>1,155</u>
EXPENDITURES				
Current				
General Administration	8,340	8,340	3,128	5,212
Total Expenditures	<u>8,340</u>	<u>8,340</u>	<u>3,128</u>	<u>5,212</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,940)</u>	<u>(2,940)</u>	<u>3,427</u>	<u>6,367</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>(2,940)</u>	<u>(2,940)</u>	<u>3,427</u>	<u>6,367</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>3,427</u>	
Fund Balances - Beginning			<u>6,144</u>	
Fund Balances - Ending			<u>\$9,571</u>	

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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget -
				Positive (Negative)
REVENUES				
Charges for Services	\$0	\$0	\$0	\$0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current				
General Administration	1,631	1,631	0	1,631
Total Expenditures	<u>1,631</u>	<u>1,631</u>	<u>0</u>	<u>1,631</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,631)</u>	<u>(1,631)</u>	<u>0</u>	<u>1,631</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>(1,631)</u>	<u>(1,631)</u>	<u>0</u>	<u>1,631</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>0</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>0</u>	
Fund Balances - Beginning			<u>1,631</u>	
Fund Balances - Ending			<u>\$1,631</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$60	\$60	\$192	\$132
Miscellaneous	100	100	785	685
Total Revenues	<u>160</u>	<u>160</u>	<u>977</u>	<u>817</u>
EXPENDITURES				
Current				
Culture and Recreation	31,538	31,538	2,146	29,392
Total Expenditures	<u>31,538</u>	<u>31,538</u>	<u>2,146</u>	<u>29,392</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(31,378)</u>	<u>(31,378)</u>	<u>(1,169)</u>	<u>30,209</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	1,538	1,538	1,538	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>1,538</u>	<u>1,538</u>	<u>1,538</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$29,840)</u>	<u>(\$29,840)</u>	\$369	<u>\$30,209</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			63	
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>432</u>	
Fund Balances - Beginning			33,132	
Fund Balances - Ending			<u>\$33,564</u>	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$8,465	\$8,465	\$7,863	(\$602)
Total Revenues	<u>8,465</u>	<u>8,465</u>	<u>7,863</u>	<u>(602)</u>
EXPENDITURES				
Current				
Judicial	12,365	12,365	7,925	4,440
Total Expenditures	<u>12,365</u>	<u>12,365</u>	<u>7,925</u>	<u>4,440</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,900)</u>	<u>(3,900)</u>	<u>(62)</u>	<u>3,838</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>(\$3,900)</u>	<u>(\$3,900)</u>	<u>(\$62)</u>	<u>\$3,838</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			3,489	
Net Changes in Fund Balances - Modified Accrual Basis			<u>3,427</u>	
Fund Balances - Beginning			447	
Fund Balances - Ending			<u>\$3,874</u>	

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION DISCRETION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$2,700	\$2,700	1,365	(\$1,335)
Total Revenues	2,700	2,700	1,365	(1,335)
EXPENDITURES				
Current				
Public Safety	3,457	3,287	1,752	1,535
Total Expenditures	3,457	3,287	1,752	1,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	(757)	(587)	(387)	200
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	(757)	(587)	(387)	200
Fund Balances - Beginning	587	587	587	0
Fund Balances - Ending	(\$170)	\$0	\$200	\$200

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$126,736	\$184,908	\$214,148	\$29,240
Interest	25	25	47	22
Total Revenues	<u>126,761</u>	<u>184,933</u>	<u>214,195</u>	<u>29,262</u>
EXPENDITURES				
Current				
Public Safety	127,973	186,145	193,061	(6,916)
Total Expenditures	<u>127,973</u>	<u>186,145</u>	<u>193,061</u>	<u>(6,916)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,212)</u>	<u>(1,212)</u>	<u>21,134</u>	<u>22,346</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>(\$1,212)</u>	<u>(\$1,212)</u>	<u>21,134</u>	<u>\$22,346</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(8,197)	
Changes in Prepaid Insurance			133	
Changes in Accounts Payable			930	
Changes in Accrued Wages Payable			(50)	
Changes in Deferred Revenues			(14,127)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(177)</u>	
Fund Balances - Beginning			<u>4,362</u>	
Fund Balances - Ending			<u>\$4,185</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$3,586	\$3,934	\$3,934	\$0
Total Revenues	3,586	3,934	3,934	0
EXPENDITURES				
Current				
Public Safety	6,220	6,568	3,145	3,423
Total Expenditures	6,220	6,568	3,145	3,423
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,634)	(2,634)	789	3,423
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	(2,634)	(2,634)	789	3,423
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			789	
Fund Balances - Beginning			2,635	
Fund Balances - Ending			\$3,424	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$7,300	\$7,300	\$9,333	\$2,033
Total Revenues	<u>7,300</u>	<u>7,300</u>	<u>9,333</u>	<u>2,033</u>
EXPENDITURES				
Current				
Legal	8,500	8,500	6,390	2,110
Total Expenditures	<u>8,500</u>	<u>8,500</u>	<u>6,390</u>	<u>2,110</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,200)</u>	<u>(1,200)</u>	<u>2,943</u>	<u>4,143</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>\$2,943</u>	<u>\$4,143</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			664	
Net Changes in Fund Balances - Modified Accrual Basis			<u>3,607</u>	
Fund Balances - Beginning			1,227	
Fund Balances - Ending			<u>\$4,834</u>	

JACKSON COUNTY, TEXAS
 MEMORIAL LIBRARY FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$100	\$100	327	\$227
Miscellaneous	6,100	6,100	5,749	(351)
Total Revenues	<u>6,200</u>	<u>6,200</u>	<u>6,076</u>	<u>(124)</u>
EXPENDITURES				
Current				
Culture and Recreation	7,800	7,800	6,259	1,541
Total Expenditures	<u>7,800</u>	<u>7,800</u>	<u>6,259</u>	<u>1,541</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,600)</u>	<u>(1,600)</u>	<u>(183)</u>	<u>1,417</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>(1,600)</u>	<u>(1,600)</u>	<u>(183)</u>	<u>1,417</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>(15)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(198)</u>	
Fund Balances - Beginning			<u>7,988</u>	
Fund Balances - Ending			<u>\$7,790</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$50	\$50	\$96	\$46
Miscellaneous	0	0	18,365	18,365
Total Revenues	<u>50</u>	<u>50</u>	<u>18,461</u>	<u>18,411</u>
EXPENDITURES				
Current				
Public Safety	3,957	3,957	3,044	913
Total Expenditures	<u>3,957</u>	<u>3,957</u>	<u>3,044</u>	<u>913</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,907)</u>	<u>(3,907)</u>	<u>15,417</u>	<u>19,324</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><u>(\$3,907)</u></u>	<u><u>(\$3,907)</u></u>	<u>15,417</u>	<u><u>\$19,324</u></u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Receivable				
Changes in Accounts Payable			536	
Net Changes in Fund Balances - Modified Accrual Basis			<u>15,953</u>	
Fund Balances - Beginning			32,264	
Fund Balances - Ending			<u><u>\$48,217</u></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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$0	\$301	\$301	\$0
Miscellaneous				0
Total Revenues	0	301	301	0
EXPENDITURES				
Current				
Public Facilities	0	301	301	0
Total Expenditures	0	301	301	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out	0	0		0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	0	0
Fund Balances - Beginning				0
Fund Balances - Ending	\$0	\$0	\$0	\$0