

JACKSON COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

September 30, 2016

Jackson County, Texas
Annual Financial Report
For the Fiscal Year Ended September 30, 2016

TABLE OF CONTENTS

FINANCIAL SECTION

1. Independent Auditor's Report
3. Management's Discussion and Analysis

Basic Financial Statements:

Government-wide Financial Statements:

12. Statement of Net Position
13. Statement of Activities

Fund Financial Statements:

14. Balance Sheet - Governmental Funds
15. Reconciliation of the Government Funds
16. Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
17. Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
18. Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
20. Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Road and Bridge Fund
21. Statement of Net Position – Proprietary Funds
22. Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
23. Statement of Cash Flows – Proprietary Funds
25. Statement of Fiduciary Net Position - Fiduciary Funds
26. Statement of Changes in Fiduciary Net Position - Fiduciary Funds
27. Notes to the Financial Statements

Required Supplementary Information:

64. Public Employees Retirement System Information
69. Post Employment Retirement System Information

Combining and Individual Fund Statements and Schedules:

70. Combining Balance Sheet - General Funds
71. Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General Funds
73. Combining Balance Sheet - Road and Bridge Funds
74. Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Road and Bridge Funds
75. Combining Balance Sheet - Non-major Governmental Funds
77. Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds
79. Combining Statement of Net Position – Non-major Proprietary Funds
80. Combining Statement of Revenues, Expenditures and Changes in Fund Net Position – Non-major Proprietary Funds
81. Combining Statement of Cash Flows – Non-major Proprietary Funds
83. Combining Statement of Fiduciary Net Position
84. Combining Statement of Changes in Assets and Liabilities

Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

86. Abandoned Motor Vehicles
87. Child Abuse Prevention
88. Coastal Impact Assistance
89. Child Welfare
90. Commissary Telephone
91. County Clerk Records Management
92. County Records Management
93. Courthouse Security
94. District Attorney Forfeiture
95. District Attorney Hot Check
96. District Clerk Records Management
97. Election Administration
98. Historical Commission
99. Justice Court Technology
100. Juvenile Probation Discretion
101. Juvenile Probation Fund
102. Law Enforcement Officers Education
103. Law Library
104. Mauritz Camp
105. Memorial Library Fund
106. Sheriff Forfeiture

FINANCIAL SECTION

BEYER & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Wayne R. Beyer, C.P.A.

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

E-mail: beyrandco@sbcglobal.net

111 North Odem
Sinton, Texas 78387
Phone: (830) 569-8781 ~ Fax: (830) 569-6776

Please reply to Pleasanton address

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Texas, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–11, the Public Employees Retirement System Information and OPEB on pages 64–69, and the non-major budgetary comparison information on pages 86-106 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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



BEYER & COMPANY
Certified Public Accountants
April 5, 2017

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, 2016.

Financial Highlights

- . The assets of Jackson County, Texas exceeded its liabilities at the close of the most recent fiscal year by \$16,380,409 (net position). Of this amount, \$5,061,843 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- . The government's total net position decreased by \$1,337,807. This decrease is attributable to a reduction in capital grants of \$928,538, depreciation of \$975,039 in the governmental funds, and depreciation of \$102,340 in the airport fund.
- . As of the close of the current fiscal year, Jackson County, Texas' governmental funds reported combined ending fund balances of \$6,157,945, a decrease of \$1,234,218 in comparison with the prior year. Approximately 65% of this total amount, \$4,008,969 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 \$4,008,969, or 52 percent of total general fund expenditures, the fund balance for the road and bridge fund was \$532,650, or 19 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 funds, and the District Clerk reserve fund, all of which are considered to be major funds. Data from the other twenty-two (22) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Jackson County, Texas also has four agency funds and one trust fund presented in this report. Such funds are not included in the county wide statement but are shown separately on pages 25-26.

Notes to the financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-63 of this report.

Other information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Jackson County, Texas' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 64-69 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 70-85 of this report. The budget comparison schedules in connection with the non-major governmental funds can be found on pages 86-106 of this report.

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 \$16,380,409 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	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$7,269,103	\$8,549,517	\$7,496	\$13,134	\$7,276,599	\$8,562,651
Capital Assets	9,075,734	9,298,100	1,009,396	1,111,736	10,085,130	10,409,836
Total Assets	16,344,837	17,847,617	1,016,892	1,124,870	17,361,729	18,972,487
Total Deferred Outflows of Resources	2,053,366	666,239			2,053,366	666,239
Long-Term Liabilities	2,358,170	1,048,391	0	0	2,358,170	1,048,391
Other Liabilities	458,044	548,335	1,404	1,933	459,448	550,268
Total Liabilities	2,816,214	1,596,726	1,404	1,933	2,817,618	1,598,659
Total Deferred Inflows of Resources	217,068	321,851			217,068	321,851
Net Assets						
Invested in Capital Assets, Net of Related Debt	9,075,734	9,297,431	1,009,396	1,112,405	10,085,130	10,409,836
Restricted	1,233,436	1,306,211	0	0	1,233,436	1,306,211
Unrestricted	5,055,751	5,991,637	6,092	10,532	5,061,843	6,002,169
Total Net Assets	\$15,364,921	\$16,595,279	\$1,015,488	\$1,122,937	\$16,380,409	\$17,718,216

An additional portion of Jackson County, Texas' net position (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$5,061,843) may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in net position, both for the government as a whole, as well as for its separate governmental activities. At the end of the current fiscal year, Jackson County, Texas reported a positive balance in the governmental activities. For the prior fiscal year, Jackson County, Texas reported positive balances in all three categories of net position for its governmental activities.

The government's total net position decreased by \$1,337,807. This decrease is attributable to a reduction in capital grants of \$928,538, depreciation of \$975,039 in the governmental funds, and depreciation of \$102,340 in the airport fund.

There was a decrease of \$72,775 in restricted net position reported in connection with Jackson County, Texas' government-type activities. This decrease is immaterial.

Governmental activities:

JACKSON COUNTY, TEXAS CHANGE IN NET POSITION	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
	Revenues					
Program Revenues						
Charges for Services	\$1,826,235	\$1,820,643	\$14,984	\$14,572	\$1,841,219	\$1,835,215
Operating Grants and Contributions	477,272	535,113	0	0	477,272	535,113
Capital Grants and Contributions	0	928,538	3,577	2,319	3,577	930,857
General Revenues						
Maintenance and Operations Taxes	6,227,602	6,180,899			6,227,602	6,180,899
Sales Tax	891,504	946,208			891,504	946,208
Other Taxes	46,172	55,590			46,172	55,590
Unrestricted Investment Earnings	36,737	40,169	10	13	36,747	40,182
Miscellaneous	188,241	196,301			188,241	196,301
Total Revenue	9,693,763	10,703,461	18,571	16,904	9,712,334	10,720,365
Expenses:						
General Administration	1,450,563	1,225,605	0	0	1,450,563	1,225,605
Judicial	1,338,006	1,379,317			1,338,006	1,379,317
Legal	7,564	20,748			7,564	20,748
Financial Administration	797,128	794,469			797,128	794,469
Public Facilities	576,423	836,587			576,423	836,587
Public Safety	3,370,462	3,373,370	11,458	9,199	3,381,920	3,382,569
Public Transportation	2,663,384	2,440,070			2,663,384	2,440,070
Environmental Protections	306,661	350,772			306,661	350,772
Culture and Recreation	239,750	274,931	114,562	112,176	354,312	387,107
Health and Welfare	99,052	78,337			99,052	78,337
Conservation - Agriculture	75,128	88,459			75,128	88,459
Total Expenses	10,924,121	10,862,665	126,020	121,375	11,050,141	10,984,040
Increase in Net Position Before Transfers and Special Items	(1,230,358)	(159,204)	(107,449)	(104,471)	(1,337,807)	(263,675)
Transfers	0	13,000	0	(13,000)	0	0
Increase in Net Position	(1,230,358)	(146,204)	(107,449)	(117,471)	(1,337,807)	(263,675)
Net Position at 9/30/2015 - Restated	16,595,279	16,741,483	1,122,937	1,240,408	17,718,216	17,981,891
Net Position at 9/30/2016	\$15,364,921	\$16,595,279	\$1,015,488	\$1,122,937	\$16,380,409	\$17,718,216

Governmental activities decreased Jackson County, Texas' net position by \$1,230,358, thereby accounting for 92 percent of the total decline in the net position of Jackson County, Texas. This decrease is attributable to a reduction in capital grants of \$928,538 and depreciation of \$975,039.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Government Activities:				
General Administration	\$1,450,563	\$236,803	\$25,546	\$0
Judicial	1,338,006	424,525	27,834	
Legal	7,564			
Financial Administration	797,128	284,742		
Public Facilities	576,423			
Public Safety	3,370,462	153,344	239,738	
Public Transportation	2,663,384	591,505	176,750	
Environmental Protections	306,661	124,335		
Culture and Recreation	239,750	10,981	7,404	
Health and Welfare	99,052			
Conservation - Agriculture	75,128			
Total Government Activities	<u>\$10,924,121</u>	<u>\$1,826,235</u>	<u>\$477,272</u>	<u>\$0</u>

Revenues by Source - Governmental Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$1,826,235	18.84%
Operating Grants and Contributions	477,272	4.92%
Maintenance and Operations Taxes	6,227,602	64.24%
Sales Tax	891,504	9.20%
Other Taxes	46,172	0.48%
Unrestricted Investment Earnings	36,737	0.38%
Miscellaneous	188,241	1.94%
	<u>\$9,693,763</u>	<u>100.00%</u>

Business-Type Activities:

Business-type activities (commissary and airport fund) in Jackson County represented 8 percent of the total decline in the net position of Jackson County, Texas of \$107,449. This decrease is attributable to depreciation of \$102,340 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	\$114,562	\$4,342		\$3,577
Jail Commissary	11,458	10,642		
Total Business-Type Activities:	\$126,020	\$14,984	\$0	\$3,577

Revenues by Source - Business-Type Activities

	<u>REVENUES</u>	<u>%</u>
Charges for Services	\$14,984	80.69%
Capital Grants and Contributions	3,577	19.26%
Unrestricted Investment Earnings	10	0.05%
	<u>\$18,571</u>	<u>100.00%</u>

Business-type activities:

Business-type activities decreased the County's net position by \$107,449.

- . Demand for services for business-type activities increased by \$412.
- . Transfers out decreased by \$13,000.
- . Total grant proceeds increased by \$1,258.
- . Total expenses increased by \$4,645.

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 \$6,157,945, a decrease of \$1,234,218 in comparison with the prior year. Approximately 65 percent of this total amount (\$4,008,969) 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 \$4,008,969, while total fund balance reached \$5,071,369. 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 66 percent of that same amount.

The fund balance of Jackson County, Texas' general fund decreased by \$994,339 during the current fiscal year. Key factors in this decrease are as follows: This decrease is attributable to an increase in transfers out of \$913,489.

The road and bridge fund had a total fund balance of \$532,650. 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 decreased by \$169,549 during the current year. Key factors in this decrease are as follows: This decrease is attributable to a decline in revenues of \$106,842.

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, 2016 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 \$9,885. This increase is immaterial. The total general fund actual expenditures of \$7,689,906 were less than the budgeted expenditures of \$8,357,118 by \$667,212.

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, 2016, amounts to \$10,185,130 (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 3.12 percent (2.39 percent decrease for governmental activities and 9.21 percent decrease for business-type activities). The County had no major projects during the year ended September 30, 2016.

JACKSON COUNTY, TEXAS CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$429,877	\$429,877	\$70,254	\$70,254	\$500,131	\$500,131
Construction in Progress	2,318	157,819	0	0	2,318	157,819
Building and Improvements	2,418,716	2,592,354	110,772	120,464	2,529,488	2,712,818
Machinery and Equipment	2,377,744	2,379,269	44,044	48,015	2,421,788	2,427,284
Infrastructure	3,847,078	3,738,780	784,326	873,003	4,631,404	4,611,783
Total	\$9,075,734	\$9,298,100	\$1,009,396	\$1,111,736	\$10,085,130	\$10,409,836

Additional information on Jackson County, Texas' capital assets can be found in note IV C on page 41 and 42 of this report.

Long-term debt:

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

Future Outlook

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$6,310,463	\$2,975	\$6,313,438
Receivables (net of allowance for uncollectibles)	888,908	2,194	891,102
Prepaid Items	69,732	2,327	72,059
Capital assets not being depreciated:			
Land	429,877	70,254	500,131
Construction in Progress	2,318		2,318
Total Capital assets being depreciated, net			
Building and Improvements	2,418,716	110,772	2,529,488
Machinery and Equipment	2,377,744	44,044	2,421,788
Infrastructure	3,847,078	784,326	4,631,404
Total Assets	\$16,344,837	\$1,016,892	\$17,361,729
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow of Resources-Contributions (after 12/31/14)	576,012	0	576,012
Deferred Outflow-Net difference between projected and actual earnings	1,293,959	0	1,293,959
Deferred Outflow-Changes of assumptions	183,395	0	183,395
Total Deferred Outflows of Resources	2,053,366	0	2,053,366
LIABILITIES:			
Accounts Payable	\$200,164	\$1,404	\$201,568
Due to Others	162,133		162,133
Accrued Wages Payables	93,847		93,847
Deferred Revenues	1,900		1,900
Noncurrent Liabilities:			
Due within one year	140,580		140,580
Due in more than one year	2,217,590		2,217,590
Total Liabilities	2,816,214	1,404	2,817,618
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow-Differences between expected and actual experience	217,068	0	217,068
Total Deferred Inflows of Resources	217,068	0	217,068
NET POSITION			
Invested in Capital Assets, Net of Related Debt	9,075,734	1,009,396	10,085,130
Restricted			
Construction	0		0
General Administration	89,045		89,045
Judicial	253,947		253,947
Legal	2,032		2,032
Permanent Improvement	258,408		258,408
Public Safety	111,585		111,585
Public Transportation	518,419		518,419
Unrestricted	5,055,751	6,092	5,061,843
Total Net Position	\$15,364,921	\$1,015,488	\$16,380,409

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016

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	
						Total
Primary government						
Government Activities:						
General Administration	\$1,450,563	\$236,803	\$25,546	\$0	(\$1,188,214)	(\$1,188,214)
Judicial	1,338,006	424,525	27,834		(885,647)	(885,647)
Legal	7,564				(7,564)	(7,564)
Financial Administration	797,128	284,742			(512,386)	(512,386)
Public Facilities	576,423				(576,423)	(576,423)
Public Safety	3,370,462	153,344	239,738		(2,977,380)	(2,977,380)
Public Transportation	2,663,384	591,505	176,750		(1,895,129)	(1,895,129)
Environmental Protection	306,661	124,335			(182,326)	(182,326)
Culture and Recreation	239,750	10,981	7,404		(221,365)	(221,365)
Health and Welfare	99,052				(99,052)	(99,052)
Conservation - Agriculture	75,128				(75,128)	(75,128)
Total Government Activities	10,924,121	1,826,235	477,272	0	(8,620,614)	(8,620,614)
Business-Type Activities:						
Airport	114,562	4,342		3,577	(106,643)	(106,643)
Jail Commissary	11,458	10,642			(816)	(816)
Total Business-Type Activities:	126,020	14,984	0	3,577	(107,459)	(107,459)
Total Primary Government	\$11,050,141	\$1,841,219	\$477,272	\$3,577	(8,620,614)	(8,728,073)
General Revenues						
Property Taxes, Levies for General Purposes					6,227,602	6,227,602
Sales Taxes					891,504	891,504
Other Taxes					46,172	46,172
Unrestricted Investment Earnings					36,737	36,747
Miscellaneous					188,241	188,241
Total General Revenues					7,390,256	7,390,266
Change in Net Position					(1,230,358)	(1,337,807)
Net Position - Beginning - Restated					16,595,279	17,718,216
Net Position - Ending					\$15,364,921	\$16,380,409

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

JACKSON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	General Fund	Road and Bridge	District Clerk Reserve	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$5,050,944	\$538,456	\$167,238	\$553,825	\$6,310,463
Receivables (net of allowance for uncollectibles)	607,371	32,077		16,502	655,950
Prepaid Insurance	53,992	14,557		1,183	69,732
Total Assets	\$5,712,307	\$585,090	\$167,238	\$571,510	\$7,036,145
LIABILITIES AND FUND BALANCES:					
Liabilities					
Accounts Payable	\$143,730	\$35,368	\$5,105	\$15,961	\$200,164
Due to Others			162,133		162,133
Accrued Wages Payable	75,152	17,072		1,623	93,847
Deferred Revenues	1,900				1,900
Total Liabilities	220,782	52,440	167,238	17,584	458,044
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Taxes	420,156				420,156
Fund Balances:					
Non-Spendable					
Prepaid Items	53,992	14,231		1,183	69,406
Restricted					
Construction	750,000			0	750,000
Judicial				253,947	253,947
Legal				2,032	2,032
Permanent Improvement	258,408				258,408
Public Safety				111,585	111,585
Public Transportation		518,419			518,419
Committed					
General Administration				89,045	89,045
Culture and Recreation				41,226	41,226
Health and Welfare				9,012	9,012
Public Safety				45,896	45,896
Unassigned	4,008,969				4,008,969
Total Fund Balance	5,071,369	532,650	0	553,926	6,157,945
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$5,712,307	\$585,090	\$167,238	\$571,510	\$7,036,145

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, 2016

Total Fund Balances - governmental funds balance sheet	\$6,157,945
Amounts reported for governmental activities in the statement of Net Position ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	9,075,734
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,069,256
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds (net of allowance for uncollectibles).	420,156
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(2,358,170)
Net Position of governmental activities - statement of Net Position	<u><u>\$15,364,921</u></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, 2016

	General Fund	Road and Bridge	District Clerk Reserve	Other Governmental Funds	Total Governmental Funds
<i>REVENUES</i>					
Taxes					
Property	\$6,197,672	\$0		\$0	\$6,197,672
Sales	891,504				891,504
Other	46,172				46,172
Intergovernmental	141,548	176,750		159,689	477,987
Licenses and Permits		591,505			591,505
Charges for Services	678,429			165,292	843,721
Fines and Forfeitures	390,797				390,797
Interest	32,308	3,605		824	36,737
Miscellaneous	124,581	46,032		17,628	188,241
Total Revenues	<u>8,503,011</u>	<u>817,892</u>	<u>0</u>	<u>343,433</u>	<u>9,664,336</u>
<i>EXPENDITURES</i>					
Current:					
General Administration	1,321,194			109,374	1,430,568
Judicial	1,328,246			35,227	1,363,473
Legal				7,564	7,564
Financial Administration	821,230				821,230
Public Facilities	468,901				468,901
Public Safety	3,037,583			253,135	3,290,718
Public Transportation		2,830,671			2,830,671
Environmental Protection	311,923				311,923
Culture and Recreation	182,732			9,463	192,195
Health and Welfare	89,594			100	89,694
Conservation - Agriculture	76,949				76,949
Debt Service					
Principal Retirement		14,576			14,576
Interest and Fiscal Charges		92			92
Total Expenditures	<u>7,638,352</u>	<u>2,845,339</u>	<u>0</u>	<u>414,863</u>	<u>10,898,554</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>864,659</u>	<u>(2,027,447)</u>	<u>0</u>	<u>(71,430)</u>	<u>(1,234,218)</u>
<i>OTHER FINANCING SOURCES (USES):</i>					
Operating Transfers In	975,722	2,285,824		1,114	3,262,660
Operating Transfers Out	(2,834,720)	(427,926)		(14)	(3,262,660)
Total Other Financing Sources (Uses)	<u>(1,858,998)</u>	<u>1,857,898</u>	<u>0</u>	<u>1,100</u>	<u>0</u>
Net Changes in Fund Balances	(994,339)	(169,549)	0	(70,330)	(1,234,218)
Fund Balances - Beginning	6,065,708	702,199		624,256	7,392,163
Fund Balances - Ending	<u>\$5,071,369</u>	<u>\$532,650</u>	<u>\$0</u>	<u>\$553,926</u>	<u>\$6,157,945</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, 2016

Net Changes in Fund Balances - total governmental funds (\$1,234,218)

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.	(222,366)
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.	14,165
Deferred Outflow of Resources-Contributions (after 12/31/14). This is the change in these amounts this year.	59,860
Deferred Outflow-Net difference between projected and actual earnings. This is the change in these amounts this year.	1,293,959
Deferred Outflow-Changes of assumptions. This is the change in these amounts this year.	33,308
Deferred Inflow-Differences between expected and actual experience. This is the change in these amounts this year.	104,783
(Increase) decrease in Compensated absences from beginning of period to end of period.	3,873
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	29,930
Net Pension Payable. This is the change in these amounts this year.	(1,313,652)

Change in Net Position of governmental activities - statement of activities (\$1,230,358)

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property	\$6,218,991	\$6,218,991	\$6,200,227	(\$18,764)
Sales	900,000	900,000	886,084	(13,916)
Other	35,810	35,810	48,906	13,096
Intergovernmental	112,542	122,424	143,055	20,631
Charges for Services	594,500	594,500	688,525	94,025
Fines and Forfeitures	426,750	426,750	390,797	(35,953)
Interest	25,403	25,403	32,275	6,872
Miscellaneous	93,100	93,100	129,300	36,200
Total Revenues	8,407,096	8,416,978	8,519,169	102,191

EXPENDITURES

Current:

General Administration				
Commissioners Court	344,764	344,764	344,274	490
County Clerk	398,170	398,170	364,512	33,658
County Judge	185,513	185,513	181,948	3,565
Non-Departmental	564,683	554,658	439,804	114,854
Judicial				
Court Expense	160,200	160,200	144,754	15,446
Criminal District Attorney	494,791	494,791	464,303	30,488
District Clerk	272,017	272,017	260,670	11,347
District Court	77,676	78,908	63,203	15,705
Jury	32,030	32,030	16,911	15,119
Justice of the Peace No. 1	189,714	192,229	189,686	2,543
Justice of the Peace No. 2	183,610	183,610	164,942	18,668
Financial Administration				
County Auditor	299,953	299,953	288,252	11,701
County Treasurer	171,028	171,028	169,360	1,668
Tax Assessor-Collector	383,275	384,398	376,048	8,350
Public Facilities				
County Services Building	245,700	245,700	81,619	164,081
Public Facilities	415,165	414,420	385,000	29,420

(continued)

(continued)

Public Safety				
Adult Probation	2,500	2,500	2,397	103
Civil Defense	43,701	43,701	40,939	2,762
Constable No. 1	86,888	86,888	83,556	3,332
Constable No. 2	91,750	91,750	87,842	3,908
Corrections	1,329,228	1,329,228	1,266,013	63,215
D.P.S./License and Weight	3,480	3,480	2,426	1,054
D.P.S./Troopers	3,600	3,600	2,495	1,105
EMS/Jaws of Life	7,150	7,150	3,750	3,400
Fire	14,250	14,250	9,800	4,450
Permitting and Inspections	68,109	68,109	57,949	10,160
L.N.R.A.	71,607	71,607	66,491	5,116
Sheriff	1,423,065	1,429,685	1,419,469	10,216
T.J.P.C.	32,064	35,427	35,424	3
Environmental Protection				
Sanitation	373,162	373,162	318,111	55,051
Culture and Recreation				
County Library	182,917	188,719	187,851	868
Parks	1,850	1,850	1,742	108
Health and Welfare				
Gulf Bend Mental Health	49,594	49,594	49,594	0
Senior Citizens Center	40,000	40,000	40,000	0
Conservation - Agriculture				
Agriculture Extension Service	101,529	101,529	76,271	25,258
U.S. Soil Conservation	2,500	2,500	2,500	0
Total Expenditures	<u>8,347,233</u>	<u>8,357,118</u>	<u>7,689,906</u>	<u>667,212</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>59,863</u>	<u>59,860</u>	<u>829,263</u>	<u>769,403</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	975,722	975,722	975,722	0
Operating Transfers Out	<u>(2,834,720)</u>	<u>(2,834,720)</u>	<u>(2,834,720)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,858,998)</u>	<u>(1,858,998)</u>	<u>(1,858,998)</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$1,799,135)</u>	<u>(\$1,799,138)</u>	<u>(1,029,735)</u>	<u>\$769,403</u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			(15,463)	
Changes in Prepaid Insurance			(7,205)	
Changes in Accounts Payable			(50,646)	
Changes in Accrued Wages Payable			108,710	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(994,339)</u>	
Fund Balances - Beginning			6,065,708	
Fund Balances - Ending			<u>\$5,071,369</u>	

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

JACKSON COUNTY, TEXAS
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$252,552	\$252,552	\$197,816	(\$54,736)
Licenses and Permits	577,591	577,591	590,595	13,004
Interest	3,000	3,000	3,605	605
Miscellaneous	40,272	40,272	46,032	5,760
Total Revenues	<u>873,415</u>	<u>873,415</u>	<u>838,048</u>	<u>(35,367)</u>
EXPENDITURES				
Current				
Public Transportation	3,489,679	3,458,712	2,868,020	590,692
Total Expenditures	<u>3,489,679</u>	<u>3,458,712</u>	<u>2,868,020</u>	<u>590,692</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(2,616,264)</u>	<u>(2,585,297)</u>	<u>(2,029,972)</u>	<u>555,325</u>
OTHER FINANCING SOURCES (USES):				
Sale of Capital Assets	0	0	0	0
Operating Transfers In	2,275,824	2,275,824	2,285,824	10,000
Operating Transfers Out	(417,926)	(427,926)	(427,926)	0
Total Other Financing Sources (Uses)	<u>1,857,898</u>	<u>1,847,898</u>	<u>1,857,898</u>	<u>10,000</u>
Net Changes in Fund Balances	<u>(\$758,366)</u>	<u>(\$737,399)</u>	<u>(172,074)</u>	<u>\$565,325</u>
Reconciliation from cash basis to modified accrual				
Changes in Officers Fees and Sales Tax Receivable			(20,156)	
Changes in Prepaid Insurance			757	
Loan Payment to General Fund			(14,668)	
Changes in Accounts Payable			11,123	
Changes in Accrued Wages Payable			25,469	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(169,549)</u>	
Fund Balances - Beginning			<u>702,199</u>	
Fund Balances - Ending			<u>\$532,650</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, 2016

	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	\$1,883	\$6,329	\$1,092	\$2,364	\$2,975
Receivables (net of allowance for uncollectibles)	333	2,986	1,861		2,194
Prepaid Insurance	2,327	1,455	0	0	2,327
Total Current Assets	4,543	10,770	2,953	2,364	7,496
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	(889,203)	(786,863)			(889,203)
Total Capital Assets (net of accumulated depreciation)	1,009,396	1,111,736	0	0	1,009,396
Total Noncurrent Assets	1,009,396	1,111,736	0	0	1,009,396
TOTAL ASSETS	\$1,013,939	\$1,122,506	\$2,953	\$2,364	\$1,016,892
LIABILITIES, FUND EQUITY AND OTHER CREDITS					
Liabilities					
Current Liabilities(Payable from Current Assets)					
Accounts Payable	\$0	\$1,933	\$1,404	\$0	\$1,404
Accrued Wages Payable					0
Compensated Absences					0
Total Current Liabilities	0	1,933	1,404	0	1,404
TOTAL LIABILITIES	0	1,933	1,404	0	1,404
Invested in Capital Assets, Net of Related Debt Unrestricted	1,009,396 4,543	1,111,736 8,837			1,009,396 6,092
TOTAL NET POSITION	\$1,013,939	\$1,120,573	\$1,549	\$2,364	\$1,015,488

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, 2016

	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	\$4,342	\$3,983	\$10,642	\$10,589	\$14,984
TOTAL OPERATING REVENUES	4,342	3,983	10,642	10,589	14,984
OPERATING EXPENSES					
Personal Services	0	0			0
Supplies	216	211	9,225	7,544	9,441
Other Services and Charges	12,006	8,777	2,233	1,655	14,239
Depreciation	102,340	103,188			102,340
TOTAL OPERATING EXPENSES	114,562	112,176	11,458	9,199	126,020
OPERATING INCOME (LOSS)	(110,220)	(108,193)	(816)	1,390	(111,036)
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	9	13	1	0	10
TOTAL NON-OPERATING REVENUES (EXPENSES)	9	13	1	0	10
Income Before Transfers	(110,211)	(108,180)	(815)	1,390	(111,026)
Federal Grant	3,577	2,319			3,577
Transfers In	0	(13,000)	0	0	0
Change in Net Position	(106,634)	(118,861)	(815)	1,390	(107,449)
Total Net Position - Beginning - Restated	1,120,573	1,239,434	2,364	974	1,122,937
Total Net Position - Ending	\$1,013,939	\$1,120,573	\$1,549	\$2,364	\$1,015,488

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, 2016

	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	\$6,995	\$4,331	\$8,781	\$10,589	\$15,776
Payments to Suppliers	(15,027)	(7,114)	(10,054)	(9,500)	(25,081)
Payments to Employees	0	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	(8,032)	(2,783)	(1,273)	1,089	(9,305)
Cash Flows from Non-Capital and Related Financing Activities					
Transfers In	0	(13,000)	0	0	0
Net Cash Provided(Used) By Non-Capital and Related Financing Activities	0	(13,000)	0	0	0
Cash Flows from Capital and Related Financing Activities					
State Grant	3,577	2,319	0	0	3,577
Net Cash Provided(Used) By Capital and Related Financing Activities	3,577	2,319	0	0	3,577
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	9	13	1	0	10
Net Cash Provided(Used) By Investing Activities	9	13	1	0	10
Net Increase (Decrease) in Cash Equivalents	(4,446)	(13,451)	(1,272)	1,089	(5,718)
Cash and Cash Equivalents at Beginning of Year	6,329	19,780	2,364	1,275	8,693
Cash and Cash Equivalents at End of Year	\$1,883	\$6,329	\$1,092	\$2,364	\$2,975

(continued)

(continued)

Reconciliation of Operating Income to Net Cash

Provided(Used) By Operating Activities

Operating Income (Loss)	(\$110,220)	(\$108,193)	(\$816)	\$1,390	(\$111,036)
-------------------------	-------------	-------------	---------	---------	-------------

Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

Depreciation	102,340	103,188	0	0	102,340
--------------	---------	---------	---	---	---------

Changes in Current Items

Decrease(Increase) in Accounts Receivable	2,653	348	(1,861)	0	792
---	-------	-----	---------	---	-----

Decrease(Increase) in Prepaid Insurance	(872)	(59)	0	0	(872)
---	-------	------	---	---	-------

Increase(Decrease) in Accounts Payable	(1,933)	1,933	1,404	(301)	(529)
--	---------	-------	-------	-------	-------

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

Increase(Decrease) in Compensated Absences Payable	0	0	0	0	0
--	---	---	---	---	---

Net Cash Provided(Used) by Operating Activities	<u>(\$8,032)</u>	<u>(\$2,783)</u>	<u>(\$1,273)</u>	<u>\$1,089</u>	<u>(\$9,305)</u>
---	------------------	------------------	------------------	----------------	------------------

Noncash Investing, Capital and Financing Activities:

State Grant	<u>\$3,577</u>	<u>\$2,319</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,577</u>
-------------	----------------	----------------	------------	------------	----------------

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, 2016

	Agency Funds	Trust Fund <u>Brackenridge School Fund</u>
ASSETS		
Cash and Cash Equivalents	\$677,692	\$50,000
Receivables (net of allowance for uncollectibles)	2,109	
Total Assets	<u>\$679,801</u>	<u>\$50,000</u>
LIABILITIES		
Accounts Payable	0	0
Due to Others	679,801	0
Total Liabilities	<u>679,801</u>	<u>0</u>
NET POSITION		
Held in Trust-Unexpendable	0	50,000
Held in Trust-Educational Purposes	0	0
Total Net Position	<u>\$0</u>	<u>\$50,000</u>

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

JACKSON COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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

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

JACKSON COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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

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

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

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

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

C. Fiduciary Fund Types

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

D. Assets, Liabilities, and Net Assets or Equity

a. Deposits and Investments

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

b. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to a total of 2 percent of the current outstanding property taxes at September 30, 2016 and 10 percent of the delinquent outstanding property taxes at September 30, 2016. 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, 2016. 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, 2016.

e. Capital Assets

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

Buildings/building improvements	\$5,000
Improvements other than buildings	\$5,000
Infrastructure	\$50,000
Machinery, Equipment, and Other Assets	\$1,000
Leasehold Improvements	\$5,000

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County had no major projects during the year ended September 30, 2016.

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, 2016, 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, 2016, fund balances are composed of the following:

Fund Balances:	
Non-Spendable	
Prepaid Items	\$69,406
Restricted	
Construction	750,000
Judicial	253,947
Legal	2,032
Permanent Improvement	258,408
Public Safety	111,585
Public Transportation	518,419
Committed	
General Administration	89,045
Culture and Recreation	41,226
Health and Welfare	9,012
Public Safety	45,896
Unassigned	<u>4,008,969</u>
Total Fund Balance	<u><u>\$6,157,945</u></u>

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

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

i. Comparative data/reclassifications

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

j. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government only has one item that qualifies for reporting in this category. It is deferred under GASB 68.

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

k. Net position flow assumption

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

II. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$2,358,170 difference are as follows:

GASB 45-Other Post Employment Benefits	\$627,726
GASB 68-Pension Liability	1,589,864
Compensated Absences	<u>140,580</u>
Total	<u>\$2,358,170</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds" report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this 9,075,734 difference are as follows:

Capital Assets Not Being Depreciated	\$432,195
Capital Assets Being Depreciated	20,962,276
Depreciation Expense	(12,318,737)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u>\$9,075,734</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 \$420,156 difference are as follows:

Property Taxes Receivable	\$456,054
Allowance for Doubtful Accounts	<u>(35,898)</u>
Net	<u>\$420,156</u>

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

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds." The details of this \$2,069,256 difference are as follows:

Fines Receivable	\$524,601
Allowance for Doubtful Accounts	(215,641)
Interdepartmental Loan	(76,002)
Deferred Outflow of Resources-Contributions (after 12/31/15)	576,012
Deferred Outflow-Net difference between projected and actual earnings	1,293,959
Deferred Outflow-Changes of assumptions	183,395
Deferred Inflow-Differences between expected and actual experience	<u>(217,068)</u>
Net	<u>\$2,069,256</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 (\$222,366) difference are as follows:

Capital Outlay - Additions - Not Being Depreciated	\$63,577
Capital Outlay - Additions - Being Depreciated	731,114
Capital Outlay - Deletions	(42,018)
Depreciation Expense	(975,039)
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	<u><u>(\$222,366)</u></u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

The final amended budget is used in this report.

The budget should not be exceeded in any expenditure category under State law. Unused appropriations lapse at the end of each year. The County Judge is, by statute, the Budget Officer of the County. He usually requests and relies on the assistance of the County Auditor to prepare the annual budget. After being furnished budget guidelines by the Commissioners' Court, the County Auditor prepares an estimate of revenues and a compilation of requested departmental expenditures and submits this data to the Commissioners' Court. The Commissioners' Court invites various department heads to appear for a hearing concerning the departments' budget requests. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the County Auditor's estimate of revenues and available cash. The final budget can be legally amended by the Commissioners' Court to whatever extent the Court desires as long as the amended figures do not exceed the County Auditor's estimate of revenues and available cash. When the Budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping the members of the Commissioners' Court advised of the condition of the various funds and accounts. The level of control for each legally adopted annual operating budget is the line item. Budgets for all budgeted General and Special Revenue Funds are adopted on a budgetary basis which is not in conformity with generally accepted accounting principles (GAAP). Budgets for the 2016 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, 2016, expenditures did not exceed appropriations in any fund.

C. Deficit fund equity

The county had no deficit fund balances at September 30, 2016.

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, 2016, the government's bank balance of \$6,579,241 was not exposed to custodial credit risk because it was fully insured by the U.S. Government and/or the State of Texas and/or is collateralized with securities held by the pledging financial institution's trust department or agent, in the government's name. The fair market value of the securities pledged is \$17,902,727 and the FDIC coverage is \$276,725.

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, 2016 the local investment pool, Texpool, (approximately 44% of portfolio) was rated AAAM by Standard and Poor's and Texas CLASS (approximately 56% 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 44 percent of the County's investments are in Texpool and 56 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, 2016, the government had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>	<u>Weighted Average</u>
Texpool	\$392,380	Less than 1 year	Less than 1 year
Texas Class	\$508,460	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, 2016 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, 2016 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	Other Governmental Funds	Proprietary Funds	
<u>Receivables</u>					
Ad Valorem Taxes	\$456,054	\$0	\$0	\$0	\$456,054
Sales Tax	76,094				76,094
Fines	524,601				524,601
Intergovernmental	12,439				12,439
Other	22,680	32,077	16,502	2,194	73,453
Gross Receivables	1,091,868	32,077	16,502	2,194	1,142,641
Less: Allowance for Uncollectibles	251,539				251,539
Net Total Receivables	\$840,329	\$32,077	\$16,502	\$2,194	\$891,102

C. Capital Assets

Capital asset activity for the year ended September 30, 2016 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$429,877	\$0	\$0	\$429,877
Construction in Progress	157,819	63,577	219,078	2,318
Total capital assets not being depreciated:	587,696	63,577	219,078	432,195
Capital assets being depreciated:				
Building and Improvements	6,271,262	28,395	15,183	6,284,474
Machinery, Equipment and Vehicles	9,080,455	582,741	271,121	9,392,075
Infrastructure	4,946,671	339,056		5,285,727
Total capital assets being depreciated:	20,298,388	950,192	286,304	20,962,276
Less: Accumulated Depreciation for:				
Building and Improvements	3,678,907	188,757	1,907	3,865,757
Machinery, Equipment and Vehicles	6,701,186	555,524	242,379	7,014,331
Infrastructure	1,207,891	230,758	0	1,438,649
Total Accumulated Depreciation	11,587,984	975,039	244,286	12,318,737
Total Capital Assets Depreciated, Net	8,710,404	(24,847)	42,018	8,643,539
Governmental Activities capital assets, Net	\$9,298,100	\$38,730	\$261,096	\$9,075,734
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	241,982	9,692	0	251,674
Machinery, Equipment and Vehicles	32,630	3,971		36,601
Infrastructure	512,251	88,677		600,928
Total Accumulated Depreciation	786,863	102,340	0	889,203
Total Capital Assets Depreciated, Net	1,041,482	(102,340)	0	939,142
Business Type Activities capital assets, Net	\$1,111,736	(\$102,340)	\$0	\$1,009,396

Construction commitments

The County had no major projects during the year ended September 30, 2016.

Capital asset depreciation for the year ended September 30, 2016 was as follows:

Governmental Activities	
General Administration	\$57,888
Judicial	12,671
Financial Administration	11,064
Public Facilities	152,516
Public Safety	259,022
Public Transportation	365,766
Culture and Recreation	85,897
Health and Welfare	29,988
Conservation - Agriculture	<u>227</u>
Total Depreciation Expense – Governmental Activities	<u>\$975,039</u>
Business-Type Activities	
Culture and Recreation	<u>\$102,340</u>
Total Depreciation Expense – Business-Type Activities	<u>\$102,340</u>

D. Interfund Receivables, Payables, and Transfers

Due to/from other funds:

There were no interfund balances as of September 30, 2016.

There were no advances at September 30, 2016.

The following are transfers for the year ended September 30, 2016.

TRANSFER OUT	TRANSFER IN			TOTAL
	GENERAL FUND	ROAD AND BRIDGE FUND	NON-MAJOR GOVERNMENTAL FUNDS	
GENERAL FUND	\$975,722	\$2,285,824	\$1,100	\$3,262,646
NON-MAJOR GOVERNMENTAL FUNDS			14	14
TOTALS	\$975,722	\$2,285,824	\$1,114	\$3,262,660

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

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

E. Leases Operating Leases:

The government leases equipment under non-cancelable operating leases. Total costs for such leases were \$25,058 for the year ended September 30, 2016. The future minimum lease payments for these leases are as follows:

Year Ending Sept. 30,	<u>Amount</u>
2017	\$25,058
2018	20,922
2019	11,108
2020	717
2021	<u>0</u>
Total	<u>\$57,805</u>

Rent expenditures were \$0 for the year ended September 30, 2016. Sublease rental income was \$0 for the year ended September 30, 2016.

F. Long-Term Debt

The activity for the year ended September 30, 2016, 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	\$276,212	\$1,313,652		\$1,589,864		\$1,589,864
GASB 45 Payable	627,726			627,726		627,726
Compensated Absences	144,453	140,580	144,453	140,580	140,580	0
	<u>\$1,048,391</u>	<u>\$1,454,232</u>	<u>\$144,453</u>	<u>\$2,358,170</u>	<u>\$140,580</u>	<u>\$2,217,590</u>
 Grand Total	 <u>\$1,048,391</u>	 <u>\$1,454,232</u>	 <u>\$144,453</u>	 <u>\$2,358,170</u>	 <u>\$140,580</u>	 <u>\$2,217,590</u>

The general fund and the road and bridge fund are used to service the compensated absences. The estimated amount due in the 2016-17 year is \$140,580.

The government-wide statement of activities includes \$140,580 as "noncurrent liabilities, due within one year".

There was no interest expended in the 2015-2016 year.

The debt included GASB 68 and GASB 45 debt which are both discussed below.

The schedule above does not include a loan from the general fund to the equipment replacement fund No. 3 of \$90,760. This loan is not in the County-wide statements. The commissioner will make payments of \$18,325/year. Interest is 0.35%. The balance at September 30, 2016 is \$76,094.

V. Other Information

A. Risk management

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

Changes in accrued liabilities for these claims follow:

	Year ended <u>09/30/16</u>	Year ended <u>09/30/15</u>
Unpaid claims, beginning of fiscal year	\$ -0-	\$ -0-
Incurred claims (including IBNRs)		
Claim payments	<u>-0-</u>	<u>-0-</u>
Unpaid claims, end of fiscal year	<u>\$ -0-</u>	<u>\$ -0-</u>

1. General Liability Insurance

The County is insured for general, police officers and automobile liability.

The County has joined together with other governments in the Texas Association of Counties Risk Management Pool. The County pays an annual premium to Risk Management for auto vehicle insurance coverage. The agreement with Risk Management provides that Risk Management will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$100,000 to \$300,000 for each insurance event. The County anticipates no contingent losses.

Texas Association of Counties Risk Management Pool has published its own financial report that can be obtained from the Texas Association of Counties Risk Management Pool.

The County continues to carries commercial fidelity bonds for elected officials and for management.

2. Property and Casualty Insurance

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

3. Workers' Compensation Insurance

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

4. Group Health and Life Insurance

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

5. Unemployment Compensation Insurance

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

B. Related Party Transaction

There were no related party transactions requiring disclosure.

C. Subsequent Events

The County received the Marshall Johnson grant in the amount of \$205,000 on March 30, 2017 to purchase two (2) dispatch consoles.

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, 2016.

E. Post Employment Benefits Other than Pension Benefits

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

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

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

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

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

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

The County elected to implement prospectively.

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

Funding Policy and Annual OPEB Cost

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

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

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

Funding status and funding progress

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

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

Actuarial method and assumptions

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

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

Actuarial Methods and Assumptions

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

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

F. Prior Period Adjustments

The County has determined that certain transactions were recorded incorrectly in a prior year.

The County had a prior period adjustment whereby governmental activities Net Assets were increased by \$669 and business-type Net Assets decreased by \$669. The restatement was a result of assets being transferred from the business-type activities to the governmental activities.

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

	Net Assets, as Previously Reported	GASB 68 RESTATEMENT	Net Assets As Restated
Governmental Activities:			
Net Assets	\$16,594,610	\$669	\$16,595,279
Total Governmental Activities	<u>\$16,594,610</u>	<u>\$669</u>	<u>\$16,595,279</u>

	Net Assets, as Previously Reported	GASB 68 RESTATEMENT	Net Assets As Restated
Business-type Activities:			
Net Assets	\$1,123,606	(\$669)	\$1,122,937
Total Business-type Activities	<u>\$1,123,606</u>	<u>(\$669)</u>	<u>\$1,122,937</u>

G. Summary of TCDRS Funding Policy

Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	December 31, 2014	December 31, 2015
Total pension liability	\$20,890,183	\$22,118,660
Fiduciary net position	20,613,970	20,528,796
Net pension liability/(asset)	276,212	1,589,864
Fiduciary net position as a % of total pension liability	98.68%	92.81%
Pensionable covered payroll (1)	\$4,157,786	\$4,313,925
Net pension liability as a % of covered payroll	6.64%	36.85%

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

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

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

Discount Rate

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

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

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

Other Key Actuarial Assumptions

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

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

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

	Beginning Date	Ending Date
Valuation date	Dec. 31, 2014	Dec. 31, 2015
Measurement date	Dec. 31, 2014	Dec. 31, 2015
Employer's fiscal year	October 1, 2015	September 30, 2016

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)
2016	\$20,528,796	\$727,495	\$1,384,123	\$20,529	\$1,635,942	\$21,487,581
2017	21,487,581	674,697	1,398,627	21,488	1,710,892	22,453,055
2018	22,453,055	658,611	1,502,853	22,453	1,784,280	23,370,640
2019	23,370,640	654,048	1,600,425	23,371	1,854,512	24,255,403
2020	24,255,403	656,360	1,685,835	24,255	1,922,842	25,124,516
2021	25,124,516	655,269	1,773,210	25,125	1,989,693	25,971,144
2022	25,971,144	639,522	1,880,772	25,971	2,053,339	26,757,262
2023	26,757,262	631,367	1,988,238	26,757	2,112,392	27,486,026
2024	27,486,026	624,835	2,057,708	27,486	2,168,375	28,194,043
2025	28,194,043	617,710	2,131,235	28,194	2,222,493	28,874,817
2035	32,895,823	270,095	2,710,404	32,896	2,566,347	32,988,966
2045	31,794,624	61,363	2,807,461	31,795	2,465,050	31,481,782
2055	28,103,319	8,860	2,385,882	28,103	2,180,858	27,879,051
2065	29,740,953	248	1,503,983	29,741	2,348,121	30,555,597
2075	46,581,529	0	683,998	46,582	3,744,091	49,595,041
2085	93,621,687	0	182,241	93,622	7,572,402	100,918,226
2095	200,524,963	0	22,748	200,525	16,233,655	216,535,346

* Projection values include no assumption for future cost-of-living adjustments.
 ** Note that only select years have been shown for formatting purposes
 *** Administrative expenses are assumed to be 0.10% of Fiduciary Net Position.

Changes in Net Pension Liability/ (Asset)

Changes in Net Pension Liability/ (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances as of December 31, 2014	\$20,890,183	\$20,613,970	\$276,212
Changes for the year:			
Service cost	497,657		497,657
Interest on total pension liability ⁽¹⁾	1,674,524		1,674,524
Effect of plan changes ⁽²⁾	(65,301)		(65,301)
Effect of economic/demographic gains or losses	(3,334)		(3,334)
Effect of assumptions changes or inputs	244,526		244,526
Refund of contributions	(8,731)	(8,731)	0
Benefit payments	(1,110,863)	(1,110,863)	0
Administrative expenses		(14,775)	14,775
Member contributions		301,975	(301,975)
Net investment income		196,576	(196,576)
Employer contributions		428,369	(428,369)
Other ⁽³⁾	0	122,276	(122,276)
Balances as of December 31, 2015	\$22,118,660	\$20,528,796	\$1,589,864

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

(2) Reflects new annuity purchase rates applicable to all TCORS employers effective January 1, 2018.

(3) Relates to a/location of system-wide items.

Sensitivity Analysis

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

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$24,695,206	\$22,118,660	\$19,950,380
Fiduciary net position	20,528,796	20,528,796	20,528,796
Net pension liability/(asset)	\$4,166,410	\$1,589,864	(\$578,416)

Pension Expense/ (Income)

Pension Expense/ (Income)	January 1, 2015 to December 31, 2015
Service cost	\$497,657
Interest on total pension liability ⁽¹⁾	1,674,524
Effect of plan changes ⁽²⁾	(65,301)
Administrative expenses	14,775
Member contributions	(301,975)
Expected investment return net of investment expenses	(1,673,318)
Recognition of deferred inflows/outflows of resources	
Recognition of economic/demographic gains or losses	(108,117)
Recognition of assumption changes or inputs	61,132
Recognition of investment gains or losses	332,870
Other ⁽³⁾	(122,276)
Pension expense/ (income)	\$309,971

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

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

As of December 31, 2015, 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	\$217,068	\$0
Changes of assumptions	0	183,395
Net difference between projected and actual earnings	0	1,293,959
Contributions made subsequent to measurement date ⁽¹⁾	N/A	Employer determined

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

Year ended December 31:	
2016	\$285,885
2017	285,885
2018	393,168
2019	295,348
2020	0
Thereafter ⁽⁴⁾	0

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

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

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Recognition Period ⁽¹⁾	Amount Recognized in 12/31/2015 Expense ⁽¹⁾	Balance of Deferred Inflows 12/31/2015	Balance of Deferred Outflows 12/31/2015
<i>Investment (gains) or losses</i>						
	\$1,476,742	12/31/2015	5.0	\$295,348	\$0	\$1,181,393
	187,609	12/31/2014	5.0	37,522	0	112,566
<i>Economic/ demographic (gains) or losses</i>						
	(3,334)	12/31/2015	4.0	(834)	2,501	0
	(429,134)	12/31/2014	4.0	(107,284)	214,567	0
<i>Assumption changes or inputs</i>						
	244,526	12/31/2015	4.0	61,132	0	183,395
	0	12/31/2014	4.0	0	0	0

Employer contributions made subsequent to measurement date ⁽²⁾

_____ Employer Determined _____

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

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

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 2015 are shown in the chart on the prior page.
- e. The most recent comprehensive annual financial report for TCDRS can be found at the following link, www.tcdrs.org.

Membership Information

Members	Dec. 31,2014	Dec. 31, 2015
Number of inactive employees entitled to but not yet receiving benefits:	76	74
Number of active employees:	121	121
Average monthly salary*:	\$2,784	\$2,967
Average age*:	47.09	47.08
Average length of service in years*:	11.68	11.21
Inactive Employees (or their Beneficiaries) Receiving Benefits		
Number of benefit recipients:	84	88
Average monthly benefit:	\$1,045	\$1,061

**Averages reported for all active and inactive employees. Average service includes all proportionate service.*

Appendix D-Contributions Made Subsequent to Measurement Date

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

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

An example may help. An employer, with a March 31 fiscal year end, will implement GASB 68 requirements for its fiscal year end March 31, 2016. To transition to the new GASB requirements, the employer will record:

- a beginning NPL determined as of the Dec. 31, 2014 measurement date, and
- a beginning DOoR for pension contributions made after Dec. 31, 2014 through the beginning of the employer's fiscal year, which equates to March 31, 2015.

The employer's Dec. 31, 2014 NPL is computed to be \$1,000,000. The employer's pension contributions made after Dec. 31, 2014 to March 31, 2015 total \$200,000. The initial implementation entry would be:

	Debit	Credit
Net position	\$800,000	
DOoR - Contributions after the measurement date	\$200,000	
Initial NPL		\$1,000,000

Appendix E-Summary of TCDRS Funding Policy

Texas County & District Retirement System Funding Policy

Effective as of the Dec. 31, 2014 valuation

Introduction

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

This policy documents the current funding policies in effect for the Dec. 31, 2015 actuarial valuation as established by state law, administrative rule and action by the TCDRS Board of Trustees (the board). The policy serves as a comprehensive funding overview and complies with the GASB reporting requirements for an agent multiple-employer plan.

TCDRS funding overview

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

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees.
- Investment income funds a large part of the benefits employees earn.

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

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

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

Methodology for determining employer contribution rates

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

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

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

Actuarial cost method

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

Amortization policy

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

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

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

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

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

Asset valuation method

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

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

Actuarial assumptions

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

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

Oversight

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

Review of actuarial assumptions

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

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

Review of employer contribution rates

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

Review and modification of funding policy

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service cost	\$497,657	\$498,637	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	1,674,524	1,613,900	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	(65,301)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	244,526	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(3,334)	(429,134)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(1,119,594)</u>	<u>(928,820)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in total pension liability	1,228,477	754,583	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>20,890,183</u>	<u>20,135,600</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$22,118,660</u>	<u>\$20,890,183</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary Net Position										
Employer contributions	\$428,369	\$418,687	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	301,975	291,045	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	196,576	1,408,935	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,119,594)	(928,820)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(14,775)	(15,556)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
other	<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>	<u>N/A</u>	<u>N/A</u>
Net change in fiduciary net position	(85,174)	794,230	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>20,613,970</u>	<u>19,819,740</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$20,528,795</u>	<u>\$20,613,970</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability/ (asset), ending= (a) - (b)	<u>\$1,589,864</u>	<u>\$276,212</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	92.81%	98.68%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	54,313,925	\$4,157,786	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	36.85%	6.64%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽²⁾	Actual Contribution as a % of Covered Payroll
2006	\$239,891	\$239,891	\$0	\$3,152,317	7.6%
2007	258,067	258,067	0	3,334,193	7.7%
2008	258,275	258,275	0	3,577,211	7.2%
2009	302,175	302,175	0	3,949,998	7.7%
2010	331,062	331,062	0	3,719,799	8.9%
2011	312,071	312,071	0	3,641,428	8.6%
2012	351,529	351,529	0	3,743,664	9.4%
2013	389,073	389,073	0	3,982,357	9.8%
2014	418,687	418,687	0	4,157,786	10.1%
2015	428,369	428,369	0	4,313,925	9.9%

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

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

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	14.0 years (based on contribution rate calculated in 12/31/2015 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career including inflation.
Investment rate of Return	8.00%, net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule*	No changes in plan provisions are reflected in the Schedule of Employer Contributions.

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, 2015 funding valuation (see Appendix C, following, for details), except as noted below and throughout this report. Please see the Jackson County December 31, 2015 Summary Valuation Report for further details.

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

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

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

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, 2015 financial reporting metrics are the same as those used in the December 31, 2015 actuarial valuation analysis for Jackson County.

Following is a description of the assumptions used in the December 31, 2015 actuarial valuation analysis for Jackson County. This information may also be found in the Jackson County December 31, 2015 Summary Valuation Report.

Economic Assumptions

TCDRS system-wide economic assumptions:

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

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

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee. (See Table 1 for Merit Salary Increases.)

Employer-specific economic assumptions:

Growth in membership	0.0%
Payroll growth for funding calculations	3.0%

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

Funding status and funding progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Payroll ((b-a)/c)
9/30/2015	\$0	\$1,968,848	\$1,968,848	00.0%	\$4,341,312	5.35%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - GENERAL FUND
 SEPTEMBER 30, 2016

	General Fund	Permanent Improvement Funds	Total General Funds
ASSETS			
Cash and Cash Equivalents	\$4,118,630	\$932,314	\$5,050,944
Receivables (net of allowance for uncollectibles)	531,277	76,094	607,371
Prepaid Items	53,992		53,992
Due from Other Funds			0
Total Assets	<u>\$4,703,899</u>	<u>\$1,008,408</u>	<u>\$5,712,307</u>
LIABILITIES AND FUND BALANCES:			
Accounts Payable	\$143,730		\$143,730
Accrued Wages Payable	75,152		75,152
Deferred Revenues	1,900		1,900
Total Liabilities	<u>220,782</u>	<u>0</u>	<u>220,782</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	<u>420,156</u>		<u>420,156</u>
Fund Balances:			
Non-Spendable			
Prepaid Items	53,992		53,992
Restricted			
Construction		750,000	750,000
Permanent Improvement		258,408	258,408
Unassigned	4,008,969		4,008,969
Total Fund Balance	<u>4,062,961</u>	<u>1,008,408</u>	<u>5,071,369</u>
Total Liabilities and Fund Balances	<u>\$4,703,899</u>	<u>\$1,008,408</u>	<u>\$5,712,307</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, 2016

	General Fund	Permanent Improvement Funds	Total General Funds
<i>REVENUES</i>			
Taxes			
Property	\$6,197,672		\$6,197,672
Sales	891,504		891,504
Other	46,172		46,172
Intergovernmental	141,548		141,548
Charges for Services	678,429		678,429
Fines and Forfeitures	390,797		390,797
Interest	30,422	1,886	32,308
Miscellaneous	124,581		124,581
Total Revenues	8,501,125	1,886	8,503,011

EXPENDITURES

Current:

General Administration			
Commissioner's Court	335,921		335,921
County Clerk	365,213		365,213
County Judge	178,677		178,677
Election			0
Non-Departmental	441,383		441,383
Judicial			
Court Expense	192,831		192,831
Criminal District Attorney	447,590		447,590
District Clerk	256,041		256,041
District Court	64,083		64,083
Jury	16,911		16,911
Justice of the Peace No. 1	186,673		186,673
Justice of the Peace No. 2	164,117		164,117
Financial Administration			
County Auditor	283,182		283,182
County Treasurer	166,750		166,750
Tax Assessor-Collector	371,298		371,298
Public Facilities			
County Services Building		81,619	81,619
Public Facilities	387,282		387,282
Public Safety			
Adult Probation	2,397		2,397
Ambulance			0
Civil Defense	40,219		40,219
Constable No. 1	82,234		82,234
Constable No. 2	86,689		86,689
Corrections	1,249,238		1,249,238
D.P.S./License and Weight	2,333		2,333
D.P.S./Troopers	2,495		2,495
EMS/Jaws of Life	3,832		3,832
Fire	10,150		10,150
Permitting and Inspections	57,445		57,445
L.N.R.A.	65,111		65,111
Sheriff	1,399,996		1,399,996
T.J.P.C.	35,444		35,444

(continued)

(continued)

Environmental Protection			
Sanitation	311,923		311,923
Culture and Recreation			
County Library	181,509		181,509
Fairgrounds			0
Parks	1,223		1,223
Health and Welfare			
Gulf Bend Mental Health	49,594		49,594
Senior Citizens Center	40,000		40,000
Conservation - Agriculture			
Agriculture Extension Service	74,449		74,449
U.S. Soil Conservation	2,500		2,500
Total Expenditures	<u>7,556,733</u>	<u>81,619</u>	<u>7,638,352</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures	<u>944,392</u>	<u>(79,733)</u>	<u>864,659</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In		975,722	975,722
Operating Transfers Out	<u>(2,834,720)</u>		<u>(2,834,720)</u>
Total Other Financing Sources (Uses)	<u>(2,834,720)</u>	<u>975,722</u>	<u>(1,858,998)</u>
Net Changes in Fund Balances	<u>(1,890,328)</u>	<u>895,989</u>	<u>(994,339)</u>
Fund Balances - Beginning	<u>5,953,289</u>	<u>112,419</u>	<u>6,065,708</u>
Fund Balances - Ending	<u>\$4,062,961</u>	<u>\$1,008,408</u>	<u>\$5,071,369</u>

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET - ROAD AND BRIDGE FUND
 SEPTEMBER 30, 2016

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Bridge Replacement Fund	Highway Fund	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
ASSETS															
Cash and Cash Equivalents	\$56,644	\$72,987	\$45,590	\$85,150	\$56,775	\$4,631					\$14,261	\$104,857	\$38,860	\$58,701	\$538,456
Receivables (net of allowance for uncollectibles)						32,077									32,077
Prepaid Insurance	4,585	2,763	2,848	4,035		326									14,557
Total Assets	\$61,229	\$75,750	\$48,438	\$89,185	\$56,775	\$37,034	\$0	\$0	\$0	\$0	\$14,261	\$104,857	\$38,860	\$58,701	\$585,090
LIABILITIES AND FUND BALANCES:															
Liabilities:															
Accounts Payable	\$6,526	\$3,635	\$2,312	\$22,895											\$35,368
Accrued Wages Payable	4,183	4,595	3,168	5,126											17,072
Total Liabilities	10,709	8,230	5,480	28,021	0	0	0	0	0	0	0	0	0	0	52,440
Fund Balances:															
Non-Spendable															
Prepaid Items	4,585	2,763	2,848	4,035											14,231
Restricted															
Public Transportation	45,935	64,757	40,110	57,129	56,775	37,034					14,261	104,857	38,860	58,701	518,419
Total Fund Balance	50,520	67,520	42,958	61,164	56,775	37,034	0	0	0	0	14,261	104,857	38,860	58,701	532,650
Total Liabilities and Fund Balances	\$61,229	\$75,750	\$48,438	\$89,185	\$56,775	\$37,034	\$0	\$0	\$0	\$0	\$14,261	\$104,857	\$38,860	\$58,701	\$585,090

The accompanying notes are an integral part of this statement.

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - ROAD AND BRIDGE FUNDS
 YEAR ENDED SEPTEMBER 30, 2016

	Road and Bridge No. 1	Road and Bridge No. 2	Road and Bridge No. 3	Road and Bridge No. 4	Bridge Replacement Fund	Highway Fund	Lateral Road No. 1	Lateral Road No. 2	Lateral Road No. 3	Lateral Road No. 4	Equipment Replacement No. 1	Equipment Replacement No. 2	Equipment Replacement No. 3	Equipment Replacement No. 4	Total Road and Bridge
REVENUES															
Intergovernmental						\$155,814	\$5,234	\$5,234	\$5,234	\$5,234					\$176,750
Licenses and Permits						591,505									591,505
Interest	576	627	466	1,169							82	185	60	440	3,605
Miscellaneous	7,127	7,373	6,562	8,044							3,040	13,886			46,032
Total Revenues	7,703	8,000	7,028	9,213	0	747,319	5,234	5,234	5,234	5,234	3,122	14,071	60	440	817,892
EXPENDITURES															
Current:															
Public Transportation															
Road and Bridge	486,396	540,060	395,488	835,319	1,200	341,737	5,234	5,234	5,234	5,234	41,900			167,635	2,830,671
Debt Service															
Principal Retirement													14,576		14,576
Interest and Fiscal Charges													92		92
Total Expenditures	486,396	540,060	395,488	835,319	1,200	341,737	5,234	5,234	5,234	5,234	41,900	0	14,668	167,635	2,845,339
Excess (Deficiency) of Revenues Over (Under)															
Expenditures	(478,693)	(532,060)	(388,460)	(826,106)	(1,200)	405,582	0	0	0	0	(38,778)	14,071	(14,608)	(167,195)	(2,027,447)
OTHER FINANCING SOURCES (USES):															
Operating Transfers In	491,031	539,653	424,362	690,778	50,000						20,000	20,000	30,000	20,000	2,285,824
Operating Transfers Out			(10,000)			(417,926)									(427,926)
Total Other Financing Sources (Uses)	491,031	539,653	414,362	690,778	50,000	(417,926)	0	0	0	0	20,000	20,000	30,000	20,000	1,857,898
Net Changes in Fund Balances	12,338	7,593	25,902	(135,328)	48,800	(12,344)	0	0	0	0	(18,778)	34,071	15,392	(147,195)	(169,549)
Fund Balances - Beginning	38,182	59,927	17,056	196,492	7,975	49,378	0	0	0	0	33,039	70,786	23,468	205,896	702,199
Fund Balances - Ending	\$50,520	\$67,520	\$42,958	\$61,164	\$56,775	\$37,034	\$0	\$0	\$0	\$0	\$14,261	\$104,857	\$38,860	\$58,701	\$532,650

JACKSON COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2016

	SPECIAL REVENUE															
	ABANDONED MOTOR VEHICLES	CHILD ABUSE PREVEN- TION	CHILD WELFARE	COASTAL IMPACT ASSISTANCE	COMMISSARY TELEPHONE	COUNTY CLERK RECORDS MANAGEMENT	COUNTY RECORDS MANAGEMENT	COURTHOUSE SECURITY	DISTRICT ATTORNEY FORFEITURE	DISTRICT ATTORNEY HOT CHECK	DISTRICT CLERK RECORDS MANAGEMENT	ELECTIONS ADMINIS- TRATION	HISTORICAL COMMISSION	JUSTICE COURT TECH	JUVENILE PROBATION DISCRETION	JUVENILE PROBATION
ASSETS																
Cash and Cash Equivalents	\$11,363	\$530	\$9,012	\$4,184	\$38,547	\$76,579	\$9,385	\$57,143	\$247,094	\$7,239	\$6,144	\$1,631	\$32,011	\$3,936	\$587	\$2,132
Receivables (net of allowance for uncollectibles)					7,349				500							8,197
Prepaid Insurance								51				1,121				11
TOTAL ASSETS	\$11,363	\$530	\$9,012	\$4,184	\$45,896	\$76,579	\$9,385	\$57,143	\$247,645	\$7,239	\$6,144	\$1,631	\$33,132	\$3,936	\$587	\$10,340
LIABILITIES AND FUND BALANCES																
Liabilities																
Accounts Payable	\$383							\$1,089	\$62	\$5,207				\$3,489		\$4,531
Accrued Wages Payable									176							1,447
Total Liabilities	383	0	0	0	0	0	0	1,089	238	5,207	0	0	0	3,489	0	5,978
Fund Balances																
Non-Spendable																
Prepaid Insurance									51				1,121			11
Restricted																
General Administration						76,579	9,385					1,631				
Judicial									247,356		6,144			447		
Legal										2,032						
Public Safety	10,980	530		4,184				56,054							587	4,351
Committed																
Culture and Recreation													32,011			
Health and Welfare			9,012													
Public Safety					45,896											
Unassigned																
Total Fund Balances	10,980	530	9,012	4,184	45,896	76,579	9,385	56,054	247,407	2,032	6,144	1,631	33,132	447	587	4,362
TOTAL LIABILITIES AND FUND BALANCES	\$11,363	\$530	\$9,012	\$4,184	\$45,896	\$76,579	\$9,385	\$57,143	\$247,645	\$7,239	\$6,144	\$1,631	\$33,132	\$3,936	\$587	\$10,340

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

SPECIAL REVENUE						
LAW ENFORCEMENT OFFICERS ASSOCIATION	LAW LIBRARY	MAURITZ CAMP FUND	MEDIATION FUND	MEMORIAL LIBRARY	SHERIFF FORFEITURE	NON-MAJOR GOVERNMENTAL FUNDS
\$2,635	\$1,891		\$1,450	\$7,988	\$32,344	\$553,825
					456	16,502
						1,183
\$2,635	\$1,891	\$0	\$1,450	\$7,988	\$32,800	\$571,510
	\$664				\$536	\$15,961
						1,623
0	664	0	0	0	536	17,584
						1,183
			1,450			89,045
						253,947
						2,032
2,635					32,264	111,585
	1,227			7,988		41,226
						9,012
						45,896
						0
2,635	1,227	0	1,450	7,988	32,264	553,926
\$2,635	\$1,891	\$0	\$1,450	\$7,988	\$32,800	\$571,510

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	SPECIAL REVENUE															
	CHILD			COUNTY				DISTRICT		DISTRICT		JUSTICE		JUVENILE		
	ABANDONED MOTOR VEHICLES	ABUSE PREVEN- TION	CHILD WELFARE	COASTAL IMPACT ASSISTANCE	COMMISSARY TELEPHONE	COUNTY RECORDS MANAGEMENT	COUNTY RECORDS MANAGEMENT	COURTHOUSE SECURITY	DISTRICT ATTORNEY FORFEITURE	ATTORNEY HOT CHECK	CLERK RECORDS MANAGEMENT	ELECTIONS ADMINIS- TRATION	HISTORICAL COMMISSION	COURT TECH	PROBATION DISCRETION	JUVENILE PROBATION
REVENUES																
Intergovernmental				\$26,241												\$133,448
Charges for Services	4,440	943			40,454	69,392	8,539	12,862		194	5,876	891		8,084	2,604	
Interest			18						519				67			37
Miscellaneous	5,555								3,213				550			
Total Revenues	9,995	943	18	26,241	40,454	69,392	8,539	12,862	3,732	194	5,876	891	617	8,084	2,604	133,485
EXPENDITURES																
Current:																
General Administration																
Records Management						86,297	20,276				2,677					
Elections												124				
Judicial																
Judicial									23,233					11,994		
Legal																
Check Collection										1						
Law Library																
Public Safety																
Courthouse Security								15,162								
Juvenile Probation															4,000	131,501
Sheriff	7,264	1,500		25,069	61,136											
Culture and Recreation																
Historical Commission													2,114			
Library																
Health and Welfare																
Child Welfare			100													
Total Expenditures	7,264	1,500	100	25,069	61,136	86,297	20,276	15,162	23,233	1	2,677	124	2,114	11,994	4,000	131,501
Excess (Deficiency) of Revenues Over (Under)																
Expenditures	2,731	(557)	(82)	1,172	(20,682)	(16,905)	(11,737)	(2,300)	(19,501)	193	3,199	767	(1,497)	(3,910)	(1,396)	1,984
OTHER FINANCING SOURCES (USES):																
Operating Transfers In				14									1,100			
Operating Transfers Out																
Total Other Financing Sources (Uses)				14	0								1,100			
Net Changes in Fund Balances	2,731	(557)	(82)	1,186	(20,682)	(16,905)	(11,737)	(2,300)	(19,501)	193	3,199	767	(397)	(3,910)	(1,396)	1,984
Fund Balances - Beginning	8,249	1,087	9,094	2,998	66,578	93,484	21,122	58,354	266,908	1,839	2,945	864	33,529	4,357	1,983	2,378
Fund Balances - Ending	\$10,980	\$530	\$9,012	\$4,184	\$45,896	\$76,579	\$9,385	\$56,054	\$247,407	\$2,032	\$6,144	\$1,631	\$33,132	\$447	\$587	\$4,362

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

SPECIAL REVENUE

LAW ENFORCEMENT OFFICERS ASSOCIATION						NON-MAJOR GOVERNMENTAL FUNDS
LAW	MAURITZ					
OFFICERS ASSOCIATION	LAW LIBRARY	CAMP FUND	MEDIATION FUND	MEMORIAL LIBRARY	SHERIFF FORFEITURE	MENTAL FUNDS
						\$159,689
3,588	7,425					165,292
				116	67	824
				7,049	1,261	17,628
3,588	7,425	0	0	7,165	1,328	343,433
						109,250
						124
						35,227
						1
	7,563					7,563
						15,162
3,388					4,115	135,501
						102,472
						2,114
				7,349		7,349
						100
3,388	7,563	0	0	7,349	4,115	414,863
200	(138)	0	0	(184)	(2,787)	(71,430)
						1,114
		(14)				(14)
	0	(14)			0	1,086
200	(138)	(14)	0	(184)	(2,787)	(70,344)
2,435	1,365	14	1,450	8,172	35,051	624,256
\$2,635	\$1,227	\$0	\$1,450	\$7,988	\$32,264	\$553,926

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2016

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$1,092	\$2,364	\$1,092	\$2,364
Receivables (net of allowance for uncollectibles)	1,861		1,861	0
Total Current Assets	<u>2,953</u>	<u>2,364</u>	<u>2,953</u>	<u>2,364</u>
TOTAL ASSETS	<u><u>\$2,953</u></u>	<u><u>\$2,364</u></u>	<u><u>\$2,953</u></u>	<u><u>\$2,364</u></u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Current Liabilities(Payable from Current Assets)				
Accounts Payable	1,404	0	1,404	0
Accrued Wages Payable			0	0
Total Current Liabilities	<u>1,404</u>	<u>0</u>	<u>1,404</u>	<u>0</u>
TOTAL LIABILITIES	<u>1,404</u>	<u>0</u>	<u>1,404</u>	<u>0</u>
Invested in Capital Assets, Net of Related debt				
Unrestricted	1,549	2,364	1,549	2,364
TOTAL NET POSITION	<u><u>\$1,549</u></u>	<u><u>\$2,364</u></u>	<u><u>\$1,549</u></u>	<u><u>\$2,364</u></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, 2016

	JAIL COMMISSARY CURRENT YEAR	JAIL COMMISSARY PRIOR YEAR	TOTALS NON-MAJOR PROPRIETARY CURRENT YEAR	TOTALS NON-MAJOR PROPRIETARY PRIOR YEAR
OPERATING REVENUES:				
Charges for Services	\$10,642	\$10,589	\$10,642	\$10,589
TOTAL OPERATING REVENUES	10,642	10,589	10,642	10,589
OPERATING EXPENSES				
Personal Services			0	0
Supplies	9,225	7,544	9,225	7,544
Other Services and Charges	2,233	1,655	2,233	1,655
Depreciation			0	0
TOTAL OPERATING EXPENSES	11,458	9,199	11,458	9,199
OPERATING INCOME (LOSS)	(816)	1,390	(816)	1,390
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	1	0	1	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	1	0	1	0
Income Before Transfers	(815)	1,390	(815)	1,390
Transfers In			0	0
Change in Net Position	(815)	1,390	(815)	1,390
Total Net Position - Beginning	2,364	974	2,364	974
Total Net Position - Ending	\$1,549	\$2,364	\$1,549	\$2,364

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, 2016

	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	\$8,781	\$10,589	\$8,781	\$10,589
Payments to Suppliers	(10,054)	(9,500)	(10,054)	(9,500)
Payments to Employees	0	0	0	0
Net Cash Provided(Used) By Operating Activities:	(1,273)	1,089	(1,273)	1,089
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	1	0	1	0
Net Cash Provided(Used) By Investing Activities	1	0	1	0
Net Increase (Decrease) in Cash Equivalents	(1,272)	1,089	(1,272)	1,089
Cash and Cash Equivalents at Beginning of Year	2,364	1,275	2,364	1,275
Cash and Cash Equivalents at End of Year (continued)	\$1,092	\$2,364	\$1,092	\$2,364

(continued)

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

Operating Income (Loss)	(\$816)	\$1,390	(\$816)	\$1,390
-------------------------	---------	---------	---------	---------

Adjustments to Reconcile to Net Cash Flow

Non-Cash Items Included in Net Income

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

Changes in Current Items

Decrease(Increase) in Accounts Receivable	(1,861)		(1,861)	0
Increase(Decrease) in Accounts Payable	1,404	(301)	1,404	(301)
Increase(Decrease) in Accrued Wages Payable	0	0	0	0

Net Cash Provided(Used) by Operating Activities	<u>(\$1,273)</u>	<u>\$1,089</u>	<u>(\$1,273)</u>	<u>\$1,089</u>
--	------------------	----------------	------------------	----------------

Noncash Investing, Capital and Financing Activities:

Borrowing from Capital Debt	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
-----------------------------	------------	------------	------------	------------

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, 2016

	Agency Funds				Total
	Trust Investment	State Fees	County-Wide Drainage District	County Officer Accounts	
ASSETS					
Cash and Cash Equivalents	\$76,030	\$107,227	\$0	\$494,435	\$677,692
Receivables (net of allowance for uncollectibles)	0	0	2,109	0	2,109
Total Assets	\$76,030	\$107,227	\$2,109	\$494,435	\$679,801
LIABILITIES					
Accounts Payable			\$2,109		\$0
Due to Others	76,030	107,227	0	494,435	679,801
Total Liabilities	\$76,030	\$107,227	\$2,109	\$494,435	\$679,801

JACKSON COUNTY, TEXAS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>TRUST INVESTMENT</u>			BALANCE 9/30/2016
	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	
ASSETS				
Cash and Cash Equivalents	\$104,708	\$0	\$28,678	\$76,030
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$104,708	\$0	\$28,678	\$76,030

LIABILITIES:				
Accounts Payable				
Due to Others	\$104,708	\$0	\$28,678	\$76,030
Total Liabilities	\$104,708	\$0	\$28,678	\$76,030

	<u>STATE FEES</u>			BALANCE 9/30/2016
	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	
ASSETS				
Cash and Cash Equivalents	\$82,366	\$24,861	\$0	\$107,227
Receivables (net of allowance for uncollectibles)				0
Total Assets	\$82,366	\$24,861	\$0	\$107,227

LIABILITIES:				
Accounts Payable				
Due to Others	\$82,366	\$24,861	\$0	\$107,227
Total Liabilities	\$82,366	\$24,861	\$0	\$107,227

	<u>COUNTY-WIDE DRAINAGE DISTRICT</u>			BALANCE 9/30/2016
	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	
ASSETS				
Cash and Cash Equivalents	\$0	\$1,209,052	\$1,209,052	\$0
Receivables (net of allowance for uncollectibles)	2,523	2,109	2,523	2,109
Total Assets	\$2,523	\$1,211,161	\$1,211,575	\$2,109

LIABILITIES:				
Accounts Payable	\$2,523	\$2,109	\$2,523	\$2,109
Due to Others	0	1,209,052	1,209,052	0
Total Liabilities	\$2,523	\$1,211,161	\$1,211,575	\$2,109

<u>COUNTY OFFICER ACCOUNTS</u>	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
ASSETS				
Cash and Cash Equivalents	\$535,935	\$0	\$41,500	\$494,435
Receivables (net of allowance for uncollectibles)				0
Total Assets	<u>\$535,935</u>	<u>\$0</u>	<u>\$41,500</u>	<u>\$494,435</u>

LIABILITIES:				
Accounts Payable				
Due to Others	\$535,935	\$0	\$41,500	\$494,435
Total Liabilities	<u>\$535,935</u>	<u>\$0</u>	<u>\$41,500</u>	<u>\$494,435</u>

<u>TOTAL</u>	BALANCE 10/1/2015	ADDITIONS	DEDUCTIONS	BALANCE 9/30/2016
ASSETS				
Cash and Cash Equivalents	\$723,009	\$1,233,913	\$1,279,230	\$677,692
Receivables (net of allowance for uncollectibles)	2,523	2,109	2,523	2,109
Total Assets	<u>\$725,532</u>	<u>\$1,236,022</u>	<u>\$1,281,753</u>	<u>\$679,801</u>

LIABILITIES:				
Accounts Payable	\$2,523	\$2,109	\$2,523	\$2,109
Due to Others	723,009	1,233,913	1,279,230	677,692
Total Liabilities	<u>\$725,532</u>	<u>\$1,236,022</u>	<u>\$1,281,753</u>	<u>\$679,801</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$940	\$940	\$4,440	\$3,500
Miscellaneous	4,000	4,000	5,555	1,555
Total Revenues	<u>4,940</u>	<u>4,940</u>	<u>9,995</u>	<u>5,055</u>
EXPENDITURES				
Current				
Public Safety	10,998	10,998	6,982	4,016
Total Expenditures	<u>10,998</u>	<u>10,998</u>	<u>6,982</u>	<u>4,016</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,058)</u>	<u>(6,058)</u>	<u>3,013</u>	<u>9,071</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>(\$6,058)</u>	<u>(\$6,058)</u>	<u>\$3,013</u>	<u>\$9,071</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			<u>(282)</u>	
Net Changes in Fund Balances-Modified Accrual Basis			2,731	
Fund Balances - Beginning			8,249	
Fund Balances - Ending			<u>\$10,980</u>	

JACKSON COUNTY, TEXAS
 CHILD ABUSE PREVENTION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$1,000	\$1,000	\$943	(\$57)
Total Revenues	1,000	1,000	943	(57)
EXPENDITURES				
Current				
Public Safety	1,500	1,500	1,500	0
Total Expenditures	1,500	1,500	1,500	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	(500)	(557)	(57)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(500)	(500)	(557)	(57)
Fund Balances - Beginning	1,087	1,087	1,087	0
Fund Balances - Ending	\$587	\$587	\$530	(\$57)

JACKSON COUNTY, TEXAS
 COASTAL IMPACT ASSISTANCE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$9,200	\$28,092	\$26,977	(\$1,115)
Total Revenues	9,200	28,092	26,977	(1,115)
EXPENDITURES				
Current				
Culture and Recreation	12,429	31,321	25,299	6,022
Total Expenditures	12,429	31,321	25,299	6,022
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,229)	(3,229)	1,678	4,907
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	14	14
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	14	14
Net Changes in Fund Balances	(3,229)	(3,229)	1,692	4,921
Reconciliation from cash basis to modified accrual:				
Changes in Grants Receivable			(736)	
Changes in Accounts Payable			230	
Net Changes in Fund Balances - Modified Accrual Basis			1,186	
Fund Balances - Beginning			2,998	
Fund Balances - Ending			\$4,184	

JACKSON COUNTY, TEXAS
CHILD WELFARE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$20	\$20	\$18	(\$2)
Miscellaneous				0
Total Revenues	20	20	18	(2)
EXPENDITURES				
Current				
Health and Welfare	2,500	2,500	100	2,400
Total Expenditures	2,500	2,500	100	2,400
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,480)	(2,480)	(82)	2,398
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	(2,480)	(2,480)	(82)	2,398
Fund Balances - Beginning	9,094	9,094	9,094	0
Fund Balances - Ending	\$6,614	\$6,614	\$9,012	\$2,398

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$48,000	\$48,000	\$41,910	(\$6,090)
Total Revenues	<u>48,000</u>	<u>48,000</u>	<u>41,910</u>	<u>(6,090)</u>
EXPENDITURES				
Current				
Public Safety	98,225	98,225	61,632	36,593
Total Expenditures	<u>98,225</u>	<u>98,225</u>	<u>61,632</u>	<u>36,593</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(50,225)</u>	<u>(50,225)</u>	<u>(19,722)</u>	<u>30,503</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$50,225)</u>	<u>(\$50,225)</u>	<u>(19,722)</u>	<u>\$30,503</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			(1,456)	
Decrease(Increase) in Prepaid Insurance			<u>496</u>	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(20,682)</u>	
Fund Balances - Beginning			<u>66,578</u>	
Fund Balances - Ending			<u>\$45,896</u>	

JACKSON COUNTY, TEXAS
COUNTY CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$60,700	\$60,700	\$69,392	\$8,692
Interest				0
Total Revenues	<u>60,700</u>	<u>60,700</u>	<u>69,392</u>	<u>8,692</u>
EXPENDITURES				
Current				
General Administration	96,131	96,131	86,891	9,240
Total Expenditures	<u>96,131</u>	<u>96,131</u>	<u>86,891</u>	<u>9,240</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(35,431)</u>	<u>(35,431)</u>	<u>(17,499)</u>	<u>17,932</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances - Cash Basis	<u>(\$35,431)</u>	<u>(\$35,431)</u>	<u>(\$17,499)</u>	<u>\$17,932</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			150	
Changes in Accounts Payable			444	
Net Changes in Fund Balances-Modified Accrual Basis			<u>(16,905)</u>	
Fund Balances - Beginning			<u>93,484</u>	
Fund Balances - Ending			<u>\$76,579</u>	

JACKSON COUNTY, TEXAS
COUNTY RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$8,000	\$8,000	\$8,539	\$539
Total Revenues	8,000	8,000	8,539	539
EXPENDITURES				
Current				
General Administration	27,481	27,481	20,276	7,205
Total Expenditures	27,481	27,481	20,276	7,205
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,481)	(19,481)	(11,737)	7,744
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$19,481)</u>	<u>(\$19,481)</u>	<u>(\$11,737)</u>	<u>\$7,744</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			(11,737)	
Fund Balances - Beginning			21,122	
Fund Balances - Ending			<u>\$9,385</u>	

JACKSON COUNTY, TEXAS
 COURTHOUSE SECURITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$13,544	\$13,544	\$12,862	(\$682)
Total Revenues	13,544	13,544	12,862	(682)
EXPENDITURES				
Current				
Public Safety	50,628	50,628	14,105	36,523
Total Expenditures	50,628	50,628	14,105	36,523
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,084)	(37,084)	(1,243)	35,841
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$37,084)</u>	<u>(\$37,084)</u>	<u>(\$1,243)</u>	<u>\$35,841</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			(1,057)	
Changes in Accrued Wages Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>(2,300)</u>	
Fund Balances - Beginning			58,354	
Fund Balances - Ending			<u>56,054</u>	

JACKSON COUNTY, TEXAS
DISTRICT ATTORNEY FORFEITURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$450	\$450	\$519	\$69
Miscellaneous	2,500	2,500	3,213	713
Total Revenues	<u>2,950</u>	<u>2,950</u>	<u>3,732</u>	<u>782</u>
EXPENDITURES				
Current				
Judicial	31,377	31,377	23,321	8,056
Total Expenditures	<u>31,377</u>	<u>31,377</u>	<u>23,321</u>	<u>8,056</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28,427)</u>	<u>(28,427)</u>	<u>(19,589)</u>	<u>8,838</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$28,427)</u>	<u>(\$28,427)</u>	<u>(\$19,589)</u>	<u>\$8,838</u>
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			(4)	
Changes in Accounts Payable			(62)	
Changes in Accrued Wages Payable			154	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(19,501)</u>	
Fund Balances - Beginning			266,908	
Fund Balances - Ending			<u>\$247,407</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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget -
				Positive (Negative)
REVENUES				
Charges for Services	\$1,100	\$1,100	\$1,501	\$401
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>1,501</u>	<u>401</u>
EXPENDITURES				
Current				
Judicial	1,677	1,677	2	1,675
Total Expenditures	<u>1,677</u>	<u>1,677</u>	<u>2</u>	<u>1,675</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(577)</u>	<u>(577)</u>	<u>1,499</u>	<u>2,076</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u><u>(\$577)</u></u>	<u><u>(\$577)</u></u>	<u>1,499</u>	<u><u>\$2,076</u></u>
Reconciliation from cash basis to modified accrual basis:				
Changes in Officers Fees and Sales Tax Receivable			(1,306)	
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>193</u>	
Fund Balances - Beginning			<u>1,839</u>	
Fund Balances - Ending			<u><u>\$2,032</u></u>	

JACKSON COUNTY, TEXAS
DISTRICT CLERK RECORDS MANAGEMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$4,950	\$4,950	\$5,876	\$926
Total Revenues	4,950	4,950	5,876	926
EXPENDITURES				
Current				
General Administration	3,600	3,600	2,677	923
Total Expenditures	3,600	3,600	2,677	923
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,350	1,350	3,199	1,849
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	1,350	1,350	3,199	1,849
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			3,199	
Fund Balances - Beginning			2,945	
Fund Balances - Ending			\$6,144	

JACKSON COUNTY, TEXAS
 ELECTION ADMINISTRATION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget -
				Positive (Negative)
REVENUES				
Charges for Services	\$800	\$800	\$891	\$91
Total Revenues	800	800	891	91
EXPENDITURES				
Current				
General Administration	1,664	1,664	124	1,540
Total Expenditures	1,664	1,664	124	1,540
Excess (Deficiency) of Revenues Over (Under) Expenditures	(864)	(864)	767	1,631
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(864)</u>	<u>(864)</u>	767	<u>1,631</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			0	
Net Changes in Fund Balances - Modified Accrual Basis			767	
Fund Balances - Beginning			864	
Fund Balances - Ending			<u>\$1,631</u>	

JACKSON COUNTY, TEXAS
HISTORICAL COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$30	\$30	\$66	\$36
Miscellaneous	100	100	550	450
Total Revenues	130	130	616	486
EXPENDITURES				
Current				
Culture and Recreation	31,100	31,100	2,457	28,643
Total Expenditures	31,100	31,100	2,457	28,643
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,970)	(30,970)	(1,841)	29,129
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	1,100	1,100	1,100	0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	1,100	1,100	1,100	0
Net Changes in Fund Balances	(\$29,870)	(\$29,870)	(\$741)	\$29,129
Reconciliation from cash basis to modified accrual:				
Changes in Prepaid Insurance			344	
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			(397)	
Fund Balances - Beginning			33,529	
Fund Balances - Ending			\$33,132	

JACKSON COUNTY, TEXAS
 JUSTICE COURT TECHNOLOGY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$9,400	\$9,400	\$8,084	(\$1,316)
Total Revenues	9,400	9,400	8,084	(1,316)
EXPENDITURES				
Current				
Judicial	10,559	10,559	8,505	2,054
Total Expenditures	10,559	10,559	8,505	2,054
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,159)	(1,159)	(421)	738
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$1,159)</u>	<u>(\$1,159)</u>	<u>(\$421)</u>	<u>\$738</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable			(3,489)	
Net Changes in Fund Balances - Modified Accrual Basis			(3,910)	
Fund Balances - Beginning			4,357	
Fund Balances - Ending			<u>\$447</u>	

JACKSON COUNTY, TEXAS
 JUVENILE PROBATION DISCRETION
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$2,700	\$2,700	2,604	(\$96)
Total Revenues	<u>2,700</u>	<u>2,700</u>	<u>2,604</u>	<u>(\$96)</u>
EXPENDITURES				
Current				
Public Safety	4,000	4,000	4,000	0
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,300)</u>	<u>(1,300)</u>	<u>(1,396)</u>	<u>(96)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$1,300)</u>	<u>(\$1,300)</u>	<u>(\$1,396)</u>	<u>(\$96)</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			0	
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>(1,396)</u>	
Fund Balances - Beginning			<u>\$1,983</u>	
Fund Balances - Ending			<u>\$587</u>	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$124,251	\$124,251	\$125,251	\$1,000
Interest	25	25	37	12
Total Revenues	<u>124,276</u>	<u>124,276</u>	<u>125,288</u>	<u>1,012</u>
EXPENDITURES				
Current				
Public Safety	131,751	132,751	131,683	1,068
Total Expenditures	<u>131,751</u>	<u>132,751</u>	<u>131,683</u>	<u>1,068</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,475)</u>	<u>(8,475)</u>	<u>(6,395)</u>	<u>2,080</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$7,475)</u>	<u>(\$8,475)</u>	<u>(6,395)</u>	<u>\$2,080</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable			8,197	
Changes in Prepaid Insurance			(44)	
Changes in Accounts Payable			(1,780)	
Changes in Accrued Wages Payable			2,006	
Net Changes in Fund Balances - Modified Accrual Basis			<u>1,984</u>	
Fund Balances - Beginning			2,378	
Fund Balances - Ending			<u>\$4,362</u>	

JACKSON COUNTY, TEXAS
LAW ENFORCEMENT OFFICERS EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - (CASH BASIS) - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$3,492	\$3,576	\$3,588	\$12
Total Revenues	3,492	3,576	3,588	12
EXPENDITURES				
Current				
Public Safety	5,625	5,709	3,388	2,321
Total Expenditures	5,625	5,709	3,388	2,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,133)	(2,133)	200	2,333
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	(2,133)	(2,133)	200	2,333
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			200	
Fund Balances - Beginning			2,435	
Fund Balances - Ending			\$2,635	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Charges for Services	\$7,400	\$7,400	\$7,425	\$25
Total Revenues	7,400	7,400	7,425	25
EXPENDITURES				
Current				
Legal	8,550	8,550	6,899	1,651
Total Expenditures	8,550	8,550	6,899	1,651
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,150)	(1,150)	526	1,676
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	<u>(\$1,150)</u>	<u>(\$1,150)</u>	\$526	<u>\$1,676</u>
Reconciliation from cash basis to modified accrual:				
Changes in Officers Fees and Sales Tax Receivable				
Changes in Accounts Payable			(664)	
Net Changes in Fund Balances - Modified Accrual Basis			(138)	
Fund Balances - Beginning			1,365	
Fund Balances - Ending			<u>\$1,227</u>	

JACKSON COUNTY, TEXAS
 MAURITZ CAMP
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest				\$0
Miscellaneous				0
Total Revenues	0	0	0	0
EXPENDITURES				
Current				
Public Safety				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out	0	0	(14)	(14)
Total Other Financing Sources (Uses)	0	0	(14)	(14)
Net Changes in Fund Balances	0	0	(14)	(14)
Fund Balances - Beginning	14	14	14	0
Fund Balances - Ending	\$14	\$14	\$0	(\$14)

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$80	\$80	116	\$36
Miscellaneous	6,000	6,000	7,049	1,049
Total Revenues	<u>6,080</u>	<u>6,080</u>	<u>7,165</u>	<u>1,085</u>
EXPENDITURES				
Current				
Culture and Recreation	7,800	8,800	7,349	1,451
Total Expenditures	<u>7,800</u>	<u>8,800</u>	<u>7,349</u>	<u>1,451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,720)</u>	<u>(2,720)</u>	<u>(184)</u>	<u>2,536</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(1,720)</u>	<u>(2,720)</u>	<u>(184)</u>	<u>2,536</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Payable				
Net Changes in Fund Balances - Modified Accrual Basis			<u>(184)</u>	
Fund Balances - Beginning			<u>8,172</u>	
Fund Balances - Ending			<u>\$7,988</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Interest	\$50	\$50	\$67	\$17
Miscellaneous	0	0	1,261	1,261
Total Revenues	<u>50</u>	<u>50</u>	<u>1,328</u>	<u>1,278</u>
EXPENDITURES				
Current				
Public Safety	4,063	4,493	3,579	914
Total Expenditures	<u>4,063</u>	<u>4,493</u>	<u>3,579</u>	<u>914</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,013)</u>	<u>(4,443)</u>	<u>(2,251)</u>	<u>2,192</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In				0
Operating Transfers Out				0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	<u>(\$4,013)</u>	<u>(\$4,443)</u>	<u>(2,251)</u>	<u>\$2,192</u>
Reconciliation from cash basis to modified accrual:				
Changes in Accounts Receivable				
Changes in Accounts Payable			(536)	
Net Changes in Fund Balances - Modified Accrual Basis			<u>(2,787)</u>	
Fund Balances - Beginning			35,051	
Fund Balances - Ending			<u>\$32,264</u>	