

JACKSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
September 30, 2018

Jackson County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2018

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FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

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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, 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Road and Bridge funds, County Wide Drainage, and the District Clerk Reserve 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 78–85, and the non-major budgetary comparison information on pages 108-127 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
August 22, 2019

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, 2018.

Financial Highlights

- . The assets of Jackson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$14,105,387 (net position). Of this amount, \$3,988,720 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net position increased by \$434,512. This increase is attributable an increase in ad valorem taxes of \$1,072,773 and an increase in sales taxes of \$311,597.
- . As of the close of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$6,405,750, an increase of \$784,436 in comparison with the prior year. Approximately 65% of this total amount, \$4,159,462 is available for spending at the government's discretion (unassigned fund balance).
- . At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,159,462, or 62 percent of total general fund expenditures, the restricted fund balance for the road and bridge fund was \$470,198, 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-five (25) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge Fund, the County Wide Drainage Fund, and the District Clerk Reserve Fund, all of which are considered to be major funds. Data from the other twenty-one (21) 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 three agency funds and one trust fund presented in this report. Such funds are not included in the county wide statement but are shown separately on pages 26-27.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-77 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 78-85 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 86-107 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 108-127 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Jackson County, Texas, assets exceeded liabilities by \$14,105,387 at the close of the most recent fiscal year.

A large portion of Jackson County, Texas' net position (62 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	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$8,203,412	\$7,173,081	\$8,577	\$9,546	\$8,211,989	\$7,182,627
Capital Assets	7,962,098	8,506,753	822,106	907,183	8,784,204	9,413,936
Total Assets	16,165,510	15,679,834	830,683	916,729	16,996,193	16,596,563
Total Deferred Outflows of Resources	890,037	1,766,257			890,037	1,766,257
Long-Term Liabilities	2,711,805	4,020,023	0	0	2,711,805	4,020,023
Other Liabilities	402,475	402,448	4,760	4,983	407,235	407,431
Total Liabilities	3,114,280	4,422,471	4,760	4,983	3,119,040	4,427,454
Total Deferred Inflows of Resources	661,803	264,491			661,803	264,491
Net Assets						
Invested in Capital Assets, Net of Related Debt	7,962,098	8,506,753	822,106	907,183	8,784,204	9,413,936
Restricted	1,332,463	1,183,569	0	0	1,332,463	1,183,569
Unrestricted	3,984,903	3,068,807	3,817	4,563	3,988,720	3,073,370
Total Net Assets	\$13,279,464	\$12,759,129	\$825,923	\$911,746	\$14,105,387	\$13,670,875

An additional portion of Jackson County, Texas' net position (9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$3,988,720) 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 increased by \$434,512. This increase is attributable an increase in ad valorem taxes of \$1,072,773 and an increase in sales taxes of \$311,597.

There was an increase of \$148,894 in restricted net position reported in connection with Jackson County, Texas' government-type activities. This increase is mainly due to a Coastal Impact Assistance grant of \$265,408.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$1,839,291	\$1,796,285	\$13,894	\$14,035	\$1,853,185	\$1,810,320
Operating Grants and Contributions	818,932	424,282	0	0	818,932	424,282
Capital Grants and Contributions	0	301	8,038	882	8,038	1,183
General Revenues						
Maintenance and Operations Taxes	8,795,810	7,723,037			8,795,810	7,723,037
Sales Tax	1,445,761	1,134,164			1,445,761	1,134,164
Other Taxes	41,200	41,154			41,200	41,154
Unrestricted Investment Earnings	138,256	63,378	103	13	138,359	63,391
Miscellaneous	234,375	225,825			234,375	225,825
Total Revenue	13,313,625	11,408,426	22,035	14,930	13,335,660	11,423,356
Expenses:						
General Administration	1,452,558	1,537,545	0	0	1,452,558	1,537,545
Judicial	1,351,895	1,336,039			1,351,895	1,336,039
Legal	8,247	5,730			8,247	5,730
Financial Administration	861,454	858,057			861,454	858,057
Public Facilities	479,490	510,142			479,490	510,142
Public Safety	3,637,598	3,638,522	9,959	8,284	3,647,557	3,646,806
Public Transportation	2,846,564	2,760,889			2,846,564	2,760,889
Environmental Protections	1,580,410	1,569,074			1,580,410	1,569,074
Culture and Recreation	368,981	282,331	106,886	110,388	475,867	392,719
Health and Welfare	104,608	94,743			104,608	94,743
Conservation - Agriculture	92,498	88,277			92,498	88,277
Total Expenses	12,784,303	12,681,349	116,845	118,672	12,901,148	12,800,021
Increase in Net Position Before Transfers and Special Items	529,322	(1,272,923)	(94,810)	(103,742)	434,512	(1,376,665)
Transfers	(8,987)	0	8,987	0	0	0
Increase in Net Position	520,335	(1,272,923)	(85,823)	(103,742)	434,512	(1,376,665)
Net Position at 9/30/2017 - Restated	12,759,129	14,032,052	911,746	1,015,488	13,670,875	15,047,540
Net Position at 9/30/2018	\$13,279,464	\$12,759,129	\$825,923	\$911,746	\$14,105,387	\$13,670,875

Governmental activities increased Jackson County, Texas' net position by \$520,335, thereby accounting for 100 percent of the total increase in the net position of Jackson County, Texas. This increase is attributable an increase in ad valorem taxes of \$1,072,773 and an increase in sales taxes of \$311,597.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$1,452,558	\$269,576	\$52,999	\$0
Judicial	1,351,895	518,076	24,617	
Legal	8,247			
Financial Administration	861,454	216,522		
Public Facilities	479,490			
Public Safety	3,637,598	77,343	697,399	
Public Transportation	2,846,564	575,637	22,301	
Environmental Protections	1,580,410	178,215		
Culture and Recreation	368,981	3,922	18,342	
Health and Welfare	104,608		3,274	
Conservation - Agriculture	92,498			
Total Government Activities	<u>\$12,784,303</u>	<u>\$1,839,291</u>	<u>\$818,932</u>	<u>\$0</u>

Revenues by Source - Governmental Activities

	REVENUES	%
Charges for Services	\$1,839,291	13.82%
Operating Grants and Contributions	818,932	6.15%
Maintenance and Operations Taxes	8,795,810	66.07%
Sales Tax	1,445,761	10.86%
Other Taxes	41,200	0.31%
Unrestricted Investment Earnings	138,256	1.04%
Miscellaneous	234,375	1.76%
	<u>\$13,313,625</u>	<u>100.00%</u>

Business-Type Activities:

Business-type activities (commissary and airport fund) decreased the County's net position by \$85,823. This decrease is attributable to depreciation of \$85,077 in the airport fund.

Expenses and Program Revenues - Business Activities

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government Business-Type Activities:				
Airport	\$106,886	\$5,768		\$8,038
Jail Commissary	9,959	8,126		
Total Business-Type Activities:	\$116,845	\$13,894	\$0	\$8,038

Revenues by Source - Business-Type Activities

	REVENUES	%
Charges for Services	\$13,894	63.05%
Capital Grants and Contributions	8,038	36.48%
Unrestricted Investment Earnings	103	0.47%
	\$22,035	100.00%

Business-type activities:

Business-type activities decreased the County's net position by \$85,823.

- . Demand for services for business-type activities decreased by \$141.
- . Total grant proceeds increased by \$7,156.
- . Total expenses decreased by \$1,827.

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 \$6,405,750, an increase of \$784,436 in comparison with the prior year. Approximately 63 percent of this total amount (\$4,159,462) constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of Jackson County, Texas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,159,462, while total fund balance reached \$5,124,782. 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 52 percent of total general fund expenditures, while total fund balance represents 63 percent of that same amount.

The fund balance of Jackson County, Texas' general fund increased by \$536,283 during the current fiscal year. Key factors in this increase are as follows: This increase is attributable an increase in ad valorem taxes of \$1,115,779 and an increase in sales taxes of \$300,905.

The road and bridge fund had a total fund balance of \$486,391. 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 19 percent of that same amount. The fund balance of the road and bridge fund increased by \$11,841 during the current year. Key factors in this increase are as follows: This increase is immaterial.

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, 2018 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 \$36,211. The major increase is in the County Library department which increased by \$16,438.

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, 2018, amounts to \$8,784,204 (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 6.69 percent (6.40 percent decrease for governmental activities and 9.38 percent decrease for business-type activities). The County had no major projects during the year ended September 30, 2018.

JACKSON COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$397,779	\$429,877	\$70,254	\$70,254	\$468,033	\$500,131
Construction in Progress	9,425	21,050	0	0	9,425	21,050
Building and Improvements	2,060,108	2,240,939	91,386	101,079	2,151,494	2,342,018
Machinery and Equipment	2,128,379	2,160,191	37,474	40,201	2,165,853	2,200,392
Infrastructure	3,366,407	3,654,696	622,992	695,649	3,989,399	4,350,345
Total	\$7,962,098	\$8,506,753	\$822,106	\$907,183	\$8,784,204	\$9,413,936

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, 2018

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and Cash Equivalents	\$6,487,299	\$6,030	\$6,493,329
Receivables (net of allowance for uncollectibles)	1,624,169	0	1,624,169
Prepaid Items	91,944	2,547	94,491
Capital assets not being depreciated:			
Land	397,779	70,254	468,033
Construction in Progress	9,425		9,425
Total Capital assets being depreciated, net			
Building and Improvements	2,060,108	91,386	2,151,494
Machinery and Equipment	2,128,379	37,474	2,165,853
Infrastructure	3,366,407	622,992	3,989,399
Total Assets	\$16,165,510	\$830,683	\$16,996,193
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow of Resources-Contributions (after 12/31/17)	600,558	0	600,558
Deferred Outflow-Differences between expected and actual experience	125,141	0	125,141
Deferred Outflow-Changes of assumptions	164,338	0	164,338
Total Deferred Outflows of Resources	890,037	0	890,037
LIABILITIES:			
Accounts Payable	\$127,571	\$1,206	\$128,777
Due to Others	160,694		160,694
Accrued Wages Payables	99,493		99,493
Deferred Revenues	14,717	3,554	18,271
Noncurrent Liabilities:			
Due within one year	146,109		146,109
Due in more than one year	2,565,696		2,565,696
Total Liabilities	3,114,280	4,760	3,119,040
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow-Foundation Grant	227,960	0	227,960
Deferred Inflow-Net difference between projected and actual earnings	433,843	0	433,843
Total Deferred Inflows of Resources	661,803	0	661,803
NET POSITION			
Invested in Capital Assets, Net of Related Debt	7,962,098	822,106	8,784,204
Restricted			
General Administration	96,600		96,600
Judicial	256,402		256,402
Legal	3,200		3,200
Permanent Improvement	157,302		157,302
Public Safety	348,761		348,761
Public Transportation	470,198		470,198
Unrestricted	3,984,903	3,817	3,988,720
Total Net Position	\$13,279,464	\$825,923	\$14,105,387

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary government						
Government Activities:						
General Administration	\$1,452,558	\$269,576	\$52,999	\$0	(\$1,129,983)	(\$1,129,983)
Judicial	1,351,895	518,076	24,617		(809,202)	(809,202)
Legal	8,247				(8,247)	(8,247)
Financial Administration	861,454	216,522	0		(644,932)	(644,932)
Public Facilities	479,490			0	(479,490)	(479,490)
Public Safety	3,637,598	77,343	697,399		(2,862,856)	(2,862,856)
Public Transportation	2,846,564	575,637	22,301		(2,248,626)	(2,248,626)
Environmental Protection	1,580,410	178,215			(1,402,195)	(1,402,195)
Culture and Recreation	368,981	3,922	18,342		(346,717)	(346,717)
Health and Welfare	104,608		3,274		(101,334)	(101,334)
Conservation - Agriculture	92,498				(92,498)	(92,498)
Total Government Activities	12,784,303	1,839,291	818,932	0	(10,126,080)	(10,126,080)
Business-Type Activities:						
Airport	106,886	5,768		8,038		(93,080)
Jail Commissary	9,959	8,126				(1,833)
Total Business-Type Activities:	116,845	13,894	0	8,038	0	(94,913)
Total Primary Government	\$12,901,148	\$1,853,185	\$818,932	\$8,038	(10,126,080)	(10,220,993)
General Revenues						
Property Taxes, Levies for General Purposes					8,795,810	8,795,810
Sales Taxes					1,445,761	1,445,761
Other Taxes					41,200	41,200
Unrestricted Investment Earnings					138,256	138,359
Miscellaneous					234,375	234,375
Transfers					(8,987)	8,987
Total General Revenues					10,646,415	10,655,505
Change in Net Position					520,335	(85,823)
Net Position - Beginning - Restated					12,759,129	13,670,875
Net Position - Ending					\$13,279,464	\$14,105,387

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	General Fund	Road and Bridge	County Wide Drainage	District Clerk Reserve	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$5,015,110	\$494,851	\$0	\$157,046	\$820,292	\$6,487,299
Receivables (net of allowance for uncollectibles)	769,763	3,400	109,006		6,434	888,603
Prepaid Insurance	58,018	32,514			1,412	91,944
Total Assets	\$5,842,891	\$530,765	\$109,006	\$157,046	\$828,138	\$7,467,846
LIABILITIES AND FUND BALANCES:						
Liabilities						
Accounts Payable	\$81,838	\$27,357	\$4,868	\$0	\$13,508	\$127,571
Due to Others				157,046	3,648	160,694
Accrued Wages Payable	80,788	17,017			1,688	99,493
Deferred Revenues					14,717	14,717
Total Liabilities	162,626	44,374	4,868	157,046	33,561	402,475
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Taxes	555,483		104,138			659,621
Fund Balances:						
Non-Spendable						
Prepaid Items	58,018	16,193			1,412	75,623
Restricted						
Construction	750,000				0	750,000
Judicial					256,402	256,402
Legal					3,200	3,200
Permanent Improvement	157,302					157,302
Public Safety					348,761	348,761
Public Transportation		470,198				470,198
Committed						
General Administration					96,600	96,600
Culture and Recreation					47,040	47,040
Health and Welfare					8,018	8,018
Public Safety					33,144	33,144
Unassigned	4,159,462					4,159,462
Total Fund Balance	5,124,782	486,391	0	0	794,577	6,405,750
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$5,842,891	\$530,765	\$109,006	\$157,046	\$828,138	\$7,467,846

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, 2018

Total Fund Balances - governmental funds balance sheet	\$6,405,750
Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	7,962,098
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	986,760
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	636,661
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(2,711,805)
Net Position of governmental activities - statement of Net Position	<u>\$13,279,464</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2018

	General Fund	Road and Bridge	County Wide Drainage	District Clerk Reserve	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$7,479,048	\$0	\$1,255,878		\$0	\$8,734,926
Sales	1,445,761					1,445,761
Other	41,200					41,200
Intergovernmental	191,804	22,301			461,799	675,904
Licenses and Permits		575,637				575,637
Charges for Services	673,441				173,265	846,706
Fines and Forfeitures	418,142					418,142
Interest	104,038	26,847			7,371	138,256
Miscellaneous	151,958	59,923			22,304	234,185
Total Revenues	<u>10,505,392</u>	<u>684,708</u>	<u>1,255,878</u>	<u>0</u>	<u>664,739</u>	<u>13,110,717</u>
EXPENDITURES						
Current:						
General Administration	1,467,064				72,568	1,539,632
Judicial	1,310,007				31,493	1,341,500
Legal					7,028	7,028
Financial Administration	861,230					861,230
Public Facilities	487,809				0	487,809
Public Safety	3,239,431				310,079	3,549,510
Public Transportation		2,540,142				2,540,142
Environmental Protection	328,963		1,255,878			1,584,841
Culture and Recreation	206,826				7,131	213,957
Health and Welfare	79,594				1,000	80,594
Conservation - Agriculture	91,051					91,051
Debt Service						
Principal Retirement		19,802				19,802
Interest and Fiscal Charges		198				198
Total Expenditures	<u>8,071,975</u>	<u>2,560,142</u>	<u>1,255,878</u>	<u>0</u>	<u>429,299</u>	<u>12,317,294</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,433,417</u>	<u>(1,875,434)</u>	<u>0</u>	<u>0</u>	<u>235,440</u>	<u>793,423</u>
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	7,355	2,345,039			872	2,353,266
Operating Transfers Out	(1,904,489)	(457,764)			0	(2,362,253)
Total Other Financing Sources (Uses)	<u>(1,897,134)</u>	<u>1,887,275</u>	<u>0</u>	<u>0</u>	<u>872</u>	<u>(8,987)</u>
Net Changes in Fund Balances	536,283	11,841	0	0	236,312	784,436
Fund Balances - Beginning	4,588,499	474,550			558,265	5,621,314
Fund Balances - Ending	<u>\$5,124,782</u>	<u>\$486,391</u>	<u>\$0</u>	<u>\$0</u>	<u>\$794,577</u>	<u>\$6,405,750</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, 2018

Net Changes in Fund Balances - total governmental funds \$784,436

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.	(544,655)
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.	162,024
Deferred Outflow of Resources-Contributions (after 12/31/17). This is the change in these amounts this year.	23,264
Deferred Outflow-Net difference between projected and actual earnings. This is the change in these amounts this year.	(1,500,543)
Deferred Outflow-Changes of assumptions. This is the change in these amounts this year.	42,075
Deferred Inflow-Differences between expected and actual experience. This is the change in these amounts this year.	184,632
(Increase) decrease in Compensated absences from beginning of period to end of period.	54,064
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	60,884
Net Pension Payable. This is the change in these amounts this year.	1,238,683
Net Pension Payable. This is the change in these amounts this year.	15,471

Change in Net Position of governmental activities - statement of activities	<table style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$520,335</td> </tr> </table>	\$520,335
\$520,335		

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$7,488,854	\$7,488,854	\$7,463,362	(\$25,492)
Sales	900,000	900,000	1,404,610	504,610
Other	40,200	40,200	40,497	297
Intergovernmental	129,221	153,838	194,627	40,789
Charges for Services	586,150	586,150	677,218	91,068
Fines and Forfeitures	376,500	376,500	418,142	41,642
Interest	64,088	64,088	104,088	40,000
Miscellaneous	75,400	83,597	149,255	65,658
Total Revenues	9,660,413	9,693,227	10,451,799	758,572

EXPENDITURES

Current:

General Administration				
Commissioners Court	360,848	361,472	360,966	506
County Clerk	424,852	430,806	426,097	4,709
County Judge	190,032	190,032	187,298	2,734
Non-Departmental	563,687	545,501	494,729	50,772
Judicial				
Court Expense	229,300	230,900	187,781	43,119
Criminal District Attorney	480,292	480,292	430,802	49,490
District Clerk	277,784	277,784	276,670	1,114
District Court	77,442	77,536	64,762	12,774
Jury	29,355	29,385	16,652	12,733
Justice of the Peace No. 1	218,045	218,045	178,201	39,844
Justice of the Peace No. 2	201,105	201,105	159,949	41,156
Financial Administration				
County Auditor	303,548	303,548	291,625	11,923
County Treasurer	173,911	175,201	162,101	13,100
Tax Assessor-Collector	409,557	412,479	405,763	6,716
Public Facilities				
County Services Building	218,369	218,369	123,519	94,850
Public Facilities	383,649	384,035	366,284	17,751

(continued)

(continued)

Public Safety				
Adult Probation	4,000	4,000	2,947	1,053
Civil Defense	41,203	46,051	46,030	21
Constable No. 1	115,014	115,014	79,765	35,249
Constable No. 2	85,171	85,171	83,236	1,935
Corrections	1,372,919	1,378,404	1,371,852	6,552
Disaster	0	0	805	(805)
D.P.S./License and Weight	3,281	5,039	5,027	12
D.P.S./Troopers	1,100	1,100	351	749
EMS/Jaws of Life	5,115	5,115	2,867	2,248
Fire	14,250	14,250	14,000	250
Permitting and Inspections	66,968	66,968	66,346	622
L.N.R.A.	68,771	68,771	66,330	2,441
Sheriff	1,719,927	1,725,645	1,444,999	280,646
T.J.P.C.	49,509	49,509	42,566	6,943
Environmental Protection				
Sanitation	341,625	341,625	333,104	8,521
Culture and Recreation				
County Library	184,025	200,463	195,606	4,857
Parks	4,000	11,250	10,666	584
Health and Welfare				
Gulf Bend Mental Health	49,594	49,594	49,594	0
Senior Citizens Center	30,000	30,000	30,000	0
Conservation - Agriculture				
Agriculture Extension Service	96,145	96,145	88,796	7,349
U.S. Soil Conservation	2,500	2,500	2,500	0
Total Expenditures	<u>8,796,893</u>	<u>8,833,104</u>	<u>8,070,586</u>	<u>762,518</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>863,520</u>	<u>860,123</u>	<u>2,381,213</u>	<u>1,521,090</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	7,355	7,355	7,355	0
Operating Transfers Out	<u>(1,902,857)</u>	<u>(1,904,489)</u>	<u>(1,904,489)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,895,502)</u>	<u>(1,897,134)</u>	<u>(1,897,134)</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$1,031,982)</u>	<u>(\$1,037,011)</u>	<u>484,079</u>	<u>\$1,521,090</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			115,692	
Changes in Prepaid Insurance			433	
Changes in Accounts Payable			569	
Changes in Accrued Wages Payable			(1,569)	
Changes in Deferred Revenue			<u>(62,921)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>536,283</u>	
Fund Balances - Beginning			<u>4,588,499</u>	
Fund Balances - Ending			<u><u>\$5,124,782</u></u>	

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

JACKSON COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$20,936	\$591,386	\$20,938	(\$570,448)
Licenses and Permits	570,450	0	575,637	575,637
Interest	8,095	8,095	26,848	18,753
Miscellaneous	2,500	41,423	61,288	19,865
Total Revenues	<u>601,981</u>	<u>640,904</u>	<u>684,711</u>	<u>43,807</u>
EXPENDITURES				
Current				
Public Transportation	<u>2,958,954</u>	<u>2,993,689</u>	<u>2,551,160</u>	<u>442,529</u>
Total Expenditures	<u>2,958,954</u>	<u>2,993,689</u>	<u>2,551,160</u>	<u>442,529</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(2,356,973)</u>	<u>(2,352,785)</u>	<u>(1,866,449)</u>	<u>486,336</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,345,039	2,345,039	2,345,039	0
Operating Transfers Out	<u>(457,764)</u>	<u>(457,764)</u>	<u>(457,764)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,887,275</u>	<u>1,887,275</u>	<u>1,887,275</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$469,698)</u>	<u>(\$465,510)</u>	<u>20,826</u>	<u>\$486,336</u>
Reconciliation from cash basis to modified accrual				
Changes in Prepaid Insurance			514	
Loan Payment to General Fund			(20,000)	
Changes in Accounts Payable			11,003	
Changes in Accrued Wages Payable			<u>(502)</u>	
Net Changes in Fund Balances-Modified Accrual Basis			11,841	
Fund Balances - Beginning			<u>474,550</u>	
Fund Balances - Ending			<u>\$486,391</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 - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$1,238,790	\$1,238,790	\$1,253,584	\$14,794
Other	100	100	0	(100)
Total Revenues	<u>1,238,890</u>	<u>1,238,890</u>	<u>1,253,584</u>	<u>14,694</u>
EXPENDITURES				
Current				
Environmental Protection	<u>1,238,890</u>	<u>1,238,890</u>	<u>1,253,584</u>	<u>(14,694)</u>
Total Expenditures	<u>1,238,890</u>	<u>1,238,890</u>	<u>1,253,584</u>	<u>(14,694)</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, 2018

	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	\$4,832	\$4,014	\$1,198	\$1,577	\$6,030
Receivables (net of allowance for uncollectibles)		882	0	584	0
Prepaid Insurance	2,547	2,489	0	0	2,547
Total Current Assets	7,379	7,385	1,198	2,161	8,577
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	(1,076,493)	(991,416)			(1,076,493)
Total Capital Assets (net of accumulated depreciation)	822,106	907,183	0	0	822,106
Total Noncurrent Assets	822,106	907,183	0	0	822,106
TOTAL ASSETS	\$829,485	\$914,568	\$1,198	\$2,161	\$830,683
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities					
Current Liabilities(Payable from Current Assets)					
Accounts Payable		\$0	\$1,206	\$336	\$1,206
Accrued Wages Payable					0
Deferred Revenue	3,554	4,647			3,554
Total Current Liabilities	3,554	4,647	1,206	336	4,760
TOTAL LIABILITIES	3,554	4,647	1,206	336	4,760
Invested in Capital Assets, Net of Related Debt Unrestricted	822,106 3,825	907,183 2,738			822,106 3,817
TOTAL NET POSITION	\$825,931	\$909,921	(\$8)	\$1,825	\$825,923

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, 2018

	Airport Fund Current Year	Airport Fund Prior Year	Other Proprietary Funds Current Year	Other Proprietary Funds Prior Year	Total Proprietary Funds Current Year
OPERATING REVENUES:					
Charges for Services	\$5,768	\$5,478	\$8,126	\$8,557	\$13,894
TOTAL OPERATING REVENUES	5,768	5,478	8,126	8,557	13,894
OPERATING EXPENSES					
Personal Services		0			0
Supplies	216	739	7,319	7,462	7,535
Other Services and Charges	21,593	7,436	2,640	822	24,233
Depreciation	85,077	102,213			85,077
TOTAL OPERATING EXPENSES	106,886	110,388	9,959	8,284	116,845
OPERATING INCOME (LOSS)	(101,118)	(104,910)	(1,833)	273	(102,951)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	103	10	0	3	103
TOTAL NON-OPERATING REVENUES (EXPENSES)	103	10	0	3	103
Income Before Transfers	(101,015)	(104,900)	(1,833)	276	(102,848)
Federal Grant	8,038	882			8,038
Transfers In	8,987	0	0	0	8,987
Change in Net Position	(83,990)	(104,018)	(1,833)	276	(85,823)
Total Net Position - Beginning	909,921	1,013,939	1,825	1,549	911,746
Total Net Position - Ending	\$825,931	\$909,921	(\$8)	\$1,825	\$825,923

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, 2018

	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	\$5,557	\$9,576	\$8,710	\$9,834	\$15,360
Payments to Suppliers	(21,867)	(8,337)	(9,089)	(9,352)	(30,956)
Payments to Employees	0	0	0	0	(1,093)
Net Cash Provided(Used) By Operating Activities:	(16,310)	1,239	(379)	482	(16,689)
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	8,987	0	0	0	8,987
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	8,987	0	0	0	8,987
Cash Flows from Capital and Related Financing Activities					
State Grant	8,038	882	0	0	8,038
Net Cash Provided(Used) By Capital and Related Financing Activities	8,038	882	0	0	8,038
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	103	10	0	3	103
Net Cash Provided(Used) By Investing Activities	103	10	0	3	103
Net Increase (Decrease) in Cash Equivalents	818	2,131	(379)	485	439
Cash and Cash Equivalents at Beginning of Year	4,014	1,883	1,577	1,092	5,591
Cash and Cash Equivalents at End of Year	\$4,832	\$4,014	\$1,198	\$1,577	\$6,030

(continued)

(continued)

Reconciliation of Operating Income to Net Cash

Provided(Used) By Operating Activities

Operating Income (Loss)	(\$101,118)	(\$104,910)	(\$1,833)	\$273	(\$102,951)
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Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation	85,077	102,213	0	0	85,077
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Changes in Current Items

Decrease(Increase) in Accounts Receivable	882	(549)	584	1,277	1,466
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Decrease(Increase) in Prepaid Insurance	(58)	(162)	0	0	(58)
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Increase(Decrease) in Accounts Payable	0	0	870	(1,068)	870
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Increase(Decrease) in Accrued Wages Payable	0	0	0	0	0
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Increase(Decrease) in Deferred Revenue	(1,093)	4,647	0	0	(1,093)
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Net Cash Provided(Used) by Operating	<u>(\$16,310)</u>	<u>\$1,239</u>	<u>(\$379)</u>	<u>\$482</u>	<u>(\$16,689)</u>
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Activities

Noncash Investing, Capital and Financing Activities:

State Grant	<u>\$8,038</u>	<u>\$882</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,038</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, 2018

	Investment Trust Fund	
	Brackenridge	
	Agency Funds	School Fund
ASSETS		
Cash and Cash Equivalents	\$547,726	\$50,000
Receivables (net of allowance for uncollectibles)	0	
Total Assets	<u>\$547,726</u>	<u>\$50,000</u>
LIABILITIES		
Accounts Payable	0	0
Due to Others	547,726	0
Total Liabilities	<u>547,726</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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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.

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, 2018 and 10 percent of the delinquent outstanding property taxes at September 30, 2018. 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, 2018. 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, 2018.

e. Capital Assets

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

Buildings/Building Improvements	\$5,000
Improvements Other Than Buildings	\$5,000
Infrastructure	\$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, 2018.

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, 2018, 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, 2018, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$75,623
Restricted	
Construction	750,000
Judicial	256,402
Legal	3,200
Permanent Improvement	157,302
Public Safety	348,761
Public Transportation	470,198
Committed	
General Administration	96,600
Culture and Recreation	47,040
Health and Welfare	8,018
Public Safety	33,144
Unassigned	<u>4,159,462</u>
Total Fund Balance	<u><u>\$6,405,750</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 has two items that qualify for reporting in this category. They include GASB 68 and a Foundation Grant.

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

k. Net position flow assumption

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

II. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$2,711,805 difference are as follows:

GASB 75-Other Post-Employment Benefits	\$2,202,091
GASB 68-Pension Liability	363,605
Compensated Absences	<u>146,109</u>
Total	<u>\$2,711,805</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this \$7,962,098 difference are as follows:

Capital Assets Not Being Depreciated	\$407,204
Capital Assets Being Depreciated	20,973,440
Depreciation Expense	(13,418,546)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$7,962,098</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 \$636,661 difference are as follows:

Property Taxes Receivable	\$692,615
Allowance for Doubtful Accounts	<u>(55,954)</u>
Net	<u>\$636,661</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 \$986,760 difference are as follows:

Fines Receivable	\$2,984,359
Allowance for Doubtful Accounts	(2,365,300)
Interdepartmental Loan	(36,559)
GASB 75	
Deferred Outflow of Resources-Contributions (after 12/31/17)	600,558
Deferred Outflow-Net difference between projected and actual earnings	(433,843)
Deferred Outflow-Changes of assumptions	164,338
Deferred Inflow-Differences between expected and actual experience	125,141
Deferred Inflow-Marshall Foundation Grant	(205,000)
GASB 34 Receivables	153,066
Net	<u>\$986,760</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 (\$544,655) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$32,327
Capital Outlay - Additions - Being Depreciated	536,894
Capital Outlay - Deletions	(115,121)
Depreciation Expense	(998,755)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>(\$544,655)</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 2018 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, 2018, expenditures did not exceed appropriations in any fund except for the county-wide drainage fund whereby actual expenditures of \$1,253,584 exceeded the final budgeted expenditures of \$1,238,890 by \$14,694.

C. Deficit fund equity

The county had no deficit fund balances at September 30, 2018 except for the Jail Commissary fund which had a deficit balance of \$8. This deficit is expected to be liquidated by future resources of the fund.

IV. Detailed Notes on All Funds

A. Deposits and Investments

Legal and Contractual Provisions Governing Deposits and Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the County to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the County to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the County to have independent auditors perform test procedures related to investment practices as provided by the Act. The County is in 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, 2018, the government's bank balance of \$1,220,611 was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent. The fair market value of the securities pledged is \$10,836,008 and the FDIC coverage is \$260,243.

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, 2018, the local investment pool, Texpool, (approximately 6% of portfolio) was rated AAAM by Standard and Poor's and Texas CLASS (approximately 94% 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 6 percent of the County's investments are in Texpool and 94 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, 2018, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$361,278	Less than 1 year	Less than 1 year
Texas Class	\$5,881,342	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, 2018 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, 2018 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	
<u>Receivables</u>					
Ad Valorem Taxes	\$579,057		\$113,558		\$692,615
Sales Tax	143,139				143,139
Fines	2,984,359				2,984,359
Intergovernmental	150,850				150,850
Other	59,758	3,400	4,868	6,434	74,460
Gross Receivables	3,917,163	3,400	118,426	6,434	4,045,423
Less: Allowance for Uncollectibles	2,411,834		9,420		2,421,254
Net Total Receivables	\$1,505,329	\$3,400	\$109,006	\$6,434	\$1,624,169

C. Capital Assets

Capital asset activity for the year ended September 30, 2018 was as follows:

GENERAL FUND

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$429,877	\$22,902	\$55,000	\$397,779
Construction in Progress	21,050	9,425	21,050	9,425
Total capital assets not being depreciated:	450,927	32,327	76,050	407,204
Capital assets being depreciated:				
Building and Improvements	6,301,523	13,650		6,315,173
Machinery, Equipment and Vehicles	9,380,095	523,244	557,994	9,345,345
Infrastructure	5,348,132		35,210	5,312,922
Total capital assets being depreciated:	21,029,750	536,894	593,204	20,973,440
Less: Accumulated Depreciation for:				
Building and Improvements	4,060,584	194,481		4,255,065
Machinery, Equipment and Vehicles	7,219,904	548,654	551,592	7,216,966
Infrastructure	1,693,436	255,620	2,541	1,946,515
Total Accumulated Depreciation	12,973,924	998,755	554,133	13,418,546
Total Capital Assets Depreciated, Net	8,055,826	(461,861)	39,071	7,554,894
Governmental Activities capital assets, Net	\$8,506,753	(\$429,534)	\$115,121	\$7,962,098

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	261,367	9,693		271,060
Machinery, Equipment and Vehicles	40,444	2,727		43,171
Infrastructure	689,605	72,657		762,262
Total Accumulated Depreciation	991,416	85,077	0	1,076,493
Total Capital Assets Depreciated, Net	836,929	(85,077)	0	751,852
Business Type Activities capital assets, Net	\$907,183	(\$85,077)	\$0	\$822,106

Construction commitments

The County had no major projects during the year ended September 30, 2018.

Capital asset depreciation for the year ended September 30, 2018 was as follows:

Governmental Activities	
General Administration	\$55,653
Judicial	12,451
Financial Administration	11,251
Public Facilities	158,818
Public Safety	225,978
Public Transportation	418,414
Culture and Recreation	86,583
Health and Welfare	29,402
Conservation - Agriculture	205
Total Depreciation Expense – Governmental Activities	<u>\$998,755</u>
Business-Type Activities	
Culture and Recreation	<u>\$85,077</u>
Total Depreciation Expense – Business-Type Activities	<u>\$85,077</u>

D. Interfund Receivables, Payables, and Transfers Due

to/from other funds:

There were no interfund balances as of September 30, 2018.

There were no advances at September 30, 2018.

The following are transfers for the year ended September 30, 2018.

	TRANSFER IN				TOTAL
	GENERAL FUNDS	ROAD AND BRIDGE FUNDS	NON-MAJOR GOVERN- MENTAL FUNDS	AIRPORT FUND	
TRANSFER OUT					
GENERAL FUNDS	\$7,355	\$1,887,275	\$872	\$8,987	\$1,904,489
ROAD AND BRIDGE FUNDS		457,764			457,764
TOTALS	\$7,355	\$2,345,039	\$872	\$8,987	\$2,362,253

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

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

The remaining transfers are non-recurring transfers.

E. Leases Operating Leases:

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$24,389 for the year ended September 30, 2018. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2019	\$23,809
2020	21,657
2021	20,940
2022	20,940
2023	<u>7,129</u>
Total	<u>\$94,475</u>

Rent expenditures were \$8,664 for the year ended September 30, 2018. Sublease rental income was \$0 for the year ended September 30, 2018. Rental income was \$11,535 for the year ended September 30, 2018.

F. Long-Term Debt

The activity for the year ended September 30, 2018, 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	\$1,602,288		\$1,238,683	\$363,605		\$363,605
GASB 75 Payable	2,217,562		15,471	2,202,091		2,202,091
Compensated Absences	200,173	146,109	200,173	146,109	146,109	0
	<u>\$4,020,023</u>	<u>\$146,109</u>	<u>\$1,454,327</u>	<u>\$2,711,805</u>	<u>\$146,109</u>	<u>\$2,565,696</u>
Grand Total	<u>\$4,020,023</u>	<u>\$146,109</u>	<u>\$1,454,327</u>	<u>\$2,711,805</u>	<u>\$146,109</u>	<u>\$2,565,696</u>

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2018-19 year is \$146,109.

The government-wide statement of activities includes \$146,109 as "noncurrent liabilities, due within one year".

There was no interest expended in the 2017-2018 year.

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

The schedule above does not include a loan from the general fund to the equipment replacement fund No. 3 of \$90,760. This loan is not in the County-wide statements. The commissioner will make payments of \$20,000/year. Interest is 0.35%. The balance at September 30, 2018 is \$36,558.

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>09/30/18</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

Monica Foster – Tax A/C- husband owns RJ Foster Electric. Expenditures for the year 2018 were \$5,222.34. No amounts were owed to either party as of September 30, 2018.

Jennifer Cranek – Library Clerk – does contract work for County. Expenditures for the year 2018 were \$600.00. No amounts were owed to either party as of September 30, 2018.

C. Subsequent Events

On October 23, 2018, the Commissioner's Court approved the funding of improvements to Jackson County Airport thru TXDOT for the amount of \$1,500,000.00, with the County's portion being \$150,000.00 paid out over two years.

On December 19, 2018, the Commissioner's Court approved the agreement with the Texas Department of Agriculture regarding the Community Development Block Grant (CDBG) in the amount of \$275,000.00.

On April 9, 2019, Commissioner's Court approved the purchase of two (2) new shredders with the trade in of two (2) old shredders with Hlavinka for Precinct # 2. The Precinct will receive two (2) On June 3, 2019, in Commissioner's Court, Judge Sklar informed the Court that on Friday, May 31, 2019, Jackson County was declared a state of disaster due to a ransomware attack on all county computers. The estimated cost to fight the cyber-attack on the county computer system and servers is \$200,000.00.

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, 2018.

E. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year. The County had a prior period adjustment where by governmental activities' Net Assets was restated downward by \$1,589,836 due to the County implementing GASB 75. The County also had a prior period adjustment where by governmental activities' Net Assets was restated upward by \$256,967 due to the County amending its "percentage of collectability allowance" for unpaid Justice of the Peace fines at years' end. These restatements had the corresponding effect on the beginning net assets, as follows:

	Net Position, as Previously Reported	GASB 34 RECEIVABLE RESTATEMENT	GASB 75 RESTATEMENT	Net Position As Restated
Governmental Activities:				
Net Position	\$14,091,998	\$256,967	(\$1,589,836)	\$12,759,129
Total Governmental Activities	\$14,091,998	\$256,967	(\$1,589,836)	\$12,759,129

F. Tax abatements

An agreement with **FORMOSA PLASTICS CORPORATION, TEXAS** to provide a 100% tax abatement for business Property and Improvements constructed, expanded, or acquired for a period of five years provided they maintain a level of not fewer than sixty (60) net new full-time jobs relating to the Project during the remaining years of this Agreement, construct the Project with an estimated investment of \$100,000,000, Make a timely payment in Lieu of Taxes to Jackson County of \$2,350,000. The incentive period began in the year ended September 30, 2018. The abatement amounted to \$46,000 for the fiscal year ended September 30, 2018.

G. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)	Net Pension Liability / (Asset)	
	December 31, 2016	December 31, 2017
Total pension liability	\$23,337,951	\$24,664,155
Fiduciary net position	21,735,663	24,300,550
Net pension liability/(asset)	1,602,288	363,605
Fiduciary net position as a % of total pension liability	93.13%	98.53%
Pensionable covered payroll	\$4,572,224	\$4,716,270
Net Pension liability as a % of covered payroll	35.04%	7.71%

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

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

Discount Rate

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

Other Key Actuarial Assumptions

All actuarial assumptions that determined the total pension liability as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2013 - December 31, 2016, except where required to be different by GASB 68.

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, 2016	December 31, 2017
Measurement date	December 31, 2016	December 31, 2017
Employer's fiscal year	January 1, 2018	December 31, 2018

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2018 information for a 1Q-year time horizon.

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

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return
U.S. Equities	Dow Jones U.S. Total Stock Market Index	11.500/0	4.55%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	16.00%	7.550/0
Global Equities	MSCI World (net) Index	1.500/0	4.85%
Int'l Equities - Developed Markets	MSCI World Ex USA (net) Index	11.00%	4.55%
Int'l Equities - Emerging Markets	MSCI Emerging Markets (net) Index	8.00%	5.55%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.75%
Strategic Credit	FTSE High-yield Cash-Pay Capped Index	8.00%	4.12%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.06%
Distressed Debt	Cambridge Associates Distressed Securities Index	2.00%	6.30%
REIT Equities	67% FTSE NAREIT Equity REITs Index + S&P Global REIT (net) Index	2.00%	4.05%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.00%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁸⁾ Hedge Fund Research, Inc. (HFRI) Fund of Funds	6.00%	6.25%
Hedge Funds	Composite Index	18.00%	4.10%

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)
2018	\$24,300,550	\$772,008	\$1,649,458	\$24,301	\$1,932,535	\$25,331,334
2019	25,331,334	748,834	1,621,131	25,331	2,016,192	26,449,898
2020	26,449,898	714,411	1,700,677	26,450	2,102,225	27,539,408
2021	27,539,408	679,871	1,780,986	27,539	2,185,871	28,596,625
2022	28,596,625	638,014	1,899,003	28,597	2,265,115	29,572,155
2023	29,572,155	609,138	1,987,274	29,572	2,339,442	30,503,888
2024	30,503,888	590,570	2,070,038	30,504	2,410,852	31,404,767
2025	31,404,767	573,544	2,165,035	31,405	2,479,339	32,261,210
2026	32,261,210	558,844	2,242,211	32,261	2,545,028	33,090,610
2027	33,090,610	545,186	2,319,661	33,091	2,608,558	33,891,603
2037	37,090,980	172,915	2,961,688	37,091	2,892,150	37,157,266
2047	35,884,295	60,157	3,126,678	35,884	2,783,427	35,565,316
2057	33,155,111	10,265	2,589,061	33,155	2,581,839	33,124,999
2067	38,088,849	438	1,626,389	38,089	3,019,115	39,443,924
2077	63,095,078	0	746,322	63,095	5,078,558	67,364,219
2087	128,662,037	0	189,477	128,662	10,408,991	138,752,889
2097	276,181,879	0	15,989	276,182	22,359,130	298,248,838

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, 2016	\$23,337,951	\$21,735,663	\$1,602,288
Changes of the year:			
Service cost	528,956		528,956
Interest on total pension liability	1,879,839		1,879,839
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	124,003		124,003
Effect of assumptions changes or inputs	137,609		137,609
Refund of contributions	(15,553)	(15,553)	0
Benefit payments	(1,328,650)	(1,328,650)	0
Administrative expenses		(16,161)	16,161
Member contributions		330,139	(330,139)
Net investment income		3,163,407	(3,163,407)
Employer contributions		439,556	(439,556)
Other	0	(7,852)	7,852
Balances as of December 31, 2017	\$24,664,155	\$24,300,549	\$363,606

Sensitive Analysis

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$27,521,707	\$24,664,155	\$22,227,899
Fiduciary net position	24,300,550	24,300,550	24,300,550
Net pension liability/(asset)	\$3,221,157	\$363,605	(\$2,072,651)

Pension Expense / (Income)

Pension Expense / (Income)	January 1, 2017 to December 31, 2017
Service cost	\$528,956
Interest on total pension liability	1,879,839
Effect of plan changes	0
Administrative expenses	16,161
Member contributions	(330,139)
Expected investment return net of investment expenses	(1,736,821)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(60,630)
Recognition of assumption changes or inputs	95,534
Recognition of investment gains or losses	73,956
Other	7,852
Pension expense	\$798,308

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

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$834	\$125,975
Changes of assumptions	0	164,338
Net difference between projected and actual earnings	433,843	0
Contributions made subsequent to measurement date	N/A	Employer determined

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

Year ending December 31:

2018	\$216,143
2019	118,323
2020	(193,521)
2021	(285,317)
2022	0
Thereafter	0

Schedule of Deferred Inflows and Outflows of Resources

Expense / (Income) Calculation				Balances of Deferred Inflows and Outflows as of 12/31/2017	
Original Amount (a)	Date Established (b)	Original Recognition Period (c)	Amount Recognized for 2017 (a) / (c)	Inflows	Outflows
Investment (gains) or losses					
(\$1,426,587)	12/31/2017	5.0	(\$285,317)	\$1,141,270	\$0
132,014	12/31/2016	5.0	26,403	0	79,208
1,476,742	12/31/2015	5.0	295,348	0	590,697
187,609	12/31/2014	5.0	37,522	0	37,522
Economic/demographic (gains) or losses					
124,003	12/31/2017	4.0	31,001	0	93,002
65,947	12/31/2016	4.0	16,487	0	32,973
(3,334)	12/31/2015	4.0	(834)	834	0
(429,134)	12/31/2014	4.0	(107,284)	0	0
Assumption changes or inputs					
137,609	12/31/2017	4.0	34,402	0	103,207
0	12/31/2016	4.0	0	0	0
244,526	12/31/2015	4.0	61,132	0	61,132
0	12/31/2014	4.0	0	0	0

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service cost	\$528,956	\$544,447	\$497,657	\$498,637	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,879,839	1,767,233	1,674,524	1,613,900	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	0	(65,301)	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	137,609	0	244,526	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	124,003	65,947	(3,334)	(429,134)	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(1,344,204)</u>	<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>
Net change in total pension liability	1,326,204	1,219,292	1,228,477	754,583	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>23,337,951</u>	<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>
Total pension liability, ending (a)	<u>\$24,664,155</u>	<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>
Fiduciary Net Position										
Employer contributions	\$439,556	\$454,474	\$428,369	\$418,687	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	330,139	320,056	301,975	291,045	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	3,163,407	1,518,446	196,576	1,408,935	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,344,204)	(1,158,335)	(1,119,594)	(928,820)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(16,161)	(16,477)	(14,775)	(15,556)	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(7,852)</u>	<u>88,704</u>	<u>122,276</u>	<u>(380,061)</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 fiduciary net position	2,564,887	1,206,867	(85,174)	794,230	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>21,735,663</u>	<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>
Fiduciary net position, ending (b)	<u>\$24,300,550</u>	<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>
Net pension liability / (asset), ending = (a) - (b)	<u>\$363,605</u>	<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>
Fiduciary net position as a % of total pension liability	98.53%	93.13%	92.81%	98.68%	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	4,716,270	4,572,224	4,313,925	4,157,786	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	7.71%	35.04%	36.85%	6.64%	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Year Ending December-19	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2017	439,556	439,556	0	4,716,270	9.3%

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

Appendix A— GASB 68 Plan Description for Jackson County

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

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

Membership Information

Members	Dec. 31, 2016	Dec. 31, 2017
Number of inactive employees entitled to but not yet receiving benefits:	73	75
Number of active employees:	117	119
Average monthly salary:	\$3,088	\$3,288
Average age:	49.03	49.19
Average length of service in years:	11.63	12.07
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	95	94
Average monthly benefit:	\$1,169	\$1,186

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2017 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Jackson County December 31, 2017 Summary Valuation Report for further details.

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

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

Appendix C—Actuarial Methods and Assumptions Used for Funding Valuation

Except where indicated in the section of this GASB 68 report entitled "Actuarial Methods and Assumptions Used for GASB Calculations", the assumptions used in this analysis for the December 31, 2016 financial reporting metrics are the same as those used in the December 31, 2017 actuarial valuation analysis for Jackson County.

The following is a description of the assumptions used in the December 31, 2017 actuarial valuation analysis for Jackson County. This information may also be found in the Jackson County December 31, 2017 Summary Valuation Report.

Economic Assumptions

TCDRS system-wide economic assumptions:

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

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

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

Employer-specific economic assumptions:

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

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

Table 1
Merit Salary Increase

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

Demographic Assumptions

TCDRS system-wide demographic assumptions:

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

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

Table 2
Annual Rates of Disability

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

* The probability of disablement from all other causes is applicable for members who are vested but not eligible for service retirement. Before a member is vested, only the work-related disability provisions are applicable.

Mortality

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

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

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

Table 3
Annual Rates of Service Retirement

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

Employer-specific demographic assumptions:

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

Table 4
Annual Rates of Termination

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

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

Table 5
Probability of Withdrawal

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

H. Summary of GASB 75 Group Insurance Policy

EXECUTIVE SUMMARY

Jackson County ("County") provides medical, dental and life insurance benefits to eligible retirees until they reach the Medicare eligibility age. For retirees with 31 years or more years of service at the date of retirement there is no contribution required for individual coverage, If the retiree has less than 31 years at retirement, there is a retiree contribution for individual coverage range from 20⁰/₀ to 50⁰/₀ depending on the years of service. The retiree pays 100% of the contribution for additional family coverage. All active employees who retire directly from the County and meet the eligibility criteria may participate.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 was enacted on December 8, 2003. As a result of this legislation, employers providing drug coverage to Medicare eligible retirees, that is, at least actuarially equivalent to the standard benefit provided by Medicare, may be eligible to receive a federal subsidy.

GASB has taken the position that any federal subsidy received should be reported as revenue to the plan sponsor and not used as an offset to the GASB liabilities. This report is prepared on that basis.

This SUMMARY identifies the value of benefits at September 30, 2018 and costs for the 2018 Fiscal Year:

	September 30, 2018		
	Initial Results	Medicare Prescription Savings	Final
Present Value of Future Benefits	3,427,169	N/A	3,427,169
Total OPEB Liability (TOL)	2,202,091	N/A	2,202,091
Fiduciary Net Position (FNP)	0	N/A	0
Net OPEB Liability (NOL)	2,202,091	N/A	2,202,091
FY 2018 Expected OPEB Benefits (includes any implicit subsidy) *	220,330	N/A	220,330
*The FY2018 implicit subsidy is \$93,584.			

This section presents detailed valuation results for the County's Plan.

- ▶ The **Present Value of Future Benefits** is the total present value of all expected future benefits, based on certain actuarial assumptions. The Present Value of Future Benefits is a measure of total liability or obligation. Essentially, this present value is the value (on the valuation date) of the benefits promised current and future retirees. The Plan's present value of all projected benefits (at September 30, 2018) is **\$3,427,169**. Most of this obligation is for current active employees (future retirees).
- ▶ The **Total OPEB Liability (TOL)** is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's TOL (at September 30, 2018) is **\$2,202,091**. Most of this liability is for active employees. The TOL represents **64.25%** of the present value of all projected benefits.
- ▶ **Service Cost** is the value of benefits expected to be earned during the year, again based on certain actuarial methods and assumptions. The 2018 Fiscal Year Service Cost (at September 30, 2018) is **\$119,299**.

The results were calculated based upon plan provisions, as provided by the County, along with certain demographic and economic assumptions as recommended by our consulting actuary with guidance from the GASB statement.

Demographic Assumptions

Data was provided by the County as of January 2019. Appropriate adjustments in this data were made for the actuarial valuation. There is no assumption for future hires.

Economic Assumptions

The GASB statement requires that the discount rate used to determine the plan liabilities for retiree healthcare benefits is based on the earnings rate of the plan assets if the projected assets are sufficient to cover the projected benefit payments. If the projected assets are not sufficient then a municipal bond index rate must be used for discounting benefits not covered by the projected assets. Since there are no plan assets held in trust the Bond Buyer GO Bond 20 Index is used for determining the discount rate of **4.06%**.

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The GASB statement does not require a particular source for information to determine healthcare trends, but it does recommend selecting a source that is "publicly available, objective and unbiased".

The balance of this report provides greater detail for the above results.

PRINCIPAL VALUATION RESULTS

The following highlights the County's recognition of the above amounts:

- ▶ The September 30, 2018 Plan Fiduciary Net Position is \$0
- ▶ The FY 2018 Total OPEB Expense is \$204,859.
- ▶ Expected FY 2018 OPEB benefits are \$220,330 (includes \$93,584 in subsidy payments made by the employer.)

The following table shows results by active and retired employee groups as of September 30, 2018:

	Initial Results	Medicare Prescription Savings	Final
Present Value of Future Benefits			
Actives	2,851,995	N/A	2,851,995
Retirees	575,174	N/A	575,174
Total	3,427,169	N/A	3,427,169
Total OPEB Liability (TOL)			
Actives	1,626,917	N/A	1,626,917
Retirees	575,174	N/A	575,174
Total	2,202,091	N/A	2,202,091
Plan Fiduciary Net Position			0
Net OPEB Liability (NOL)			2,202,091
Service Cost			119,299

ACCOUNTING INFORMATION

The adoption date for the new GASB 75 OPEB Accounting Standard was for the Fiscal Year beginning October 1, 2017. The following shows the development of the Net OPEB Liability (NOL), the Total OPEB Expense, the Schedule of Deferred Inflows/Outflows and the Trend and Discount Rate Sensitivity Analysis.

Net OPEB Liability (NOL)

The Standard sets the method for determining the County's Total OPEB Liability and Net OPEB Liability. The Net OPEB Liability is the difference between the Total OPEB liability and the Plan Fiduciary Net Position. The Plan Fiduciary Net Position is zero for plans with no dedicated plan assets. To be included as assets of the plan the assets must be held in an irrevocable trust for the exclusive purpose of providing post-retirement benefits. Changes in benefit terms are recognized immediately. Changes in assumptions and experience gains/losses are amortized over the average remaining service of active employees and inactive participants. Investment gains/losses are amortized over five (5) years.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Total OPEB Liability			
October 1, 2017	2,217,562	0	2,217,562
Service Cost	114,644	0	114,644
Interest Cost	90,215	0	90,215
Changes of Benefit Terms	0	0	0
Differences between expected and actual experience	0	0	0
Changes in assumptions	0	0	0
Other changes	0	0	0
Contributions-employer	0	0	0
Net investment income	0	0	0
Benefit payments	(220,330)	0	(220,330)
Administrative expense	0	0	0
Net change in total OPEB liability	(15,471)	0	(15,471)
Total OPEB Liability			
September 30, 2018	2,202,091	0	2,202,091

Total OPEB Expense

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

Total OPEB Expense	FY2018
Service Cost at October 1, 2017	114,644
Interest Cost (including interest on Service Cost)	90,215
Changes of benefit terms	0
Current Recognized Deferred Outflows/ (Inflows)	0
Difference between expected and actual experience	0
Changes in assumptions or other inputs (Other changes, if significant)	0
Difference of Projected Investment Earnings	0
Total OPEB Expense as of September 30, 2018	204,859

Schedule of Deferred Inflows/Outflows

GASB75 requires disclosure of the deferred inflows/outflows resulting from the changes in the Total OPEB liability each year. Included will be a schedule showing the original amortization amount, the years to be amortized, and the remaining balance. If applicable, Appendix A to this report discloses any detailed amortization information.

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

Required Supplementary Information

Below is the Schedule of Funding Progress. Ultimately 10 years of funding progress will be shown:

Measurement Date	Fiduciary Net Position	Total OPEB Liability Entry Age Normal Percentage of Salary	Net OPEB Liability	Funded Rate	Covered Payroll	Net OPEB Liability of a Percentage of Covered Payroll
September 30, 2018	0	2,202,091	2,202,091	0.00%	4,510,172	48.82%
	0			0.00%		
	0			0.00%		

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Plan Provisions

Medical Benefits

Eligibility The earlier of a) age 60 with 8 years of service, b) 30 years of service without regard to age, and c) the sum of age plus service equals 75.

Postretirement contributions Retirees contribute part of the medical insurance premium for individual coverage if the years of service are less than 31 at the date of retirement. With service of at least 31 years there is no retiree contribution for individual coverage. Retirees pay the full contribution for any dependent coverage elected.

Medical Plan Benefit Benefits are provided through the Texas Association of Counties Health and Employee Benefits Pool. Coverage is provided to the age of Medicare eligibility.

Other Benefits Dental and life insurance benefits are provided to eligible retirees. The retiree pays a portion of the cost of individual coverage depending on years of service at retirement with no contribution for individual coverage if at least 31 years of service at retirement.

Benefits continue to the age of Medicare eligibility.

Change in Plan Provisions None

METHODS AND ASSUMPTIONS

Actuarial Method Individual Entry Age Normal Cost Method-Level Percentage of Projected Salary.

Service Cost Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.

Total OPEB Liability The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.

Discount Rate 4.06% (1.06% real rate of return plus 3.00% inflation)

Average Per Capita Claim Cost

Age	Medical
50	12,214
51	12,519
52	12,832
53	13,153
54	13,482
55	13,819
56	14,164
57	14,518
58	14,881
59	15,253
60	15,634
64	17,258

Health Care Cost Trend Level 5.00% for medical and level 3.00% for dental.

Effect of ACA	The excess coverage excise tax penalty of the Affordable Care Act has been postponed until the plan year beginning in 2022 and is not included in the projection of benefits in this valuation. This plan has current medical costs well under the limits in current law. Current legislative discussions include both repeal of the excise tax and postponement beyond 2022.
Mortality	RPH-2014 Total Table with Projection MP-2018
Turnover	Rates varying based on gender, age and select and ultimate at 15 years. Rates based the TCDRS actuarial assumptions from the 2017 retirement plan valuation report. More detail is shown on Page 14.
Disability	None assumed
Retirement Rates	Detail is shown on Page 14.
Retiree Contributions	Varies for individual medical, dental coverage and life insurance coverage based on years of service at retirement. Retiree pays full contribution for any elected dependent coverage.
Salary Scale	3.50%
Data Assumptions	
<i>Coverage</i>	100% of all retirees who currently have healthcare coverage will continue with the same coverage. 35% of all actives who currently have healthcare coverage will continue with coverage upon retirement. For those with family coverage 25% will elect to continue with family coverage and the remainder will elect individual coverage.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service cost	\$528,956	\$544,447	\$497,657	\$498,637	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,879,839	1,767,233	1,674,524	1,613,900	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	0	(65,301)	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	137,609	0	244,526	0	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	124,003	65,947	(3,334)	(429,134)	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(1,344,204)</u>	<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>
Net change in total pension liability	1,326,204	1,219,292	1,228,477	754,583	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>23,337,951</u>	<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>
Total pension liability, ending (a)	<u>\$24,664,155</u>	<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>
Fiduciary Net Position										
Employer contributions	\$439,556	\$454,474	\$428,369	\$418,687	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	330,139	320,056	301,975	291,045	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	3,163,407	1,518,446	196,576	1,408,935	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,344,204)	(1,158,335)	(1,119,594)	(928,820)	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(16,161)	(16,477)	(14,775)	(15,556)	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(7,852)</u>	<u>88,704</u>	<u>122,276</u>	<u>(380,061)</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 fiduciary net position	2,564,887	1,206,867	(85,174)	794,230	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>21,735,663</u>	<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>
Fiduciary net position, ending (b)	<u>\$24,300,550</u>	<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>
Net pension liability / (asset), ending = (a) - (b)	<u>\$363,605</u>	<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>
Fiduciary net position as a % of total pension liability	98.53%	93.13%	92.81%	98.68%	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	4,716,270	4,572,224	4,313,925	4,157,786	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	7.71%	35.04%	36.85%	6.64%	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Year Ending December-19	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
2017	439,556	439,556	0	4,716,270	9.3%

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

Appendix B—Actuarial Methods and Assumptions Used for GASB Calculations

All actuarial methods and assumptions used for this GASB analysis were the same as those used in the December 31, 2017 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Jackson County December 31, 2017 Summary Valuation Report for further details.

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

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

Required Supplementary Information

Below is the Schedule of Funding Progress. Ultimately 10 years of funding progress will be shown:

Measurement Date	Fiduciary Net Position	Total OPEB Liability Entry Age Normal Percentage of Salary	Net OPEB Liability	Funded Rate	Covered Payroll	Net OPEB Liability of a Percentage of Covered Payroll
September 30, 2018	0	2,202,091	2,202,091	0.00%	4,510,172	48.82%
	0			0.00%		
	0			0.00%		

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Plan Provisions

Medical Benefits

Eligibility The earlier of a) age 60 with 8 years of service, b) 30 years of service without regard to age, and c) the sum of age plus service equals 75.

Postretirement
contributions Retirees contribute part of the medical insurance premium for individual coverage if the years of service are less than 31 at the date of retirement. With service of at least 31 years there is no retiree contribution for individual coverage. Retirees pay the full contribution for any dependent coverage elected.

Medical Plan Benefit Benefits are provided through the Texas Association of Counties Health and Employee Benefits Pool.
Coverage is provided to the age of Medicare eligibility.

Other Benefits Dental and life insurance benefits are provided to eligible retirees. The retiree pays a portion of the cost of individual coverage depending on years of service at retirement with no contribution for individual coverage if at least 31 years of service at retirement.

Benefits continue to the age of Medicare eligibility.

Change in Plan Provisions None

METHODS AND ASSUMPTIONS

Actuarial Method Individual Entry Age Normal Cost Method-Level Percentage of Projected Salary.

Service Cost Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.

Total OPEB Liability The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.

Discount Rate 4.06% (1.06% real rate of return plus 3.00% inflation)

Average Per Capita Claim Cost

Age	Medical
50	12,214
51	12,519
52	12,832
53	13,153
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56	14,164
57	14,518
58	14,881
59	15,253
60	15,634
64	17,258

Health Care Cost Trend Level 5.00% for medical and level 3.00% for dental.

Effect of ACA	The excess coverage excise tax penalty of the Affordable Care Act has been postponed until the plan year beginning in 2022 and is not included in the projection of benefits in this valuation. This plan has current medical costs well under the limits in current law. Current legislative discussions include both repeal of the excise tax and postponement beyond 2022.
Mortality	RPH-2014 Total Table with Projection MP-2018
Turnover	Rates varying based on gender, age and select and ultimate at 15 years. Rates based the TCDRS actuarial assumptions from the 2017 retirement plan valuation report. More detail is shown on Page 14.
Disability	None assumed
Retirement Rates	Detail is shown on Page 14.
Retiree Contributions	Varies for individual medical, dental coverage and life insurance coverage based on years of service at retirement. Retiree pays full contribution for any elected dependent coverage. 3.50%
Salary Scale	
Data Assumptions	100% of all retirees who currently have healthcare coverage will continue with the same coverage.
<i>Coverage</i>	35% of all actives who currently have healthcare coverage will continue with coverage upon retirement. For those with family coverage 25% will elect to continue with family coverage and the remainder will elect individual coverage.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - GENERAL FUND
 SEPTEMBER 30, 2018

	General Fund	Permanent Improvement Funds	Total General Funds
ASSETS			
Cash and Cash Equivalents	\$4,144,366	\$870,744	\$5,015,110
Receivables (net of allowance for uncollectibles)	733,205	36,558	769,763
Prepaid Items	58,018		58,018
Due from Other Funds			0
Total Assets	<u>\$4,935,589</u>	<u>\$907,302</u>	<u>\$5,842,891</u>
LIABILITIES AND FUND BALANCES:			
Accounts Payable	\$81,838		\$81,838
Accrued Wages Payable	80,788		80,788
Deferred Revenues			0
Total Liabilities	<u>162,626</u>	<u>0</u>	<u>162,626</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	<u>555,483</u>		<u>555,483</u>
Fund Balances:			
Non-Spendable			
Prepaid Items	58,018		58,018
Restricted			
Construction		750,000	750,000
Permanent Improvement		157,302	157,302
Unassigned	4,159,462		4,159,462
Total Fund Balance	<u>4,217,480</u>	<u>907,302</u>	<u>5,124,782</u>
Total Liabilities and Fund Balances	<u>\$4,935,589</u>	<u>\$907,302</u>	<u>\$5,842,891</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, 2018

	General Fund	Permanent Improvement Funds	Total General Funds
<i>REVENUES</i>			
Taxes			
Property	\$7,479,048		\$7,479,048
Sales	1,445,761		1,445,761
Other	41,200		41,200
Intergovernmental	191,804		191,804
Charges for Services	673,441		673,441
Fines and Forfeitures	418,142		418,142
Interest	87,262	16,776	104,038
Miscellaneous	151,958		151,958
Total Revenues	10,488,616	16,776	10,505,392

EXPENDITURES

Current:

General Administration			
Commissioner's Court	361,116		361,116
County Clerk	425,813		425,813
County Judge	186,553		186,553
Election			0
Non-Departmental	493,582		493,582
Judicial			
Court Expense	183,055		183,055
Criminal District Attorney	433,474		433,474
District Clerk	276,717		276,717
District Court	64,974		64,974
Jury	16,652		16,652
Justice of the Peace No. 1	178,226		178,226
Justice of the Peace No. 2	156,909		156,909
Financial Administration			
County Auditor	291,908		291,908
County Treasurer	161,848		161,848
Tax Assessor-Collector	407,474		407,474
Public Facilities			
County Services Building		123,519	123,519
Public Facilities	364,290		364,290
Public Safety			
Adult Probation	2,947		2,947
Ambulance			0
Civil Defense	46,180		46,180
Constable No. 1	79,815		79,815
Constable No. 2	83,116		83,116
Corrections	1,380,435		1,380,435
Disaster	405		405
D.P.S./License and Weight	5,032		5,032
D.P.S./Troopers	351		351
EMS/Jaws of Life	2,865		2,865
Fire	12,600		12,600
Permitting and Inspections	66,355		66,355
L.N.R.A.	67,715		67,715
Sheriff	1,449,076		1,449,076
T.J.P.C.	42,539		42,539

(continued)

(continued)

Environmental Protection			
Sanitation	328,963		328,963
Culture and Recreation			
County Library	196,213		196,213
Fairgrounds			0
Parks	10,613		10,613
Health and Welfare			
Gulf Bend Mental Health	49,594		49,594
Senior Citizens Center	30,000		30,000
Conservation - Agriculture			
Agriculture Extension Service	88,551		88,551
U.S. Soil Conservation	2,500		2,500
Total Expenditures	<u>7,948,456</u>	<u>123,519</u>	<u>8,071,975</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>2,540,160</u>	<u>(106,743)</u>	<u>2,433,417</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		7,355	7,355
Operating Transfers Out	<u>(1,904,489)</u>		<u>(1,904,489)</u>
Total Other Financing Sources (Uses)	<u>(1,904,489)</u>	<u>7,355</u>	<u>(1,897,134)</u>
Net Changes in Fund Balances	635,671	(99,388)	536,283
Fund Balances - Beginning	<u>3,581,809</u>	<u>1,006,690</u>	<u>4,588,499</u>
Fund Balances - Ending	<u>\$4,217,480</u>	<u>\$907,302</u>	<u>\$5,124,782</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND
 SEPTEMBER 30, 2018

	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	Equipment Replacement No. 1
<i>ASSETS</i>								
Cash and Cash Equivalents	\$46,199	\$61,053	\$31,228	\$168,919	\$84,012	(\$6,623)		\$22
Receivables (net of allowance for uncollectibles)						3,400		
Prepaid Insurance	5,415	3,131	3,372	4,275		16,321		
Total Assets	\$51,614	\$64,184	\$34,600	\$173,194	\$84,012	\$13,098	\$0	\$22
<i>LIABILITIES AND FUND BALANCES:</i>								
<i>Liabilities:</i>								
Accounts Payable	\$6,249	\$2,487	\$4,058	\$14,563				
Accrued Wages Payable	3,701	4,616	3,372	5,328				
Bank Overdraft								
Total Liabilities	9,950	7,103	7,430	19,891	0	0	0	0
<i>Fund Balances:</i>								
<i>Non-Spendable</i>								
Prepaid Items	5,415	3,131	3,372	4,275				
<i>Restricted</i>								
Public Transportation	36,249	53,950	23,798	149,028	84,012	13,098		22
Total Fund Balance	41,664	57,081	27,170	153,303	84,012	13,098	0	22
Total Liabilities and Fund Balances	\$51,614	\$64,184	\$34,600	\$173,194	\$84,012	\$13,098	\$0	\$22

The accompanying notes are an integral part of this statement.

Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
\$7,349	\$3,093	\$99,599	\$494,851
			\$0
			3,400
			32,514
<u>\$7,349</u>	<u>\$3,093</u>	<u>\$99,599</u>	<u>\$530,765</u>

			\$27,357
			17,017
			0
<u>0</u>	<u>0</u>	<u>0</u>	<u>44,374</u>

			16,193
<u>7,349</u>	<u>3,093</u>	<u>99,599</u>	<u>470,198</u>
<u>7,349</u>	<u>3,093</u>	<u>99,599</u>	<u>486,391</u>
<u>\$7,349</u>	<u>\$3,093</u>	<u>\$99,599</u>	<u>\$530,765</u>

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2018

	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	Equipment Replacement No. 1
<i>REVENUES</i>								
Intergovernmental						\$1,365	\$20,936	
Licenses and Permits						575,637		
Interest	4,346	5,174	4,026	8,244	2,487			37
Miscellaneous	9,148	29,169	746	19,134				
Total Revenues	13,494	34,343	4,772	27,378	2,487	577,002	20,936	37
<i>EXPENDITURES</i>								
Current:								
Public Transportation								
Road and Bridge	501,534	587,540	463,227	697,380	74,000	98,599	20,936	21,930
Debt Service								
Principal Retirement								
Interest and Fiscal Charges								
Total Expenditures	501,534	587,540	463,227	697,380	74,000	98,599	20,936	21,930
Excess (Deficiency) of Revenues Over (Under)								
Expenditures	(488,040)	(553,197)	(458,455)	(670,002)	(71,513)	478,403	0	(21,893)
<i>OTHER FINANCING SOURCES (USES):</i>								
Operating Transfers In	509,511	551,161	434,452	719,915	50,000			20,000
Operating Transfers Out						(457,764)		
Total Other Financing Sources (Uses)	509,511	551,161	434,452	719,915	50,000	(457,764)	0	20,000
Net Changes in Fund Balances	21,471	(2,036)	(24,003)	49,913	(21,513)	20,639	0	(1,893)
Fund Balances - Beginning	20,193	59,117	51,173	103,390	105,525	(7,541)	0	1,915
Fund Balances - Ending	\$41,664	\$57,081	\$27,170	\$153,303	\$84,012	\$13,098	\$0	\$22

Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
			\$22,301
			575,637
663	66	1,804	26,847
		1,726	59,923
663	66	3,530	684,708
43,117	27,234	4,645	2,540,142
	19,802		19,802
	198		198
43,117	47,234	4,645	2,560,142
(42,454)	(47,168)	(1,115)	(1,875,434)
20,000	20,000	20,000	2,345,039
			(457,764)
20,000	20,000	20,000	1,887,275
(22,454)	(27,168)	18,885	11,841
29,803	30,261	80,714	474,550
\$7,349	\$3,093	\$99,599	\$486,391

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018

	SPECIAL REVENUE					
	ABANDONED MOTOR VEHICLES	CHILD ABUSE PREVEN- TION	CHILD WELFARE	COASTAL IMPACT ASSISTANCE	COMMISSARY TELEPHONE	COUNTY CLERK RECORDS MANAGEMENT
ASSETS						
Cash and Cash Equivalents	\$4,246	\$378	\$8,018	\$266,067	\$26,860	\$85,324
Receivables (net of allowance for uncollectibles)					6,434	
Prepaid Insurance						
TOTAL ASSETS	\$4,246	\$378	\$8,018	\$266,067	\$33,294	\$85,324
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$276				\$150	
Accrued Wages Payable						
Due to Other Funds						
Deferred Revenues						
Total Liabilities	276	0	0	0	150	0
Fund Balances						
Non-Spendable						
Prepaid Insurance						
Restricted						
General Administration						85,324
Judicial						
Legal						
Public Safety	3,970	378		266,067		
Committed						
Culture and Recreation						
Health and Welfare			8,018			
Public Safety					33,144	
Unassigned						
Total Fund Balances	3,970	378	8,018	266,067	33,144	85,324
TOTAL LIABILITIES AND FUND BALANCES	\$4,246	\$378	\$8,018	\$266,067	\$33,294	\$85,324

(continued)

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

SPECIAL REVENUE

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
\$8,195	\$10,921	\$239,175	\$9,292	\$12,597	\$1,631	\$32,830	\$5,905	\$1,305
		54				1,259		
\$8,195	\$10,921	\$239,229	\$9,292	\$12,597	\$1,631	\$34,089	\$5,905	\$1,305
	\$32	3 147	\$2,444 3,648	\$1,125				
0	32	150	6,092	1,125	0	0	0	0
		54				1,259		
8,195		239,025	3,200	11,472	1,631		5,905	1,305
	10,889							
						32,830		
8,195	10,889	239,079	3,200	11,472	1,631	34,089	5,905	1,305
\$8,195	\$10,921	\$239,229	\$9,292	\$12,597	\$1,631	\$34,089	\$5,905	\$1,305

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2018
 (continued)

	SPECIAL REVENUE					
	LAW ENFORCEMENT					
	JUVENILE PROBATION	OFFICERS ASSOCIATION	LAW LIBRARY	MEDIATION FUND	MEMORIAL LIBRARY	SHERIFF FORFEITURE
ASSETS						
Cash and Cash Equivalents	\$31,617	\$3,907	\$7,367	\$1,450	\$8,014	\$55,193
Receivables (net of allowance for uncollectibles)						
Prepaid Insurance	99					
TOTAL ASSETS	\$31,716	\$3,907	\$7,367	\$1,450	\$8,014	\$55,193
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$7,657		\$1,091		\$80	\$650
Accrued Wages Payable	1,541					
Due to Other Funds						
Deferred Revenues	14,717					
Total Liabilities	23,915	0	1,091	0	80	650
Fund Balances						
Non-Spendable						
Prepaid Insurance	99					
Restricted						
General Administration				1,450		
Judicial						
Legal						
Public Safety	7,702	3,907				54,543
Committed						
Culture and Recreation			6,276		7,934	
Health and Welfare						
Public Safety						
Unassigned						
Total Fund Balances	7,801	3,907	6,276	1,450	7,934	54,543
TOTAL LIABILITIES AND FUND BALANCES	\$31,716	\$3,907	\$7,367	\$1,450	\$8,014	\$55,193

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

NON-MAJOR
GOVERN-
MENTAL
FUNDS

\$820,292

6,434

1,412

\$828,138

\$13,508

1,688

3,648

14,717

33,561

1,412

96,600

256,402

3,200

348,761

47,040

8,018

33,144

0

794,577

\$828,138

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	SPECIAL REVENUE					
	ABANDONED	CHILD		COASTAL	COMMISSARY	COUNTY
	MOTOR	ABUSE	CHILD	IMPACT	TELEPHONE	CLERK
	VEHICLES	PREVEN- TION	WELFARE	ASSISTANCE		RECORDS MANAGEMENT
<i>REVENUES</i>						
Intergovernmental				\$265,408		
Charges for Services	1,377	892			45,976	74,756
Interest			83			133
Miscellaneous						
Total Revenues	1,377	892	83	265,408	45,976	74,889
<i>EXPENDITURES</i>						
Current:						
General Administration						
Records Management						61,304
Elections						
Judicial						
Judicial						
Legal						
Check Collection						
Law Library						
Public Facilities						
Public Facilities						
Public Safety						
Courthouse Security						
Juvenile Probation						
Sheriff	3,309	1,000			47,722	
Culture and Recreation						
Historical Commission						
Library						
Health and Welfare						
Child Welfare			1,000			
Total Expenditures	3,309	1,000	1,000	0	47,722	61,304
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,932)	(108)	(917)	265,408	(1,746)	13,585
<i>OTHER FINANCING SOURCES (USES):</i>						
Operating Transfers In						
Operating Transfers Out						
Total Other Financing Sources (Uses)				0	0	
Net Changes in Fund Balances	(1,932)	(108)	(917)	265,408	(1,746)	13,585
Fund Balances - Beginning	5,902	486	8,935	659	34,890	71,739
Fund Balances - Ending	\$3,970	\$378	\$8,018	\$266,067	\$33,144	\$85,324

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

SPECIAL REVENUE

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
7,852	14,055	4,487 8,464	298	6,359		578	8,326	1,105
7,852	14,055	12,951	298	6,359	0	578	8,326	1,105
6,806				4,458				
		25,198					6,295	
	58,703							
						925		
6,806	58,703	25,198	0	4,458	0	925	6,295	0
1,046	(44,648)	(12,247)	298	1,901	0	(347)	2,031	1,105
							872	
						872		
1,046	(44,648)	(12,247)	298	1,901	0	525	2,031	1,105
7,149	55,537	251,326	2,902	9,571	1,631	33,564	3,874	200
\$8,195	\$10,889	\$239,079	\$3,200	\$11,472	\$1,631	\$34,089	\$5,905	\$1,305

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018
 (continued)

	SPECIAL REVENUE					
	LAW ENFORCEMENT					
	JUVENILE PROBATION	OFFICERS ASSOCIATION	LAW LIBRARY	MEDIATION FUND	MEMORIAL LIBRARY	SHERIFF FORFEITURE
REVENUES						
Intergovernmental	\$196,391					
Charges for Services		3,799	8,470			
Interest	192				973	925
Miscellaneous					5,377	8,463
Total Revenues	196,583	3,799	8,470	0	6,350	9,388
EXPENDITURES						
Current:						
General Administration						
Records Management						
Elections						
Judicial						
Judicial						
Legal						
Check Collection						
Law Library			7,028			
Public Facilities						
Public Facilities						
Public Safety						
Courthouse Security						
Juvenile Probation	192,967					
Sheriff		3,316				3,062
Culture and Recreation						
Historical Commission						
Library					6,206	
Health and Welfare						
Child Welfare						
Total Expenditures	192,967	3,316	7,028	0	6,206	3,062
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,616	483	1,442	0	144	6,326
OTHER FINANCING SOURCES (USES):						
Operating Transfers In						
Operating Transfers Out						
Total Other Financing Sources (Uses)			0			0
Net Changes in Fund Balances	3,616	483	1,442	0	144	6,326
Fund Balances - Beginning	4,185	3,424	4,834	1,450	7,790	48,217
Fund Balances - Ending	\$7,801	\$3,907	\$6,276	\$1,450	\$7,934	\$54,543

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

NON-MAJOR
GOVERN-
MENTAL
FUNDS

\$461,799
173,265
7,371
22,304
664,739

72,568
0

31,493

0
7,028

0

58,703
192,967
58,409

925
6,206

1,000
429,299

235,440

872
0
872
236,312

558,265
\$794,577

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2018

	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	\$1,198	\$1,577	\$1,198	\$1,577
Receivables (net of allowance for uncollectibles)		584	0	584
Total Current Assets	<u>1,198</u>	<u>2,161</u>	<u>1,198</u>	<u>2,161</u>
TOTAL ASSETS	<u>\$1,198</u>	<u>\$2,161</u>	<u>\$1,198</u>	<u>\$2,161</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Current Liabilities(Payable from Current Assets)				
Accounts Payable	1,206	336	1,206	336
Accrued Wages Payable			0	0
Total Current Liabilities	<u>1,206</u>	<u>336</u>	<u>1,206</u>	<u>336</u>
TOTAL LIABILITIES	<u>1,206</u>	<u>336</u>	<u>1,206</u>	<u>336</u>
Invested in Capital Assets, Net of Related debt				
Unrestricted	(8)	1,825	(8)	1,825
TOTAL NET POSITION	<u>(\$8)</u>	<u>\$1,825</u>	<u>(\$8)</u>	<u>\$1,825</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, 2018

	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	\$8,126	\$8,557	\$8,126	\$8,557
TOTAL OPERATING REVENUES	8,126	8,557	8,126	8,557
OPERATING EXPENSES				
Personal Services			0	0
Supplies	7,319	7,462	7,319	7,462
Other Services and Charges	2,640	822	2,640	822
Depreciation			0	0
TOTAL OPERATING EXPENSES	9,959	8,284	9,959	8,284
OPERATING INCOME (LOSS)	(1,833)	273	(1,833)	273
NON-OPERATING REVENUES (EXPENSES):				
Interest Income		3	0	3
TOTAL NON-OPERATING REVENUES (EXPENSES)	0	3	0	3
Income Before Transfers	(1,833)	276	(1,833)	276
Transfers In			0	0
Change in Net Position	(1,833)	276	(1,833)	276
Total Net Position - Beginning	1,825	1,549	1,825	1,549
Total Net Position - Ending	(\$8)	\$1,825	(\$8)	\$1,825

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, 2018

	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	\$8,710	\$9,834	\$8,710	\$9,834
Payments to Suppliers	(9,089)	(9,352)	(9,089)	(9,352)
Payments to Employees	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	(379)	482	(379)	482
Cash Flows from Non-Capital and Related Financing Activities				
Transfers In			0	0
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	0	0	0	0
Cash Flows from Investing Activities				
Interest Received	0	3	0	3
Net Cash Provided(Used) By Investing Activities	0	3	0	3
Net Increase (Decrease) in Cash Equivalents	(379)	485	(379)	485
Cash and Cash Equivalents at Beginning of Year	1,577	1,092	1,577	1,092
Cash and Cash Equivalents at End of Year (continued)	\$1,198	\$1,577	\$1,198	\$1,577

(continued)

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

Operating Income (Loss)	(\$1,833)	\$273	(\$1,833)	\$273
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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	584	1,277	584	1,277
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Increase(Decrease) in Accounts Payable	870	(1,068)	870	(1,068)
--	-----	---------	-----	---------

Increase(Decrease) in Accrued Wages Payable	0	0	0	0
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Net Cash Provided(Used) by Operating Activities	<u>(\$379)</u>	<u>\$482</u>	<u>(\$379)</u>	<u>\$482</u>
--	----------------	--------------	----------------	--------------

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, 2018

	Agency Funds			Total
	Trust Investment	State Fees	County Officer Accounts	
ASSETS				
Cash and Cash Equivalents	\$41,302	\$76,468	\$429,956	\$547,726
Receivables (net of allowance for uncollectibles)	0	0	0	0
Total Assets	\$41,302	\$76,468	\$429,956	\$547,726
LIABILITIES				
Accounts Payable				\$0
Due to Others	41,302	76,468	429,956	547,726
Total Liabilities	\$41,302	\$76,468	\$429,956	\$547,726

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>TRUST INVESTMENT</u>			
	BALANCE			BALANCE
	10/1/2017	ADDITIONS	DEDUCTIONS	9/30/2018
ASSETS				
Cash and Cash Equivalents	\$56,397		\$15,095	\$41,302
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$56,397	\$0	\$15,095	\$41,302

LIABILITIES:				
Accounts Payable				
Due to Others	\$56,397	\$0	\$15,095	\$41,302
Total Liabilities	\$56,397	\$0	\$15,095	\$41,302

	<u>STATE FEES</u>			
	BALANCE			BALANCE
	10/1/2017	ADDITIONS	DEDUCTIONS	9/30/2018
ASSETS				
Cash and Cash Equivalents	\$68,115	\$8,353		\$76,468
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$68,115	\$8,353	\$0	\$76,468

LIABILITIES:				
Accounts Payable				
Due to Others	\$68,115	\$8,353	\$0	\$76,468
Total Liabilities	\$68,115	\$8,353	\$0	\$76,468

	<u>COUNTY OFFICER ACCOUNTS</u>			
	BALANCE			BALANCE
	10/1/2017	ADDITIONS	DEDUCTIONS	9/30/2018
ASSETS				
Cash and Cash Equivalents	\$514,672		\$84,716	\$429,956
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$514,672	\$0	\$84,716	\$429,956

LIABILITIES:				
Accounts Payable				
Due to Others	\$514,672	\$0	\$84,716	\$429,956
Total Liabilities	\$514,672	\$0	\$84,716	\$429,956

	<u>TOTAL</u>	BALANCE			BALANCE
		10/1/2017	ADDITIONS	DEDUCTIONS	9/30/2018
ASSETS					
Cash and Cash Equivalents		\$639,184	\$8,353	\$99,811	\$547,726
Receivables (net of allowance for uncollectibles)		0	0	0	0
Total Assets		<u>\$639,184</u>	<u>\$8,353</u>	<u>\$99,811</u>	<u>\$547,726</u>
LIABILITIES:					
Accounts Payable		\$0	\$0	\$0	\$0
Due to Others		639,184	8,353	99,811	547,726
Total Liabilities		<u>\$639,184</u>	<u>\$8,353</u>	<u>\$99,811</u>	<u>\$547,726</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$500	\$500	\$1,377	\$877
Miscellaneous				0
Total Revenues	500	500	1,377	877
EXPENDITURES				
Current				
Public Safety	6,100	6,100	3,335	2,765
Total Expenditures	6,100	6,100	3,335	2,765
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,600)	(5,600)	(1,958)	3,642
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 - Cash Basis	(\$5,600)	(\$5,600)	(1,958)	\$3,642
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			26	
Net Changes in Fund Balances-Modified Accrual Basis			(1,932)	
Fund Balances - Beginning			5,902	
Fund Balances - Ending			\$3,970	

JACKSON COUNTY, TEXAS
CHILD ABUSE PREVENTION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$900	\$900	\$892	(\$8)
Total Revenues	900	900	892	(8)
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	(100)	(100)	(108)	(8)
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	(100)	(100)	(108)	(8)
Fund Balances - Beginning	486	486	486	0
Fund Balances - Ending	\$386	\$386	\$378	(\$8)

JACKSON COUNTY, TEXAS
 COASTAL IMPACT ASSISTANCE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$100	\$100	\$265,408	\$265,308
Total Revenues	100	100	265,408	265,308
EXPENDITURES				
Current				
Culture and Recreation	672	672	0	672
Total Expenditures	672	672	0	672
Excess (Deficiency) of Revenues Over (Under) Expenditures	(572)	(572)	265,408	265,980
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	(572)	(572)	265,408	265,980
Fund Balances - Beginning	659	659	659	
Fund Balances - Ending	\$87	\$87	\$266,067	\$265,980

JACKSON COUNTY, TEXAS
 CHILD WELFARE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$17	\$17	\$83	\$66
Miscellaneous				0
Total Revenues	17	17	83	66
EXPENDITURES				
Current				
Health and Welfare	2,500	2,500	1,000	1,500
Total Expenditures	2,500	2,500	1,000	1,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,483)	(2,483)	(917)	1,566
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)	(917)	1,566
Fund Balances - Beginning	8,935	8,935	8,935	0
Fund Balances - Ending	\$6,452	\$6,452	\$8,018	\$1,566

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$28,000	\$28,000	\$45,004	\$17,004
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>45,004</u>	<u>17,004</u>
EXPENDITURES				
Current				
Public Safety	53,227	53,227	47,572	5,655
Total Expenditures	<u>53,227</u>	<u>53,227</u>	<u>47,572</u>	<u>5,655</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,227)</u>	<u>(25,227)</u>	<u>(2,568)</u>	<u>22,659</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>(\$25,227)</u>	<u>(\$25,227)</u>	<u>(2,568)</u>	<u>\$22,659</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			972	
Changes in Accounts Payable			<u>(150)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(1,746)</u>	
Fund Balances - Beginning			34,890	
Fund Balances - Ending			<u>\$33,144</u>	

JACKSON COUNTY, TEXAS
COUNTY CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$68,730	\$68,730	\$74,756	\$6,026
Interest			133	133
Total Revenues	68,730	68,730	74,889	6,159
EXPENDITURES				
Current				
General Administration	95,543	95,543	61,304	34,239
Total Expenditures	95,543	95,543	61,304	34,239
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,813)	(26,813)	13,585	40,398
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	(26,813)	(26,813)	13,585	40,398
Fund Balances - Beginning	71,739	71,739	71,739	
Fund Balances - Ending	\$44,926	\$44,926	\$85,324	\$40,398

JACKSON COUNTY, TEXAS
COUNTY RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$8,600	\$8,600	\$7,852	(\$748)
Total Revenues	8,600	8,600	7,852	(748)
EXPENDITURES				
Current				
General Administration	15,871	15,871	6,806	9,065
Total Expenditures	15,871	15,871	6,806	9,065
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,271)	(7,271)	1,046	8,317
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(7,271)	(7,271)	1,046	8,317
Fund Balances - Beginning	7,149	7,149	7,149	
Fund Balances - Ending	(\$122)	(\$122)	\$8,195	\$8,317

JACKSON COUNTY, TEXAS
 COURTHOUSE SECURITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental			\$380	\$380
Charges for Services	12,925	12,925	13,676	751
Total Revenues	12,925	12,925	14,056	1,131
EXPENDITURES				
Current				
Public Safety	69,372	69,372	58,704	10,668
Total Expenditures	69,372	69,372	58,704	10,668
Excess (Deficiency) of Revenues Over (Under) Expenditures	(56,447)	(56,447)	(44,648)	11,799
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	(56,447)	(56,447)	(44,648)	11,799
Fund Balances - Beginning	55,537	55,537	55,537	
Fund Balances - Ending	(\$910)	(\$910)	\$10,889	\$11,799

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$2,100	\$2,100	\$4,487	\$2,387
Miscellaneous	2,500	2,500	8,464	5,964
Total Revenues	<u>4,600</u>	<u>4,600</u>	<u>12,951</u>	<u>8,351</u>
EXPENDITURES				
Current				
Judicial	30,929	30,929	25,226	5,703
Total Expenditures	<u>30,929</u>	<u>30,929</u>	<u>25,226</u>	<u>5,703</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(26,329)</u>	<u>(26,329)</u>	<u>(12,275)</u>	<u>14,054</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>(\$26,329)</u>	<u>(\$26,329)</u>	<u>(12,275)</u>	<u>\$14,054</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(20)	
Changes in Accounts Payable			34	
Changes in Accrued Wages Payable			14	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(12,247)</u>	
Fund Balances - Beginning			251,326	
Fund Balances - Ending			<u>\$239,079</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$1,100	\$1,100	\$318	(\$782)
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>318</u>	<u>(782)</u>
EXPENDITURES				
Current				
Judicial	4,697	3,982	0	3,982
Total Expenditures	<u>4,697</u>	<u>3,982</u>	<u>0</u>	<u>3,982</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,597)</u>	<u>(2,882)</u>	<u>318</u>	<u>3,200</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>(\$3,597)</u>	<u>(\$2,882)</u>	<u>318</u>	<u>\$3,200</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			<u>(20)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>298</u>	
Fund Balances - Beginning			<u>2,902</u>	
Fund Balances - Ending			<u>\$3,200</u>	

JACKSON COUNTY, TEXAS
DISTRICT CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$5,600	\$5,600	\$6,359	\$759
Total Revenues	<u>5,600</u>	<u>5,600</u>	<u>6,359</u>	<u>759</u>
EXPENDITURES				
Current				
General Administration	4,880	4,880	3,333	1,547
Total Expenditures	<u>4,880</u>	<u>4,880</u>	<u>3,333</u>	<u>1,547</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>720</u>	<u>720</u>	<u>3,026</u>	<u>2,306</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>\$720</u>	<u>\$720</u>	3,026	<u>\$2,306</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(1,125)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>1,901</u>	
Fund Balances - Beginning			9,571	
Fund Balances - Ending			<u>\$11,472</u>	

JACKSON COUNTY, TEXAS
 ELECTION ADMINISTRATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$800	\$800	\$0	(\$800)
Total Revenues	800	800	0	(800)
EXPENDITURES				
Current				
General Administration	2,430	2,430	0	2,430
Total Expenditures	2,430	2,430	0	2,430
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,630)	(1,630)	0	1,630
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	(1,630)	(1,630)	0	1,630
Fund Balances - Beginning	1,631	1,631	1,631	
Fund Balances - Ending	\$1	\$1	\$1,631	\$1,630

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$300	\$300	\$578	\$278
Miscellaneous	100	100	0	(100)
Total Revenues	<u>400</u>	<u>400</u>	<u>578</u>	<u>178</u>
EXPENDITURES				
Current				
Culture and Recreation	30,830	30,830	999	29,831
Total Expenditures	<u>30,830</u>	<u>30,830</u>	<u>999</u>	<u>29,831</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,430)</u>	<u>(30,430)</u>	<u>(421)</u>	<u>30,009</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	872	872	872	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>872</u>	<u>872</u>	<u>872</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$29,558)</u>	<u>(\$29,558)</u>	451	<u>\$30,009</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			<u>74</u>	
Net Changes in Fund Balances - Modified Accrual Basis			525	
Fund Balances - Beginning			<u>33,564</u>	
Fund Balances - Ending			<u>\$34,089</u>	

JACKSON COUNTY, TEXAS
JUSTICE COURT TECHNOLOGY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$8,125	\$8,125	\$8,326	\$201
Total Revenues	8,125	8,125	8,326	201
EXPENDITURES				
Current				
Judicial	12,380	12,380	6,295	6,085
Total Expenditures	12,380	12,380	6,295	6,085
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,255)	(4,255)	2,031	6,286
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	(4,255)	(4,255)	2,031	6,286
Fund Balances - Beginning	3,874	3,874	3,874	
Fund Balances - Ending	(\$381)	(\$381)	\$5,905	\$6,286

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION DISCRETION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$1,500	\$1,500	1,105	(\$395)
Total Revenues	1,500	1,500	1,105	(395)
EXPENDITURES				
Current				
Public Safety	1,499	1,499	0	1,499
Total Expenditures	1,499	1,499	0	1,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	1	1	1,105	1,104
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	1	1	1,105	1,104
Fund Balances - Beginning	200	200	200	0
Fund Balances - Ending	\$201	\$201	\$1,305	\$1,104

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$184,176	\$203,687	\$196,981	(\$6,706)
Interest	25	25	192	167
Total Revenues	<u>184,201</u>	<u>203,712</u>	<u>197,173</u>	<u>(6,539)</u>
EXPENDITURES				
Current				
Public Safety	184,971	204,500	188,820	15,680
Total Expenditures	<u>184,971</u>	<u>204,500</u>	<u>188,820</u>	<u>15,680</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(770)</u>	<u>(788)</u>	<u>8,353</u>	<u>9,141</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>(\$770)</u>	<u>(\$788)</u>	<u>8,353</u>	<u>\$9,141</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			14,127	
Changes in Prepaid Insurance			(45)	
Changes in Accounts Payable			(4,057)	
Changes in Accrued Wages Payable			(45)	
Changes in Deferred Revenues			(14,717)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>3,616</u>	
Fund Balances - Beginning			<u>4,185</u>	
Fund Balances - Ending			<u>\$7,801</u>	

JACKSON COUNTY, TEXAS
LAW ENFORCEMENT OFFICERS EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$3,935	\$3,898	\$3,798	(\$100)
Total Revenues	3,935	3,898	3,798	(100)
EXPENDITURES				
Current				
Public Safety	7,359	7,322	3,315	4,007
Total Expenditures	7,359	7,322	3,315	4,007
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,424)	(3,424)	483	3,907
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(3,424)	(3,424)	483	3,907
Fund Balances - Beginning	3,424	3,424	3,424	
Fund Balances - Ending	\$0	\$0	\$3,907	\$3,907

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$7,500	\$7,500	\$8,470	\$970
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>8,470</u>	<u>970</u>
EXPENDITURES				
Current				
Legal	8,500	8,500	5,937	2,563
Total Expenditures	<u>8,500</u>	<u>8,500</u>	<u>5,937</u>	<u>2,563</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>2,533</u>	<u>3,533</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>(\$1,000)</u>	<u>(\$1,000)</u>	<u>2,533</u>	<u>\$3,533</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>(1,091)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>1,442</u>	
Fund Balances - Beginning			<u>4,834</u>	
Fund Balances - Ending			<u>\$6,276</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$550	\$550	\$973	\$423
Miscellaneous	5,700	5,700	5,377	(323)
Total Revenues	<u>6,250</u>	<u>6,250</u>	<u>6,350</u>	<u>100</u>
EXPENDITURES				
Current				
Culture and Recreation	7,800	7,800	6,141	1,659
Total Expenditures	<u>7,800</u>	<u>7,800</u>	<u>6,141</u>	<u>1,659</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,550)</u>	<u>(1,550)</u>	<u>209</u>	<u>1,759</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>(\$1,550)</u>	<u>(\$1,550)</u>	<u>209</u>	<u>\$1,759</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>(65)</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>144</u>	
Fund Balances - Beginning			<u>7,790</u>	
Fund Balances - Ending			<u>\$7,934</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$60	\$60	\$925	\$865
Miscellaneous	0	0	8,463	8,463
Total Revenues	60	60	9,388	9,328
EXPENDITURES				
Current				
Public Safety	3,709	3,709	2,412	1,297
Total Expenditures	3,709	3,709	2,412	1,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,649)	(3,649)	6,976	10,625
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 - Cash Basis	<u>(\$3,649)</u>	<u>(\$3,649)</u>	6,976	<u>\$10,625</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(650)	
Net Changes in Fund Balances - Modified Accrual Basis			6,326	
Fund Balances - Beginning			48,217	
Fund Balances - Ending			<u>\$54,543</u>	